

# Public Agenda Pack



Notice of Meeting of

## **EXECUTIVE**

**Monday, 15 January 2024 at 10.00 am**

**John Meikle Room, The Deane House Taunton  
TA1 1HE**

To: The members of the Executive

Chair: Councillor Bill Revans

Vice-chair: Councillor Liz Leyshon

Councillor Theo Butt Philip

Councillor Dixie Darch

Councillor Heather Shearer

Councillor Richard Wilkins

Councillor Adam Dance

Councillor Dean Ruddle

Councillor Federica Smith-Roberts

Councillor Ros Wyke

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For further information about the meeting, including how to join the meeting virtually, please contact Democratic Services [democraticservicesteam@somerset.gov.uk](mailto:democraticservicesteam@somerset.gov.uk).

All members of the public are welcome to attend our meetings and ask questions or make a statement **by giving advance notice** in writing or by e-mail to the Monitoring Officer at email: [democraticservicesteam@somerset.gov.uk](mailto:democraticservicesteam@somerset.gov.uk) by **5pm on Tuesday, 9 January 2024**.

This meeting will be open to the public and press, subject to the passing of any resolution under the Local Government Act 1972, Schedule 12A: Access to Information.

The meeting will be webcast and an audio recording made.

Issued by (the Proper Officer) on Friday, 5 January 2024

# **AGENDA**

**Executive - 10.00 am Monday, 15 January 2024**

**Public Guidance Notes contained in Agenda Annexe (Pages 7 - 8)**

**Click here to join the online meeting (Pages 9 - 10)**

## **1 Apologies for Absence**

To receive any apologies for absence.

## **2 Minutes from the Previous Meeting 6 December 2023 (Pages 11 - 42)**

To approve the minutes from the previous meeting.

## **3 Declarations of Interest**

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

(The other registrable interests of Councillors of Somerset Council, arising from membership of City, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes: [City, Town & Parish Twin Hatters - Somerset Councillors 2023](#) )

#### **4 Public Question Time**

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

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

We are now live webcasting most of our committee meetings and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, please see details under 'click here to join online meeting'.

#### **5 Executive Forward Plan**

To note the latest Executive Forward Plan of planned key decisions that have been published on the Council's website.

[Click here to access - Executive Forward Plan](#)

#### **6 2023/24 General Fund Budget Monitoring Report - Month 7 - End of October 2023 (Pages 43 - 98)**

To consider the report.

#### **7 2024/25 Budget and Somerset Council Vision update (Pages 99 - 178)**

To consider the report.

#### **8 Asset and Service Devolution Framework (Pages 179 - 210)**

To consider the report.

#### **9 Sign off of Equality Objectives and Action Plan from EFLG Peer Challenge (Pages 211 - 242)**

To consider the report.

## **10 Somerset Strategic Migration Board (Pages 243 - 254)**

To consider the report.

### **Exclusion of Press and Public**

**PLEASE NOTE:** Although the main report for this item not confidential, supporting appendices available to Members contain exempt information and are therefore marked confidential – not for publication. At any point if Members wish to discuss information within this appendix then the Council will be asked to agree the following resolution to exclude the press and public:

### **Exclusion of the Press and Public**

To consider passing a resolution having been duly proposed and seconded under Schedule 12A of the Local Government Act 1972 to exclude the press and public from the meeting, on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, within the meaning of Schedule 12A to the Local Government Act 1972:

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

## **11 Decision to award contracts for Early Help and Prevention Services in Somerset (Pages 255 - 300)**

To consider the report.

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## Guidance notes for the meeting

### Council Public Meetings

The legislation that governs Council meetings requires that committee meetings are held face-to-face. The requirement is for members of the committee and key supporting officers (report authors and statutory officers) to attend in person, along with some provision for any public speakers. Provision will be made wherever possible for those who do not need to attend in person including the public and press who wish to view the meeting to be able to do so virtually.

#### Inspection of Papers

Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at

[democraticserviceteam@somerset.gov.uk](mailto:democraticserviceteam@somerset.gov.uk) or telephone 01823 357628.

They can also be accessed via the council's website on [Committee structure - Modern Council \(somerset.gov.uk\)](#)

### Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be viewed at: [Code of Conduct](#)

### Minutes of the Meeting

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting.

### Public Question Time

If you wish to speak or ask a question about any matter on the Committee's agenda please contact Democratic Services by 5pm providing 3 clear working days before the meeting. (for example, for a meeting being held on a Wednesday, the deadline will be 5pm on the Thursday prior to the meeting) Email

[democraticserviceteam@somerset.gov.uk](mailto:democraticserviceteam@somerset.gov.uk) or telephone 01823 357628.

Members of public wishing to speak or ask a question will need to attend in person or if unable can submit their question or statement in writing for an officer to read out, or alternatively can attend the meeting online.

A 20-minute time slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been agreed. Each speaker will have 3 minutes to address the committee.

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish. If an item on the agenda is contentious, with many people wishing to attend the meeting, a representative should be nominated to present the views of a group.

### **Meeting Etiquette for participants**

Only speak when invited to do so by the Chair.

Mute your microphone when you are not talking.

Switch off video if you are not speaking.

Speak clearly (if you are not using video then please state your name)

If you're referring to a specific page, mention the page number.

There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

### **Exclusion of Press & Public**

If when considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask participants to leave the meeting when any exempt or confidential information is about to be discussed.

### **Recording of meetings**

The Council supports the principles of openness and transparency. It allows filming, recording, and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting.



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Minutes of a Meeting of the Executive held in the Council Chamber, Council Offices, Cannards Grave Road, Shepton Mallet BA4 5BT, on Wednesday, 6 December 2023 at 10.00 am

**Present:**

Cllr Bill Revans (Chair)  
Cllr Liz Leyshon (Vice-Chair)

Cllr Theo Butt Philip  
Cllr Tessa Munt  
Cllr Ros Wyke

Cllr Dixie Darch  
Cllr Federica Smith-Roberts

**In attendance:**

Cllr Steve Ashton  
Cllr Martin Lovell  
Cllr Heather Shearer  
Cllr Richard Wilkins

Cllr David Fothergill  
Cllr Oliver Patrick  
Cllr Sarah Wakefield  
Cllr David Woan

**Other Members present remotely:**

Cllr Norman Cavill  
Cllr Tom Deakin  
Cllr Andy Dingwall  
Cllr Helen Kay  
Cllr Andy Kendall  
Cllr Tony Lock  
Cllr Frances Nicholson  
Cllr Faye Purbrick  
Cllr Diogo Rodrigues  
Cllr Mike Stanton  
Cllr Gwil Wren

Cllr Mandy Chilcott  
Cllr Dawn Denton  
Cllr John Hunt  
Cllr Val Keitch  
Cllr Marcus Kravis  
Cllr Dave Mansell  
Cllr Sue Osborne  
Cllr Leigh Redman  
Cllr Jo Roundell Greene  
Cllr Rosemary Woods

The Chair thanked Somerset Council colleagues and partner organisations for their incredible hard work throughout the ongoing exceptional weather situation.

The Lead Member for Transport and Digital, Cllr Mike Rigby, provided an update on the road situation, road closures and floodgate closures across the County, including that 425 separate incidents that had been attended on 4 December 2023, the revised Environmental Agency flooding intervention trigger points for the Somerset Levels and the communication with Town, City and Parish Councils and partners.

The Chief Executive, Duncan Sharkey, further advised of the activation meetings with partners and the potential of a worsening weather situation.

**69 Apologies for Absence** - Agenda Item 1

Apologies were received from Cllr Adam Dance, Cllr Mike Rigby (in virtual attendance), Cllr Dean Ruddle.

**70 Minutes from the Previous Meeting** - Agenda Item 2

The minutes of the Executive meeting held on 8 November 2023 were agreed upon and signed by the Chair.

**71 Declarations of Interest** - Agenda Item 3

Theo Butt-Philip - Wells City Council  
Adam Dance - South Petherton Parish Council  
Mike Rigby - Bishop's Lydeard and Cothelstone Parish Council  
Dean Ruddle - Somerton Town Council  
Federica Smith-Roberts - Taunton Town Council  
Ros Wyke - Westbury-sub-Mendip Parish Council

**72 Public Question Time** - Agenda Item 4

Public Questions relate to 2024/25 General Fund Revenue Budget & Capital Programme update - Agenda Item 11 and received from:

Nigel Behan  
Helen Eccles  
Neil Guild  
Alison Hann  
Robin Horton  
Tom Kennedy-Hughes

Max Lester  
David Redgewell  
Paul Windsor  
Susannah Clemence

All questions were considered under the relevant agenda item. The questions and responses provided are attached to the minutes in Annex A.

*Annex A to follow*

**73 Executive Forward Plan** - Agenda Item 5

The Executive noted the Forward Plan.

**74 2023/24 General Fund Revenue Budget Monitoring Report - Month 6 Q2** - Agenda Item 6

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: that the Council is projecting an overspend of £18.7m for 2023/24, an improvement of £8.6m from the previous forecast of £27.3m in month five, due to a one off item; that the forecast overspend for the year is driven by Adults and Childrens Services overspend and that this will impact upon the following financial year; that the report is the first budget monitoring report in the new format using Solver and MS Dynamics; the very difficult and challenging work for the finance team, including the work on accounting and reporting the Council tax debt across four District Councils.

The Service Director for Finance and Procurement, Nicola Hix, added to the above points, highlighting: the continued work to improve reporting, including the formatting of reports, the addition of actuals and the break down of income and expenditure for more transparency to Members; summarised the RAG status on individual services; the challenges of bringing five Council budgets together, including the differences in reporting and structure changes that were put in place for the new Council; and summarised the Control Boards and placement panels put in place for the Financial Emergency.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the clarification of improved data, and improved one off savings.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive:**

- a. Approved that it will continue to receive a monthly update on the financial position and actions being taken to address it.**
- b. Noted the forecast overspend of £18.7m (3.8%) for the year and the recovery action being taken and mitigations put in place to address this.**
- c. Noted that the format of the Budget Monitoring has now changed.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**75 2023/24 General Fund Capital Budget Monitoring Report - Month 6 Q2 - Agenda Item 7**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: that the report reflects the position as at 30 September 2023 (Q2); the impact of high inflation on construction and highways across both the public and private sectors; the Octagon project decision - Executive 4 October 2023; and the need for Directorates to have clarity on Government funded projects.

The Service Director for Finance and Procurement, Nicola Hix, added to the above

points, highlighting: that the Capital report is the first for Somerset Council; the work to continually improve reporting, with a vision to report solely through Solver software; the monitoring of Capital schemes; the work on improving profiling to understand revenue and how the Capital schemes affect the revenue budget; and the next Capital report to be considered at Executive on 7 February 2024.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the Octagon project reporting and work taking place to deliver the project in an affordable and different way that has the same outcomes; the complex budget setting situation and the need for clarity and transparency leading to setting a Council budget in February 2024, and the impacts of the COVID pandemic, lockdowns, Local Government Reorganisation, the review of the Capital programme and the financial emergency; the cost of borrowing and whether the Council can afford non essential borrowing; the assurance of a well managed and controlled Capital programme and schemes; the importance of good Treasury Management and the encouragement for all to read and understand Treasury Management; and the progress of the Yeovil refresh project / future High Street funding project, including the considerable pressures that have caused delays.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive noted the revised capital forecast spend for the financial year 2023/24 of £224m and the key risks, future issues detailed in the report.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**76 2023/24 Housing Revenue Account Capital and Revenue Budget Monitoring Report Q2 - Agenda Item 8**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Lead Member for Communities, Housing and Culture, Cllr Federica Smith-Roberts, to introduce the report.

The Lead Member for Communities, Housing and Culture, Cllr Federica Smith-Roberts, introduced the report, highlighting: that Somerset Council has inherited two landlord operating models which now sit under one Housing Revenue Account: that the two landlord operating models are an in-house service in the West, formerly

Somerset West and Taunton (SWT), and Homes in Sedgemoor which is an Arm's Length Management Organisation (ALMO) operating in the North, formerly Sedgemoor District Council (SDC); that HRA is a ring-fenced account which must abide by the accounting regulations and ensure that cross subsidy does not occur; whilst self-financing has provided some flexibilities, the HRA is heavily regulated which restricts income growth and increase cost pressures, including the increased number of requests for support, service and maintenance on properties, the increased cost of maintenance and the number and condition of void properties; the positive life changing work of partnership working; and the newly opened properties; the opportunity to look to move forward and support Adult and Children's Services providing homes that are suitable for people's lives.

The Executive Director for Community Services, Chris Hall, advised the Executive of queries raised at the Scrutiny Committee - Corporate and Resources meeting held 5 December 2023: highlighting that the HRA isn't limited to the ex landlord function areas, and that it can be used in terms of capital build programme across the whole of Somerset as required and as is financially viable; and the financial position of the HRA, specifically the HRA reserve forecast position and assured the Executive that this is constantly under review and that an update to be provided at the Executive meeting 7 February 2024.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the potential of future work to improve the two models to increase funding opportunities and financial efficiency; the high value contract key decisions associated with the HRA taken and the spend within budgets; the positive outcomes, including helping residents to be able to live independent lives in the properties; and welcome future proofing of houses.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive agreed to note the HRA's forecast financial performance and projected reserves position for 2023/24 financial year as at 30 September 2023, including key risks and future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.



## **77 Corporate Performance Management Report Q2 2023/2024 - Agenda Item 9**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: that the Somerset Council performance reporting has been brought forward from all of the five Councils and amalgamated into one report; that performance reporting will continue to evolve and develop and improve as the Council moves forward; that this report outlines the performance of Somerset Council for quarter two (Q2) of the financial year 2023/2024 against a set of operational indicators for each Executive Directorate.

The Service Director, Strategy and Performance, Sara Cretney, further added to the above points; the interim arrangements and the move towards combining the Council's performance data to develop a new corporate performance framework which will be more comprehensive, and which will bring together performance information and insight across a much broader range of important areas; that for Q2 of the financial year a further 9 indicators and 16 RAG ratings have been added to the performance report bringing the total to 110 indicators; that over the transition period for the new Council, the number of indicators will continue to increase and the approach to performance management will evolve and develop as more teams, services, budgets, and systems are aligned; that overall, the number of red rated indicators, as a percentage of all indicators had increased.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the number of tolerances listed as to be confirmed and associated development work; the percentage of homes not meeting the decent home standard, including, national benchmarking, the perpetual churn of properties under Somerset Council control that are required to have upgrades, the tolerance to allow for the timing of contracts, the impact of the Covid pandemic, the backlog capital schemes and that tenants do not have to give access to their homes to undertake those repairs; and school attendance decline and the local and national challenges, including location, the right school place, the post Covid anxiety based school avoidance, the activity and support to increase and improve school attendance levels, the tolerance update following the review of the Education national data released and the social care duties data due in March 2024.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive:**

- a. Where performance issues were highlighted, considered that the proposed management actions already in place are adequate to improve performance to the desired level.**
- b. Considered and commented on the content, level of detail provided and the format of the report and considered recommendations for improvements.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**78 Annual Treasury Mid-Year Report 2023-24 - Agenda Item 10**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: compliance of the report with the CIPFA Code of Practice for Treasury Management; and the importance of Treasury Management to the Council as borrowing and investments will be critical to the vision for a sustainable Somerset Council.

The Principal Investment Officer, Alan Sanford, further added to the above points, highlighting; the economic background, including, that UK inflation remained high, UK bank rates rose three times during the period, that investment and borrowing rates had continued to rise, the 10 year borrowing cost from the PWLB rose from 4.53% to 5.46%; summarised the investment balances, short term debt payment following the merger of the five Councils; and the repayment of monies held on behalf of external bodies.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: short term debt payment and the hold off in borrowing.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive approved the report as being in compliance with the CIPFA Code of Practice for Treasury Management and recommended it to Full Council on 20 December 2023.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**79 2024/25 General Fund Revenue Budget & Capital Programme update - Agenda Item 11**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: that this report provided an financial position update with a further update to be considered at the January 2024 Executive meeting and final proposals to be considered at the 7 February 2024 Executive meeting, for recommendation to Council, the inclusion of work on the vision for the new Somerset Council; the good progress made with the external auditors; the uncertainty of inflation and bank rates and the impact of the national living wage implications, the disappointment of the autumn statement; the clarification of how the Council tax in Somerset compares with other Councils in the South West, and possible future changes; the work to align and join up the work of Scrutiny Committee - Corporate and Resources and the Audit Committee; and the need for careful consideration of strategic risk.

The Executive Director for Resources and Corporate Services, Jason Vaughan, further added to the above points, highlighting: that the report provided an update on the progress in reducing the budget gap; that the report was considered at Scrutiny Committee - Corporate and Resources on 5 December 2023, and that they will consider the draft 2024/25 Budget proposals at their meeting on 1 February 2024 with their comments and observations on the draft budget proposals to be considered by the Executive on 7 February 2024, with the final budget proposals and recommendations on the 2024/25 budget to full Council on 20 February 2024; the

stark national forecast from the LGA and CCN; the latest forecast on the reduction of the Somerset Council budget gap - £87m; the work on identification of further potential savings; the review repurpose of the Earmarked Reserves from the five predecessor Councils; that the Council has been pro-active in writing to the Department for Levelling Up, Housing & Communities (DLUHC) outlining the financial challenges, and have been assigned a key contact; the work on the capitalisation programme 2024/25; summarised the published Local Government Policy Statement; the next steps in finalising the budget proposals; and the Strategic Risks associate with the Budget.

The Chief Executive, Duncan Sharkey, presented the Vision for a sustainable Somerset Council; highlighting: the comparison and difference in the work to build a sustainable Council through LGR and the Financial Emergency, the need to significantly accelerate the pace and broaden the scale of transformation; the transition to a single Council and the issues identified from all five legacy Councils; the multiple factors driving the work both locally and nationally; the need for the vision to be credible, to take collective ownership and to deliver the vision ensuring sustainability; the five design principles driven by necessity; and the work on the strategy for delivery of a Council for the future.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the welcome transparency of the Council's situation; the challenges for the Members, Officers and Somerset residents; the modest growth of Council Tax rates and the phosphate issue and impacts; the challenging situation for Somerset staff and support for their welfare, including communication management structures, informational roadshows, blogs and Q&A communication, welfare arrangements; Somerset residents engagement, communication and education regarding the vision, including the provision of services, the increased demand and fundings cuts in voluntary sector, the City, Town and Parish Councils, to understand what a Unitary Council does, the decisions being taken and provision of help for the Council situation through communities, keeping well and speaking to MPs to raise the voice of Local Government; the importance of the voluntary sector in supporting the Council; the S114 process, the effect on services and the Council; the funding for the memorial wood to commemorate the Fallen of the First World War; clarity on the capitalisation direction proposal; the recently held SALC meeting and the strategic viewpoint presented; the better engagement, work and strategic planning to provide resilience for Parish, Town and City Councils and the importance of Local Community Networks; the repurposing of Earmarked reserves; the local and national contributors to the financial situation; commercial investments and pooled funds; and the ongoing work regarding proposed changes savings, staffing, consultation and the detail to be provided to Members for the budget to be set in February 2024.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive:**

- a. Endorsed and recommends to December's Full Council that the Council notes that it has declared a financial emergency and endorses the range of actions and mitigations being taken forward. Furthermore, that the Council fully supports the Executive and Senior Officers to continue its discussions with the Department for Levelling Up, Housing and Communities (DLUHC) and formally requests a capitalisation direction in order to set the 2024/25 budget.**
- b. Approved a consultation and engagement process on Council Tax and potential service changes with the public and business sectors in line with the proposals set out in this report.**
- c. Approved the re-allocation of the Earmarked Reserves as set out in Appendix 1 and receives a further update in February 2024.**
- d. Received the draft 2024/25 budget proposals at the January Executive including details of the savings proposals and finance settlement for the council.**
- e. Noted the 'Vision for a sustainable Somerset Council' and approves that an outline Business Case is developed for the January 2024 Executive meeting.**
- f. Noted the review of the 2023/24 capital programme and the review of new bids for 2024/25 schemes with the full details being included in the report to Executive in January 2024 for approval by February 2024 Council.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

**80 Council Tax Reduction & Exceptional Hardship Scheme for 2024/25 - Agenda Item 12**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: that Council Tax legislation requires the Council, as a billing authority, to formally agree a Council Tax Reduction (CTR) scheme for each financial year for working age people; that the income banded scheme approved in November 2022 proved to be both workable and welcome for those whose household incomes have been under most pressure during the cost of living crisis; that it was concluded following the light touch review that no major changes were required to the scheme. (NB. Major changes require full public consultation, which has not been undertaken as no such changes were identified as being required).

The Interim Revenues & Benefits Manager, Richard Sealy, presented the report, highlighting: that the report sets out the proposed Council Tax reduction scheme for the 2024/25; that no decision is required in respect of the scheme for pension age applicants as this element of the scheme is prescribed by Government; that the Government will update this part of the scheme in December 2023 and the necessary adjustments made; the significant project that was undertaken last year to develop a new aligned CTR scheme to help facilitate the move to the new Somerset Council; the aligning of the different former District Council schemes to a single income banded scheme, with significant financial modelling and a full public consultation exercise; summarised the light touch review undertaken earlier in 2023 and the feedback considered from a local Citizens Advice office; the change identified to uprate the income band thresholds within the scheme in line with the rate of inflation that government choose to apply to state benefits; the key changes proposed in relation to next year's scheme relate to the uprating of the income band thresholds within the scheme; that the Council's financial position has significantly worsened since the review was undertaken and to the extent where all expenditure now needs to be considered for potential savings; summarised the different options outlined in the report and the potential cost reduction for each of the options; high level estimates in terms of the impact through the national living wage increase; and the potential of major review and the resources required.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the discretionary support scheme to support vulnerable Council Tax payers and the mandate from Government to support people of pension age and the impact, cost and consequences for people in receipt of national living wage / State benefits and the Council; S114 and the affect should Commissioners be

called in; the Council tax based on property value in 1991 and the unsustainable way of funding a Council; the positive introduction of the scheme and the report proposals; the cost and funding of the Government mandate for pension age persons; the need for government review, and collective lobbying for change; the Government Council Tax support scheme number and circumstances of claims; and the continuation of the good work to getting the word out about the Exceptional Hardship schemes.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive agreed:**

- a. The Council Tax Reduction and Exceptional Hardship schemes set out in Appendices 4 and 5 of the report.**
- b. Option 3 in relation to the income band thresholds used within Schedule 1 of the proposed Council Tax Reduction scheme i.e. uprating in line with the 6.7% rise in state benefits announced by Govt. in the November 2023 Autumn Statement.**
- c. A full review of the Council Tax Reduction scheme during the 2024/25 financial year to identify options for a revised scheme in the 2025/26 financial year. (NB. The review and consultation exercise will require funding which is anticipated to be in the region of £60k).**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

**81 Award of a contract for highway lighting and other electrical assets - Agenda Item 13**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Lead Member for Transport and Digital, Cllr Mike Rigby, to introduce the report.

The Lead Member for Transport and Digital, Cllr Mike Rigby, introduced the report, highlighting: that the assets from the five predecessor councils had been brought

together to be part of a revised contract to award a contract for Highway Lighting, Illuminated & Electrical Assets; that the contract is for a period of 8 years with the option to extend for a fixed 4 year period; that the anticipated contract spend for the full duration is £15m to £30m for highway lighting and may be up to £75m including the electrical assets previously owned by the four District Councils (which includes routine services, electrical & structural testing, emergency attendance, non-routine replacements major asset replacement, LED conversions).

The Strategic Manager of Highways and Transport, Mike O'Dowd-Jones, further added to the above points, highlighting: the duty of care and the compatibility of the contract of delivery; that the tender evaluation has now been completed and the delegation to make the final award.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the length of the contract and the ability to check performance and delivery and the option to give notice; the importance to be mindful of electricity used; the opportunity to modernise and review lighting installations; the positives of LED lighting; the performance and response of existing contractors and service regarding supply issues and timely connections; school floodlight responsibility.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive:**

- a. Delegated approval of the award of an 8 year contract with the option of a four year extension for the provision of Highway Lighting, Illuminated & Electrical Assets to the Leader in consultation with the Executive Director for Climate and Place. The award to be made in accordance with the outcome of the published tender evaluation process and contract to commence from 1st April 2024.**
- b. Delegated the future decision regarding the extension of the contract beyond the initial term to the Executive Lead Member or equivalent responsible for Highways Services having due regard to the contract terms.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report



REASON FOR DECISION: As set out in the officer report

**82 Contract award for the Taunton Park & Ride service - Agenda Item 14**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Lead Member for Transport and Digital, Cllr Mike Rigby, to introduce the report.

The Lead Member for Transport and Digital, Cllr Mike Rigby, introduced the report, highlighting: that the Unitary Authority provides an opportunity to introduce more integrated parking strategies, and that the current operator of the Taunton Park and Ride service has given notice on the current contract; that a new contract is required from 12<sup>th</sup> February 2024 to ensure continuing delivery of a Park and Ride service within the town; the work to alleviate the impact of congestion in Taunton by using Park and Rides; the Bus improvement plan impact and the introduction of an integrated parking system for Taunton.

The Strategic Manager of Highways and Transport, Mike O'Dowd-Jones, presented the report, highlighting: the complexities of the report and contract; the tender award and the proposed contract duration and the consideration of an in house option; surplus income from the rental of car-parking spaces to EDF energy at the Gateway Park and Ride.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: operational points on bus idling; the support for the report and the positive effects on urban Taunton; the opportunities to work with hospitals, airports and businesses to alleviate congestion and contribute to the economic development.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive:**

- a. To the adoption and implementation of the Taunton Integrated Parking Strategy set out in Appendix G, aimed at improving the town centre environment and economy, reducing demand for town centre parking and encouraging greater use of the Park and Ride and local bus services.**

- b. Approved the award of a 3+2+2 year contract for park and ride services commencing on 12th February 2024, based on the Most Economically Advantageous Tender (MEAT), as set out in confidential Appendix B.**
- c. Delegated the decision to exercise the contract extension options in accordance with the terms of the contract, to the Executive Director – Climate and Place.**
- d. Approved the use of surplus income from the rental of car-parking spaces to EDF energy at the Gateway Park and Ride site to assist in balancing the Council’s budget and the on-going budget challenges that the Council faces.**
- e. Agreed the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A and therefore to treat the attached confidential Appendix B and Appendix F in confidence, as it contains commercially sensitive information, and as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

### **83 Re-commission - Learning Disabilities Open Framework - Agenda Item 15**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, introduced the report, highlighting; the extension to the current framework; the dynamic purchasing system, procurement and contracting tool, that the system requires providers to sign up and agree to the Local Authority terms and conditions and service specifications; that this will create market stability, growth and competition, as well as providing choice for individuals, which would also allow the Local Authority to ensure value for money as well as compliance with its requirements; that the proposed new framework will not be limited by diagnosis; that there will not be any changes to pre-existing packages of care for individuals and receipt of care and support; and that the new framework will be used for new packages or where individuals assessed needs have changed.

The Strategic Manager, Adults and Health Commissioning, Stephen Miles, further added to the above points, highlighting: the overview of the framework, the proposed new framework; the main fundamental changes made to the framework, including the expansion to its remit for anyone who needs a bespoke package of care.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, there were no questions and points raised.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive approved the recommission of the current Learning Disabilities Open Framework (to be re-named) as a revised / renewed Dynamic Purchasing System.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

#### **84 Harbour Management Advisory Committee - Agenda Item 16**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, introduced the report, highlighting: that Somerset Council has Ports and Harbours within its areas of responsibility; that the Council is the Statutory Harbour Authority and Competent Harbour Authority for the Port of Bridgwater, the Statutory Harbour Authority for Minehead and Watchet Harbours, and has statutory responsibility for Bridgwater Docks; that Full Council previously agreed that the responsibility for the Council's functions as Statutory Harbour Authority and the role of Duty Holder should sit with the Executive; that as the Duty Holder, the Executive is responsible for ensuring that Somerset Council complies with the Port Marine Safety Code; that many Council's with harbours and ports (such as Cornwall and Dorset Councils) have established Harbour Management Committees; that on 15th March 2023 the Executive resolved to establish a Harbour Management Advisory Committee as an Executive Sub-Committee from 1st April 2023; that in order to widen the membership, experience and expertise of the Harbour Management Advisory Committee, this report seeks support from the Executive to disband the current sub-committee and in its place recommend to Full Council that it agrees to establish a Harbour Management Advisory Committee as a Council committee, and the advantage of this approach will be that the Council can appoint members that represent those coastal communities and other members with relevant expertise to

work with external co-opted members on that Committee.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, advised the Executive of correspondence from the Chair of the Watchet Harbour advisory Committee, Cllr Loretta Whetlor, regarding consultation on the makeup of the committee before it is ratified by Full Council. The Leader of the Council further advised the Executive of the legal response from Somerset Council and that it would not be appropriate for the Watchet Harbour Advisory Committee to appoint one of its members onto the Council's Harbour Management Advisory Committee, and that the Council will continue to consult with it on all matters substantially affecting the Conservation protection, regulation, management, maintenance and improvement of Watchet Harbour and its navigation and in relation to any specific proposals set out in the Watchet harbour revision order.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the recruitment process of coopted members; the role of the advisory committee and Executive decision making responsibility; the designated person employed by the by the harbour of Bristol authority; the publication of marine safety plan and reporting of performance against objectives and targets, the process to bring the governance of all relevant ports together.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive agreed:**

- a. That the Harbour Management Advisory Sub-Committee is disbanded with immediate effect.**
- b. The terms of the Memorandum of Understanding between the Executive and the Harbour Management Advisory Committee attached as Appendix 2 of the report.**
- c. To recommend to Full Council on 20 December 2023:**
  - i. That a Harbour Management Advisory Committee is established as an advisory committee to the Executive under s102(4) of the Local Government Act 1972.**
  - ii. Approval of the Terms of Reference of the Harbour Management Advisory Committee attached at Appendix 1.**

- iii. **Approval of the terms of the Memorandum of Understanding between the Executive and the Harbour Management Advisory Committee attached as Appendix 2.**
- iv. **The appointment of 6 elected members, as nominated by relevant political group leaders, to the Harbour Management Advisory Committee in accordance with the political balance requirements in section 15 of the Local Government and Housing Act 1989.**
- v. **Delegated authority be granted to the Service Director Regulatory and Operational in consultation with the Service Director Governance, Democratic & Legal Services to conduct a skills audit for the Harbour Management Advisory Committee and to conduct the process for the recruitment of appropriately skilled co-opted members to the Committee and make recommendations to Full Council for appointment of the co-opted member.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

**85 Proposed withdrawal and dissolution of the Heart of the South West Joint Committee - Agenda Item 17**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, introduced the report, highlighting: that the report follows a steer from the Leaders of several partner councils, including Devon County Council, Exeter City Council, Torbay Council and Plymouth City Council, for proposals to be brought forward to seek approval to dissolve the Heart of the South West Joint Committee; that the proposals specifically relate to the Joint Committee's governance arrangements only and do not cover the HotSW Local Enterprise Partnership or the associated HotSW Joint Scrutiny Committee; that the report sets out a case for change which is supported by several of our partners; that changes in Government policy over the last five years, the development of the Devon, Plymouth and Torbay devolution deal and the forthcoming integration of the HotSW LEP into local authorities mean that the purpose of the Joint Committee has largely been superseded, and the proposals are being brought forward during November and December 2023 by a majority of the partner councils to agree to serve notice and recommend the dissolution of the Joint Committee on 31 December 2023; and that with the Executive's support it is intended that Full Council agrees that Somerset Council should withdraw and the Joint Committee be dissolved on 31 December 2023, subject to the majority of partner councils approving similar resolutions.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the support for the decision from the current Chair of HotSW, Cllr Val Keitch.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive recommended to the Council at its the meeting on 20 December 2023 that it agrees to serve notice of it's withdrawal and that the Heart of the South West Joint Committee be dissolved on 31 December 2023.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

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**CHAIR**

Annex A

Public and Members Questions – Executive 6 December 2023

Question submitted from	Question
<p><b>Nigel Behan</b></p>	<p>This question relates to Item 6 2023-24 GF Budget Monitoring Executive Report Q2 - Month 6 and Item 11 - 2023 - 2024/25 General Fund Revenue Budget &amp; Capital Programme update</p> <p>With dwindling reserves and without a capitalisation direction how likely is it that SC may be left with no option but to follow Nottingham City Council Section 114 Report updates - Nottingham City Council ?</p>
<p><b>Response</b></p>	<p><b>Response from Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon:</b></p> <p>The paper that we will consider later in this Executive meeting, titled 2024/25 General Fund Revenue Budget &amp; Capital Programme update, has as an Appendix which is the Review of Earmarked Reserves. That paper identifies £36.8m of reserves that can be repurposed to better support the budget for 2024/25. Approval of that action is one of the recommendations for Executive today.</p> <p>We completely understand and accept that any reserves can only be spent once, but we must acknowledge that Local Government is in a position we have not seen before. Use of reserves will form part of dealing with our projected overspend this year, and our budget setting for next year.</p> <p>The more we can identify savings this year, the more we protect our reserves for future years.</p> <p>Another recommendation in the same paper is for Executive to agree to formally ask Government for a Capitalisation direction, and that does indeed feel essential now that we understand the scale of our financial challenge and the ongoing impact of inflation, particularly on placement costs.</p> <p>How much that capitalisation direction is for and how we might fund it – either by disposal of assets or borrowing OR a combination of both – remains to be seen and is entirely dependent in the first instance on the response from Government.</p> <p>Although we hear and read of so many other Councils in similar positions to Somerset Council, we can see that we have a particular</p>

	<p>challenge in being such a new, and immature, organisation. I cannot imagine how we could have found a more difficult time to undergo Local Government Reorganisation.</p> <p>Yet that programme of Reorganisation is what might lead us to a sustainable position for Somerset Council, although we acknowledge that this is a time of concern and anxiety for many of our staff. We will continue to be as open and transparent as possible, in explaining both our ongoing position and our developing plans for the financial future.</p>
<p><b>David Redgewell</b></p>	<p>Whilst we understand the 87 million pounds of saving for the unity council in Somerset and the threat of a section 114 notice, we note Somerset other unity council of Bath and North East Somerset council and North Somerset council also have to make savings of million of pounds as Does Devon County Council.</p> <p>The council and Regional bodies like South west councils the Greater South west partnership, Western Gateway partnership should with Mps and members of the House of lord pressing some the government for proper fund for public services in the south west and especially in Somerset.</p> <p><b>Question 1</b> What action is Somerset Council taken with Regional bodies and mps and members of the house of lords to raise the funding issues of the budget emergency in Somerset.</p> <p><b>Question 2</b> On Devolution of public Transport service to city town and parish councils. With the Department for transport settlement of capital grant and revenue through the bus service improvement plan money or fares cap grant. If the bus stop infrastructure and shelters and bus stop are devolved to Wells city council or Frome Town Council ,Shepton mallet, Glastonbury and street how will the Mendip Region. Shelters coach bus stop infrastructure be maintained or should a service be provided by the council Transport Department the Town and Parish councils fund under a service level agreement one to 4 mainance vans are very cost effective across the unity council. Funded by Town and parish councils and Somerset as the Transport Authority. Each council can</p>



apply badges and Brands to the shelters and maintenance vans as a joint service.

But we feel the Transport Authority should own the county bus and coach assets, On bus and coach stations their is for Department for transport grant aid to continue to own the bus and coach stations at Taunton Transport hub,Bridgwater bus and coach station, Yeovil bus and coach station, Wells bus and coach station, Wincanton bus and coach station memorial hall, Frome Cork Street, Shepton mallet interchange, Chard interchange Minehead Bank Street, and parade Minehead railway station.,coach park Coach station/ Parks at Wellington, Glastonbury, street . As their is revenue through coach parking charges and car park income for Somerset council. However if day to maintenance agreement can be. reached with First group plc and Bridgwater Town Council Wells city council, or Yeovil Town Council with First group plc and South west coaches Ltd a way forward can be found. In the case of Yeovil bus and coach station we also have the Northern Ireland owned shopping centre company. We would welcome any service level agreement but can details please be brought to the Somerset bus service advisory Board for discussion and support in January or with public transport users as part of this budget consultation process.

### **Question 3**

Tendering of public transport services bus and community transport services and railway partnerships schemes On bus services in view of the bus services improvement plan and the support bus network we welcome the proposal to look working in Partnership with city ,Town and Parish councils Including community transport services. and registering of service with the Traffic Commissioner. But this would require Somerset unity council as Transport Authority to let the Bus or coach services contract .

The 67 Wells bus and coach station to Wookey Hole ,Wookey village, Wedmore, Highbridge and Burnham on sea is a good example of partnership working. But on Main line routes with first group plc South buses. And First group plc Wales and West buses Division Would require very detailed partnership working service levels agreement and management structures and partnership with the partnership councils and Transport Authorities. Examples being from Taunton to Minehead bus 28 It would require at the Taunton Town ,Bishop Lydeard, willton

Watchet and Minehead Town Council To contribute. And the smaller Parishes With first group plc South buses First Group plc Great Western Railway company. 25 Taunton Dulverton via Wiveliscombe and Bampton will require the Town Council in Taunton, first group plc Great Western Railway company, Parish councils and Town Council including Wiveliscombe and Bampton in Devon and Dulverton council. Devon County Council and Exmoor National park Authority.

Or 58 Yeovil bus and coach station to Yeovil pen mill station First Group Great Western Railway company Sherborne Town Council Dorset Sherborne Railway station, first group plc South western railway company, Templecombe, Parish Council First group plc South buses Western Railway company Wincanton Town Council and close working with Dorset Council as the other Transport Authority. And the smaller Parish councils 54, Taunton to Langport, Somerton Ilchester and Yeovil bus and coach station, Will require First group plc South buses and Town and Parish councils, Services 1 Yeovil bus and coach station to Castle Cary Town, Railway station, Evercreech and Shepton Mallet interchange.

Will require discussion with Somerset council first group plc Great Western Railway company Castle Cary Railway station and Town and parish councils NHS Somerset at Shepton Mallet. In the Mendip region Route 376 street, Glastonbury, Wells bus and coach, Chewton Mendip, Farrington Gurney Clutton Temple Cloud, Pensford, Whitchurch Hengrove Bristol Temple Meads station Bristol bus and coach station. Will require discussion with Town and city and parish Council in Somerset unity and Banes unity and the west of England mayoral combined transport Authority. First Group plc Wales and West buses Division, First Group plc Great Western Railway company at Bristol Temple Meads station and Bristol city council Similar with the 172, 173, 174 Wells bus and coach station, St Cuthbert without, Chilcompton, Shepton Mallet Town Council, Paulton, Midsomer Norton, Westfield, Radstock Peasdown St John Town and parish Council s Banes council and West of England mayoral combined transport Authority, First Group plc Wales and West buses Division and First group plc Great Western Railway company at Bath Spa interchange. NHS Trust at Royal United Hospital Trust at Peasdown St John. The previous successful version of this was Frome to Bath Spa bus and coach station involving, Banes council, Somerset council, Frome Town Council, Beckington parish Council, Rode parish Council, North St Philips parish Council Midford parish Council. First Group plc west of England buses now First group

	<p>plc Wales and West buses Division and First group plc Great Western Railway company.</p> <p>And now sevenside community railway partnership And South wessex community railway partnerships And the west of England mayoral combined transport Authority. In all case metro mayor Dan Norris. Council Sarah Warren transport executive Fiona Gourley public transport lead member council Kevin Guy leader On 126 Wells to weston super mare bus and coach station.</p> <p>Wells city council, st cuthbert without Parish Council, Westbury sub Mendip, Draycott Cheddar Axbridge winscombe Banwell locking Hutton Weston super mare Town and parish councils and North Somerset council.</p> <p>Councillor Mike Bell leader and councillor Hannah young transport executive . But the the cb3 Crewkerne Beaminster to Bridport bus and coach station and hospital services Saturday service funded by Beaminster Council and Bridport Town Council funds Town bus services as does Lyme Regis Town Council park and ride and a town service so this can be made to work but will require at lot of technical issues and services and Tendering by Somerset unity council public transport unit and work With North Somerset council west of England mayoral combined transport Authority Banes council in Somerset. And Dorset ,Devon, and Wiltshire Councils and incase of bus services improvement plan and fund the Department for transport. The same with the Department for transport funding for community railway partnership with parish Town and city council with First group plc MTR South Western Railway company and First group plc Great Western Railway company. Cross country trains arriva Germany state Railway. Does Somerset unity council have a way of talk to all theses partners and put joint budgets together during this budget round and consultation with public transport company Parish ,Town and city council and neighbouring Transport Authority councils and mayor's. Department of Transport and the Traffic Commissioner.</p>
<p><b>Response</b></p>	<p><b>Responses from:</b></p> <p><b>Question 1 - the Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans:</b></p> <p>Thank you for the question, Mr Redgewell. The Council is in regular communication with relevant bodies both nationally and regionally. We</p>

have offered a briefing to local MPs who we have asked to engage directly with Government on our behalf. I would like to thank 4 of our 5 MPs for meeting with me to discuss the issues at Somerset Council. We are continuing to reach out to the other MP and do hope that he will meet with me and my senior officers.

The Local Government Association and County Councils Network have been very supportive of Somerset Council, and I would like to take this opportunity to thank regional and national colleagues for their support. We will of course continue to add Somerset's voice to the work being led by the LGA, CCN, and other national bodies, calling for fairer, more sustainable funding for local government.

The Council will continue to lobby for a settlement that recognises the stark truth that there is not enough resource in local government as a whole to continue to deliver the statutory responsibilities Councils have. However, despite our best efforts, and that of our Local Government colleagues, it is disappointing that Government do not intend to make changes that help councils with this financial burden. So, we must act ourselves to make the tough decisions to balance the books.

**Question 2 and 3 – the Lead Member for Transport and Digital, Cllr Mike Rigby**

Firstly, I would like to take the opportunity to thank Mr Redgewell for his thought-provoking suggestions and questions. Taking both questions together if I may, the Council is in discussions with our City, Town and Parish Councils regarding asset and service devolution. At this point, the devolution of Somerset Council's statutory duties as a Transport Authority has not been put forward as option, beyond any existing local arrangements of service funding.

We are happy to consider the further devolution of the ownership and maintenance of Bus Shelters to Town and Parish Councils if this is something that is of interest to them and their communities. In terms of the support to routes that may be under pressure as a result of reductions in the Councils operating budget, as part of our ongoing work to engage with City, Town and Parish Councils we will be open to discuss how the impacts could be mitigated through working closely with our local council partners. The same principle applies to working with partners across the region where there is benefit to Somerset in doing so.

<p><b>Robin Horton</b></p>	<p>It was reported in the local news that this meeting was to discuss the transfer of assets to town and parish councils.</p> <p>Firstly is this the case and if not then when will this be discussed in open forum. In addition, you will be aware of the requests sent to you over the previous 12-18 months for transfer of assets to Shepton Mallet Town Council. Nothing has been forthcoming from the Somerset Council as yet about this and can I ask when the council will be in touch with SMTC to progress this issue, especially given that the public consultation event on the town councils precept for 24/25 happened YESTERDAY !!! and the transfer of assets will certainly affect the precept for the town council.</p>
<p><b>Response</b></p>	<p><b>Response from the Lead Member for Transformation and Human Resources, Cllr Theo Butt Philip</b></p> <p>Thank you for the question, Mr Horton. Whilst the Asset and Service Devolution Framework is not on the agenda for this meeting, we are discussing the future of the Council. The draft Asset and Service Devolution Framework was discussed at yesterday's Corporate and Resources Scrutiny Committee, additionally a link to that document was sent to all City, Town and Parish Councils on Monday. Feedback from both the scrutiny committee and the local councils will help us develop the framework, which we are intending to bring back to the Executive in January.</p> <p>We continue to be in regular dialogue with the sector about devolution opportunities. This includes via our fortnightly clerks' working group, which last week was an extended devolution Q&amp;A session, officer attendance at Society of Local Council Clerks (SLCC) meetings to respond to questions, and on Saturday the Leader of the Council, Deputy Leader of the Council and I attended Somerset Association of Local Councils' (SALC's) AGM where devolution was the main topic.</p> <p>Following the letter to all City, Town and Parish Councils in early November has been generally positive and officers are in the process of engaging with city, town and parish councils.</p> <p>We recognise that local councils are currently setting their budgets and will need to consider levels of precept which is appropriate to them. It is in my view not the most transparent thing to do to look merely at the percentage increase for a precept. In Somerset we have a significant variance of precepts charged by parishes, ranging from over £200 in a</p>

	<p>number of cases (over £300 in one case) to the low single figures. Any increase needs to be considered in the context of the individual parish.</p> <p>Looking at Shepton Mallet Town Council in particular – officers are currently in conversation with the clerk about how to progress a variety of services and assets in which the Town Council has expressed an interest.</p>
<p><b>Susannah Clemence</b></p>	<p>I address you today to underscore the critical importance of Somerset Council retaining responsibility for our bus services and related infrastructure, including bus shelters, interchanges, and bus stations. Buses are not merely a convenience but an essential service, serving as lifelines for our community, facilitating school transport, employment commutes, hospital visits, and more.</p> <p>It is imperative to acknowledge Somerset Council's responsibility to fund these vital services. As we navigate the complexities of Department of Transport (DfT) funding, it becomes clear that this responsibility must remain with Somerset Council as the local transport authority (LTA) to ensure a seamless flow of resources. DfT funding is contingent on the services being under the purview of an LTA, preventing direct transfer to town and parish councils.</p> <p>Furthermore, Somerset Council's current standing as one of the least funded councils in the region for bus services demands our attention. This issue is crucial, especially when considering the broader context of the climate emergency and Somerset Council's commitment to becoming a carbon-neutral county by 2030. Bus services play a pivotal role in promoting sustainable transport, aligning with our environmental goals.</p> <p>While other services may be more easily devolved to town and parish councils, bus services pose a unique challenge due to the intricate negotiations involved with multiple councils. The intricacies of service level agreements (SLA) for funding bus services and infrastructure must be carefully managed to ensure the continued flow of DfT funding.</p> <p>In conclusion, I urge the Somerset Council Executive to prioritise the retention of responsibility for bus services and associated infrastructure. This is not only a matter of that responsibility, but a strategic move to secure the funding necessary for maintaining and improving our county's bus services. Let us remain steadfast in our</p>

	<p>commitment to the community, mindful of the broader impact on our environment and the well-being of Somerset residents</p>
<p><b>Response</b></p>	<p><b>Response from the Lead Member for Transport and Digital, Cllr Mike Rigby:</b></p> <p>Thank you very much for all the support in those questions and comments.</p> <p>The Council is in discussions with our City, Town and Parish Councils regarding asset and service devolution. At this point, the devolution of Somerset Council's statutory duties as a Transport Authority has not been put forward as option, beyond any existing local arrangements of service funding.</p> <p>We are happy to consider the further devolution of the ownership and maintenance of Bus Shelters to Town and Parish Councils if this is something that is of interest to them and their communities. In terms of the support to routes that may be under pressure as a result of reductions in the Councils operating budget, as part of our ongoing work to engage with City, Town and Parish Councils we will be open to discuss how the impacts could be mitigated through working closely with our local council partners. The same principle applies to working with partners across the region where there is benefit to Somerset in doing so.</p>
<p><b>Questions from</b></p>	<p><b><u>Helen Eccles</u></b></p> <p>With reference to Item 11 - 2023 - 2024/25 General Fund Revenue Budget &amp; Capital Programme update paragraph 22, how can you guarantee that:</p> <p>There are no health and safety implications arising from this report given that there is a proposal to save £87million and make significant reductions to the workforce by the end of Quarter 2 2024/25?</p> <p><b><u>Neil Guild</u></b></p> <p>With reference to Item 11 - 2023 - 2024/25 General Fund Revenue Budget &amp; Capital Programme update paragraph 20, how can you guarantee that:</p> <p>There are no direct community safety implications arising from this report given that there is a proposal to save £87million and make</p>

significant reductions to the workforce by the end of Quarter 2 2024/25?

**Alison Hann**

With reference to Item 11 - 2023 - 2024/25 General Fund Revenue Budget & Capital Programme update paragraph 19, how can you guarantee that:

There are no specific equalities implications arising from the recommendation in this report given that there is a proposal to save £87million and make significant reductions to the workforce by the end of Quarter 2 2024/25?

**Tom Kennedy-Hughes**

With reference to Item 11 - 2023 - 2024/25 General Fund Revenue Budget & Capital Programme update paragraph 24, how can you guarantee that:

There are no direct Social Value implications arising from this report given that there is a proposal to save £87million and make significant reductions to the workforce by the end of Quarter 2 2024/25?

**Max Lester**

With reference to Item 11 - 2023 - 2024/25 General Fund Revenue Budget & Capital Programme update paragraph 23, how can you guarantee that:

There are no direct health and wellbeing implications arising from this report given that there is a proposal to save £87million and make significant reductions to the workforce by the end of Quarter 2 2024/25?

**Paul Windsor**

With reference to Item 11 - 2023 - 2024/25 General Fund Revenue Budget & Capital Programme update paragraph 21, how can you guarantee that:

There are no direct climate change and sustainability implications arising from this report given that there is a proposal to save



	<p>£87million and make significant reductions to the workforce by the end of Quarter 2 2024/25?</p>
<p><b>Response</b></p>	<p><b>Response from Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon:</b></p> <p>Thank you for your interest and concern regarding the budget setting process. We appreciate your involvement and feedback.</p> <p>We would like to reassure you that in setting the budget we will consider all relevant impacts and conduct robust assessments for each budget proposal, using a range of evidence and data sources, as well as consultation and engagement with stakeholders and communities where relevant.</p> <p>We welcome any further engagement in the budget setting process.</p>

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## Decision Report - Executive Decision

Forward Plan Reference: FP/23/09/10

Decision Date – 15 January 2024

Key Decision – No



## 2023/24 Budget Monitoring Report – Month 7 – End of October 2023

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

Local Member(s) and Division: All

Lead Officer: Nicola Hix - Director of Finance & Procurement

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Contact Details: [nicola.hix@somerset.gov.uk](mailto:nicola.hix@somerset.gov.uk)

### Summary

1. The Council is projecting an overspend of £18.3m for 2023/24, which equates to 3.7% of the net budget for the year. This is a small improvement of £0.4m from the previous forecast of £18.7m in month six.
2. The forecast overspend for year is driven by Adults Services overspend of £14.9m and Children’s Services of £13.9m. Together these total £28.8m and mask the fact that the rest of the council is forecast to be £10.5m underspent.

**Table 1: 2023/24 Budget Monitoring Report Overview of Movement in Forecast Outturn Position**

Service Area	Month 6	Month 7	Movement
	Variance	Variance	
	£m	£m	£m
Adult Services	14.9	14.9	0.0
Children, Families & Education Services	12.4	13.9	1.5
Remaining Services	(8.6)	(10.5)	(1.9)
<b>Total Position</b>	<b>18.7</b>	<b>18.3</b>	<b>(0.4)</b>

3. A concerning aspect of the overspends in both Adults and Childrens services is that they are forecast to continue in the next financial year. Therefore, it is unsustainable to fund them using one-off sources, such as reserves. The services are working to reduce these pressures, but as detailed in the Medium Term Financial Plan papers a large amount of savings need to be found across the Council to create a sustainable organisation.

4. As reported last month, we have taken a range of actions to address the in-year budget position, such as establishing a number of daily and weekly control boards: -
  - Establishment & Recruitment Control Board - to assess all workforce requests and changes.
  - Commercial & Procurement Control Board – to review and challenge all new commissions, annual uplifts in contract and contract renewals.
  - Spend Control Board – ensuring that all purchases over £100 are reviewed and challenged to avoid any non-essential spend.
  - Adult Social Care Panel – to review and challenge placements.
  - Childrens Care Panels – various panels to review and challenge placements.
5. We are looking at how we monitor and assess the financial impact these boards are having on the projected current year outturn and will incorporate more information on this into the month nine report coming to Executive in February.
6. All boards have continued to meet at least three days a week if not meeting daily. Despite not currently being able to quantify the financial impact at present, all board are reporting that they feel they are having a positive impact on challenging the non-essential spend being undertaken across the Council.
7. The Spend Control Board meets daily and is responsible for reinforcing the Purchase Order (PO) corporate policy for all goods, services and works, which have been correctly sourced in line with the Contract Procedure Rules and Standing Orders.
8. From mid-December we have enforced the ‘No Purchase Order No Pay Policy’ onto our suppliers. This means that unless suppliers have been advised otherwise from within the Council that they are exempt from PO policy and are covered under one of the exemptions, we will be asking for purchase order numbers to be added to all invoices. Any invoices received without a purchase order, which are not exempt, will be returned to the supplier until a purchase order number can be provided.
9. **Table 2** provides a summary of budget, projections, and variances on a service-by-service basis as at the end of October 2023. This table has been updated to include ‘actuals’ and ‘further forecasts’ to calculate the full year projection for the year. This is the first month of reporting this level of detail.

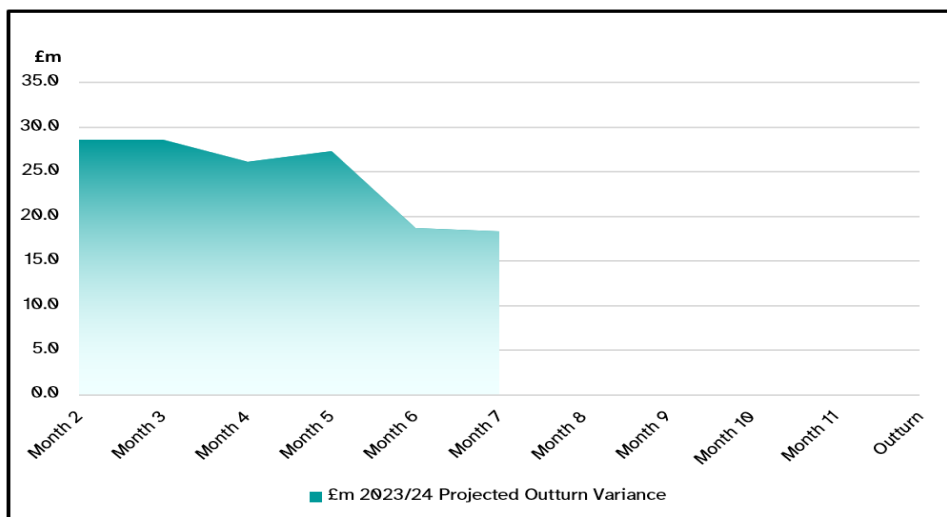
10. In term of the overall full year forecast overspend, further details and mitigations being undertaken by the responsible director are outlined in the appendices of this report. After taking into account all service expenditure and contingencies the projected outturn position is £510.4m against a net budget of £492.1m, resulting in a net forecast overspend of £18.3m.

**Table 2: 2023/24 Budget Monitoring Report as at the end of October 2023 (Month 7)**

Service Area	Original Budget £m	Current Budget £m	Full Year Projection £m	Month 7 Variance £m	A/(F)	RAG Status	Movement From Month 6 £m
<b>Adult Services</b>							
Adult Social Care Operations - Physical Disability/Sensory Loss/65 Plus	111.9	114.2	119.5	5.3	A	Red	0.0
Adult Social Care Operations - Mental Health	26.5	23.6	24.6	1.0	A	Red	0.0
Adult Social Care Operations - Learning Disabilities	110.4	109.8	117.3	7.5	A	Red	0.0
Commissioning	(62.2)	(62.2)	(61.1)	1.1	A	Red	0.0
<b>Adult Services Total</b>	<b>186.6</b>	<b>185.4</b>	<b>200.3</b>	<b>14.9</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>
<b>Children, Families &amp; Education Services</b>							
Children & Families	81.8	82.1	94.1	12.0	A	Red	1.3
Commissioning and Performance	10.5	10.5	10.4	(0.1)	(F)	Green	0.2
Inclusion	12.6	15.4	17.5	2.1	A	Red	0.4
Education, Partnerships and Skills	17.4	14.1	14.1	0.0	-	Green	(0.3)
Childrens Services	0.7	0.7	0.6	(0.1)	(F)	Green	0.0
<b>Children, Family &amp; Education Services Total</b>	<b>123.0</b>	<b>122.8</b>	<b>136.7</b>	<b>13.9</b>	<b>A</b>	<b>Red</b>	<b>1.5</b>
<b>Community Services</b>							
Housing	5.9	6.1	6.1	0.0	-	Green	0.0
Customer Services	7.0	5.4	5.4	0.0	-	Green	0.0
Cultural Services	9.3	8.5	8.5	0.0	-	Green	(0.4)
Regulatory & Operational Services	12.4	12.4	12.4	0.0	-	Green	(0.9)
<b>Community Services Total</b>	<b>34.6</b>	<b>32.4</b>	<b>32.4</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>(1.3)</b>
<b>Climate &amp; Place</b>							
Climate, Environment & Sustainability	54.6	55.2	55.8	0.6	A	Red	0.0
Infrastructure & Transport	22.5	22.4	23.4	1.0	A	Red	(0.1)
Economy, Employment & Planning	10.6	10.5	10.5	0.0	-	Green	0.0
Accountable Bodies	3.7	3.5	(3.5)	(7.0)	(F)	Green	0.0
<b>Climate &amp; Place Total</b>	<b>91.4</b>	<b>91.6</b>	<b>86.2</b>	<b>(5.4)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.1)</b>
<b>Strategy, Workforce &amp; Localities</b>							
Partnership & Localities	0.8	2.8	2.8	0.0	-	Green	0.0
Strategy & Performance	3.2	4.5	4.5	0.0	-	Green	0.0
Workforce	6.0	5.9	5.4	(0.5)	(F)	Green	(0.1)
Governance, Democratic & Legal Services	10.2	9.3	10.7	1.4	A	Red	0.1
<b>Strategy, Workforce &amp; Localities Total</b>	<b>20.2</b>	<b>22.5</b>	<b>23.4</b>	<b>0.9</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>
<b>Resources &amp; Corporate Services</b>							
Finance	11.9	13.2	11.8	(1.4)	(F)	Green	0.0
Strategic Asset Management	(9.2)	(9.5)	(9.4)	0.1	A	Amber	(0.3)
Information Communication Technology	17.8	17.3	15.8	(1.5)	(F)	Green	(0.3)
<b>Resources &amp; Corporate Services Total</b>	<b>20.5</b>	<b>21.0</b>	<b>18.2</b>	<b>(2.8)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.6)</b>
<b>Public Health</b>	<b>1.2</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>
<b>Non-Service</b>	<b>9.8</b>	<b>9.7</b>	<b>6.2</b>	<b>(3.5)</b>	<b>(F)</b>	<b>Green</b>	<b>0.1</b>
<b>Traded Services</b>							
Dillington	0.0	0	0.3	0.3	A	Red	0.0
<b>Traded Services Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>
<b>Total Service Position</b>	<b>487.3</b>	<b>486.4</b>	<b>504.7</b>	<b>18.3</b>	<b>A</b>	<b>Red</b>	<b>(0.4)</b>
Corporate Contingency	6.0	5.7	5.7	0.0	-	Green	0.0
<b>Total After Contingencies</b>	<b>493.3</b>	<b>492.1</b>	<b>510.4</b>	<b>18.3</b>	<b>A</b>	<b>Red</b>	<b>(0.4)</b>
Reserves	(19.9)	(19.6)	(19.6)	0.0	-	Green	0.0
Transfers to Schools	0.0	0.9	0.9	0.0	-	Green	0.0
Council Tax	(345.4)	(345.4)	(345.4)	0.0	-	Green	0.0
Business Rates	(116.1)	(116.1)	(116.1)	0.0	-	Green	0.0
Revenue Support Grant	(7.9)	(7.9)	(7.9)	0.0	-	Green	0.0
Flexible Use of Capital Receipts	(4.0)	(4.0)	(4.0)	0.0	-	Green	0.0
<b>Total Position</b>	<b>0.0</b>	<b>0.0</b>	<b>18.3</b>	<b>18.3</b>	<b>A</b>	<b>Red</b>	<b>(0.4)</b>

**Chart 1** shows how the forecast outturn variance has moved month by month.

**Chart 1: Month on Month Projected Outturn Variance**



11. The Finance team are working closely with directorate management teams to challenge the financial assumptions which are being forecast. Everyone is fully engaged in understanding the reasons behind the assumptions and also working together as a team to mitigate overspends were possible.
12. The next budget monitoring report, month eight (up to the end of November 2023) was scheduled to come to the Executive in February 2024. Given the Christmas holidays and the deadlines for production of the report for publication, we are proposing to not bring the month eight report to you in February, but instead bring month nine (end of December). This will require a much tighter turnaround of budget monitoring by the Finance Team and the services but will mean Members get a much more up to date information.
13. As the new authority evolves work is being completed realign services and ensure budgets are in the most appropriate place. The changes will mainly affect the non-service area. These amendments have been shown in the MTFP Budget Update paper going to January's Executive meeting and will be reflected in the month nine budget monitoring report.

## Recommendations

14. That the Executive:
- a) Notes the forecast overspend of £18.3m (3.7%) for the year and the recovery action being taken and mitigations put in place to address this.
  - b) Notes the next report to be received by the Executive on Revenue Budget Monitoring will be the month nine report in February 2024.

## Reasons for recommendations

15. To ensure that the Council continues to maintain tight financial control over its budget.

## Other options considered

16. No other options were considered as continuing to monitor the budget on a monthly basis is considered best practice.

## Links to Council Plan and Medium-Term Financial Plan

17. The 2023/24 Budget was approved by Council in February 2023 as part of the Medium-Term Financial Plan (MTFP) and is the financial resourcing plan to deliver the Council Plan.

## Financial and Risk Implications

18. There are two relevant Strategic Risk which are ORG0070 Budget Overspend in the current financial year and ORG0057 Sustainable Medium Term Financial Plan. For both of these risks the current scores are:

<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>5</b>	<b>Risk Score</b>	<b>25</b>
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19. The financial impact of an overspend of £18.4m in the current financial would result in a reduction in the level of General Reserves from £49.8m to £30.7m. This remains above the £30m minimum risk-based assessment of the reserves approved by Council in February 2023.

20. The variances causing the net overspend are a mixture of on-going and once-off items, and the on-going items will have a financial impact upon 2024/25 if they are not addressed.

### **Legal Implications**

21. There are no specific legal implications arising from this report.

### **HR Implications**

22. There are no specific HR implications arising from this report.

### **Other Implications:**

### **Equalities Implications**

23. There are no specific equalities implications arising from this report.

### **Community Safety Implications**

24. There are no community safety implications arising from this report.

### **Climate Change and Sustainability Implications**

25. There are no climate change and sustainability implications arising from this report.

### **Health and Safety Implications**

26. There are no health and safety implications arising from this report.

### **Health and Wellbeing Implications**

27. There are no health and wellbeing implications arising from this report.

### **Social Value**

28. There are no Social Value implications arising from this report.



## Scrutiny comments/recommendations:

29. This report will be presented to Scrutiny for Corporate & Resources Committee, on 4 January 2024.

## Background

30. The Full Council approved the 2023/24 Budget in February 2023, the first budget for Somerset Council. Budget monitoring is delegated to Executive and Scrutiny and revenue service reports will be presented monthly with a full overview of revenue, capital, and reserves quarterly. This report outlines the forecast year-end position of services against the 2023/24 revised budget of £492.1m as at the end of October 2023.
31. **Table 1** (paragraph four) provides a summary of each service budget, with projections and variances for the year shown against these. Further details and mitigations being taken by the responsible director are outlined in appendices 1-8. The significant variances at month seven are:
- Adult Services has a £14.9m adverse variance against their budget (8% of service budget). This variance is mainly in the Adult Social Care and Learning Disabilities budget areas due to fee levels being high than anticipated.
  - Children's Services have a £13.9m adverse variance against their budget (11.3% of service budget), an unfavourable movement of £1.5m from month six. The overspend and movement mainly relate to the External Placements and Fieldwork (support for Children at Home) budgets.
  - Climate and Place have a favourable variance of £5.4m against their budget. This is a reduction of £0.1m since month six. The underspend mainly relates to income received via Connecting Devon and Somerset. The balance received has been reduced due to overspends in Waste Services, and Highways.
  - Strategy, Workforce and Localities have a £0.9m adverse variance (4% of service budget). The overspend relates to external legal costs where specific expertise is required. This overspend is offset by vacancies and Learning and Development reducing costs by focusing on e-learning, statutory and mandatory training.

- Resources and Corporate have a £2.8m favourable variance (13.3% of service budget). The majority of the favourable variance is seen in Finance and Information Communication Technology Services and relates to the holding of vacant posts and additional grant income.
- Non-Services have a favourable variance of £3.5m due once off in year favourable treasury management activities. Together with careful management of the Council's cashflow, which has at times seen and higher than anticipated cashflow levels.

### **2023/24 Budget & Forecast Outturn Position**

32. The 2023/24 budget was put together using the information from the five predecessor councils before the full officer structure was finalised. Each council recorded things in different ways, therefore there is still some alignment of budgets to take place which will require budget virements. Service Directors are currently developing their service structures which will require further adjustments to the budget in order to reflect the new staffing establishment.
33. After accounting for all service expenditure and contingencies the projected outturn position at month seven is £510.4m against a revised net budget of £492.1m. This gives a £18.3m adverse variance which represents a variance of 3.7%.
34. With the financial challenges outlined in this paper the Council needs to move at pace to deal with the difficult financial situation that the council now faces. Further information for each service is shown in appendices 1 to 8, along with details on movements, actions to be taken, future risks and opportunities.

### **Background Papers**

35. Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 report to Corporate & Resources Scrutiny & Executive July 2023
36. 2023/24 Budget, Medium-Term Financial Plan & Council Tax Setting report to Council February 2023
37. Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 report to Corporate & Resources Scrutiny & Executive November 2023

## Appendices

Appendix 1: Adults Services

Appendix 2: Children, Families & Education Services

Appendix 3: Community Services

Appendix 4: Climate and Place (including Accountable Bodies)

Appendix 5: Strategy, Workforce and Localities

Appendix 6: Resources and Corporate Services

Appendix 7: Public Health

Appendix 8: Other service area

## Report Sign-Off

	<b>Officer Name</b>	<b>Date Completed</b>
Legal & Governance Implications	David Clark	22/12/2023
Communications	Peter Elliot	20/12/2023
Finance & Procurement	Nicola Hix	20/12/2023
Workforce	Dawn Bettridge	22/12/2023
Asset Management	Oliver Woodhams	22/12/2023
Executive Director / Senior Manager	Jason Vaughan	20/12/2023
Strategy & Performance	Alyn Jones	20/12/2023
Executive Lead Member	Cllr Liz Leyshon	21/12/2023
Consulted:		
Local Division Members	All	
Opposition Spokesperson	Cllr Mandy Chilcott Deputy Leader of the Opposition and Opposition Spokesperson for Resources and Performance	18/12/2023
Scrutiny Chair	Cllr Bob Filmer, Chair - Scrutiny Corporate & Resources Committee	22/12/2023

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## **Appendix 1 – Adult Services**

Lead Member for Adult Services: Cllr Dean Ruddle

Executive Director: Mel Lock

Service Directors

- Adult Social Care Operations: Emily Fulbrook
- Adult Social Care Commissioning: Paul Coles
- Adult Social Care Transformation: Nikki Shaw

**Table 1: Adult Services as at the end of October 2023 (Month 7)**

- 2023/24 net budget £185.5m, projected adverse variance £14.9m, no movement from month six.
- 2022/23 net budget £160.7m, outturn adverse variance £15.4m

Service Area	Current Budget	Full Year Projection	Month 7 Variance	A/(F)	RAG Status	Movement From Month 6
	£m	£m	£m			£m
<b>Adult Social Care Operations - Physical Disability/Sensory Loss/65 Plus</b>						
PD/SL/65P Residential & Nursing	58.0	58.9	0.9	A	Red	0.0
Home Care	28.2	31.0	2.8	A	Red	0.0
Direct Payments	12.5	14.2	1.7	A	Red	0.0
Staffing Costs	12.4	11.4	(1.0)	(F)	Green	0.0
Transport, Daycare & Other	3.1	4.0	0.9	A	Red	0.0
<b>sub total</b>	<b>114.2</b>	<b>119.5</b>	<b>5.3</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>
<b>Adult Social Care Operations - Mental Health</b>						
MH Residential & Nursing	14.7	14.6	(0.1)	(F)	Green	0.0
Home Care/Supported Living	5.7	6.9	1.2	A	Red	0.0
Staffing/Deprivation of Liberty, Safeguards	1.4	1.4	0.0	-	Green	0.0
Direct Payments, Day Care & Transport	1.8	1.7	(0.1)	(F)	Green	0.0
<b>sub total</b>	<b>23.6</b>	<b>24.6</b>	<b>1.0</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>
<b>Adult Social Care Operations - Learning Disabilities</b>						
LD Residential & Nursing	23.8	25.3	1.5	A	Red	0.0
Supported Living/Home Care	33.6	38.4	4.8	A	Red	0.0
Direct Payments/In Control	10.7	9.7	(1.0)	(F)	Green	0.0
Day Care	6.4	6.9	0.5	A	Red	0.0
Discovery	30.5	30.9	0.4	A	Red	0.0
Transport, Shared Lives & Other	2.4	2.6	0.2	A	Red	0.0
Central & Salaries	2.4	3.5	1.1	A	Red	0.0
<b>sub total</b>	<b>109.8</b>	<b>117.3</b>	<b>7.5</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>
<b>Commissioning</b>						
Commissioning	(62.2)	(61.1)	1.1	A	Red	0.0
<b>sub total</b>	<b>(62.2)</b>	<b>(61.1)</b>	<b>1.1</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>
<b>Total</b>	<b>185.4</b>	<b>200.3</b>	<b>14.9</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>

### **Adult Services - key explanations, actions & mitigating controls**

Adult Services overspend is £24.2m due to increase in both fee levels for care home placements and delivery of home care, offset by a number of in year mitigations to reduce it to £14.9m.

Since 2020/21 we have seen an increase of 41% in residential placements and this significant increase can be seen across all care home placement types. In October 2022, the unmet needs list was around 150 people waiting for homecare, the number current waiting is two people, this increased in delivery is now showing as a full year effect in the table above.

To offset the overspend a number of in year mitigations and funding have been identified including the market sustainability funding - workforce grant of £3.8m, in year mitigations of £3m including reviewing all 1:1 with a view to reducing hours required and £2.5m NHS monies.

### **Adult Social Care - Physical Disability/Sensory Loss/65 Plus**

This area of Adults is currently projecting to be £5.3m overspent. As in previous years, we continue to see pressure within residential and nursing placements, with pressure on the weekly costs, as well as the number of people receiving support. Historically the authority has paid low fee rates within this sector. The increase in fee levels for 23/24 are still not stabilising the market, due to the increase in inflation and cost of living.

There continue to be a number of interim placements as the service works with the NHS trusts to ensure a timely discharge for people from hospital. These placements are currently projected to cost £1.8m.

We continue to deliver more homecare, to allow people to remain in their own homes for as long as possible to help reduce the overreliance on beds, as well as it being the best place for them. This has led to reported overspends of £2.8m for home care.

As we continue to offer choice and have a varied market that includes micro-providers, we have seen an increase in the use of direct payments, resulting in a projected overspend of £1.7m.

### **Mental Health**

This budget includes individuals who have a diagnosis of dementia. The budget continues to be an area of growth for the past few years, and this has continued in 2023/24. We are currently projecting an overspend of £1m mainly within home care and supported living. Residential and nursing continues to be a pressure for the service due to a combination of increasing numbers and high unit costs.

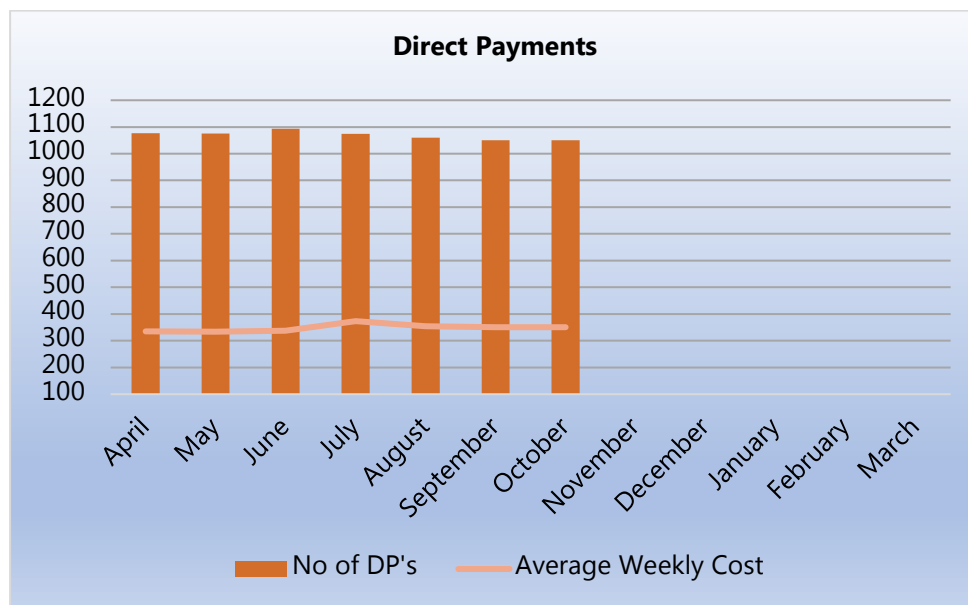
## Learning Disabilities

Overall, the cost of Learning Disabilities is projected to overspend by £7.5m. Since outturn we have seen a number of high costs placements come through, either via transitions or due to other forms of funding coming to an end. The four main pressure areas continue to be residential & nursing £1.5m, supported living and homecare £4.8m and day care £0.5m due to market sustainability. Supported Living is in the best interest of people but is an area where unit costs can be high.

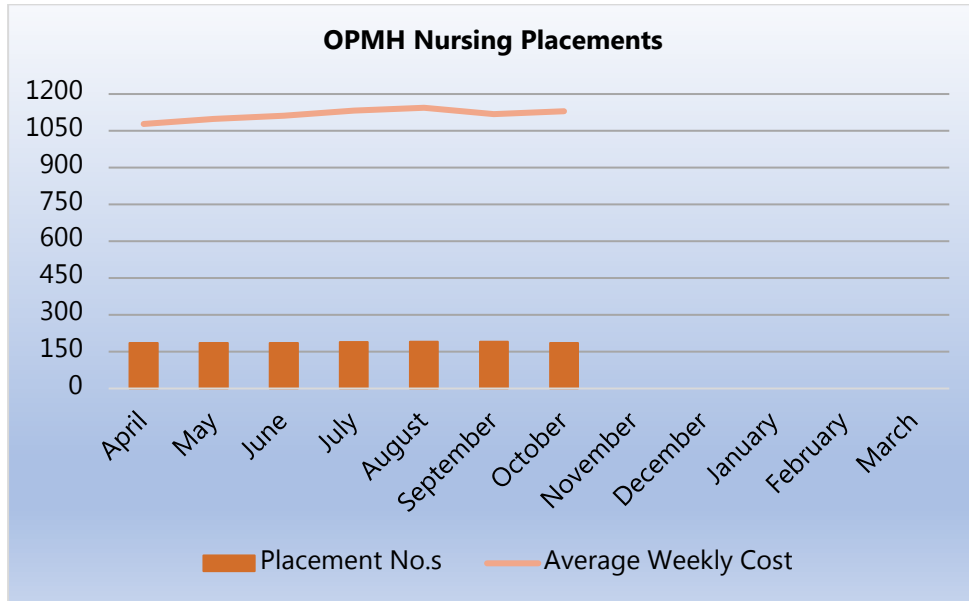
## Commissioning

Commissioning is currently projecting to overspend by £1.3m, as the Adults transformation 'my life, my future' will not achieve the full £5m saving.

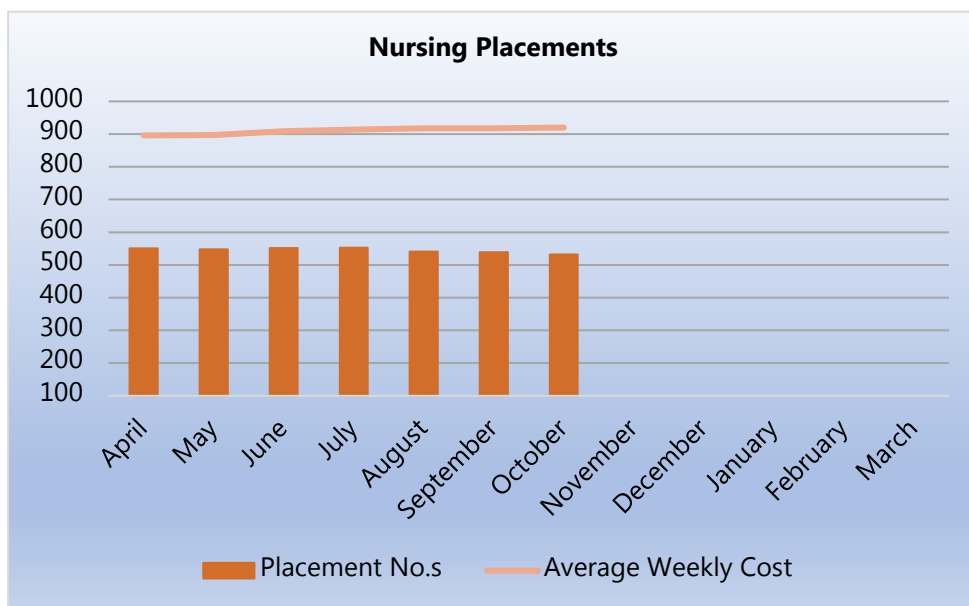
## Adult Services - key performance cost drivers



Since the beginning of the financial year, we have seen the number of people receiving a Direct Payment within ASC decrease from 1,077 to 1050 packages. The current weekly average cost of an ASC Direct Payment is £351 per package.



The number of Older People Mental Health (OPMH) Nursing placements has remained stable at 185 placements since April. The current weekly average cost for OPMH Nursing is £1,130 per placement.



Nursing placements decreased by nineteen since April from 551 to 532. The current weekly average cost for Nursing is £920 per placement.

### Adult Services - key risks, future issues & opportunities

90% of the ASC budget is spent on individual placements purchased through the market via block and spot placements. Therefore, there is a significant risk that this



budget will continue to overspend. This is due to increased demand, the cost-of-living rise, particularly the increases in petrol, gas, electric, and food.

We have a number of mitigations that are not currently reflected in the financial position above but across the financial year we will start to see the impact:

- Enhanced Peer Forum – Robust financial and operating challenge
- Reviewing Interim Placements – This review will identify those who should be self-funding/contributing towards their long-term care.
- My life, my future – reduce the overreliance on bed placements and redesign the reablement service.
- Review all high cost/complex placements.
- Review void costs.

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## Appendix 2 – Children, Families & Education Services

### Children & Family Services

Lead Member for Children, Families and Education: Cllr Tessa Munt

Executive Director: Claire Winter

Service Directors:

- Children and Families: Jayne Shelbourn-Barrow
- Commissioning and Performance: Richard Selwyn
- Inclusion: Rob Hart
- Education, Partnerships and Skills: Amelia Walker

**Table 1: 2023/24 Children & Family Services as at the end of October 2023  
(Month 7)**

- 2023/24 net budget £123.1m, projected adverse variance £13.9m, adverse movement £1.5m from month six
- 2022/23 net budget £107.1m, outturn adverse variance £21.2m

Service Area	Current Budget	Full Year Projection	Month 7 Variance	A/(F)	RAG Status	Movement From Month 6
	£m	£m	£m			£m
<b>Children &amp; Families</b>						
Prevention Services	5.7	5.7	0.0	-	Green	(0.1)
Fostering & Permanence	13.3	12.6	(0.7)	(F)	Green	(0.0)
External Placements	38.4	49.3	10.9	A	Red	0.5
Fieldwork	9.1	10.4	1.3	A	Red	0.4
Disabilities	6.8	6.3	(0.5)	(F)	Green	0.0
Partnership, Audit & Quality	2.7	2.7	0.0	-	Green	0.0
Children Looked After	4.8	4.9	0.1	A	Red	(0.1)
Leaving Care	2.2	2.5	0.3	A	Red	0.0
CSC Management	(0.9)	(0.3)	0.6	A	Red	0.6
C&F Apportionments	0.0	0.0	0.0	-	Green	0.0
<b>sub total</b>	<b>82.1</b>	<b>94.1</b>	<b>12.0</b>	<b>A</b>	<b>Red</b>	<b>1.3</b>
<b>Commissioning and Performance</b>						
C&P Commissioning	2.0	2.0	0.0	-	Green	0.0
Performance and Transformation	4.4	4.3	(0.1)	(F)	Green	(0.0)
Business Support	4.1	4.1	0.0	-	Green	0.0
Children, Families & Education Team	0.0	0.0	0.0	-	Green	0.2
Early Help Services	0.0	0.0	0.0	-	Green	0.0
<b>sub total</b>	<b>10.5</b>	<b>10.4</b>	<b>(0.1)</b>	<b>(F)</b>	<b>Green</b>	<b>0.2</b>
<b>Inclusion</b>						
Special Educational Needs and Disabilities	2.7	2.7	0.0	-	Green	0.0
Vulnerable Learners	0.2	0.0	(0.2)	(F)	Green	(0.2)
Educational Psychology	2.1	2.2	0.1	A	Red	0.1
Inclusion Transformation and Partnerships	0.1	0.4	0.3	A	Red	0.3
SEND Transport	10.1	12.1	2.0	A	Red	0.3
Inclusion Strategic Management	0.2	0.1	(0.1)	(F)	Green	(0.1)
<b>sub total</b>	<b>15.4</b>	<b>17.5</b>	<b>2.1</b>	<b>A</b>	<b>Red</b>	<b>0.4</b>
<b>Education, Partnerships and Skills</b>						
Education Leadership	0.1	(0.3)	(0.4)	(F)	Green	(0.2)
Education Operations	(0.1)	(0.3)	(0.2)	(F)	Green	0.0
Curriculum and Literacy	(0.1)	0.1	0.2	A	Red	(0.3)
Education Places	0.6	0.7	0.1	A	Red	0.0
Home to School Transport	12.9	12.6	(0.3)	(F)	Green	(0.3)
EPS Management	0.7	1.3	0.6	A	Red	0.5
<b>sub total</b>	<b>14.1</b>	<b>14.1</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>(0.3)</b>
<b>Childrens Services</b>						
Childrens Directorate	0.7	0.6	(0.1)	(F)	Green	(0.1)
<b>sub total</b>	<b>0.7</b>	<b>0.6</b>	<b>(0.1)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.1)</b>
<b>Children, Families &amp; Education Services Total</b>	<b>122.8</b>	<b>136.7</b>	<b>13.9</b>	<b>A</b>	<b>Red</b>	<b>1.5</b>

## **Children & Family Services - key explanations, actions, and mitigating controls**

### **External Placements**

The external placements budget is forecasting a total overspend of £11m, an adverse movement of £0.5m from month six.

Of this overall variance, the unregistered placement overspend is £3.5m an increase of £0.1m from month six and the residential overspend is £5.1m an increase of £0.6m.

The service has been able to move children from out of unregistered placements, however, due to complexity of their need, these children have moved to residential care placements, which although less expensive than unregistered placements have increased the pressure on residential care budgets. We anticipate that all unregistered placements will end by the end of January, with the majority of these children able to move to Homes and Horizons residential homes.

### **Fieldwork (Support for Children at Home)**

In emergencies and when ordered to do so by the court, the service has provided 24/7 supervision of families in their own home. This is an expensive and usually externalised service. We are challenging the validity of this expenditure in the High Court.

The high number of 24/7 support at home packages has resulted in an overspend against the Fieldwork (section 17) budget with an increase to this pressure from month six of £0.4m.

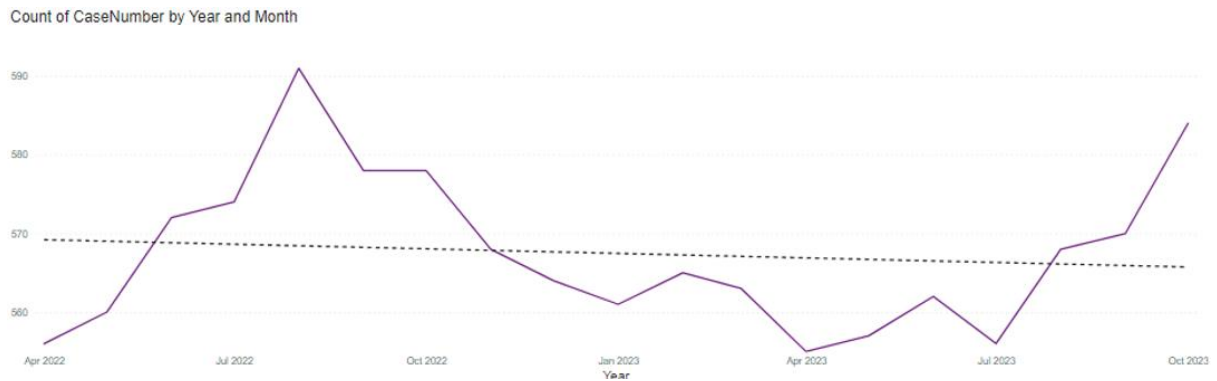
### **CSC Management**

IMPOWER have been engaged to undertake a rapid financial diagnostic of Children's Social Care Services with the aim of identifying and quantifying opportunities for sustainable cost savings over and above those already identified by the Council. These fees are resulting in a pressure in this area of £0.6m.

### **Children & Family Services – key performance cost drivers**

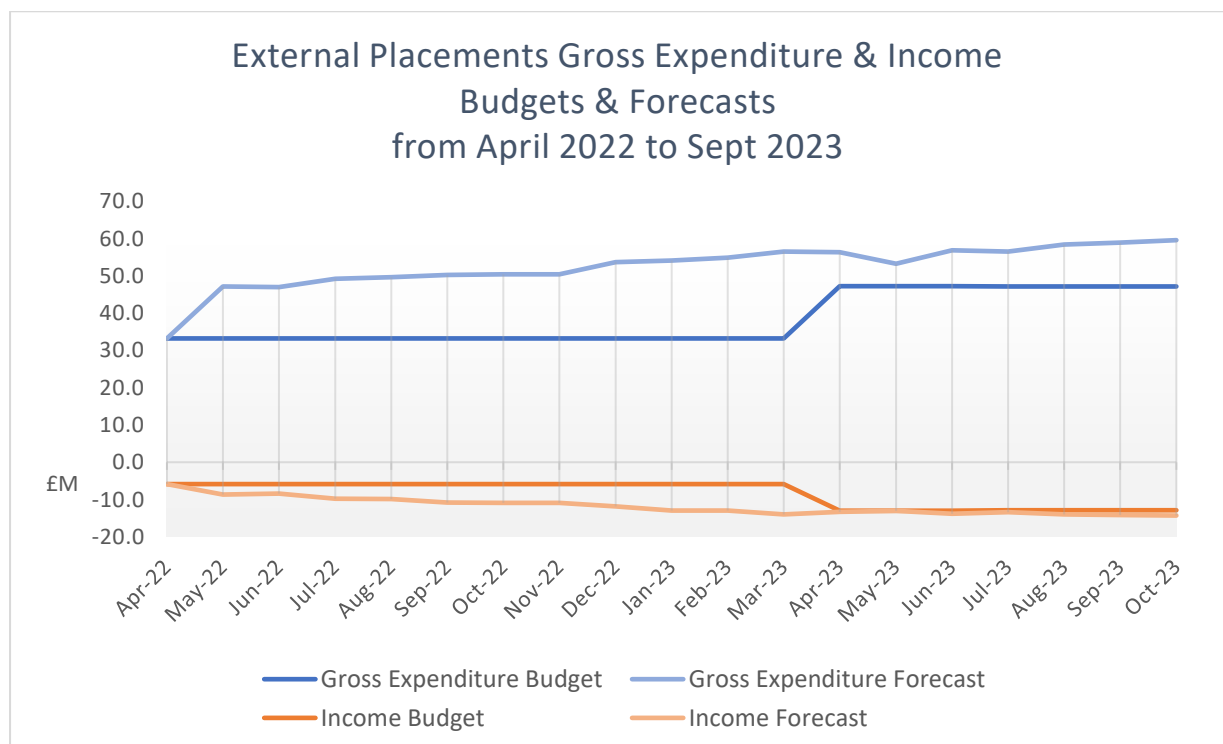
The number of children in care had remained relatively stable for a significant period with an unexpected spike in the summer of 2022. This spike was largely children in their teenage years with complex needs. This has had an impact on the number of

children in external placements and costs for these children were also higher than expected due to the complexity of their needs and the lack of sufficiency in foster placements.



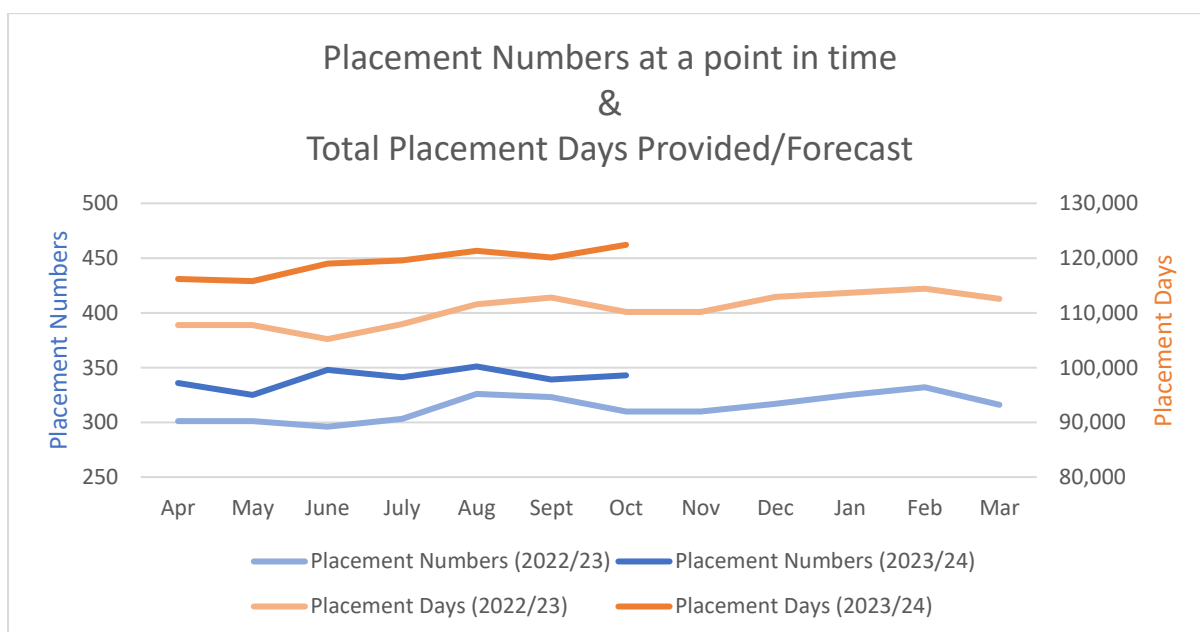
The number of children in care has increased by approximately 30 since July 2023. This largely relates to sibling groups where a non-accidental injury has occurred with the majority of these children being placed in foster care during court proceedings.

The external placements gross expenditure base budget for 2023/24 increased by £14.0m to £47.3m in 2023/24. The forecast gross expenditure for 2023/24 is £59.6m, resulting in a net forecast overspend of £11m due to the pressure being partly offset by NHS and DSG contributions.

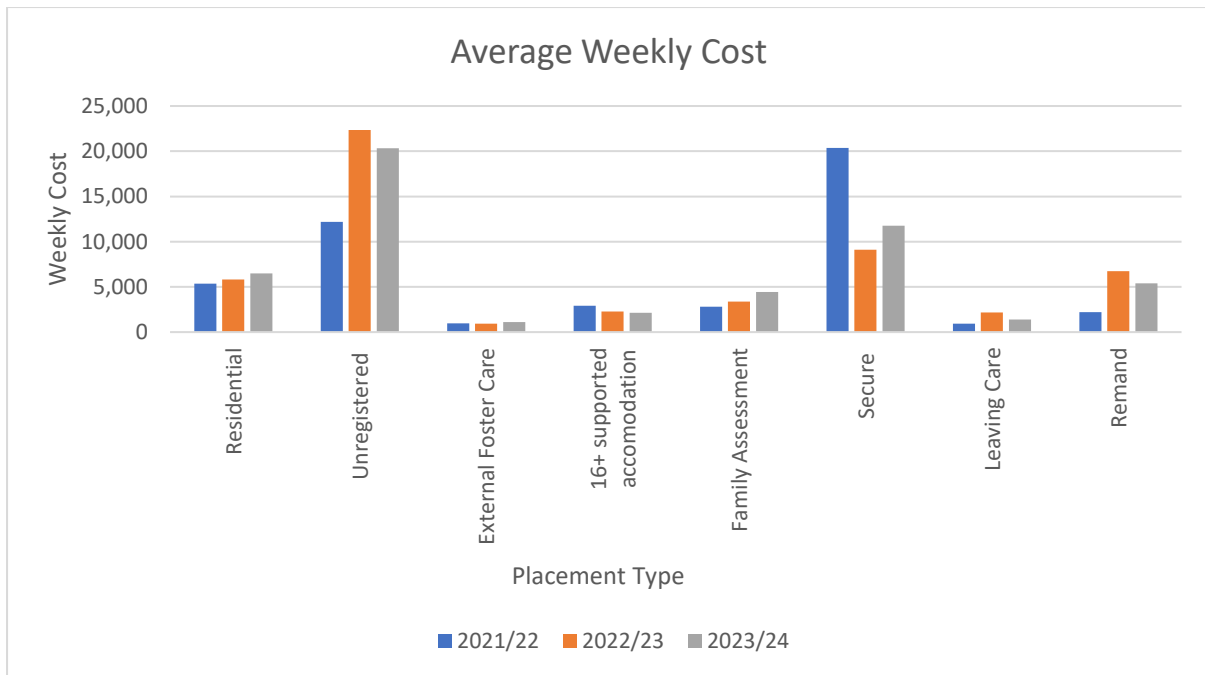


Placement numbers and the forecast number of placement days has increased compared to October last year, mainly due to:

- Increases in placements for Unaccompanied Asylum-Seeking Children (UASC), largely from the National Transfer Scheme, from a low base, which are only partly funded from the UASC Grant.
- Increases in residential placements due to both complexity of children and lack of sufficiency within the fostering sector.
- Increases in bespoke 16+ supported accommodation placements due to complexity of need.
- Reduction in external fostering placements.



The average weekly cost of unregistered placements continues to reduce and is now £20.3k, a 9% reduction on last year’s average weekly cost. The average weekly cost of residential placements has increased by 12%.



### Children & Family Services - key risks, future issues, and opportunities

A County Council Network and Society of County Treasurers report published on the 31 October 23 identified that, despite an increase in children service's budgets, county and large unitary authorities are predicting significant overspends in 23/24 in this area, due to rising demand and high care placement costs in a broken market.

As outlined above, there is significant increase in demand in Somerset particularly for placements for complex teenagers at high cost. An insufficiency of fostering provision compounds this as it does in many other local authorities nationally.

In parallel, there is a risk that the cost-of-living crisis and reducing budgets in partner organisations will have a significant impact on demand in children's social care including the number of children requiring support, and therefore the cost of services. Demand is already rising and has been doing so since the beginning of the pandemic. This is not levelling out.

### Education Partnership and Skills (EPS) (medium risk)

EPS has a gross expenditure of £29.7m and is dependent on schools and academies buying the traded service.

Somerset schools are significantly underperforming, and the Council has initiated a five-year strategy in April 2023 to improve educational outcomes. The financial health of the education support services provided to schools and early years settings, and of the schools and settings themselves, is of concern, particularly in 2023/24 due to inflation.

The traded income assumptions continue to be updated in the financial model. Should schools (maintained and academies) choose to buy less than the trading assumptions this would result in a loss of income. The buy back for the following financial year will be calculated mid-year every year and services are resized accordingly.

As of month seven, the EPS service is forecasting to be on budget for the year end (month six forecast was an overall overspend of £0.3m). Most of the movement from month six relates to reductions in spend because of controls put in place during the financial emergency, and the reallocation of funding to Home to School transport for children in Somerset from Ukraine.

### **Home to Schools Transport for Mainstream and SEN (high risk)**

In 2022/23, the overall cost of mainstream passenger transport had risen by 50% since 2018 despite static demand, while demand for SEND transport has doubled in the same period, with per passenger costs increasing by 10% (See table below). A significant factor in the rise in demand for SEND transport was a rise in number of children with EHCPs.

	Demand Number of Passengers		Costs £m		Cost per passenger £/annum	
	SEN	Mainstream	SEN	Mainstream	SEN	Mainstream
<b>Mar-23</b>	1,252	8,212	8.9	12.3	7,109	1,498
<b>Mar-22</b>	1,112	7,825	7.0	9.9	6,316	1,269
<b>Mar-21</b>	885	8,003	5.4	9.7	6,052	1,217
<b>Mar-20</b>	857	8,074	5.3	9.4	6,209	1,168
<b>Mar-19</b>	758	8,347	4.6	9.8	6,073	1,175
<b>Mar-18</b>	674	8,400	4.4	8.1	6,468	968

Another driver of increased cost has been the increasing cost of contracted supply. Suppliers have been bidding higher for tenders and in addition to a 2% fuel allowance which was given to reflect inflation, this has driven up unit costs. The



average annual cost of providing transport for every SEN child has risen from £6,468 in 2018 to £7,109 in 2023 (10% increase) and the average annual cost of providing transport to mainstream children has risen from £968 in 2018 to £1,498 in 2023, a 54% increase.

An additional £5.6m in relation to these demand and inflationary increases is included in the 2023/24 budget for mainstream and SEN transport. Forecasting future costs and demand is challenging. Edge Public Solutions were commissioned to conduct a deep dive review of Home to Schools Transport earlier this year, following unprecedented growth in demand and costs. Due to continued pressure from inflation and the increased number of SEND children being placed in special school settings, it is forecast that there will be an overspend of £2.0m in SEN transport as of month seven.

In April 2023 Edge produced a report that summarised the review findings, detailed opportunities and made recommendations to make financial and service improvements. A Transport Board and various working groups are now in place and addressing the issues identified in the review, to reduce financial pressures through efficiencies.

### **Opportunities**

Our transformation programme includes the following, which taken together change the model of children's services in Somerset to improve the efficiency and effectiveness of how we use our limited resources. The transformation programme is drawing in a wide all-age partnership across health, care, and education, including:

- **Sufficiency strategy including edge of care** – describing emerging needs and response. The strategy will inform a children looked after transformation plan, overseen by the new CLA Outcomes Transformation Board.
- **Homes and Horizons** – a strategic partnership with the charity, the Shaw Trust, to deliver up to ten homes for children, up to 20 foster homes and therapeutic education provision for the most complex children in our care. This aligns with the political ambition to ensure that children from Somerset in our care have a home in the county and allows us to bring children who have been placed elsewhere home to their communities.

- **Education for Life strategy** – with the ambition and confidence to improve outcomes for children in both our maintained and academised sector schools over the next five years. This is a central pillar of the Council's work.
- **Our SEND strategy** – focussing with our partners on ensuring that our children with SEND are included with their peers in their schools and communities and well supported in all aspects of their lives. Two key elements of this that will help to address financial challenges are a focus on early identification and support to reduce demand for statutory support, and the focus on developing more inclusive mainstream education provision and specialist provision for children with social, emotional, and mental health needs.
- **Connect Somerset** – an early help partnership between the Council, the NHS, schools, the voluntary sector, and our communities, ensuring that professionals and communities work together to help families and residents to improve their lives. This work is integrated with the Neighbourhoods, Local Community Networks and Primary Care networks.

### **Transformation, Savings, and Income Generation**

Children's Services revenue budget includes £4.6m of MTFP transformation and other savings.

**Homes to Inspire/Strategic Partnership (on track)** – The first five 'Homes and Horizons' children's homes have opened. Our first nine young people are settling in well, with a strong partnership approach currently supporting the transition of two further children into new homes from unregistered provision. The programme continues at pace with home 6 (due to open February 24). Planning work continues for the first annexes (for crisis provision) and pods (for Staying Close provision) and for the establishment of the registered Therapeutic Education Provision, and these aspects of the programme are the most at risk currently. Unless delivered on time this will impact on 2023-24 financial year savings. As reported to Children's Scrutiny Committee, the programme is on course to deliver system savings of £2m (of which £1.2m relates to Children's Social Care, primarily by reducing the number of children in unregistered provision where costs would otherwise be significantly higher).

**Family Safeguarding saving (on track)** – this saving is about preventing children coming into care. The savings target, set in early 2020, relates to reduced numbers of children coming into care. The impact of the pandemic, which led to more children coming into care, could not be anticipated. In the 2022/23 national return in relation to children in care, Somerset’s increase in children in care was 1% below the average for our statistical neighbours. This equates to 5.5 children fewer than could have been anticipated. This significant cost avoidance is due to the amount of prevention work undertaken as part of the family safeguarding model.

**Increased staff turnover (on track)** – the £0.5m saving in 2023/24 increases the total turnover saving to £1m per year which is currently on track to be achieved across Children’s Services.

There is approximately £1.8m of MTFP savings at risk:

**Diagnostic Review of Children’s Services (high risk)** – the Impower report identifies potential savings which deliver approximately 6 to 8 step downs from residential to in house fostering, but there is a risk that not all savings will be delivered in 2023/24 due to the unknown timescale to drive significant change in in-house fostering services.

### **Children, Families and Education Service– Dedicated Schools Grant (DSG)**

#### **Dedicated Schools Grant - key explanations, actions, and mitigating controls**

The DSG is a ring-fenced grant which is allocated in four blocks:

- **Schools** funds the Individual Schools’ Budgets of Academies and Local Authority Maintained schools.
- **Early Years** funds the provision of education for children from age three up to age five and for qualifying two-year olds.
- **High Needs** funds the place budgets at special schools, Enhanced Resource schools and Pupil Referral Units within the local authority’s geographical boundary and other expenditure required to support children and young people with additional educational needs.
- **Central Schools Services** funds limited central expenditure on behalf of all schools and academies plus historic commitments that have been agreed by the Schools’ Forum

**Table 2: DSG forecast at the end of October 2023 (Month 7)**

The DSG is monitored monthly, and the table below shows the 2023/24 full year forecast as of month seven, with a comparative position showing the movement to month six.

DSG Block	Current budget	Full year projection	Month 7 Variance	A/(F)	RAG Status	Movement from Month 6 A/(F)
Schools	2.5	2.9	0.4	A	Red	-
Central Schools	5.0	5.0	-	F	Green	-
Early Years	31.1	31.1	-	F	Green	-
High Needs	73.5	89.1	15.6	A	Red	0.5
<b>Total</b>	<b>112.1</b>	<b>128.1</b>	<b>16.0</b>		<b>Red</b>	<b>0.5</b>

**Table 3: DSG Allocations 2023/24**

The final gross DSG funding allocation for 2023/24 amounted to £491.8m. From this final allocation, the amounts shown in the table below have been allocated to Mainstream and Special School Academies and Local Authority Maintained Schools. The amounts allocated to Academies shown below are recouped by the Department for Education prior to payment to the Local Authority. The remaining balance is the funding available for services for 2023/24. The £2.5m on the Schools Block represents the Growth Fund allocation for the year.

In year allocations	Gross DSG funding allocation 2023/24	Allocated to Academies	Allocated to LA Schools	2023/24 Funding available for services
Schools	372.0	(245.1)	(124.4)	2.5
Central Schools	5.0	-	-	5.0
Early Years	31.1	-	-	31.1
High Needs	83.6	(9.5)	(0.7)	73.5
<b>Total</b>	<b>491.8</b>	<b>(254.6)</b>	<b>(125.1)</b>	<b>112.1</b>

**Table 4: High Needs Block budget 2023/24**

As set out in Table 2, the main risk area for the DSG Block continues to be within the High Needs Block. A detailed summary of the High Needs Block budget and the forecast position at October 2023 (month 7) is set out below:

	Current Budget	Month 7 Forecast	Variance A/ (F)	Month 6 forecast	A/(F)	Movement from Month 6 A/(F)
<b>High Needs Block</b>						
INMS	20.7	25.4	4.7	25.4	A	-
Special Schools	21.9	22.1	0.2	22.1	A	-
Mainstream Schools & Academies	10.9	12.4	1.5	12.4	A	-
Pupil Referral Units & Learning Partnerships	7.9	8.4	0.5	7.9	A	0.5
Post 16	6.0	6.7	0.7	6.7	A	-
CLA Pre 16	5.1	6.2	1.1	6.1	A	0.1
SEND Advisory Services	3.6	3.5	(0.1)	3.6	F	(0.1)
ASD Bases	2.2	2.2	-	2.2	-	-
Other	2.2	2.2	-	2.2	-	-
	80.5	89.1	8.6	88.6		0.5
Budget in Year pressure	(5.5)	-	5.5	-	A	-
Transfer from Schools Block	(1.5)	-	1.5	-	A	-
<b>Total</b>	73.5	89.1	15.6	88.6		0.5

The main areas (variances over £0.5m) contributing to the adverse forecast variance of £15.6m in the High Needs Block are:

1. Planned in year budget pressure (£5.5m adverse variance, no movement from month 6)

The planned budget allocation for 2023/24 included a forecast in-year pressure on the High Needs Block of £5.5 million. Largely this is due to two related factors: year-on-year growth in the number of children and young people with an EHCP (education, health, and care plan), (93% increase from 2019 to 2022) and a lack of sufficient provision within Somerset's maintained sector for children with social, emotional, and mental health needs.

2. Contribution from Growth Fund (£1.5m adverse variance, no change from month 6)

The budgeted contribution from the Schools Block to the High Needs Block budget of £1.5m was removed in month five. This transfer has been removed because the Schools Block is now forecast to not have sufficient surplus to allow it to take place.

Because it is a movement of funds between two blocks within the DSG, this transfer does not have any net effect on the overall DSG deficit.

3. Independent & Non-Maintained Schools (INMS) and Independent Post 16 Schools (£5.4m adverse variance, no change from month six, variance amended to match corrected detailed table above)

The effect of the significant increase in the number and cost of new INMS placements agreed through the LA's Placement and Travel (PAT) Panel or ordered by the SEND Tribunal continued in the first six months of 2023/24. In part, this has been due to insufficient availability of maintained specialist provision for pupils with social, emotional, and mental health needs.

4. Mainstream Schools & Academies (£1.5m adverse variance, no movement from month 6)

Forecast additional increases in the number, complexity, and cost of new and extended EHCPs and related costed packages were not anticipated within the budget. The service is reviewing packages to limit the overspend.

5. Children Looked After (CLA) (£1.2m adverse variance, an adverse movement of £0.1m from Month 6)

The average complexity and therefore, cost of CLA placements resulting in a contribution from education has increased above the budgeted assumptions. The adverse movement in Month 5 has resulted from further children moving into external placements during the month requiring educational contributions.

6. Pupil Referral Units and Learning Partnerships (£0.5m adverse variance, and adverse movement of £0.5m from Month 6)

The HNB budget included an amount of £0.9m of income anticipated to be received from Pupil Referral Units for work with Mainstream Schools. However, there is limited capacity to undertake this work due to the high workload on school exclusions. This is expected to reduce the amount of income that can be achieved in 2023/24. The forecast has therefore been reduced to £0.4m, and this work will be monitored by the Inclusion team in the coming months.

## Schools Block monitoring

The £0.4m adverse movement on the Schools Block represents unplanned expenditure on asylum seeking children of £0.4m. This is unchanged from Month 6.

### DSG forecast deficit on 31 March 2024

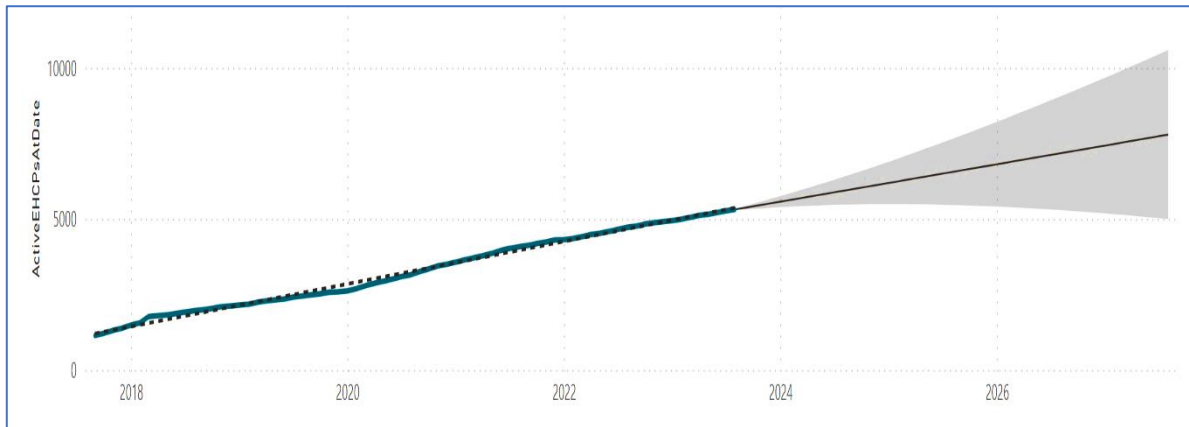
	Balance b/fwd at 1 Apr 2023	NFF drawn from growth fund	Forecast in- year variance surplus/ (deficit)	Forecast carry forward 31 Mar 2024
Forecast deficit carry forward	(deficit)			
Schools	2.6	(1.2)	(0.4)	1.0
Central Schools	5.6	-	-	5.6
Early Years	0.9	-	-	0.9
High Needs	(29.8)	-	(15.6)	(45.4)
Total	(20.7)	(1.2)	(16.0)	(38.0)

The DSG is forecast to have an in-year deficit of £16.0m in 2023/24 (an adverse movement of £0.5m from Month 6) giving a carried forward cumulative deficit of £38.0m when added to the brought forward balance of £20.7m. In order to fully adopt the National Funding Formula for Schools for 2023/24 it was agreed in January 2023 at Schools Forum that £1.2m would be drawn from the Growth Fund. The main area for concern continues to be the High Needs Block with a forecast in-year deficit of £15.6m.

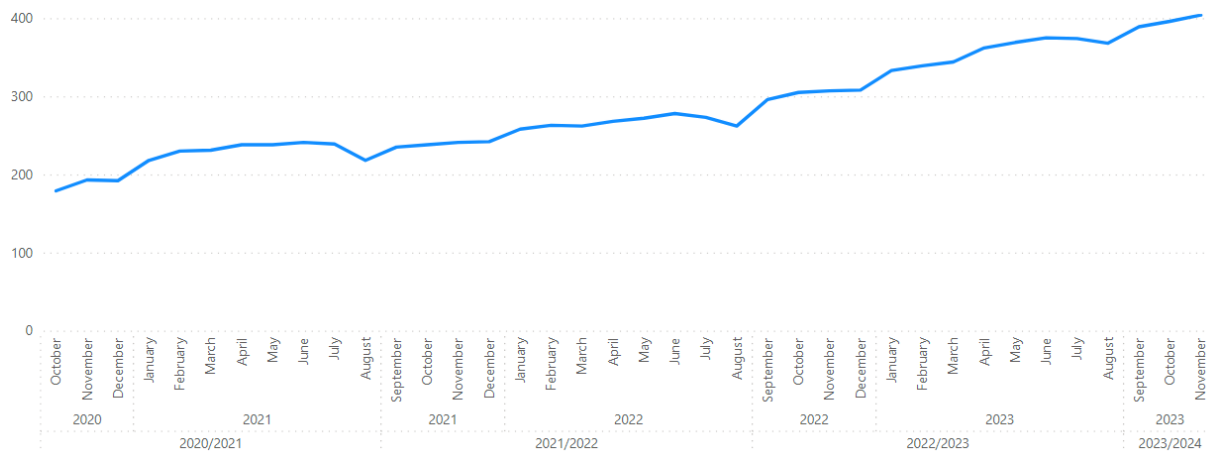
### Dedicated Schools Grant - key performance cost drivers

Since 2018, Somerset has experienced a steady growth in the number of children with Education Health & Care (EHC) plans as shown below. Previously, Somerset was an outlier, nationally, with extremely low numbers of children with EHC plans, as there was a policy of allocating high needs funding to mainstream schools to support children. This policy was changed in 2018 to ensure there was better oversight and accountability for use of high needs funding. From 2018 to 2023 there was an increase nationally in the proportion of school pupils from 2.9% to 4.3%. Somerset is now slightly above the national level at 4.6% of pupils with an EHC plan. Projections show that the numbers are expected to continue to increase in future years.

### Total Number of EHC Plans



The graph below shows the growth in the number of children (x axis) accessing independent non-maintained specialist (INMS) schools. INMS schools are significantly more costly (Approx £55k per pupil per year) than placements in maintained specialist schools. These placements are only made where there is no viable alternative placement available in a maintained setting, so the growth is a result of not having sufficient maintained provision in Somerset to meet the range of needs.



### Dedicated Schools Grant - key risks, future issues, and opportunities

The key issues relating to the DSG Reserves are:

1. The projected future overspends in the High Needs Block will continue to create increasing deficits within that block and hence within the overall DSG Reserves position. This is discussed further in the High Needs Block sections below.



2. The DSG had an overall cumulative deficit of £20.7m at 31 March 2023. The statutory override that allows the separation of DSG deficits from the local authority's wider finances is due to expire in March 2026 whereupon the DSG deficit will need to be recognised within the local authority's overall level of reserves.

The key risks in the High Needs Block are:

1. Increased demand for education, health, and care plans (EHCP)

The key driver for increases in high needs spending is increased demand for EHC plans. Having had one of the lowest rates of EHC plans nationally in 2018, Somerset has seen a continued increase in rates of EHC plans and the current rate of 4.6%, is now just above the national average of 4.3% (2022/23 figures). Although most children with EHC plans are educated in mainstream schools, there has been a gradual movement of children from mainstream settings into specialist settings, with demand for places exceeding the growth in the provision of specialist settings.

£10.1m of DfE capital funding was made available in 2022 allowing the development of a new phase of the capital programme, which focuses on special school satellites, enhanced learning provision across the county and new therapeutic education capacity, to enable more children to access inclusive provision close to where they live. In addition, service transformation activity linked to the national Delivering Better Value (DBV) programme focuses on improving interventions and support at an early stage to prevent the need for so many EHC plans.

2. Sufficiency of provision of Social, Emotional and Mental Health (SEMH) support

There is currently insufficient SEMH provision in Somerset with the only provider currently operating significantly below capacity. This has been caused by a poor Ofsted rating for this provider. In addition, the opening of a new special SEMH free school in South Somerset has been delayed from September 2022 to September 2024. These issues result in SEMH needs being met by higher cost INMS providers. In 2022 the Council successfully applied for another SEMH special free school in the Wells area, which will cater for 64 children. However, this is not expected to be

delivered until 2027. These will help to address the current lack of SEMH provision.

### **Transformation, Savings, and Income Generation**

There have been two key programmes of work to address the ongoing challenges in the high needs block. The specialist capital programme began in 2019, supported by investment from the local authority, to expand and improve Somerset's specialist estate. This has resulted in an increase of 361 additional places in specialist SEND provision across the county to date. In 2022, the Council received a £10.1 million DfE high needs capital grant, which is being used to fund further increases in specialist SEND capacity, through development of special school satellites, enhanced learning provisions in mainstream settings, and therapeutic education provision. In addition, the Council has successfully bid for two new Special Free Schools, which the DfE is responsible for delivering. The first was due to open in September 2022, but has been delayed and is now expected to open in September 2024. This will ultimately provide 120 new places. The second is due to open in 2027 and will provide a further 64 places.

Since April 2022, the service has been working with IMPOWER Consulting to identify further opportunities to improve outcomes for children and reduce pressures on high needs budgets. This work has focused on improving early identification and support and led to the set-up of a dedicated advice line for schools to support earlier intervention, as well as a trial of the Somerset Inclusion Tool (Valuing SEND) to improve planning around transitions for children with SEND. This is helping to identify children who can remain in mainstream settings with the right support, who might otherwise have moved into more specialist settings.

Following on from this, in summer 2022, Somerset was invited to participate in the DfE-led Delivering Better Value programme. This is aimed at 55 local authorities with significant high needs deficits, but not the 20 areas with the biggest deficits (who access a different "safety valve" programme). During autumn 2022 the service worked with Newton Europe and CIPFA to develop an improved understanding of our demand and financial trajectories in relation to high needs, as well as identify opportunity areas where improvements and efficiencies could be made. This has resulted in the award of a £1m grant from DfE to support transformation and test and learn activity.

Newton's analysis has suggested that there are opportunities for reducing high needs expenditure, which could realise a £1m benefit by the end of 2024/25, and

a cumulative benefit of around £8m by the end of 2027/28. However, based on Newton's model, it is still expected that the cumulative deficit will continue to grow each year, unless there were to be significant changes to SEND policy or funding at a national level. Newton have reported that in each of the local authorities they have worked with, they are projecting that deficits will continue to grow, so Somerset is in line with other areas in this respect.

The Department for Education still requires the Local Authority to produce a DSG Deficit Management Plan to evidence how it will reduce the in-year deficit to zero by 31st March 2026 when the statutory override expires. The activities and opportunities identified through the work with IMPOWER Consulting and the DBV SEND programme are included in Somerset's DSG Deficit Management Plan with further mitigating actions being developed.

### **Children and Family Services – Local Authority (LA) Maintained Schools Revenue Reserves**

#### **LA Maintained Schools - key explanations, actions, and mitigating controls**

These reserves are regarded as being under the control of the individual schools and not the local authority and are therefore not included in the calculation of the overall DSG reserves.

The overall revenue reserves of the 133 local authority's maintained schools were £19.8m at 31 March 2023. Projections for 2023/24 indicate a sharp downturn in the forecast for most schools, with overall revenue reserves expected to decrease by around £8m during the year and move into overall deficit during 2024/25.

- At the beginning of the year, seven schools shared a cumulative deficit position of £1.9m and 126 schools shared a cumulative surplus of £21.7m.
- Budget plans submitted by schools for 2023/24 show significant budgetary pressures with 102 of 122 plans submitted indicating projected in year deficits totalling £7.7m.
- Those schools with projected overall deficits and high in year deficits were invited to attend working groups this term to discuss their financial position. These meetings have now concluded, and action plans are being produced for individual schools to capture common themes causing problems for schools.
- One school, Wadham Secondary, had a cumulative deficit of £1.5m at 31 March 2023 and does not have an agreed recovery plan. The underlying problems have now been addressed by an area restructure, but the historic

deficit is too large to be recovered solely by this school. A proposal has been developed to manage down this deficit over a 5-to-10-year period. There is a risk that the local authority may be required to fund the deficit if the school is required to convert to an academy due to underperformance.

### **LA Maintained Schools - key risks, future issues, and opportunities**

Somerset's education system as whole (both the academised and maintained sectors) is underperforming and the 2022 assessment outcomes showed a trajectory of decline. While funding and finance issues are significant factors contributing to school performance, they do not determine educational outcomes. However, a weakened support infrastructure around schools has been strongly associated with that decline and financial stability is necessary for strong and reliable support services. Ensuring that financial uncertainty does not disrupt the focus on improvement and the benefit of improvement for children is therefore a priority for the local authority.

Key stakeholders, including Schools and the Local Authority are currently being consulted on proposals that are designed to mitigate risks and provide clarity and stability in relation to financial measures associated with a change of status from local authority maintained to academy status.

These proposals have been considered by Scrutiny and were agreed on 2 August by the Executive:

- a) Change the approach to managing Core Offer contracts when a school converts to academy status.
- b) Update the Council's academy charge for schools electing to convert to academy status.
- c) Apply Department for Education guidance when dealing with surplus and deficit balances on conversion to academy status.
- d) Implement the proposal at (c) in relation to surplus and deficit balances effective from the date of decision (2 August 2023)

There are currently 13 schools with an academy order and a further ten that have notified of an intention to academise. Five of the schools with orders have directive academy orders due to underperformance which means that costs cannot be recouped but any surplus would be retained.

## Appendix 3 – Community Services

Lead Member for Communities, Housing and Culture: Cllr Federica Smith-Roberts

Executive Director: Chris Hall

Service Directors:

- Housing: Chris Brown
- Culture: Elizabeth Dawson
- Customers: Jan Stafford
- Regulatory and Operational: Sarah Dowden

**Table 1: 2023/24 Community Services as at the end of September 2023  
(Month 7)**

- 2023/24 net budget £32.4m, nil variance projected, favourable movement £1.3m.

Service Area	Current Budget £m	Full Year Projection £m	Month 7 Variance £m	A/(F)	RAG Status	Movement From Month 6 £m
<b>Housing</b>						
Housing	0.0	0.0	0.0	-	Green	0.0
Housing Enabling	0.5	0.5	0.0	-	Green	0.0
Housing Strategic	1.1	1.1	0.0	-	Green	0.0
Homelessness	4.3	4.3	0.0	-	Green	0.0
Arms-Length Management Organisation (ALMO)	0.0	0.0	0.0	-	Green	0.0
Somerset Independent Plus	0.2	0.2	0.0	-	Green	0.0
<b>sub total</b>	<b>6.1</b>	<b>6.1</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>
<b>Customer Services</b>						
Customers & Communities	5.4	5.4	0.0	-	Green	0.0
<b>sub total</b>	<b>5.4</b>	<b>5.4</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>
<b>Cultural Services</b>						
Library Service	3.8	3.8	0.0	-	Green	0.0
Heritage Service	1.7	1.7	0.0	-	Green	0.0
Leisure - Sports Centre	1.8	1.8	0.0	-	Green	(0.4)
Museums	0.0	0.0	0.0	-	Green	0.0
Theatres	0.9	0.9	0.0	-	Green	0.0
Visitor Centres	0.2	0.2	0.0	-	Green	0.0
Tourism	0.1	0.1	0.0	-	Green	0.0
(wellbeing) Community Grants	0.0	0.0	0.0	-	Green	0.0
<b>sub total</b>	<b>8.5</b>	<b>8.5</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>(0.4)</b>
<b>Regulatory &amp; Operational Services</b>						
Registration	(0.2)	(0.2)	0.0	-	Green	0.0
Environmental Health	3.5	3.5	0.0	-	Green	0.0
Bereavement Services	(1.3)	(1.3)	0.0	-	Green	0.0
Harbours	0.0	0.0	0.0	-	Green	0.0
Ports	0.1	0.1	0.0	-	Green	0.0
Street Cleansing	4.7	4.7	0.0	-	Green	0.0
Open Spaces	3.2	3.2	0.0	-	Green	(0.9)
(wellbeing) Community Safety	0.0	0.0	0.0	-	Green	0.0
CCTV	0.7	0.7	0.0	-	Green	0.0
Licensing	(0.4)	(0.4)	0.0	-	Green	0.0
Resorts	0.2	0.2	0.0	-	Green	0.0
Coroners	1.3	1.3	0.0	-	Green	0.0
Operational Support	0.6	0.6	0.0	-	Green	0.0
<b>sub total</b>	<b>12.4</b>	<b>12.4</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>(0.9)</b>
<b>Community Services Total</b>	<b>32.4</b>	<b>32.4</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>(1.3)</b>

## **Community Services - key explanations, actions & mitigating controls**

The directorate is seeing pressures on budgets, the majority of which are in respect of errors identified when the budgets for the five councils were brought together. The budget errors cannot be corrected in year.

Service Directors are working to ensure that these pressures are managed in the remaining part of the financial year. It is anticipated that the recovery plans being implemented will result in no variance at year end.

## **Housing Services**

There is a pressure in respect of homelessness, with the expenditure in respect of Bed & Breakfast accommodation anticipated to exceed the budget.

A Bed & Breakfast taskforce and recovery plan is being implemented which will put actions in place to reduce the forecasted overspend.

## **Cultural Services**

There are pressures in respect of income due from the contracted schedule of payments in 2023/24 due to changes in Somerset Council business rate policy, and contractor pension contribution liabilities. There are also utility benchmarking clauses for which the council has some liability. The service is continuing to work with the contractor to find solutions to reduce the impact to the Council.

## **Regulation & Operations:**

Open Spaces functions were previously carried out by the district councils, these include services such as ground maintenance. The in year pressure relates to a reduction in budgeted income associated with the grounds maintenance contract provided by the council to an external client.

This contract ended in 2021/22. The service expenditure budget was reduced as part of the budget setting process, but the income budget was not reduced to reflect this change. Therefore, the income receivable is anticipated to be less than the target. A growth bid has been submitted to amend this income budget estimate going forwards and additional work is underway in year to reduce the impact of this, we anticipate the loss of income to be covered by underspends on other budgets in this area.

In addition, three of the districts delivered the Open Spaces service in-house, whereas Mendip District Council had an external contractor to provide this service. The service is facing an in-year pressure because the contract price increase is more than budgeted.

The service is reviewing all areas to establish in year savings that will offset the budget pressure.

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## **Appendix 4 – Climate and Place, (including Accountable Bodies)**

### **Climate and Place**

Lead Members:

- Environment and Climate Change: Cllr Dixie Darch
- Transport and Digital: Cllr Mike Rigby
- Economic Development, Planning & Assets: Cllr Ros Wyke

Executive Director: Mickey Green

Service Directors:

- Climate, Environment and Sustainability: Kirsty Larkins
- Infrastructure and Transport: David Carter
- Economy, Employment and Planning: Paul Hickson

### **Accountable Bodies**

Lead Members:

- Transport and Digital: Cllr Mike Rigby
- Economic Development, Planning & Assets: Cllr Ros Wyke
- Environment and Climate Change: Cllr Dixie Darch

Executive Director: Mickey Green

Service Directors:

- Somerset Rivers Authority: Kirsty Larkins
- Local Enterprise Partnership and Connecting Devon & Somerset: Paul Hickson

### **Table 1: 2023/24 Climate & Place (including Accountable Bodies) as at the end of October 2023 (Month 7)**

- Climate and Place (including Accountable Bodies) 2023/24 net budget £91.6m, projected favourable variance £5.4m, favourable movement £0.1m from month six.

Service Area	Current Budget £m	Full Year Projection £m	Month 7 Variance £m	A/(F)	RAG Status	Movement From Month 6 £m
<b>Climate, Environment &amp; Sustainability</b>						
Climate & Place Management	0.6	0.6	0.0	-	Green	0.0
Business Support	0.8	0.8	0.0	-	Green	0.0
Somerset Waste	49.4	50.0	0.6	A	Red	0.0
Drainage Board Levy	2.3	2.3	0.0	-	Green	0.0
Climate Change Costs	0.8	0.8	0.0	-	Green	0.0
Emergency Planning	0.0	0.0	0.0	-	Green	0.0
Flood & Water	0.8	0.8	0.0	-	Green	0.0
Countryside	0.4	0.4	0.0	-	Green	0.0
Mendips AONB	0.0	0.0	0.0	-	Green	0.0
Quantock AONB	0.1	0.1	0.0	-	Green	0.0
<b>sub total</b>	<b>55.2</b>	<b>55.8</b>	<b>0.6</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>
<b>Infrastructure &amp; Transport</b>						
Highways & Transport Commissioning	1.8	1.8	0.0	-	Green	0.0
Infrastructure Programmes Group	0.4	0.4	0.0	-	Green	0.0
Highways	16.4	17.4	1.0	A	Red	(0.1)
Traffic Management	0.3	0.3	0.0	-	Green	0.0
Transporting Somerset	9.3	9.3	0.0	-	Green	0.0
Car Parks	(6.5)	(6.5)	0.0	-	Green	0.0
Fleet Management	0.7	0.7	0.0	-	Green	0.0
Community Infrastructure	0.0	0.0	0.0	-	Green	0.0
<b>sub total</b>	<b>22.4</b>	<b>23.4</b>	<b>1.0</b>	<b>A</b>	<b>Red</b>	<b>(0.1)</b>
<b>Economy, Employment &amp; Planning</b>						
Economy & Planning	0.0	0.0	0.0	-	Green	0.0
Commissioning Development	0.0	0.0	0.0	-	Green	0.0
Development Control	2.1	2.1	0.0	-	Green	0.0
Planning Policy	3.2	3.2	0.0	-	Green	0.0
Economic Development	4.7	4.7	0.0	-	Green	0.0
Building Control	0.5	0.5	0.0	-	Green	0.0
<b>sub total</b>	<b>10.5</b>	<b>10.5</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>
<b>Accountable Bodies</b>						
Somerset Rivers Authority	3.0	3.0	0.0	-	Green	0.0
Local Enterprise Partnership	(0.2)	(0.2)	0.0	-	Green	0.0
Connecting Devon & Somerset (CDS)	0.7	(6.3)	(7.0)	(F)	Green	0.0
<b>sub total</b>	<b>3.5</b>	<b>(3.5)</b>	<b>(7.0)</b>	<b>(F)</b>	<b>Green</b>	<b>0.0</b>
<b>Climate &amp; Place Total</b>	<b>91.6</b>	<b>86.2</b>	<b>(5.4)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.1)</b>

## Climate & Place - key explanations, actions, & mitigating controls

Climate and Place is currently forecasting a favourable variance of £5.4m at outturn, a favourable movement of £0.1m since month six. The variances across Climate and Place are due to the following:

## **Climate, Environment and Sustainability**

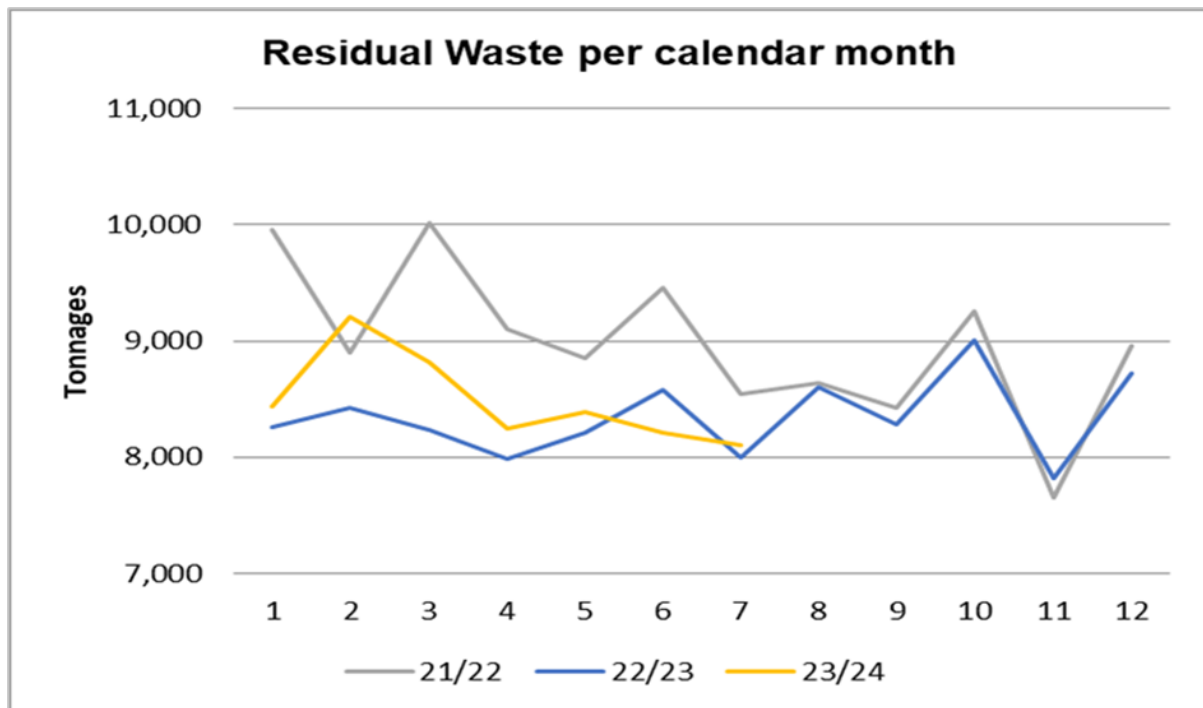
- Waste Services is forecasting an overspend of £0.6m at outturn, no variance is reported between month six and month seven. The overall overspend can be explained by the following:
  - Total waste volumes to the end of month seven shows that the increase over total period is 4.1%. This has driven by a 21% increase in garden waste tonnages and a 3% increase in residual waste tonnages. Residual tonnages have reduced but the overall tonnage growth across some waste streams remains high. This trend has been forecast to continue for the remainder of the year for budget monitoring. The impact of increased waste volumes has been partially offset by a lower than budgeted inflationary increase to contractor rates.
  - The additional bank holiday for the King's coronation, meant that there was an impact on waste collections and was not anticipated in budgets.
  - Legislation change for the treatment of POPs (persistent organic pollutants, typically fire-retardant coatings in furniture) has increased contractor costs.
  - An anticipated change of legislation due in January 2024 regarding DIY waste (removing charges at recycling centres) adds further pressures to the waste budget.
  - Waste services have been able to negotiate an improved pay award shared with Suez, however this has provided a further unbudgeted pressure within the service. This however has avoided any strike action which would have caused disrupted waste collections across the County and resulted in significant costs.

## **Infrastructure and Transport**

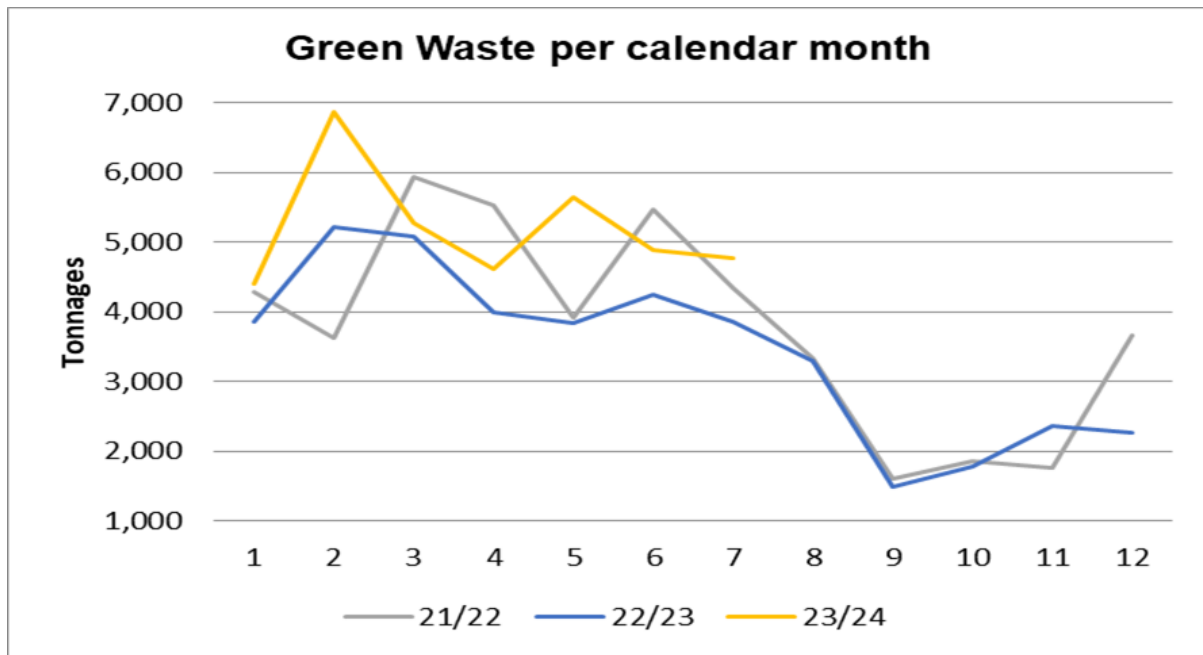
- Highways is currently forecasting an overspend of £1.0m at outturn, this is a favourable movement of £0.1m since month six. The favourable movement is due to vacant posts, one off income in Rights of Way and funding from Commuted Sums. As many authorities are finding, an increase in Safety defects across the road network is causing significant pressures on the service. The service continues to work hard to successfully complete the investigation and repair works whilst trying to manage and control the overspend. This pressure is a continuation of the situation that Somerset County Council reported in 2022/23. Although there was a favourable movement of £0.1m the first winter service treatments started in November. While this is not unusual if it follows the pattern of winter 2022/23 we can expect several other periods of sub-zero

temperatures and if mixed with milder periods with heavy rain we will likely experience a similar peak in safety defects.

### Climate & Place - key performance cost drivers



The above graph shows the residual waste (per tonnage) per month. The residual waste includes Kerbside collected waste and waste deposited at the recycling centre. The graph currently shows the reduction of waste in 2022/23 compared to 2021/22, however this highlights the unexpected increase in tonnages in the early months for 2023/24. An additional bank holiday collection due to the Kings Coronation in May and a subsequent alteration to waste collection days (that lead to a temporary relaxation inside waste policy), increased tonnage, and pressure on the Recycling Centres. Further pressures on the residual waste service during May and June arose from the disposal of flood damaged materials. Residual Waste from July to October have reduced and are more aligned to 2022 levels.



The above graph shows the green waste (per tonnage) per month. It is expected to see a downwards trend between month 6-12 (September to April) due to the seasonality of garden waste. The graph currently highlights a higher tonnage of green waste compared to 2021/22 and 2022/23 for the early months of 2023/24, this has been driven by the unusually mild, damp, weather this year propagating plant growth and increasing the moisture content of the material.

### Climate & Place - key risks, future issues & opportunities

Due to the current economic climate, there are several key risks and future issues that need to be taken into consideration:

- **Contract inflation** is applied at various times throughout the year, as the increase in contract could be led by RPI or CPI it is currently difficult to predict accurately what the impact for each contract might be. In addition, there are a number of contractual disputes which are being worked through. It is anticipated that these can be resolved in a timely matter, but in resolution may see increased costs agreed.
- **Impact of cost-of-living crisis.** As costs continue to rise, spending habits may change therefore it is possible that services across Economic and Community Infrastructure will see a decrease in income budgets.
- **Staff vacancy levels.** Difficulties in recruiting permanent staff across Climate and Place continue to impact on the ability to deliver services, where possible agencies have been used to fill critical roles. However, this has a financial

impact as generally the cost of these staff is higher than budgeted for. This reflects the national picture and is the same across a number of sectors.

- **Road Safety.** There has been an increase of killed or seriously injured accidents across the authority. The role of the Council is to educate and prevent accidents on the network, therefore with an increase of accidents it is likely that there will be some intervention needed to prevent further instances.
- **Systems and Reporting.** Finance is continuing to work with service to bring together and understand five legacy authority budgets. There is a great deal of work to do to understand, relocate and align the legacy information to make one budget for Climate and Place. This work runs alongside the implementation of the new MS Dynamics finance system and Solver budget monitoring interface. It is there important to note that this may result in unknown under or overspends for the service.

Risks can be identified due to the change in climate. It is exceedingly difficult to be able to identify financially what the impact of climate change will be year on year, but risks with a potential financial impact include:

- Icy conditions will see a high demand on the Highways service to grit primary and secondary routes.
- Increased rainfall which has raised the risk of flooding across the County. This will require input from the Emergency Planning department, Highways and Traffic Management to help ensure residents can safely navigate around the affected areas.
- The extreme changes in weather will impact the road surfaces which continues to increase the safety defects reported and increases the costs of investigation and corrective action for potholes.

## **Accountable Bodies**

### **Somerset Rivers Authority (SRA)**

Somerset Rivers Authority is currently reporting to be within budget and are not anticipating any draws from or to reserves.

### **Local Enterprise Partnership (LEP)**

LEP is currently reporting to be within budget and are not anticipating any draws from or to reserves.

### **Connecting Devon & Somerset (CDS)**

The Connecting Devon and Somerset (CDS) programme included a phase one contract with British Telecommunications plc. To meet state aid requirements that contract included provisions which allowed for "clawback" of public subsidy where take up of services exceeded the levels which the supplier had modelled. Delivery has completed and the contractual monitoring period to calculate amounts of clawback is now operational. The supplier is contracted to provide its calculation of the final clawback amount as of 31 March 2024, after which date relevant clawback funds are to be returned to CDS. The CDS collaboration will process any clawback so that collaborating public sector funders receive a proportionate return based on their original investment. At this initial stage it is estimated that the sum accruing to Somerset council is likely to be in the region of £7 million although this is subject to potential change.

### **Accountable Bodies - key risks, future issues & opportunities**

Somerset Council acts as the accountable body for the Heart of the Southwest LEP, providing a service across the core functions of the LEP and its programmes. This is in the context of an assurance framework for this programme funding meeting Government principles and expectations. In performing these functions, Somerset Council works closely with the LEP core team, and the services Somerset Council provides are specified and resourced via a service level agreement between the LEP and Somerset Council.

LEP performance is subject to periodic assessment and an annual formal review by Government – the most recent of these for 2022/23 looked positively on Somerset Council's accountable body services to the LEP.

The Government is ceasing funding of LEPs from April 2024 and expects their functions to be integrated into local authorities post that date. Somerset Council is working with the other local authorities in the Heart of the Southwest area and the LEP to plan for this transition – and integration plan is being developed as required by Government for this. The Council is also working with the LEP and partner Local Authorities to agree how residual budgets and LEP assets are apportioned at this point.

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## Appendix 5 – Strategy, Workforce and Localities

Lead Members:

- Governance and Communications: Cllr Bill Revans
- Resources and Performance: Cllr Liz Leyshon
- Transformation and Human Resources: Cllr Theo Butt Philip

Executive Director: Alyn Jones

Service Directors:

- Partnership and Localities: Sara Skirton
- Strategy and Performance: Sara Cretney
- Governance, Democratic and Legal Services: David Clark
- Workforce (interim): Dawn Bettridge

**Table 1: 2023/24 Strategy, Workforce & Localities as at the end of October 2023 (Month 7)**

- 2023/24 net budget £22.3m, projected adverse variance £0.9m, no movement from month six.

Service Area	Current Budget £m	Full Year Projection £m	Month 7 Variance £m	A/(F)	RAG Status	Movement From Month 6 £m
<b>Partnership &amp; Localities</b>						
Partnership & Localities	2.8	2.8	0.0	-	Green	0.0
Community Development	0.0	0.0	0.0	-	Green	0.0
<b>sub total</b>	<b>2.8</b>	<b>2.8</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>
<b>Strategy &amp; Performance</b>						
Communications	1.2	1.2	0.0	-	Green	0.0
Transformation & Change	3.2	2.9	(0.3)	(F)	Green	(0.3)
Digital Team	0.2	0.2	0.0	-	Green	0.0
Land Charges	(0.6)	(0.6)	0.0	-	Green	0.0
Performance	0.5	0.8	0.3	A	Red	0.3
<b>sub total</b>	<b>4.5</b>	<b>4.5</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>
<b>Workforce</b>						
Human Resources & Organisational Development	4.8	4.5	(0.3)	(F)	Green	(0.1)
Learning & Development	1.1	0.9	(0.2)	(F)	Green	0.0
Dillington Advertising Services	0.0	0.0	0.0	-	Green	0.0
<b>sub total</b>	<b>5.9</b>	<b>5.4</b>	<b>(0.5)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.1)</b>
<b>Governance, Democratic &amp; Legal Services</b>						
Democratic Services	3.7	3.7	0.0	-	Green	0.0
Legal Services	4.2	5.7	1.5	A	Red	0.0
Info Governance	0.5	0.5	0.0	-	Green	0.0
Elections	0.9	0.8	(0.1)	(F)	Green	0.1
<b>sub total</b>	<b>9.3</b>	<b>10.7</b>	<b>1.4</b>	<b>A</b>	<b>Red</b>	<b>0.1</b>
<b>Strategy, Workforce &amp; Localities Total</b>	<b>22.5</b>	<b>23.4</b>	<b>0.9</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>

### **Workforce**

An underspend of £0.3m is forecast within the Human Resources & Organisational Development budget in respect of employment costs. This is due to vacancies within the service.

An underspend of £0.2m is also anticipated on the Learning and Development budget, this is due to a focus on e-learning, statutory and mandatory training. The leadership and management programme across a wider learning and development framework will not be in place until 2024/25 resulting in an anticipated underspend on budgets associated with this programme.

### **Governance, Democratic & Legal Services**

The forecast £1.5m adverse variance within Legal Services is an estimate of anticipated increases in external legal costs based on the previous year's reported pressures. This is due to the continued need to place legal cases, principally in respect of childcare, with external legal experts.

An underspend of £0.1m in Elections is due to reduced expenditure and non-requirement of some budgets.

## **Appendix 6 - Resources & Corporate Services**

Lead Members:

- Economic Development, Planning & Assets: Cllr Ros Wyke
- Resources and Performance: Cllr Liz Leyshon
- Transport and Digital: Cllr Mike Rigby

Executive Director: Jason Vaughan

Service Directors:

- Finance and Procurement: Nicola Hix
- Strategic Asset Management: Ollie Woodhams
- Information, Communication, Technology: Andy Kennell

**Table 1: 2023/24 Resources & Corporate Services as at the end of October 2023 (Month 7)**

2023/24 net budget £21.0m, projected favourable variance of £2.8m, a favourable movement of £0.6m from month six.

Service Area	Current Budget £m	Full Year Projection £m	Month 7 Variance £m	A/(F)	RAG Status	Movement From Month 6 £m
<b>Finance</b>						
Finance	8.2	7.5	(0.7)	(F)	Green	0.0
Procurement	1.8	1.7	(0.1)	(F)	Green	0.0
Revenues	2.1	2.1	0.0	-	Green	0.5
Housing Benefits	1.1	0.5	(0.6)	(F)	Green	(0.5)
<b>sub total</b>	<b>13.2</b>	<b>11.8</b>	<b>(1.4)</b>	<b>(F)</b>	<b>Green</b>	<b>0.0</b>
<b>Strategic Asset Management</b>						
Property Services	11.1	11.2	0.1	A	Amber	(0.3)
Commercial Investment Properties	(20.6)	(20.6)	0.0	-	Green	0.0
<b>sub total</b>	<b>(9.5)</b>	<b>(9.4)</b>	<b>0.1</b>	<b>A</b>	<b>Amber</b>	<b>(0.3)</b>
<b>Information Communication Technology</b>						
Information Communication Technology	0.0	0.0	0.0	-	Green	0.0
Hardware & Software	10.1	9.4	(0.7)	(F)	Green	0.0
ICT General	6.3	5.3	(1.0)	(F)	Green	(0.3)
ICT Traded	0.0	0.1	0.1	A	Red	0.0
Telecommunications	0.9	1.0	0.1	A	Red	0.0
<b>sub total</b>	<b>17.3</b>	<b>15.8</b>	<b>(1.5)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.3)</b>
<b>Resources &amp; Corporate Services Total</b>	<b>21.0</b>	<b>18.2</b>	<b>(2.8)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.6)</b>

### **Resources & Corporate Services - key explanations, actions & mitigating controls**

#### **Finance**

- Several vacant posts across the Finance and Procurement services have resulted in an underspend on employee budgets.
- Within Revenues and Housing Benefits there has been additional spend on temporary staff due to service pressures. This additional cost has been offset

by income from Government grants and underspends on court costs, resulting in an overall underspend of £0.7m.

### **Strategic Asset Management**

- The service is holding a large number of vacancies which has resulted in a forecast underspend on employee budgets.
- There is a forecast reduction in energy costs across the estate due to improved pricing, energy efficiency measures and investment in decarbonisation projects.
- Vacant property running costs are forecast to be higher than budgeted as the service is taking on larger complex sites and properties are vacant for longer periods due to ongoing phosphates issues delaying planning.
- Tenancy changes at various properties has resulted in an anticipated shortfall of income in respect of rent receivable.
- Various other overspends anticipated on several budgets lines, including rates payable on void properties and an aborted capital scheme meaning income target not met.

Additional costs of surveying for Reinforced Autoclave Aerated Concrete (RAAC) are estimated to be around £0.3m and these unexpected costs have been funded from the Corporate Contingency budget.

Within Commercial Investment Properties it is anticipated that the income target in respect of the dividend payable from one of the Council's partly owned trading companies will not be achieved (£1.7m). Work is being undertaken to understand the factors and risks that are contributing to the non-payment of the dividend. There are adverse variances expected in respect of the rental income budgets (£1.6m), this is due to unexpected voids. The variance against the budget will be funded from the Commercial Investment risk reserve.

### **Information Communication Technology**

Additional costs have been incurred in respect of the Office365 backup costs. The cost in respect of consolidating into a single electronic payments system will be more than anticipated and the work on data centre consolidation is not achievable in this financial year meaning the budget will be exceeded. The additional costs have been offset by an underspend on employee budgets due to number of vacant posts and expenditure on several software licences being less than anticipated resulting in an underspend on the associated budget.

## **Appendix 7 - Public Health**

Lead Member for Public Health, Equalities and Diversity: Cllr Adam Dance

Executive Director: Professor Trudi Grant

Deputy Director Public Health: Lou Woolway

**Table 1: 2023/24 Public Health as at the end of October 2023 (Month 7)**

- 2023/24 Net Budget £1m, no projected variance, no movement since month six
- 2022/23 Net Budget £1.3m, no variance at outturn

<b>Service Area</b>	<b>Current Budget £m</b>	<b>Full Year Projection £m</b>	<b>Month 7 Variance £m</b>	<b>A/(F)</b>	<b>RAG Status</b>	<b>Movement From Month 6 £m</b>
Public Health Grant	22.6	22.6	0.0	-	Green	0.0
Somerset Council Budget	1.0	1.0	0.0	-	Green	0.0
Grant Income	(22.6)	(22.6)	0.0	-	Green	0.0
<b>Public Health Total</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>

### **Public Health - key explanations, actions & mitigating controls**

A number of vacant posts within the service has resulted in savings on employee budgets funded from the Public Health Grant. Contractual spend has diminished as we strive towards a new targeted operating model to improve the health of our residents across the county. The Somerset Council funding managed by Public Health is anticipated to remain on budget.

### **Public Health - key risks, future issues & opportunities**

Both the Public Health Grant and the Somerset Council funding managed by Public Health are facing significant future pressure caused by contract and pay inflationary increases. This pressure will intensify following an early indication of a 1% increase to the Public Health Grant for the 2024/25 financial year which is again significantly below inflation.

There is a systemic underfunding of public health in Somerset. The Public Health Grant is significantly below the national average being 141st out of 153 local authorities nationally. Improvements in whole population health are not achievable within the constraints of the public health budget. A new operating model for public health is underway in order to focus the activity of the Public Health Team towards influencing policy, commissioning and spend right across the Somerset system towards improving health and tackling inequalities.

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## **Appendix 8 – Other Service Areas (including Collection Fund)**

### **Non-Service**

Lead Member for Non-Service: Cllr Liz Leyshon

Executive Director: Jason Vaughan

**Table 1: 2023/24 Non-Service as at the end of October 2023 (Month 7)**

- 2023/24 net budget £9.7m, projected favourable variance £3.5m, adverse movement of £0.1m from month six.

Service Area	Current	Full Year	Month 7	A/(F)	RAG Status	Movement
	Budget	Projection	Variance			From Month 6
	£m	£m	£m			£m
Local Government Reorganisation	0.1	0.1	0.0	-	Green	0.0
Contributions	0.9	0.9	0.0	-	Green	0.0
Corporate Costs	9.2	9.2	0.0	-	Green	0.1
Financing Transactions	40.6	37.6	(3.0)	(F)	Green	0.0
Special Grants	(56.4)	(56.9)	(0.5)	(F)	Green	0.0
Pay Award	15.3	15.3	0.0	-	Green	0.0
<b>Non-Service Total</b>	<b>9.7</b>	<b>6.2</b>	<b>(3.5)</b>	<b>(F)</b>	<b>Green</b>	<b>0.1</b>

### **Non-Service - key explanations, actions, & mitigating controls**

#### Financing Transactions

The £3m favourable variance relates to the Council utilising internal borrowing in light of a higher than forecast cashflow level. This has decreased the cost of borrowing.

#### Special Grants

The favourable variance of £0.5m for Special Grants is due to receiving confirmation that the Rural Services Delivery grant and the 2023/24 Services grant will be higher than budgeted. The grant confirmation was received after the budget setting process.

**Table 2** shows details of the individual grants included within Special Grants.

**Table 2: Detailed Projection of Special Grants as at the end of October 2023 (Month 7)**

<b>Special Grants</b>	<b>Current Budget</b>	<b>Full Year Projection</b>	<b>Month 7 Variance</b>	<b>A/(F)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Adult Social Care Support Grant	(39.2)	(39.2)	0.0	-
Market Sustainability & Fair Cost of Care Funding	(5.8)	(5.8)	0.0	-
New Homes Bonus	(3.8)	(3.8)	0.0	-
Rural Services Delivery Grant	(3.2)	(3.6)	(0.4)	(F)
Services Grant	(3.2)	(3.3)	(0.1)	(F)
Extended Rights to Free Travel	(0.6)	(0.6)	0.0	-
Local Reform and Community Voices Grant	(0.4)	(0.4)	0.0	-
Inshore Fisheries Conservation Authority	(0.1)	(0.1)	0.0	-
<b>Special Grants Total</b>	<b>(56.4)</b>	<b>(56.9)</b>	<b>(0.5)</b>	<b>(F)</b>

### **Traded Services**

Lead Member for Traded Services: Cllr Tessa Munt

Executive Director: Claire Winter

**Table 3: 2023/24 Traded Services as at the end of October 2023 (Month 7)**

- Traded Services are required to set a net nil budget with full costs offset by income generated.

<b>Service Area</b>	<b>Current Budget</b>	<b>Full Year Projection</b>	<b>Month 7 Variance</b>	<b>A/(F)</b>	<b>RAG Status</b>	<b>Movement From Month 6</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>			<b>£m</b>
Dillington	0.0	0.3	0.3	A	Red	0.0
<b>Traded Services Total</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>A</b>	<b>Red</b>	<b>0.0</b>

### **Traded Services - key explanations, actions, & mitigating controls**

Dillington's deficit for the year is forecasted to be £0.3m, an increase of £0.1m from month five. With operating costs continuing to increase, particularly food, drink, and utility bills. Salary costs have also increased due to using agency staff whilst current employees secure alternative employment. This overspend relates solely to the operating costs, and not the related closure costs which are being funded by an earmarked reserve.

### **Contingencies**



Lead Member for Contingencies: Cllr Liz Leyshon  
 Executive Director: Jason Vaughan

**Table 4: 2023/24 Contingencies as at the end of October 2023 (Month 7)**

- 2023/24 allocation of £6m, £0.3m has been allocated, remaining £5.7m is committed.

Service Area	Current Budget	Full Year Projection	Month 7 Variance	A/(F)	RAG Status	Movement From Month 6
	£m	£m	£m			£m
Corporate Contingency	5.7	5.7	0.0	-	Green	0.0
<b>Contingencies Total</b>	<b>5.7</b>	<b>5.7</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>

**Contingencies – key risks, mitigations, future issues, and opportunities**

£0.3m has been allocated to the Strategic Asset Management budget to cover the costs associated with work on Reinforced Autoclaved Aerated Concrete (RAAC) surveys.

The balance of the Contingency budget (£5.7m) is forecast to be fully committed to cover the additional costs of the National Pay Award over and above the 5% that was budgeted for, temporary staffing, and costs of the Financial Resilience Review. The 2023/24 pay award has now been settled and the final agreed offer of £1,925 on most scale points.

**Core Revenue Funding**

Lead Member for Core Revenue Funding: Cllr Liz Leyshon  
 Executive Director: Jason Vaughan

**Table 5: 2023/24 Core Revenue Funding as at the end of October 2023 (Month 7)**

- 2022/23 net budget (£473.4m), no projected variance, no movement from month six.

Service Area	Current	Full Year	Month 7		Movement	RAG Status
	Budget	Projection	Variance	A/(F)	From Month	
	£m	£m	£m		6	
Council Tax	(345.4)	(345.4)	0.0	-	Green	0.0
Business Rates	(116.1)	(116.1)	0.0	-	Green	0.0
Revenue Support Grant	(7.9)	(7.9)	0.0	-	Green	0.0
Flexible Use of Capital Receipts	(4.0)	(4.0)	0.0	-	Green	0.0
<b>Core Revenue Funding Total</b>	<b>(473.4)</b>	<b>(473.4)</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>

### Core Revenue Funding - key explanations, actions, & mitigating controls

There is currently no variance projected for outturn.



## **Decision Report - Executive Decision**

Forward Plan Reference: FP/23/10/09

Decision Date – 15 January 2024

Key Decision – No

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## **2024/25 General Fund Revenue Budget Update**

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

Local Member(s) and Division: All

Lead Officer: Jason Vaughan - Executive Director – Resources & Corporate Services (s.151 Officer)

Author: Emily Collacott, Head of Strategic Finance

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

## **Summary**

1. This report updates Executive on the latest budget position and will form the basis of the budget consultation with the Corporate and Resources Scrutiny Committee. The Scrutiny Committee consultation response will inform the budget report to February Executive which has the responsibility for recommending the 2024/25 budget to Council on 20 February 2024.
2. The Financial Strategy was approved by the Executive in July 2023 and updated in the light of the 'Financial Emergency' has been focused upon avoiding a section 114 notice by taking the following actions:
  - reducing the current year's overspend,
  - reviewing and reducing budget pressures,
  - identifying further saving options,
  - reducing the capital programme and bids for new schemes,
  - maximising funding & income to the council,
  - generating capital receipts from asset disposals,
  - disposing of commercial investments,
  - completing the outstanding statement of accounts from the processor councils,
  - reviewing Earmarked Reserves and repurposing them to support the budget,

- ‘resizing’ of the organisation (workforce transformation) to enable it to become financially sustainable in the future, and
  - working with DLUHC on a capitalisation direction.
3. The latest position is shown in **table 1**, which summarises the changes from the current year’s budget to the draft 2024/25 budget. It highlights that there is a significant increase in cost pressures for 2024/25 of £108.5m, which is an increase of 20% on the 2023/24 budget.
  4. The funding assumptions have been updated following:
    - the provisional finance settlement received on 18 December 2023,
    - the national pay award estimated at 4% for 2024/25,
    - financing costs (debt and investment income) the latest interest rates forecast, reductions in reserves and capital spend.
  5. Officers have been following the strategy of avoiding a Section 114 notice by identifying all potential savings that could be delivered in 2024/25 and these total £35.2m with £11.1m of these being previously approved and £24.1m of new saving options.
  6. The delivery of the potential savings and other budget proposals will in some cases require consultation with service users, partners, staff and trade unions. Appropriate consultation and completion of Equalities Impact Assessments will be done ahead of decisions being taken by either the Executive, Lead Members or Officers to implement the actual savings and budget proposals that form the basis of the Council’s approved budget for 2024/25. Budget implementation decisions will be taken prior to 1 April 2024 and throughout 2024/25 and progress will be monitored through the regular budget monitoring reports considered by the Executive and Scrutiny Committees.
  7. Taking the savings into account means the updated budget gap for 2024/25 is £82.5m. This gap can be reduced on a one-off basis by the use of £36.8m of reserves (agreed by Executive in December 2023), and £7.8m from the collection fund surpluses for Council Tax and Business Rates, reducing the gap for 2024/25 to £37.9m.

**Table 1: Summary of changes from 2023/24 to 2024/25 budget**

<b>Changes to 2023/24 budget</b>	<b>£m</b>
Reversals for once off items	19.7
Pressures	108.5
Savings	(35.2)
Changes to pay	13.8
Increase in financing costs	12.9
Increase in funding	(37.2)
<b>Updated budget gap</b>	<b>82.5</b>
<b>One off items – to balance budget</b>	
Use of Medium Term Financial Plan Support Reserve	(36.8)
Council Tax Collection Fund surplus	(6.2)
Business Rates Collection Fund surplus	(1.6)
<b>Remaining budget gap</b>	<b>37.9</b>

8. It is recommended that the Council bridge the remaining gap by requesting dispensations from Department for Levelling Up, Housing and Communities (DLUHC). These requests are summarised in **table 2** and are based upon:
- approval to increase Council Tax by 9.99% in 2024/25 to bring Somerset's charges more in line with other unitary councils. This would generate an additional £17.1m per annum on an ongoing basis; and
  - be granted a capitalisation direction for the balance of £20.8m, or, if the request to increase Council Tax by 9.99% is not granted by £37.9m.

**Table 2: Option to close the budget gap for 2024/25**

<b>Remaining budget gap</b>	<b>2024/25 £m</b>
Budget gap – December 2023	37.9
Increase Council Tax by a further 5%	(17.1)
Capitalisation Direction from DLUHC	(20.8)
<b>Balanced position</b>	<b>0.0</b>

9. If DLUHC do not grant either dispensation request the Council will not be able to balance the 2024/25 budget. This situation will force the Section 151 officer to use his statutory powers and issue a section 114 notice.

10. There have been several meetings with DLUHC concerning the 2024/25 budget. Discussions have included the application for a capitalisation direction to enable the budget gap to be closed. In the provisional local government financial settlement, it was announced that government would consider representations on Council Tax provisions. The statement said that:

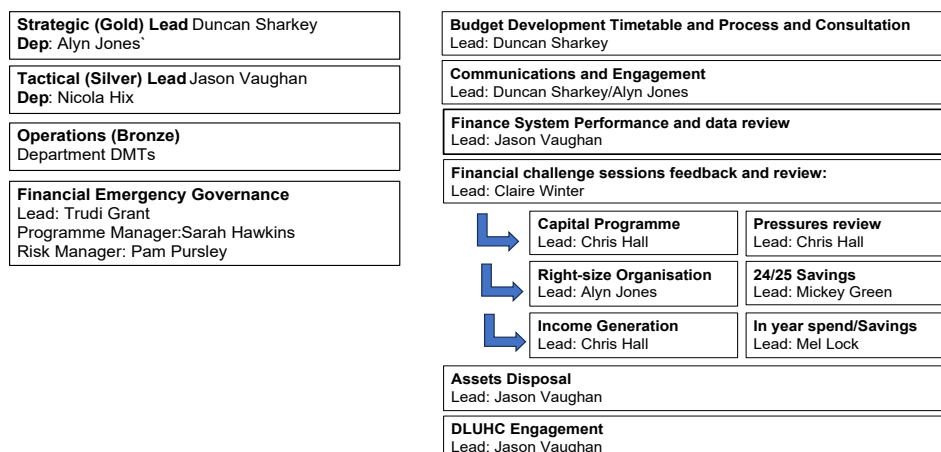
*“Where councils need additional support from government, they should take every possible step to minimise the need for that support to be funded by national taxpayers. As part of that process, the government will consider representations from councils, including on council tax provision.”*

11. The potential to increase Council Tax above referendum limits has been permitted in 2023/24 for Thurrock (10%), Slough (10%) and Croydon (15%) and 10% for 2024/25 in Woking, Slough and Thurrock. Allowing this would bring Somerset’s Council Tax charge to be closer to the average of all Unitary Councils, although it would still be a lot lower than others in the region such as Dorset and Cornwall, and still significantly below the English average charge. The advantage of increasing Council Tax is that the Council gains the benefit of the increase on an ongoing basis. The vulnerable will be protected from the increase through the recently approved Council Tax Reduction and Hardship schemes which will increase by 6.7% for 2024/25, in line with the rise in state benefits announced in the Autumn Statement.
12. A capitalisation direction does not solve the budget gap on an on-going basis, it is simply a mechanism that provides the Council time to radically change and develop sustainable solutions. If a capitalisation direction is not financed from capital receipts it will add to the financial pressures, with borrowing from the Public Works Loan Board (PWLB) attracting a premium of 1% over the standard rate. The additional borrowing will need to be repaid over a 20-year period from 2025/26. A capitalisation direction of for example £20m, would cost the Council £1m per annum (pa) in minimum revenue provision (MRP) and approximately £1.3m pa in interest, a total of £2.3m pa unless this can be funded from asset disposals. If the gap is not resolved for 2025/26 then another capitalisation direction would need to be sought, further adding to the ongoing pressures.
13. The very stark and challenging financial position that the Council faces is well documented, with the cost of delivering services increasing significantly faster than the income it receives particularly in relation to social care. It is widely recognised that the funding mechanism for local government is broken and needs urgent reform.

14. The Council cannot continue to provide and operate services in their current format and rapid, radical, change is required if it is to become financially sustainable. To address this, the Council is developing a Transformation Programme to deliver our **vision for the council** to be a smaller, leaner council, employing fewer people, requiring fewer offices, focusing only on the unique value the authority can provide.
15. In November 2023, the Council declared a **‘Financial Emergency’** and have since taken a number of actions to address the forecast overspend in the current year and the budget gap for 2024/25. A senior management structure, in a similar way to a major flooding incident was established, called “Gold Command” and Senior Responsible Officers identified to lead on various workstreams. The structure is set out in **Chart 1** below:

**Chart 1: Financial Emergency workstreams structure**

### Financial Emergency – Workstreams and SROs



SRO – senior responsible officer DMT – directorate management team

16. Alongside the monthly reporting of the budget monitoring position to Scrutiny and the Executive, a number of daily and weekly control boards and panels have been established as the Council adopts an approach of operating as if a section 114 had been issued. The actions have seen the in-year forecast overspend reduce from £28.6m down to £18.3m. The five boards and panels are:
- Establishment & Recruitment Control Board - to assess all workforce requests and changes.
  - Commercial & Procurement Control Board – to review and challenge all new commissions, annual uplifts in contract and contract renewals.
  - Spend Control Board – ensuring that all purchases over £100 are reviewed and challenged to avoid any non-essential spend.

- Adult Social Care Panel – to review and challenge placements.
- Childrens Care Panels – various panels to review and challenge placements.

## **Recommendations**

17. That the Executive:
- a) Recognise that Council Tax in Somerset is low compared to other similar councils due to historical factors and formally requests from DLUHC the option of allowing an increase in Council Tax by an additional 5%, 9.99% in total, to £1,810.48 for the Somerset Council proportion of a Band D charge in order to set the 2024/25 budget.
  - b) Consult the Corporate & Resources Scrutiny Committee on the latest 2024/25 budget proposals including the savings proposals and Council Tax increases at their meeting on 01 February 2024 and receive their feedback at the next Executive meeting on 07 February 2024.
  - c) Receives the business case for the creation of a sustainable Somerset Council through 're-sizing' of the council and creating a sustainable workforce transformation programme. including the estimated costs and saving from this at the next Executive meeting on 07 February 2024.
  - d) Notes that the Section 25 Statement from the Section 151 Officer on the robustness of the budget proposals and adequacy of reserves will be a separate report to the 20 February 2024 Council.

## **Reasons for recommendations**

18. To ensure that the Council can set a balanced budget for 2024/25 and meet its statutory duties.
19. The recommendations also recognise the separate responsibilities of the Leader of the Council, Executive and Officers to recommend the budget proposals and council tax to Full Council, manage services, develop budget proposals and take decisions to implement the approved budget (including making changes in-year where appropriate within the overall envelope of the agreed budget).



## Other options considered

20. As this is an update report on progress in reducing the forecast budget gap for 2024/25 there are no other options considered.

## Links to Council Plan and Medium-Term Financial Plan

21. It is important the Council considers how best it can continue to meet its policy objectives within the tighter financial constraints that it now faces. This requires a level of prioritisation, and the budget plans focus on the following key policy outcomes, as set out in the Council's five-year plan.
- A Healthy and Caring Somerset;
  - A Flourishing and Resilient Somerset;
  - A Greener, More Sustainable Somerset;
  - A Fairer, Ambitious Somerset.

## Financial and Risk Implications

22. It is clear that the scale of financial challenges facing the Council are significant. All member monthly briefings on the budget will continue until the February 2024 Council meeting.
23. Regular budget monitoring reports will be considered at the Executive and Scrutiny Committee meetings to provide member oversight, transparency and assurance on management actions.
24. **Appendix 1** sets out the strategic risks associated with the budget. Given the size of the updated budget gap, a sustainable MTFP has the highest risk score possible:

<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>5</b>	<b>Risk Score</b>	<b>25</b>
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25. The financial impact of a forecast year-end overspend of £18.3m (as at month 7) in the current financial year would result in a reduction in the level of General Reserves from £49.8m to £31.5m. This remains above the £30m minimum risk-based assessment of the reserves approved by Council in February 2023.

## Legal Implications

26. Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their Council Tax requirements in accordance with the prescribed

requirements of that section. The function of setting the Council Tax is the responsibility of Full Council. The function of preparing estimates and calculations for submission to Full Council is the responsibility of the Executive. The Council is required by the 1992 Act to make estimates of gross revenue expenditure and anticipated income, leading to a calculation of a budget requirement and the setting of an overall budget to ensure proper discharge of the Council's statutory duties and to lead to a balanced budget. The budget should include sufficient allowances for contingencies and financial reserves.

27. Local authorities owe a fiduciary duty to Council taxpayers, which means it must consider the prudent use of resources in the short and long term, including control of expenditure, the need to strike a fair balance between the interests of Council taxpayers and the community's interest in adequate and efficient services, and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.
28. Section 25 of the Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance (Section 151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. It is essential, as a matter of prudence that the financial position continues to be closely monitored.
29. The Local Authorities (Functions & Responsibilities) (England) Regulations 2000 (as amended) set out the respective functions of Council and of the Executive. With regard to the setting of the budget and Council Tax for the forthcoming year, the Regulations provide that the Executive formulates the plan or strategy (in relation to the control of the Council's borrowing or capital expenditure) and the preparation of estimates of the amounts to be aggregated in making the calculations under Section 32 of the 1992 Act. However, the adoption of any such plan or strategy/calculations is the responsibility of Full Council.
30. Full Council is responsible for setting the overall budget framework. However, some of the proposed savings will be subject to further analysis and decision making and as such the savings are an estimate. Individual service decisions will be subject to officer or Executive approval. This will take account of the statutory framework, any requirement to consult and consideration of overarching duties, such as the public sector equality duty. A contingency has been set aside to deal with a risk that when

Executive considers these proposals it does not agree that the savings can be met within the specific statutory framework. In an extreme case, the Executive may have to refer the budget to Full Council to reconsider the overall budget framework.

31. The Local Government Act 2003 and associated regulations set out rules in relation to use of capital reserves. Section 15 requires local authorities to have regard to relevant statutory guidance. The statutory guidance on flexible use of capital receipts confirms that local authorities cannot borrow to finance service delivery, however, they can use capital receipts from sale of assets to finance the revenue costs of reforming services. The guidance states that qualifying expenditure is expenditure on a project that is designed to generate ongoing revenue savings in the delivery of public services or transform service delivery in a way that reduces costs or demand for services in future years. The Council is expected to publish an annual Flexible Use of Capital Receipts Strategy, although this can be included in wider strategy documents.
32. In accordance with section 106 of the Local Government Finance Act 1992 where a payment of Council Tax that a member is liable to make has been outstanding for two months or more at the time of a meeting, the Member must disclose the fact of their arrears (though they are not required to declare the amount) and cannot vote on any of the following matters if they are the subject of consideration at a meeting:
  - any decision relating to the administration or enforcement of Council Tax,
  - any budget calculation required by the Local Government Finance Act 1992 underlying the setting of the Council Tax, and
  - the contents of this report are, and the decisions taken on it will be, matters which might affect the making of the Annual Budget calculation.

#### **HR Implications**

33. A number of the potential savings proposals will have staff implications and the approved HR processes and policies will be followed.

#### **Other Implications:**

##### **Equalities Implications**

34. The impact of setting a budget will have specific implications on those protected under the Equality Act 2010. The Council's budget planning framework is supported by the development of Equality Impact Assessments (EIAs) for the budget proposals, identifying possible disproportionate impact in relation to the protected characteristics as described within the Equality Act 2010. The EIAs will also identify

potential mitigation where applicable. Individual equality impact assessments form part of the decision making on the specific proposals needed to balance the budget in February 2024.

#### **Community Safety Implications**

35. There are no direct community safety implications arising from this report. Any specific community safety implications will be identified within the supporting information for proposals being considered by Scrutiny, Executive and Full Council in February 2024.

#### **Climate Change and Sustainability Implications**

36. There are no direct climate change and sustainability implications arising from this report. Any specific climate change implications will be identified within the supporting information for proposals being considered by Scrutiny, Executive and Full Council in February 2024.

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

37. There are no direct health and safety implications arising from this report. Any specific health and safety implications will be identified within the supporting information for proposals being considered by Scrutiny, Executive and Full Council in February 2024.

#### **Health and Wellbeing Implications**

38. There are no direct health and wellbeing implications arising from this report. Any specific health and well-being implications will be identified within the supporting information for proposals being considered by Scrutiny, Executive and Full Council in February 2024.

#### **Social Value**

39. There are no direct Social Value implications arising from this report. Any specific social value implications will be identified within the supporting information for included as part of the proposals being considered by Scrutiny, Executive and Full Council in February 2024.

#### **Scrutiny comments / recommendations:**

40. The Scrutiny for Corporate & Resources Committee considered the Financial Strategy in July 2023 and the updates at their meetings on 09 November 2023 and 05 December 2023. They will consider the draft 2024/25 Budget proposals at their meeting on 01 February 2024. Their comments and observations on the draft budget

proposals together with any specific recommendations will be considered by the Executive at their meeting on 07 February 2024 meeting when Executive will finalise the budget proposals and make their recommendations on the 2024/25 budget to full Council to consider at their meeting on 20 February.

### **Background**

41. The 2023/24 Budget was the first for the new Somerset Council and brought together the budgets from the five predecessor councils. Every new unitary council has identified issues during its first year and Somerset is no different. All of the predecessor councils recorded budgets in slightly different ways, and it has become apparent that there are some areas where one-off sources of funding have been used to finance on-going expenditure, some items were not properly budgeted for, longer term investments were funded from short-term borrowing and there was additional staffing employed over and above the staffing establishment budget.
42. The 2024/25 to 2026/27 Medium-Term Financial Strategy (MTFS) was approved in July 2023 and provides a strategic financial framework and a forward-looking approach to achieving financial sustainability for the Council. The financial forecast has been updated and reported to the November Executive and it set out that the estimated budget gap for 2024/25 assumed in the report to February Full Council had increased from £42m to £100m. As a result of this the Council declared a 'financial emergency' and put in place a range of measures to address both the current year's projected overspend and the forecast budget gap for 2024/25 and future years.

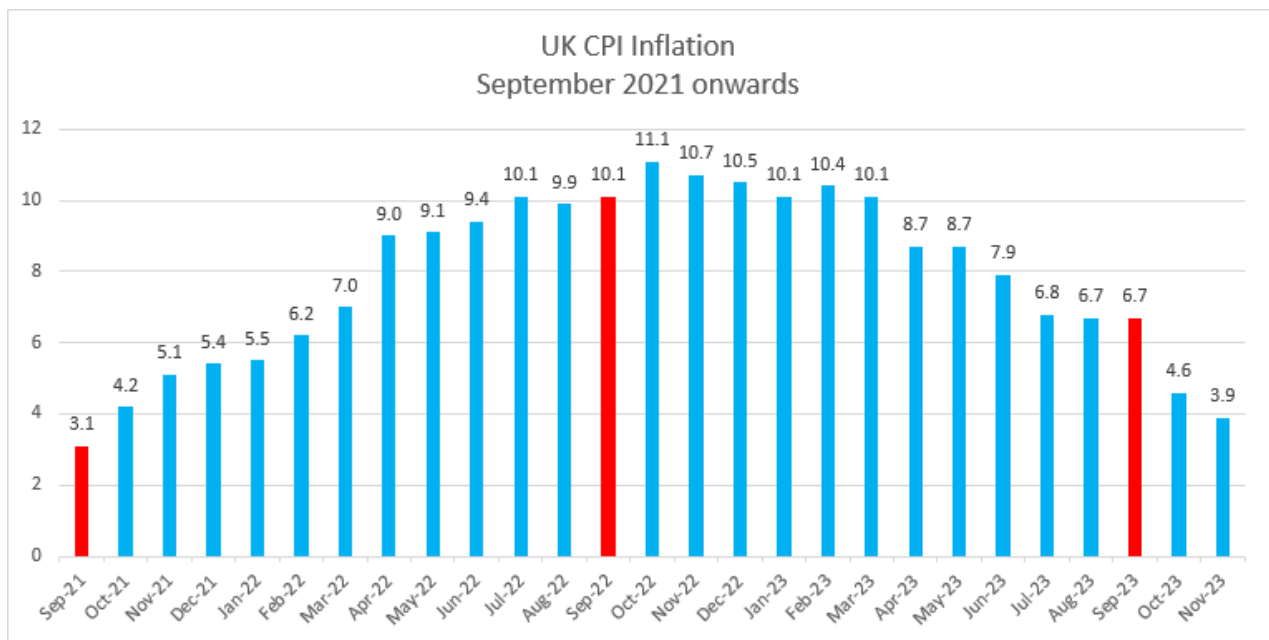
### **Current Context**

43. The Council's finances have been significantly impacted by national factors outside of its control such as inflation and interest rates, as well as having to deal with the challenges of Local Government Reorganisation and bringing the five predecessor councils into one new organisation.
44. The LGR business case set out that £18.5m of on-going savings would be achieved with the costs of implementation being £16.5m. The Non-Staffing savings of £6.2m have largely been delivered in the current year or will be in 2024/25. Saving from staffing made up the majority of the savings with an expected reduction of 339 posts delivering £2.9m of senior management savings and £9.4m from staff savings across the services. To date, £2.6m of on-going senior management savings (29 posts at Tiers 1 to 3) have been achieved which was reported to Council in July 2023 and Tier

Four appointments were made in the last quarter of 2023 with the resulting redundancies being reported to Council in December 2023. The other staff savings were profiled as being £1m in current year, £4m in 2024/25 and £4.4m in 2025/26.

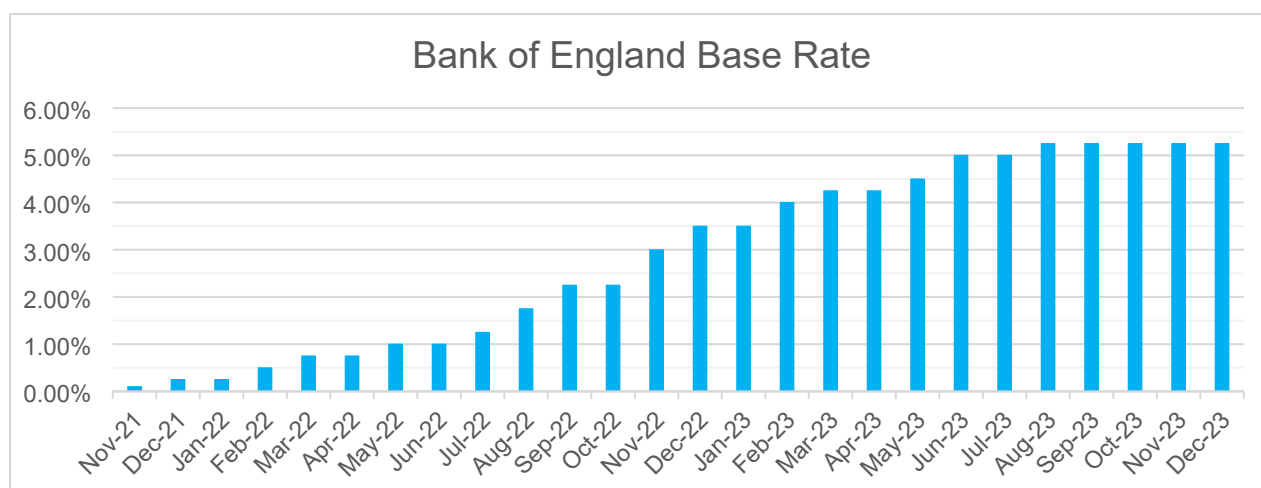
45. Inflation peaked at a 40-year high with CPI rising to 11.1% in October 2022, although this is now starting to decrease, to 3.9% in November 2023. The September figures are key in that they are used by Government for increases in pensions, business rates etc.

**Chart 2: CPI Inflation September 2021 to October 2023**



46. These inflationary increases adversely impact upon the Council and the costs of the services which it provides. This is particularly evident in the care sector where cost increases have been significantly above the CPI inflation levels. The Chancellor has announced that the national living wage will increase by 9.8% from April 2024 and the national staff pay award for 2023/24 has now been agreed at £1,925 which is estimated to be equivalent to a 6.1% increase in the pay bill for the Council.
47. To bring inflation under control the Bank of England has been increasing interest rates and these have risen from 0.1% in November 2021 to the current rate of 5.25%. The Council is a net borrower and inherited a position of significant amount of short-term borrowing on 1 April 2023 of over £200m, with each 1% increase interest rates having a financial impact of £2m per annum.

**Chart 3: Bank of England Base Rate changes**



48. The 2023/24 monthly budget monitoring process acted as an early warning system and flagged up in July 2023 a potential overspend of £28.6m for the current financial year which, if not addressed, would see the General Reserves reduced below their minimum level of £30m.

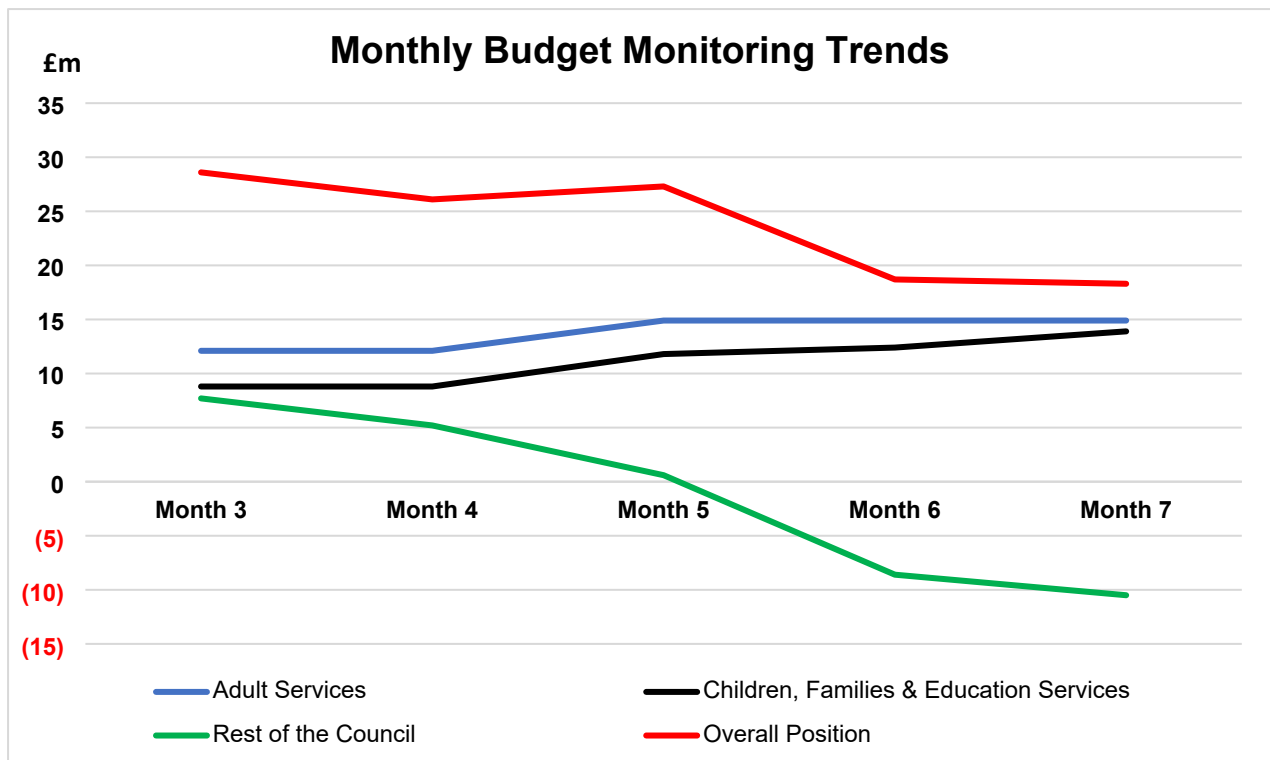
**Table 3: Monthly budget monitoring forecast outturn for 2023/24**

Service Area	Month 3 £m	Month 4 £m	Month 5 £m	Month 6 £m	Month 7 £m
Adult Services	12.1	12.1	14.9	14.9	14.9
Children, Families & Education Services	8.8	8.8	11.8	12.4	13.9
<b>Total Adult and Children's</b>	<b>20.9</b>	<b>20.9</b>	<b>26.7</b>	<b>27.3</b>	<b>28.8</b>
Community Services	-	-	-	1.3	-
Climate & Place	-	-	-	(5.3)	(5.4)
Strategy, Workforce & Localities	5.1	2.7	2.3	0.9	0.9
Resources & Corporate Services	1.5	1.5	1.3	(2.2)	(2.8)
Public Health	1.4	1.3	0.3	-	-
Non-Service	(0.5)	(0.5)	(3.5)	(3.6)	(3.5)
Corporate Contingency	-	-	-	-	-
Traded	0.2	0.2	0.2	0.3	0.3
<b>Rest of the Council</b>	<b>7.7</b>	<b>5.2</b>	<b>0.6</b>	<b>(8.6)</b>	<b>(10.5)</b>
<b>Overall Forecast Overspend</b>	<b>28.6</b>	<b>26.1</b>	<b>27.3</b>	<b>18.7</b>	<b>18.3</b>

49. Actions taken have seen the forecast overspend for the current year being reduced by £10.3m overall to £18.3m. However, the overall picture masks the underlying issue of both Adults and Childrens deteriorating positions, with the month three showing their combined forecast overspend of £20.9m increasing to £28.8m by month seven.

The rest of the Council has seen a dramatic forecast reduction of £18.2m over the four months from a forecast overspend of £7.7m in month three to a forecast underspend of £10.5m in month seven.

**Chart 4: Budget monitoring forecast on a monthly basis for 2023/24**



### Risks, Assurance, External Validation & Reviews

50. The Council has two strategic risks associated with its finances: risk reference ORG0057, concerning a sustainable MTFP and ORG0070, being the risk of a budget overspend in the current financial year. In addition to these, there are also a number of other strategic risks that are associated with the budget. Appendix 1 sets out the strategic risks associated with the budget.
51. A common feature of councils that have issued a section 114 notice has been the number of prior year external audits that have not been completed with issues. Therefore, a key area of activity for the finance team in the new Council has been around the production of the 2022/23 statement of accounts for the five predecessor councils and dealing with the inherited position of outstanding external audits on their accounts from 2020/21 and 2021/22. This is particularly important, not only in understanding the opening position for the new Council, but also in providing



independent external assurance around the finances. Good progress has been made on this, with all the 2020/21 and 2021/22 statement of accounts now signed off. All five of the 2022/23 statements of accounts have been published and one of these has been signed off by the external auditors with the remainder being completed in early 2024.

52. There have been regular Member briefings on the Council's finances which started in August 2023 and there have been two monthly briefing sessions open to all members from September 2023 and these will continue through to February 2024 to ensure that all members are aware of the financial challenges that the Council faces.
53. There have been a number of external reviews which have been carried out to help validate the overall budget and potential savings, some leading to change programmes. These include:
  - Adult Services commissioned Newton Europe to complete a transformation programme "*My Life, My Future*" following a diagnostic review in 2022. The programme is aimed at improving outcomes for older adults, those with learning difficulties and mental health needs by helping them stay within their own homes and encouraging independent community support. The programme is aimed at reducing costs by circa £14m per annum on an ongoing basis by reducing the number of residential placements.
  - Children's Services have commissioned Peopletoo to undertake a review of spend in Children's Social Care to determine a plan for better outcomes at a reduced cost from using best practice.
  - The Section 151 Officer commissioned PDLB Financial Consultancy Ltd to undertake an independent review of the new Council's balance sheet. Comparing it to statistical neighbours and highlighting whether particular issues need to be built into the 2024/25 budget or changes in practice made. This fulfils part of the recommendation in the report to the July 2023 Executive to undertake a financial resilience review. The report will be presented to the Audit Committee on 25 January 2024 with their recommendations passed to the Executive meeting in February 2024.
  - The Section 151 Officer commissioned Peopletoo to undertake a review of third party spend, this work will highlight opportunities for ongoing savings and will be implemented later in the financial year.

- The Section 151 Officer commissioned Peopletoo to review the processes for collecting client contributions for elements of Adult Care services to determine that all income is being recovered. As a result of this review £3.4m of additional income has been identified and included as part of the budget proposals.

## **Finance Settlement**

54. The Autumn Statement was delivered by the Chancellor on 22 November 2023 and set out details of the country's finances including details of the government tax and public spending plans. The Office for Budget Responsibility (OBR) also warned pressure on local authority budgets "will continue." It said 2022-23 was the first time since 2019-20 that local authorities had drawn on their reserves for current spending, using £2.3bn and it now assumes they will drawdown a further £1.5bn in 2023-24 and £0.8bn in 2024-25. Its previous forecast in March 2023 had assumed there would be no drawdown from reserves. The analysis notes that 11 section 114 notices have been issued by local authorities since 2018, this includes Croydon that has issued three section 114 notices, compared with two between 2000 and 2018, but says the "direct impact on our forecast to date has been relatively small as the central government response to section 114s has been to allow affected local authorities to reallocate their capital budget towards day-to-day spending (a 'capitalisation direction') or to increase council tax rates".
55. However, the OBR warns that wider pressures on local authority finances still pose a risk to its forecast. It notes that local authority spending has fallen from 7.4% to 5% of GDP since 2010-11 and forecasts it will fall further to 4.6% in 2028-29. It adds: "Given local authorities' statutory duty to provide a range of services where demand is likely to continue to grow, for example adult and child social care, pressure on local authority finances and services will continue." The watchdog also forecasts a £4.5bn fall in borrowing for capital expenditure from its 2019-20 peak of £11.5bn to £7bn in 2028-29. It adds: "This reflects the financial pressures facing local authorities and higher interest rates on loans from the Public Works Loan Board, their principal source of financing."
56. On 05 December 2023, the Secretary of State for Levelling Up, Housing and Communities published a written ministerial statement which was accompanied by a policy statement on the 2024/25 local government finance settlement.
57. On the core settlement, the statement confirms assumptions around the Revenue Support Grant, Business Rates baseline levels and that councils with social care responsibilities will be able to increase council tax by up to 3%, with an additional

2% for adult social care without a local referendum. The Government reconfirmed the adult social care funding package announced in December 2022, and included the new Market Sustainability and Improvement Fund (MSIF) – workforce fund which was announced in July 2023 and will continue into 2024/25. They also announced that they would consider representations on council tax. The statement said that: “Where councils need additional support from government, they should take every possible step to minimise the need for that support to be funded by national taxpayers. As part of that process, the government will consider representations from councils, including on council tax provision.” Last year, as part of the settlement three councils, Slough Borough Council, Thurrock Council and Croydon London Borough Council, were given permission to increase their council tax by more than the referendum threshold.

58. The provisional Local Government Finance Settlement was announced on 18 December 2023. The headlines were a 6.5% increase in Core Spending Power for Councils, but Somerset only received 6.1%. This is below the average for Unitary Councils of 6.5%, Shire Counties of 6.7%, Inner London Boroughs of 6.7% and Metropolitan Districts of 6.6%. It is also below the Southwest average of 6.3% and below the level of councils with similar Index of Multiple Deprivation (IMD) of 6.5%. Further detail can be found in **appendix 3**.

### **Council Tax**

59. The main source of funding is Council Tax, which at £336m in the current year is nearly 62% of the net budget. In recent years, the increases in Council Tax are carefully controlled by government which limits annual changes through the referendum principles which were introduced in 2012/13. Somerset Council was not able to set its charge at the national average or what it required for the year. Instead, it was limited to having the 2023/24 charge based upon historical charges of the five predecessor councils.
60. Therefore, the current band D charge of £1,646 reflects the historical decisions from the predecessor councils. **Appendix 5** sets out the details of the band charges of the predecessor councils since council tax was introduced in 1993/94. It highlights that between 2010/11 and 2015/16 the majority of the councils did not increase council tax. The impact upon the finances of Somerset Council of this is significant given how much of overall income comes from council tax. Part of funding for Adult Services is now funded from council tax through the adult social care precept. Comparing what the maximum increases could have been against the actual position shows that additional income to Somerset Council would have been in excess of £50m in the current year.

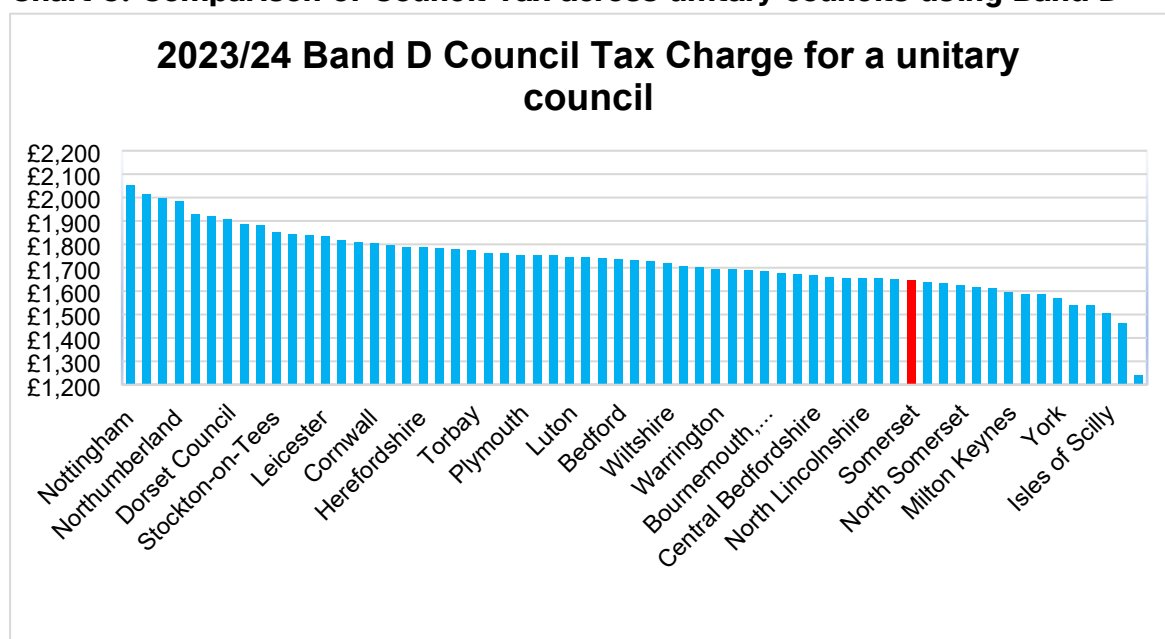
61. **Table 4** below shows the average Council Tax including the Adult Social Precept for 2023/24 is £2,027 with the charge in Somerset being £381 lower at £1,646. If the Council charged the average amount for England, then an additional income amount of £78.3m would be generated.

**Table 4: Summary of Council Tax statistics for England from 2019/20 to 2023/24**

Year	2019 /20	2020/21	2021/22	2022/23	2023/24
Council tax requirement including adult social care precept, excluding parish precepts (£ millions)	30,894	32,544	33,819	35,658	38,011
Parish precepts (£ millions)	554	596	618	655	708
Council tax requirement including adult social care and parish precepts (£ millions)	31,448	33,141	34,437	36,313	38,718
Taxbase for council tax setting purposes (millions)	17.972	18.232	18.139	18.473	18.749
Average Band D council tax including adult social care, excluding parish precepts	£1,719	£1,785	£1,864	£1,930	£2,027
Average Band D council tax including adult social care and parish precepts	£1,750	£1,818	£1,898	£1,966	£2,065

62. As well as being significantly below the average charge for England, the council tax charge for 2023/24 is lower than the majority of other unitary councils as set out in **Chart 5**.

**Chart 5: Comparison of Council Tax across unitary councils using Band D**

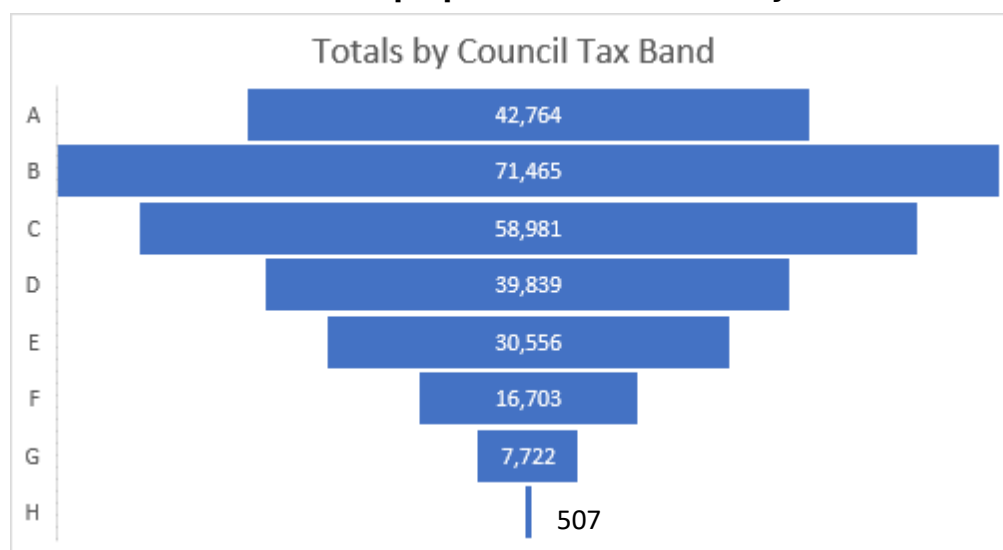


63. The analysis shows:

- It being ranked 49 out of 63 for unitary councils.
- The average unitary Council Tax charge is £1,728 which is 5% or £82 higher than in **Somerset which is £1,646**.
- Charging the unitary average would generate an additional £16.7m per annum.
- If the Council charged the average amount for all councils in England, then an additional amount of £78.3m would be generated.
- Charging the same as the highest Unitary Council Tax, Nottingham City Council (£2,053) would generate an additional £83.7m per annum.
- Charging the same as the other Southwest unitary councils would generate an additional:
  - Dorset Council (£1,906 – 15.8% higher) - £53.4m per annum
  - Cornwall Council (£1,803 – 9.5% higher) - £32.2m per annum
  - Wiltshire Council (£1,702 – 3.4% higher) - £11.5m per annum

64. In Somerset, the most common council tax band is Band B and 64.5% are in Bands A to C. **Chart 6** sets out the number of properties in Somerset each in band in 2023.

**Chart 6: Total number of properties in Somerset by Council Tax band**



65. The Council approved an updated Local Council Tax Reduction and exceptional hardship scheme at its meeting on 20 December 2023 which detailed uprating income band thresholds by the same increase applied by Government to state benefits (6.7%). The overall cost of the schemes is estimated to cost £36m with approximately £20m relating to support for working age claimants and £16m for pensioners.

66. The referendum limits for 2024/25 are that Council Tax can increase by 3% and that there can be a further rise of 2% for the adult social care precept. In the provisional local government financial settlement, it was announced that government would consider representations on Council Tax. The statement said that:

*“Where councils need additional support from government, they should take every possible step to minimise the need for that support to be funded by national taxpayers. As part of that process, the government will consider representations from councils, including on council tax provision.”*

67. The potential to increase Council Tax above referendum limits would enable Somerset’s Council Tax charge to be closer to the average of all Unitary Councils, although it would still be a significantly below the English average charge. If the Council were permitted to increase council tax by a further 5%, as DLUHC has been allowing other councils to do in both the current year and for 2024/25, this would generate an additional £17.1m. It would see the band D charge increase to £1,810 which would mean that the total council tax increase for a band D property would be £3.15 per week (including the Adult Social Care precept).
68. The Council has looked to ensure that the vulnerable are protected from the increase through the recently approved Council Tax Reduction and Hardship schemes which will increase by 6.7% for 2024/25 in line the rise in state benefits announced in the Autumn Statement.

### **2024/25 Budget Forecast & Future Years**

69. The current focus is very much upon 2024/25 but it is important to look at the Council’s position over the medium term. The figures included with the MTFP are based upon the current assumptions on funding and service costs, and will continue to be updated with the latest available information. The current MTFP Forecast is set out in **appendix 2** and shows the 2023/24 budget alongside the forecast budgets for the 2024/25 to 2026/27 for each service. We have revised the format in line with best practice on where grants are recorded and shown, with all those that relate to a specific service being included within the service and those general grants being shown in the “Financed by” section. This has revised the 2023/24 Net Budget Requirement from £493.4m as per the February 2023 Full Council Report to £542.7m in **appendix 2** and **table 5** below, due to moving £49.3m of general grants.

70. **Table 5** shows the overall high-level summary of changes for the three years 2024/25 to 2026/27. Further details on the changes from 2023/24 to 2024/25 can be seen in **appendix 4** and **table 6** below.

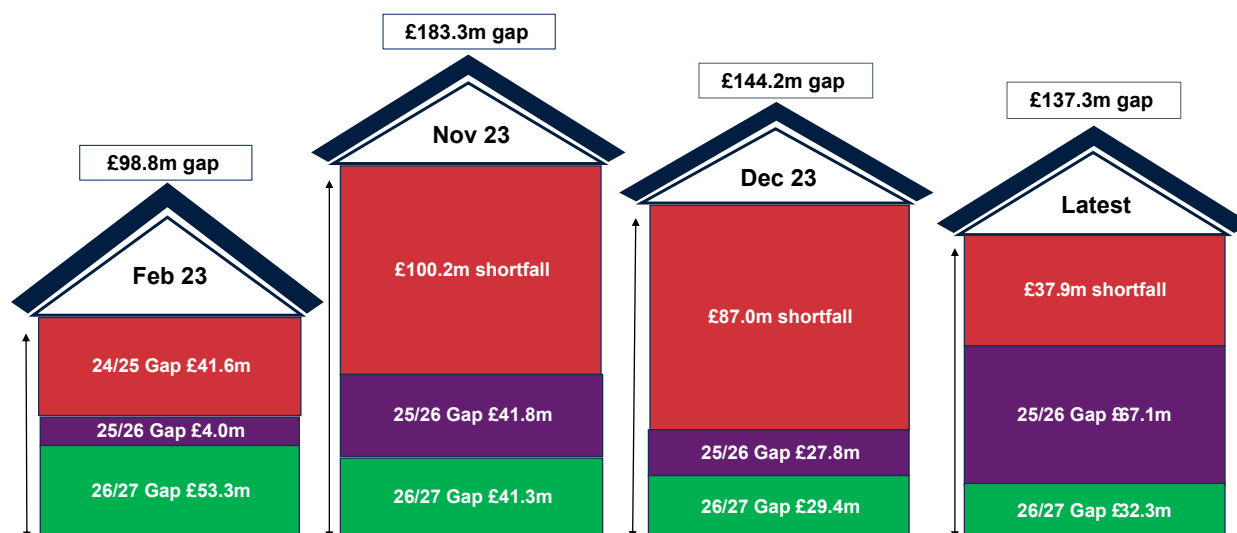
**Table 5: Summary of changes to budgets**

<b>Changes to Budget</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Budget from previous year	0.0	37.9	105.1
Reversals for once off items	19.9	7.8	0.0
<b>Revised starting point</b>	<b>19.9</b>	<b>45.7</b>	<b>105.1</b>
Pressures	108.5	41.6	42.0
Savings	(35.2)	(9.7)	0.3
Changes to pay	13.8	6.2	6.1
Increase in financing costs	12.9	12.0	4.4
Increase in funding	(45.1)	(29.2)	(20.6)
Change in Use of Reserves	(36.9)	38.5	0.0
<b>Budget Gap</b>	<b>37.9</b>	<b>105.1</b>	<b>137.3</b>

71. The work on updating the MTFP forecast across the three financial years is shown in **chart 7** below. It shows how the MTFP forecast has changed from the initial forecast which was set by Council in February 2023 and assumed that the various funding reforms by government would take place in 2025/26. These reforms have been delayed and the November Executive received the update which set out that the budget gap for the coming year was £100.2m and £183.3m over the next three years. The latest position is that the overall gap has now been reduced down by £46m to £137.3m over the three years. By using the MTFP Support reserve of £36.8m in 2024/25 it helps reduce the gap for the year but as reserves are one-off sources of funding it results in an increased gap for 2025/26. It is clear that on-going sustainable solutions need to be found to help close the budget gap and that the long-promised review of local government funding is essential.

Chart 7: Updates to the MTFP Forecast 2024/25 to 2026/27

## MTFP Forecast – 24/25 to 26/27



72. The assumptions for future years are based upon the current council tax referendum limits and government funding in line with the details set out in finance settlement. The underlying assumptions will continue to be reviewed and updated.
73. If no additional savings were identified in future years a further capitalisation direction of £114.8m would be required in 2025/26 and £144.2m in 2026/27. Increasing Council Debt over the three years from this source by £309.2m with no additional assets to represent it. Although this scenario is unlikely, ongoing interest and MRP on this amount would add approximately £40m per annum to the gap identified above.
74. The capitalisation direction may also have to increase as a one-off in 2026/27 if the Dedicated Schools Grant (DSG) High Needs Block deficit has to be funded by the Council once the statutory override finishes at 31 March 2025, estimated at approximately £100m.
75. The capitalisation of revenue can be funded by asset disposals, although asset values of surplus council accommodation are not significant in Somerset. It will be beneficial to dispose of commercial properties and using the receipts to fund the capitalisation direction, however the MRP (or principal) and interest costs on the borrowing for these assets will remain and the income lost.



76. The Local Government Reorganisation heading in **appendix 2** includes the staff savings from the LGR Business Case that have been previously agreed with £4m of savings built into the 2024/25 budget and a further £4.4m into the 2025/26 budget. These savings are currently held here but will be allocated against individual services. Included within the Corporate Area is the budget for the 2023/24 national pay award together with the estimate for 2024/25 and these will also be allocated out to the individual services.
77. The key and most significant changes relate to:
- Adults – demand increases and significant increased placement costs.
  - Childrens – increases in external placement costs and SEND transport.
  - Pay Award - impacts of the 2023/24 national pay award which was budgeted for at 5% and has been agreed at £1,925. It is estimated that this is equivalent to a 6.1% increase.
  - Debt Financing - Increased interest rates and MRP costs impacting on debt financing costs.
78. **Table 6** provides analysis of the changes between the 2023/24 budget and the draft 2024/25 budget by service with more detail set out in **appendix 4**. Key assumptions:
- Inflation – No general increases in inflation but use of specified indices within individual contracts.
  - Demographic changes – changes built into demand models based upon ONS population forecasts.
  - Interest rates – based upon current Bank of England base rates of 5.25%.
  - National pay award – The assumption for 2024/25 is currently estimated to be 4%.
  - Council tax – An increase of 1.52% in the tax base and 2.99% in the council tax charge and a further 2% increase in the adult social care precept.
  - Government Grants – Based upon the provisional finance settlement.
  - Business Rates – based upon modelling & forecast to increase by £9.5m.

**Table 6: Changes to budgets from 2023/24 to 2024/25**

Service	2023/24 Original Budget £m	2024/25 Draft Budget £m	Change	
			£m	%
Adults Services	180.4	237.3	56.9	32%
Children, Families & Education Services	122.4	138.2	15.8	13%
Community Services	34.8	30.9	(3.9)	(11%)
Climate & Place	91.3	91.5	0.2	-
Strategy, Workforce & Localities	20.2	22.1	1.9	9%
Resources & Corporate Services	20.5	23.7	3.2	16%
Public Health	1.2	1.0	(0.2)	(17%)
2023/24 & 2024/25 Pay Award	15.3	29.1	13.8	90%
Financing Costs	40.6	53.7	13.1	32%
Other Corporate Costs	16.0	9.8	(6.2)	(39%)
<b>Total</b>	<b>542.7</b>	<b>637.3</b>	<b>94.6</b>	<b>17%</b>

### Pressures

79. The list of pressures by Directorate is summarised below in **table 7**, further details are set out in **appendix 6** totalling £108.5m for 2024/25 which represents a 20% increase on the 2023/24 budget.
80. The cost pressures in the adult social care budget are driven by the increasing costs of providing care, particularly the costs of residential care placements. Traditionally the costs in Somerset have been amongst the lowest in the country providing extremely good value for the council taxpayer of Somerset. The impacts of interest rates, cost of living, Brexit, Covid, Covid jobs, and the commencement and then postponement of the national Fair Cost of Care exercise by the government, have all been detrimental to the cost of placements, particularly in Somerset.
81. In Childrens, the increases in external placement costs and SEND transport are significant. The growth in demand for, and the costs of children's social care is a national issue and the recently published Government statistics demonstrated that nationally, Council spending on Children's Social Care doubled in the decade to 2022-23 from £6.6bn to £12.8bn. The Children's Funding Alliance have identified a £1.6bn annual shortfall in funding, while the Independent Review of Children's Social Care has called for an additional £2.6bn over five years to deliver much needed reform

and highlighted a system under extreme stress. The Competitions and Markets Authority identified a dysfunctional market for children's residential care in which a small number of providers can make excessive profits as local authorities compete for limited spaces.

**Table 7: Summary of the pressures by directorate**

Total Pressures by Directorate	2024/25 £m	2025/26 £m	2026/27 £m
Adults Services	69.6	34.4	33.1
Childrens, Families and Education	26.4	4.8	5.3
Communities Services	1.3	(0.2)	0.0
Climate & Place	5.4	1.7	2.5
Strategy, Workforce & Localities	0.1	0.0	0.0
Resources & Corporate Services	5.7	0.9	1.0
<b>Total</b>	<b>108.5</b>	<b>41.6</b>	<b>42.0</b>
<b>Cumulative Total</b>	<b>108.5</b>	<b>150.1</b>	<b>192.1</b>

### Savings Proposals

82. To close the projected gap for 2024/25 and ensure we can set a balanced budget there is a need to review the range and scope of the services that are delivered by the Council. The purpose of this section is to set out the areas where savings could be made by redesigning how a service is delivered, reducing the level of service offered or, potentially, ceasing the service entirely, subject to appropriate consultation and the Council's duties, including the public sector equality duty. **Table 8** below shows a summary of the savings proposals broken down between those already approved, which mainly relate to LGR Staff savings from the business case £8.4m and £5m from 'My Life, My Futures' in Adult Social Care and new saving proposals. The detail behind these is set out in **appendix 7**.
83. These savings proposals total £45.2m over the next three years and represent a reduction of 8% of the net budget. However, they represent the start of the process of trying to move the council onto a sustainable financial footing. The savings are made up of new savings and savings previously approved.

**Table 8: Breakdown of total savings**

Total Savings by Directorate	2024/25 £m	2025/26 £m	2026/27 £m
Already approved savings	(11.1)	(6.9)	0.2
New Savings	(24.1)	(3.3)	0.1
<b>Total</b>	<b>(35.2)</b>	<b>(10.2)</b>	<b>0.3</b>
<b>Cumulative Total</b>	<b>(35.2)</b>	<b>(45.4)</b>	<b>(45.1)</b>

84. Further savings in addition to these are required and need to be developed with the council having an established pipeline as it looks to radically change, reduce costs and increase income.

**Table 9: Summary of savings proposals by directorate 2024/25 to 2026/27**

Total Savings by Directorate	2024/25 £m	2025/26 £m	2026/27 £m
Adults Services	(9.8)	(1.6)	0.0
Childrens, Families and Education	(9.5)	(1.9)	0.0
Communities Services	(3.0)	(0.7)	0.0
Climate & Place	(5.6)	(0.9)	0.3
Strategy, Workforce & Localities	(0.7)	(0.1)	0.0
Resources & Corporate Services	(2.6)	(0.6)	0.0
Public Health	0.0	0.0	0.0
Local Government Reorganisation	(4.0)	(4.4)	0.0
<b>Total</b>	<b>(35.2)</b>	<b>(10.2)</b>	<b>0.3</b>
<b>Cumulative Total</b>	<b>(35.2)</b>	<b>(45.4)</b>	<b>(45.1)</b>

85. The priority is to find savings through efficiencies and improved practice before reducing services. This includes reviewing our contracts to ensure that they represent value for money and reducing the use of consultants. Surplus buildings and offices will be closed to reduce energy and maintenance bills. Our IT infrastructure will continue to be transformed so that it reflects best practice and the size of our Council. Grants and external funding will be sought to reduce revenue costs. Savings will also be made by reducing the number of meetings, the number of Lead Members in our Executive, and the budget for Councillor training and conferences.

86. All services have found savings proposals, reviewing all areas of activity. This includes reviewing discretionary services and considering whether they can be reduced or even stopped. The list below illustrates the key areas of potential savings options:

- Efficiency savings, including reviewing our contracts and use of consultants, reducing the bills associated with managing our estate by reducing the number of buildings we operate, continuing to transform our IT infrastructure so that it reflects best practice and the size of our Council, removing all non-essential mobile phones, making best use of grants and external funding to reduce revenue costs and reducing staff benefits including long service awards.
- Harmonisation of service standards as there are several services where there is still inconsistency across the County following Local Government Reorganisation. Currently there are grants paid to Parish Councils in the former Somerset West and Taunton area to maintain footpaths, playing fields and burial grounds. In addition there are several legacy grants, established by previous councils, which are paid to support community groups. We currently have different approaches in different areas to providing facilities for events and charging for emptying bins. Savings are proposed by moving to a consistent approach across Somerset and ceasing funding.
- Adult Services: Many of these services are demand led with service levels set by statute. However, there is discretion on how the Council delivers some preventative services. Saving options include (but are not limited to):
  - Reviewing supported living accommodation and decommissioning properties that are no longer suitable.
  - Maximising fees and charges across adult social care.
  - Reducing spend on mental health and substance misuse support.
  - Cease Council funding for employment support for carers and individuals with mental health needs.
- Children's Services: costs in Children's services are increasing nationally and there is often legislation setting delivery standards. As with adult social care services, there are discretionary elements where savings could be considered including (but not limited to):
  - Removing the use of external resources to prepare education, health and care plans.
  - Increasing the use of Council owned residential homes.
  - Stopping out of hours security checks for young adults living in supported accommodation homes.

- Highways and public transport: Somerset Council carries out a range of proactive and reactive highways maintenance services. Many of these are mandatory but service levels could be reviewed to reduce costs.
  - Reduction in planned and reactive highway maintenance.
  - Review of subsidies for contracted bus services.
  - Increase parking charges in line with inflationary pressures.

#### Waste

- Closure of five household waste recycling centres.
- Introduction of a Somerset recycling site permit scheme to stop non-Somerset residents using sites.

#### Economic development and land use planning

- Introduce fees for pre-application planning enquiries.
- Reduce reliance of Council funding to deliver the economic development service, making greater use of grant funding.

- Community Services: Many of these services are discretionary and as a result Councils can determine the extent to which they support these activities. Saving options include (but are not limited to):
  - Closing all Council owned public toilets.
  - Ceasing the CCTV service.
  - Reducing support to theatres in Somerset.
  - Closing visitor information centres.
  - Increasing fees for harbours, beach parking and cemeteries.
  - Closure of Council run plant nurseries.
- Elected Councillors and Democratic Function: Savings options associated with reducing the number of Councillor meetings, reducing the number of Executive Lead Councillors and reducing the budget for training and conferences.

## Reserves

87. The new Council had a comparatively reasonable level of reserves on vesting day, 01 April 2023. £20m of reserves were planned to be used in 2023/24 with £10m of these used to balance the budget. Early in the new financial year it became apparent that more reserves would be required to fund the forecast overspend in 2023/24 and to support the 2024/25 budgets. A detailed review of the inherited reserves to determine if any could be released to support both financial years was undertaken in November 2023 and the re-classification reported to Executive on 06 December 2023.

88. The review of the reserves resulted in:

- a transfer between the Earmarked Reserves to General Reserves to fund the 2023/24 forecast overspend of £18.3m and increase them to £31.5m to ensure that they are within the range of a minimum of £30m and maximum of £50m agreed by Council when the 2023/24 budget was set in February 2023, and
- repurposing of several reserves from the predecessor councils to create a MTFP Support Reserve of £36.8m which is planned to support the 2024/25 budget.

### **Dedicated Schools Grant (DSG) High Needs Deficit**

89. Local authorities are facing increased demand for services for pupils with Special Educational Needs and Disabilities (SEND). By December 2023, Somerset had issued 5,447 Education Health and Care Plans for pupils with SEND, which is an increase of more than 160% in the last five years. As well as the significant increase in numbers, there has been an increase in the complexity of pupils' needs.

90. In 2020, the Government introduced a statutory override for a period of three years (up to end of March 2023) that allowed local authorities' DSG deficits to be separated from the wider local authority accounts. Subsequently, the Government agreed to extend the DSG statutory override by a further three years so that the override will now expire on 31 March 2026. At this point any DSG deficit would be included in the overall assessment of Somersets reserves which are lower the forecast DSG deficit

91. In the case of Somerset, the DSG is forecast to overspend by £17.4m in 2023/24 and reach a cumulative deficit of approximately £96m by 31 March 2026.

92. The actual, current forecast and projected DSG deficits are shown in the **table 10** below:

**Table 10: Actual, current forecast and projected Dedicated Schools Grant deficits**

<b>Actual, current forecast and projected DSG deficits</b>	<b>31/03/2023 Actual £m</b>	<b>31/03/2024 Forecast £m</b>	<b>31/03/2025 Projected £m</b>	<b>31/03/2026 Projected £m</b>
Dedicated Schools Grant deficit	20.7	38.1	61.5	96.2

93. As one of the conditions of the Dedicated Schools Grant, local authorities with DSG deficits are required to prepare and implement a DSG Management Plan. The

Department for Education DfE) recognises that in some cases it may take several years to recover any DSG deficits.

94. The local authority is currently in the process of refreshing its DSG Management Plan and agreeing the plan with the Department for Education. The refreshed plan will be shared with Schools Forum and Council Members when complete.
95. **Appendix 9** sets out more details on the Dedicated Schools Grant.

### **Asset Disposal**

96. The generation of capital receipts from asset disposals is a key part of the financial strategy. The Council has already agreed to the disposal of its commercial property investments and has developed a pipeline of future disposals of surplus assets. Capital receipts from asset disposals can be used to reduce debt, provide funding for transformational activities, fund any capitalisation directions or fund capital schemes.
97. Following on from the Executive decision to approve the disposal of the commercial investment portfolio at its meeting of 08 November, external agents have been appointed and the new Property and Investment Sub Committee received a full update report at its inaugural meeting on 21 December 2023.
98. The Executive also tasked the Asset Management Group to bring forward asset disposals from assets held outside of the commercial investment portfolio, including council office rationalisation proposals, at its meeting of 08 November. The Asset Management Group is currently overseeing the disposal of 74 sites that have been declared surplus; 16 further sites have been sold to date during 2023/24. Whilst sales of a number of these sites are subject to planning agreements and options (and may, therefore, not be concluded until 2025/26 or beyond), a total value in the range of £15m to £20m is targeted be achieved from the current pipeline of approved disposals during 2023/24 and 2024/25.

### **Developing a Business Case for a sustainable Somerset Council**

99. Our **vision for the council** is to be a smaller leaner council, employing fewer people, requiring fewer offices, focusing only on the unique value we can provide. We will bring people together and build strategic relationships with our partners and communities to work as a team, harness and build our collective power to deliver outcomes for the people of Somerset.



100. Like many other councils, Somerset Council is facing an extremely challenging financial position with the cost of delivering services increasing significantly faster than the income received. The new Council came into existence at the most challenging time for local government in a generation. Fourteen years of austerity and growing demand has reduced the spending power and financial flexibility of all councils. The cost of delivering services has dramatically increased due to rising energy costs, rising interest rates, rising costs of care, and increasing numbers of people who need the Council's support.
101. The current financial outlook means the pace and breadth of the scale of Council transformation will need to accelerate to deliver a radically different way of working as a Council, operating with fewer staff, whilst increasing our influence and impact. The 'Vision for a sustainable Somerset Council' and associated organisational design principles were approved by the Executive on 06 December 2023. This transformation approach is a fundamental part of our response to the financial challenge and maximises the opportunity of bringing together five predecessor councils to deliver a new, smaller, leaner, more productive Council.
102. Transformation of this scale is complex and will require a whole organisation transformation programme incorporating detailed workforce, finance and service level data and analysis, product and milestone planning, risks, issues and dependency management. DLUHC are clear that the Council must show it has a robust transformation programme to ensure long term financial stability and our external auditors, Grant Thornton, underline this requirement and are monitoring us on progress. Somerset Council has committed to "developing a plan to fundamentally change the council with a new operating model, rapid transformation, and automation programme" (Somerset Council letter to DLUHC, 24 October 2023).
103. Activity is underway to develop the scope of the programme and in doing so consideration has been given to options as to how this is best approached. Firstly, no change could be proposed, and the organisation could continue with the transformation approach envisaged as part of the LGR business case. The initial phase of this programme was to consolidate and realise efficiencies as a result of moving from five councils into one. However, given the scale of the financial pressures that are now being experienced this option has been rejected for the following reasons -
- Savings insufficient to close the budget gap in 2024/25
  - Transformation not happening horizontally across the organisation.
  - Reinforces directorate led change and silo working.
  - The pace does not match the increased need to realise benefits more quickly than envisaged.

- Cultural change to 'one team' slower than anticipated.

104. As a result, it is proposed to develop a transformation programme to deliver a sustainable Somerset Council: bringing together transformation and change across the organisation. Fundamentally redesigning the whole Council, the ways of working, the services we deliver and those which will be delivered by others, the capabilities and competencies required. This approach will -

- Deliver a whole Council approach and oversight, moving away from silo-working.
- Develop a Target Operating Model which will bring into practice the Organisational Design Principles: people and skills, organisation and governance, technology, data and insights, process and measures, partnership and localities.
- Focus on providing impact and value to the people and communities of Somerset.
- Contribute to the financial stability of the Council, delivering significant financial savings.
- Reducing the number of people employed and structure, prioritising operational effectiveness and efficiency while maintaining sufficient capacity to fulfil legal obligations.
- Reshape service delivery to meet the evolving needs of the people of Somerset, maximising collaboration and partnership working, seeking to devolve services and assets where appropriate.
- Streamline governance, processes and reduce bureaucracy.

105. The purpose of the programme is to design and implement a smaller and leaner Council that is flexible and agile, data driven and digitally enabled, sustainable and resilient, local, connected and inclusive to deliver the strategic vision and priorities for the people of Somerset and ultimately employing fewer people. To realise the desired outcome, it is proposed that all directorates, services and staff are in scope, regardless of how they are funded (e.g. capital, external grants and Housing Revenue Account), as well as all agency, interims and consultants. It is recognised that whilst staff of Somerset Local Authority schools are employed by the Council, they have separate management arrangements at a local level and as such are out of scope.

106. This comprehensive approach is designed to ensure fairness and a holistic consideration of how each part of the organisation can contribute to the transformation. There will be some exemptions for workforce reductions e.g. social work, planners, lawyers.

107. A detailed programme is now being developed which will set out the areas of focus for the programme, the resource requirements and risks (together with mitigation measures). These areas include -
- Organisational redesign and innovation
  - Workforce
  - Partnerships and Devolution
  - My Life, My Future (Adults Transformation Programme)
  - Children's Services Transformation
  - MTFP Savings Delivery
  - Place shaping and economic development plan
108. Inevitably, a programme of this scale will undoubtedly carry a significant amount of risk. A detailed risk management plan will be required to support the programme. At this stage, the following risks have been identified -
- Service instability - Inability to provide essential services to the Somerset residents.
  - Insufficient budget to fund service redesign and reduce staffing levels where appropriate - cannot initiate redundancies without a budget to fund them. Without redundancies, savings associated with the programme will not be materialised.
  - Inability to source and implement innovation and automation.
  - Excessive loss of talent and organisational knowledge - loss of organisational memory, knowledge and skills
  - Pension strain funding and impact on future actuarial valuations
  - Failure to consult properly and failure to engage staff and Trade Union - loss of trust and confidence in the delivery of the programme.
109. A programme of this scale will require a significant level of resources; however, it will be essential that our own teams are utilised to ensure that the councils make the best use of the talent and expertise across the organisation. Internal capacity has been identified to support the programme - external specialist resource will only be sought for skills, knowledge, capability and capacity that is not available internally. More work will be done on this as the programme is further developed. By way of example, the whole of the Workforce service has been reconfigured informally to be able to run the Workforce Transformation programme and maintain essential operational HR, Learning and Development and Health and Safety services.
110. Throughout any programme of this scale, it is important that the organisation reflects on lessons learned from other Councils and our own recent Local Government Association Peer Reviews. At this stage, the following is of relevance when developing

our own programme (Learning from other authorities (Birmingham, Bournemouth Christchurch and Poole, Thurrock) and our own LGR Peer Review):

- Lack of clarity on future plans creates significant risk of inconsistent leadership, challenge and delivery: ultimately failure.
- Need to reframe values and behaviours as well as services, processes and structures to ensure cross-council solutions to cross-council problems.
- Transformation Programme must be proportionate and understood in wider context of financial sustainability.
- Need to allocate the right skills, capabilities and capacity to lead, manage and deliver change.
- Must be a “corporate” whole-council programme: balance people and place agendas, without losing sight of agreed priority areas for improvement.
- Effective governance (programme management, democratic and “informal” as well as systems that support) are essential including:
  - Sufficient “grip” including proactive and cross-cutting risk management, strong and proportionate programme architecture.
  - Openness to challenge (including through audit) by staff, Members and others.

111. This is therefore a key part of the council becoming financially sustainable and failure to deliver on this will mean that Somerset Council is no longer financially viable. The

### **Department for Levelling Up, Housing & Communities (DLUHC)**

112. The Council has been pro-active in writing to DLUHC outlining the financial challenges it faces and as result of this there have been a number of meetings with them. These meetings have covered the budget overspending in the current financial year as well as the 2024/25 budget gap. They have also helped to explain the context of being a new council and the financial position and issues that it has inherited from the five predecessor councils. The Council has already agreed to request a capitalisation direction from DLUHC in order set a balanced budget for 2024/25 and is recommended to requests the option of allowing an increase in Council Tax by an additional 5%, 9.99% in total, to £1,810.48 for the Somerset Council proportion of a Band D charge in order to set the 2024/25 budget.

### **Budget Consultation & Engagement**

113. The arrangements for consultation and engagement on the budget proposals are:

- Consultation and engagement process with the public, staff, trade unions, and partners started on 11 December 2023 and runs until 22 January 2024.
- Consultation with the Business sector at five events across the county during January.
- Consultation with the Corporate & Resources Scrutiny Committee, who have responsibility for scrutiny of the budget, on the draft budget proposals on 01 February 2024.
- Audit Committee on 25 January will consider the various accounting strategies and policies such as the Treasury Management Strategy, Capital Strategy, Minimum Revenue Provision (MRP) Policy, Flexible use of Capital Receipts and Non-Treasury Management Investment Strategy.
- Continue to engage with members through all members monthly briefings and political group meetings.

### **Next Steps & Timetable**

114. The next steps in finalising the budget proposals are:

- Continue discussion with DLUHC on council tax and a capitalisation direction.
- Continue to identify further savings options for 2024/25 and future years.
- Develop a full business case for the creation of a sustainable Somerset Council through 're-sizing' of the council and creating a sustainable workforce transformation programme and setting out the estimated costs and saving from this.
- Update the Children's budget with the findings from the Peopletoo deep dive into the service.
- Review of the assumptions and modelling on the Adult's budget in light of the National Living Wage increase and latest diagnostic from Newton.
- Review financing costs in the light of capital programme, potential capitalisation direction and use of reserves.
- Continue to review the Earmarked Reserves to identify reserves that can be repurposed to support the budget.
- Further review of the pipeline of asset disposals to identify the level of capital receipts available to support the budget.
- Review the Flexible use of capital receipts policy to identify potential transformation costs that could be funded from this.
- Review the level of corporate contingency budget (currently £6m) in the light of emerging budget proposals, risks and level of reserves.

115. The sequence of committee meetings for finalising the proposals for the Council to consider on 20 February 2024 is:

- 25 January 2024 - Audit Committee - review of various accounting strategies and policies such as the Treasury Management Strategy, Capital Strategy, Minimum Revenue Provision (MRP) Policy, Flexible use of Capital Receipts and Non-Treasury Management Investment Strategy.
- 01 February 2024 - Corporate & Resources Scrutiny Committee - scrutiny review of Executive draft budget proposals and make any specific recommendations to the Executive to consider on 7 February 2024.
- 07 February 2024 - Executive - review of the latest draft budget proposals for the Revenue Budget, Housing Revenue Account and Capital Programme and the consultation feedback and make recommendations to Council on final budget proposals including the level of council tax.

### **Chief Finance Officer (CFO) Report and Advice on the Robustness of the 2024/25 Budget and Adequacy of Reserves & Balances**

116. Under the terms of section 25 of the Local Government Act 2003 the Section 151 Officer (Chief Finance Officer) is required to report to the Council on two specific matters:

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

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

118. Given the very challenging financial position that the council faces it is important that all members take note of this report when approving the budget at Full Council. A separate section 25 report will be presented to Full Council by the Section 151 Officer.

### **Background Papers**

119. 2023/24 Budget, Medium-Term Financial Plan & Council Tax Setting report to Council 22 February 2023.

120. Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 report to Corporate & Resources Scrutiny & Executive July 2023.
121. Somerset Council – Financial Sustainability report to 26 October 2023 Audit Committee including the Section 151 Officer’s letter to DLUHC and External Auditor letter on Somerset Council Financial Sustainability.
122. Financial Strategy Update report to 09 November 2023 Corporate & Resources Scrutiny and 08 November 2023 Executive.
123. 2024/25 General Fund Revenue & Capital Programme update to 05 December 2023, Corporate & Resources Scrutiny Committee, 06 December 2023 Executive and 20 December 2023 full Council.
124. Monthly Budget Monitoring reports to Executive & Corporate & Resources Scrutiny Committee.

## **Appendices**

Appendix 1: Strategic Risks associated with the budget

Appendix 2: MTFP Forecast

Appendix 3: Provisional Finance Settlement

Appendix 4: Changes to budget 2023/24-2024/25

Appendix 5: Council Tax trends

Appendix 6: Detailed list of savings proposals

Appendix 7: Detailed list of pressures

Appendix 8: Full & part reversals of prior year savings.

Appendix 9: Dedicated Schools Grant 2024/25

**Report Sign-Off (if appropriate)**

	<b>Officer Name</b>	<b>Date Completed</b>
Legal & Governance Implications	David Clark	02/01/2024
Communications	Peter Elliott	29/01/2023
Finance & Procurement	Nicola Hix	03/01/2024
Workforce	Dawn Bettridge	27/12/2023
Asset Management	Oliver Woodhams	03/01/2024
Executive Director / Senior Manager	Jason Vaughan	03/01/2024
Strategy & Performance	Sara Cretney	03/01/2024
Executive Lead Member	Cllr Liz Leyshon	03/01/2024
Consulted:		
Local Division Members	All	
Opposition Spokesperson	Cllr Mandy Chilcott Deputy Leader of the Opposition and Opposition Spokesperson for Resources and Performance	Sent for information 05/01/2024
Scrutiny Chair	Cllr Bob Filmer, Chair - Scrutiny Corporate & Resources Committee	Sent for information 05/01/2024



## Strategic Risks

- The council has two strategic risks associated with its finances themselves being **ORG0057 concerning a sustainable MTFP** and **ORG0070 being the risk of a budget overspend in the current financial year**. However, there are a number of other Strategic Risks associated with the budget and these are included in the table below to ensure that the complete picture is provided.

### Strategic Risks associated with the budget

JCAD Ref	Risk description	Inherent score		Mitigation	Residual score		Owner
		L	I		L	I	
ORG0057	Sustainable MTFP Cause: High inflation, high interest rates, HRA, capital programme, income not increasing sufficiently Consequence: Issue S114 notice	5	5	<ol style="list-style-type: none"> <li>1. MTFP updated 24/25 to 26/27</li> <li>2. MTFP board in place</li> <li>3. Establishment control, procurement and spending boards in place</li> <li>4. Regular budget monitoring</li> <li>5. Review of pressures 24/25</li> <li>6. Bright spark initiative in place</li> </ol>	5	5	Executive Director – Resources & Corporate Services
ORG0070	Budget overspend Cause: Rising interest rates impacts cost of borrowing; labour market (pay rises, recruitment difficulties) Consequence: service changes to reduce spend	5	5	<ol style="list-style-type: none"> <li>1. MTFP updated 24/25 to 26/27</li> <li>2. MTFP board in place</li> <li>3. Oversight boards in place – establishment, procurement and spend</li> <li>4. Regular budget monitoring</li> <li>5. Bright spark initiative in place</li> <li>6. Deep dive children and families</li> </ol>	5	5	Executive Director – Resources & Corporate Services

ORG0065	Workforce – inability to retain and recruit Cause: can't compete with private sector Consequences: Use of agency staff, staff wellbeing	5	5	<ol style="list-style-type: none"> <li>1. Workforce Strategy</li> <li>2. Review of Job Evaluation</li> <li>3. Maximise apprenticeships</li> <li>4. Staff comms and engagement</li> <li>5. Active staff networks</li> </ol>	4	5	Service Director – workforce
ORG0078	Failure to deliver a business case for workforce transformation Cause: unclear council direction, capacity Consequence: Not being able to determine impacts on budgets for 24/25 and beyond	4	5	<ol style="list-style-type: none"> <li>1. Development of business case</li> <li>2. Consultation with Unions and staff</li> </ol>	3	5	Service Director Workforce
ORG0079	The risk that the Government will make further policy changes that affects future funding of social care Cause: Government policy change Consequences: Reduced funding impacting services that can be delivered	4	5	<ol style="list-style-type: none"> <li>1. Ongoing review of policy announcements relating to social care</li> </ol>	3	5	Executive Director – Adult Services
ORG0080	The risk of increasing demand on services and the impact this could have on services and budgets	4	5	<ol style="list-style-type: none"> <li>1. Regular budget monitoring of service budgets</li> <li>2. Regular reviews of service performance</li> </ol>	3	5	Executive Director for Strategy, Workforce and Localities

	<p>Cause: Cost of living crisis, impacts of high rents</p> <p>Consequence: Longer to provide services, increase budget for statutory services</p>						
ORG0081	<p>The risk that the Government will reduce Local Government funding, impacting the sustainability of the service levels at current levels</p> <p>Cause: Government financial position</p> <p>Consequence: Reduced budgets, reduced service levels and staff</p>	4	5	<ol style="list-style-type: none"> <li>1. Ongoing discussions with Government</li> <li>2. Monitoring policy changes for impacts across all service areas</li> </ol>	3	5	Executive Director – Resources & Corporate Services

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**MTFP Forecast**

Below shows the forecast budget from 2024/25 to 2026/27:

2023/24 Budget £m	Service Area	2024/25 Budget £m	2025/26 Forecast Budget £m	2026/27 Forecast Budget £m
180.4	Adult & Health Services	237.3	270.1	319.6
122.4	Children & Family Services	138.2	141.2	146.5
34.8	Community Services	30.9	30.0	30.0
91.3	Climate & Place	91.5	91.8	94.6
20.2	Strategy, Workforce & Localities	22.1	22.0	22.0
20.5	Resources & Corporate Services	23.7	23.9	25.0
1.2	Public Health	1.0	1.0	1.0
	<b>Corporate Areas:</b>			
15.3	Pay award	29.1	35.3	41.4
40.6	Debt financing	53.7	65.6	70.0
16.0	Other Corporate costs	9.8	6.2	6.2
<b>542.7</b>	<b>Net Budget Requirement</b>	<b>637.3</b>	<b>687.1</b>	<b>756.3</b>
	<b>Financed by:</b>			
(335.5)	Council Tax @ 2.99% and ASC Precept @ 2%	(357.7)	(379.6)	(402.7)
(4.0)	Flexible Use of Capital Receipts	-	-	-
(3.8)	New Homes Bonus	(1.9)	-	-
(3.2)	Rural Services Delivery Grant	(3.6)	(3.6)	(3.6)
(3.2)	Services Grant	(0.5)	(0.5)	-
(39.2)	Social Care Support Grant	(45.8)	(50.4)	(96.4)
(7.9)	Revenue Support Grant	(8.4)	(8.4)	13.3

2023/24 Budget £m	Service Area	2024/25 Budget £m	2025/26 Forecast Budget £m	2026/27 Forecast Budget £m
(122.2)	Business Rates	(131.7)	(136.5)	(126.6)
(3.0)	Council Tax Somerset Rivers Authority	(3.0)	(3.1)	(3.1)
(0.2)	Special Expenses	(0.2)	(0.2)	(0.2)
6.1	Business Rates Collection (Surplus) / Deficit	(6.2)	-	-
(6.7)	Council Tax Collection (Surplus) / Deficit	(1.6)	-	-
-	General Reserves			
(19.9)	Earmarked Reserves	(38.8)	0.3	0.3
<b>(542.7)</b>	<b>Total Financing</b>	<b>(599.4)</b>	<b>(582.0)</b>	<b>(619.0)</b>
<b>0.0</b>	<b>Budget (Surplus) / Deficit</b>	<b>37.9</b>	<b>105.1</b>	<b>137.3</b>
	<b>Gap - Change on the Previous Year</b>	<b>37.9</b>	<b>67.2</b>	<b>32.2</b>

## Provisional Finance Settlement

1. The provisional finance settlement was announced on 18 December with a four-week consultation running until 15 January 2024.

**Table 1 – Provisional Finance Settlement for Local Government**

Core Spending Power by component	2023/24	2024/25	Change	
	£m	£m	£m	%
Revenue Support Grant	2,729	3,024	295	11%
Baseline Funding Levels	12,943	13,538	595	5%
Under indexation	2,205	2,581	376	17%
Council Tax	33,984	36,062	2,078	6%
Improved Better Care Fund	2,140	2,140	0	-
Social Care Grant	3,852	4,544	692	18%
ASC Discharge	300	500	200	67%
ASC Market Sustainability Improvement Fund	562	1,050	488	87%
New Homes Bonus	291	291	0	-
Rural Services Delivery Grant	95	95	0	-
Grants rolled in	480	0	(480)	(100%)
Floor Grant	133	197	64	48%
Service Grant	483	77	(406)	(84%)
<b>TOTAL</b>	<b>60,197</b>	<b>64,099</b>	<b>3,092</b>	<b>6%</b>

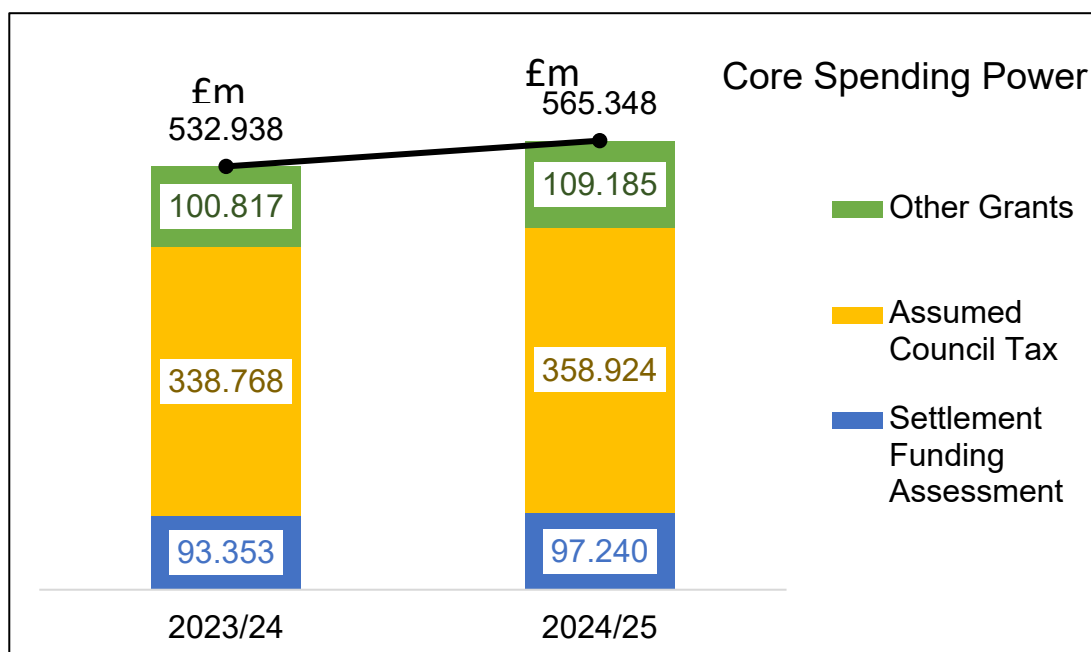
2. The settlement for Somerset at 6.1% is lower than other Southwest unitary councils with Cornwall receiving 6.9%, Dorset 6.4% and Wiltshire 6.4%. **Table 2** below sets out the provisional finance settlement and the changes between 2023/24 and 2024/25. A key part of finance settlement is the assumption of an increase in council tax of 5% and this accounts for £20.2m (62%) out of the £32.4m change.

**Table 2 – Provisional Finance Settlement for Somerset**

Core Spending Power	2023/24	2024/25	Change	
	£m	£m	£m	%
Settlement Funding Assessment	93.4	97.2	3.9	4%
Compensation for under-indexing the business rates multiplier	14.6	17.6	3.1	21%
Council Tax Requirement	338.8	358.9	20.2	6%
Improved Better Care Fund	23.4	23.4	0.0	0%
New Homes Bonus	3.8	1.9	(1.9)	(51%)
Rural Services Delivery Grant	3.6	3.6	0.0	0%
Social Care Grant	39.2	45.8	6.6	17%
ASC Market Sustainability and Improvement Fund	5.8	10.9	5.1	87%
ASC Discharge Fund	3.3	5.5	2.2	67%
Services Grant	3.3	0.5	(2.8)	(84%)
Grants rolled in	3.8	0.0	(3.8)	(100%)
<b>Core Spending Power Total</b>	<b>532.9</b>	<b>565.3</b>	<b>32.4</b>	<b>6%</b>

3. The chart below shows the breakdown in core spending power and how it changes between 2023/24 and 2024/25.

**Chart 3 – Breakdown of Core Spending Power**





**Changes to Budget from 2023/24 to 2045/25**

The table below shows the changes to budgets:

Directorate	2023/24 Original Base Budget £m	Total Adjustments £m	2023/24 Adjusted Base Budget £m	Total Pressures £m	Total Savings £m	Finance, Pay & Funding Changes £m	2024/25 Proposed Budget £m	Percentage Change %
Adult Social Care Operations	248.7	(1.1)	247.6	69.6	(3.9)	-	313.3	26%
Adult Social Care Commissioning	(68.3)	5.5	(62.8)	-	(5.9)	(7.3)	(76.0)	11%
<b>Total Adults Services</b>	<b>180.4</b>	<b>4.4</b>	<b>184.8</b>	<b>69.6</b>	<b>(9.8)</b>	<b>(7.3)</b>	<b>237.3</b>	<b>32%</b>
Children & Families (Childrens) Commissioning & Performance	81.8	-	81.8	21.8	(1.1)	-	102.5	25%
Inclusion	11.2	(1.0)	10.2	0.1	(6.8)	-	3.5	(69%)
Education, Partnerships and Skills	28.4	(13.2)	15.2	4.5	(1.2)	-	18.5	(35%)
<b>Total Children, Families &amp; Education Services</b>	<b>122.4</b>	<b>(1.1)</b>	<b>121.3</b>	<b>26.4</b>	<b>(9.5)</b>	<b>-</b>	<b>138.2</b>	<b>13%</b>
Housing	5.9	(0.4)	5.5	0.4	-	-	5.9	-
Customer Services	7.0	(2.0)	5.0	-	(0.2)	-	4.8	(31%)
Cultural Services	9.5	(0.5)	9.0	0.4	(0.8)	-	8.6	(9%)
Regulatory & Operational Services	12.4	0.7	13.1	0.5	(2.0)	-	11.6	(6%)
<b>Total Community Services</b>	<b>34.8</b>	<b>(2.2)</b>	<b>32.6</b>	<b>1.3</b>	<b>(3.0)</b>	<b>-</b>	<b>30.9</b>	<b>(11%)</b>
Climate, Environment & Sustainability	54.6	0.4	55.0	4.4	(1.5)	-	57.9	6%
Infrastructure & Transport	22.4	0.4	22.8	1.0	(2.8)	-	21.0	(6%)
Economy, Employment & Planning	10.6	(0.3)	10.3	-	(1.3)	-	9.0	(15%)
Accountable Bodies	3.7	(0.1)	3.6	-	-	-	3.6	(3%)
<b>Total Climate &amp; Place</b>	<b>91.3</b>	<b>0.4</b>	<b>91.7</b>	<b>5.4</b>	<b>(5.6)</b>	<b>-</b>	<b>91.5</b>	<b>-</b>

Directorate	2023/24 Original Base Budget £m	Total Adjustments £m	2023/24 Adjusted Base Budget £m	Total Pressures £m	Total Savings £m	Finance, Pay & Funding Changes £m	2024/25 Proposed Budget £m	Percentage Change %
Partnership & Localities	0.8	2.0	2.8	-	(0.1)	-	2.7	238%
Strategy & Performance	3.2	1.7	4.9	-	(0.2)	-	4.7	47%
Workforce	6.0	-	6.0	-	(0.2)	-	5.8	(3%)
Governance, Democratic & Legal Services	10.2	(1.2)	9.0	0.1	(0.2)	-	8.9	(13%)
<b>Total Strategy, Workforce &amp; Localities</b>	<b>20.2</b>	<b>2.5</b>	<b>22.7</b>	<b>0.1</b>	<b>(0.7)</b>	<b>-</b>	<b>22.1</b>	<b>9%</b>
Finance & Procurement	11.9	1.2	13.1	0.6	(0.8)	-	12.9	8%
Strategic Asset Management	(9.2)	(0.6)	(9.8)	5.1	(1.2)	-	(5.9)	(36%)
Information Communication Technology	17.8	(0.5)	17.3	-	(0.6)	-	16.7	(6%)
<b>Total Resources &amp; Corporate Services</b>	<b>20.5</b>	<b>0.1</b>	<b>20.6</b>	<b>5.7</b>	<b>(2.6)</b>	<b>-</b>	<b>23.7</b>	<b>16%</b>
<b>Public Health</b>	<b>1.2</b>	<b>(0.2)</b>	<b>1.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.0</b>	<b>(17%)</b>
Corporate Areas:								
2023/24 & 2024/25 Pay Award	15.3	-	15.3	-	-	13.8	29.1	90%
Debt Financing	40.6	0.2	40.8	-	-	12.9	53.7	32%
Other Corporate Costs	16.0	(2.2)	13.8	-	(4.0)	-	9.8	(39%)
<b>Total Net Budget Requirement</b>	<b>542.7</b>	<b>1.9</b>	<b>544.6</b>	<b>108.5</b>	<b>(35.2)</b>	<b>19.4</b>	<b>637.3</b>	<b>17%</b>
<b>Funding of Net Budget Requirement:</b>								
Council Tax @ 2.99% and ASC Precept @ 2%	(335.5)	-	(335.5)	-	-	(22.2)	(357.7)	7%



Directorate	2023/24 Original Base Budget £m	Total Adjustments £m	2023/24 Adjusted Base Budget £m	Total Pressures £m	Total Savings £m	Finance, Pay & Funding Changes £m	2024/25 Proposed Budget £m	Percentage Change %
Deficit / Surplus	-	19.9	19.9	108.5	(35.2)	(55.3)	37.9	



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Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
<b>Adults Services</b>									
ADS001	New	Maximising fees and charges across Adult Social Care	Digital solution to support efficiencies and effectiveness of collection of fees and charges process.	Low	Emily Fulbrook	(3,400)	0	0	(3,400)
ADS002	New	Reviewing support for individuals	Priority reviews to be undertaken to ensure the support provided is reflective of individuals needs and outcomes.	Low	Emily Fulbrook	(300)	0	0	(300)
ADS003	New	Reviewing our Supported Living accommodation and Extra Care Housing	Reviewing our Supported Living accommodation and Extra Care Housing to ensure we are maximising the use of the properties making sure these are fit for purpose and decommissioning ones that are no longer suitable for individuals.	Low	Emily Fulbrook	(200)	0	0	(200)
ADS004	New	Service that supports people with a combination of mental health need and substance misuse.	Reduction in contract spend and remodelling the service.	High	Paul Coles	(420)	(420)	0	(840)
ADS005	New	Learning Disability Supporting Employment Service	Funding reduction from Adult Social Care, working alongside the service provider to seek alternative solutions.	High	Paul Coles	(141)	(209)	0	(350)
ADS006	New	Floating Dementia Support Services	Funded contract with Adult Social Care to be stopped individuals will be supported to seek alternative solutions.	Medium	Paul Coles	(117)	(23)	0	(140)
ADS007	New	Citizens advice - local assistance scheme	Grant funding is ending, individuals would be supported through community and voluntary services.	High	Paul Coles	(107)	0	0	(107)
ADS008	New	Information and guidance and support for Older People	Reduction in Adult Social care funding to the service, individuals will be supported to seek support from community and voluntary services.	High	Paul Coles	(61)	0	0	(61)
ADS009	New	Employment Service - for Carers and individuals with Mental Health needs	Contributing funding from Adult Social Care to be stopped.	High	Paul Coles	(34)	(27)	0	(61)
ADS010	New	Key Ring Service	Funded contract with Adult Social Care to be stopped individuals will be supported to seek alternative solutions.	Low	Paul Coles	(28)	(6)	0	(33)
ADS011	Approved 2023/24 MTFP	To support people to live independent lives.	The My Life, My Future, Adult Care Transformation Programme will support people to live independent lives.	Low	Emily Fulbrook	(5,000)	0	0	(5,000)
ADS012	Approved 2023/24 MTFP	Use of Government grant to fund preventative services	Use of Government grant to fund preventative activities within Adult Services.	Medium	Paul Coles	0	(900)	0	(900)
<b>Total Adults Services</b>						<b>(9,808)</b>	<b>(1,585)</b>	<b>0</b>	<b>(11,392)</b>
<b>Children, Families and Education</b>									
CFE001	New	More efficient delivery of home to school travel	Transformation programme to focus on more efficient delivery of school transport and promotion of independent travel.	Medium	Rob Hart	(325)	(500)	0	(825)
CFE002	New	The Council will deliver a greater proportion of the support provided to Early Years settings through centrally retained funding, reducing its use of external partners.	Currently, a significant proportion of centrally retained Early Years funding is paid to external partners and bodies to deliver various support, training and CPD activities to providers. It is intended, following consultation, that the Council provides these services using current resources to achieve a budget saving.	Low	Amelia Walker	(398)	0	0	(398)
CFE003	New	Fund the Virtual School for Children in Care using the Pupil Premium Plus grant	Use Pupil Premium Plus grant to fund staff in the virtual school so that the team does not require funding from other sources.	Low	Rob Hart	(410)	0	0	(410)
CFE004	New	Reduction of four of nine vacant posts in the Special Educational Needs (SEND) team.	New posts were established in the 2023/24 budget to recognise the need to meet increasing demand in the SEND area. Five posts will continue to be recruited to meet this additional need with the remaining vacant posts removed from the budgeted establishment.	Medium	Rob Hart	(132)	0	0	(132)
CFE005	New	Educational Psychology Service Budget Reduction	Ceasing agency contract with agency supplier of workers and reduction in establishment, mainly through non-renewal of contracts.	Low	Rob Hart	(141)	(64)	0	(205)
CFE006	New	External funding for the service to support young people who are at risk of not being in education, training or employment post 16	To replace the Council contribution to funding with external funding from the Shared Prosperity fund.	Medium	Rob Hart	(100)	0	0	(100)
CFE007	New	The Council will deliver a greater proportion of the support provided to Early Years settings through centrally retained funding, reducing its use of external partners.	Currently, a significant proportion of centrally retained Early Years funding is paid to external partners and bodies to deliver various support, training and CPD activities to providers. It is intended, following consultation, that the Council provides these services using current resources to achieve a budget saving.	Low	Rob Hart	(125)	0	0	(125)

The risk profile for any savings agreed in prior years is as per the profile when the saving was originally agreed. These risks will be updated for following reports.

Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
CFE008	New	Mind of My Own	Not recommission Mind of My Own contract from 01/04/2024. Usage of Mind of My Own app has remained low and the extensive promotion campaigns and training have resulted in little impact for children. Children and young people choose to use other apps to contact their social worker / leaving care worker at no cost to the council.	Low	Jayne Shelbourn-Barrow	(11)	0	0	(11)
CFE009	New	Stop out of hours security checks for three Somerset Council supported accommodation homes for young adults aged 18+	Termination of Leaving Care Out of Hours Security & Concierge externally commissioned service. The 2023 Supported Accommodation Regulations are applicable only to 16/17 year olds, therefore our current commissioned service providing overnight property checks for our homes for 18 year old care leavers and older, is not statutory.	High	Richard Selwyn	(35)	0	0	(35)
CFE010	New	Special Guardianship Support	By training our inhouse Emotional Health & Well-Being Service to deliver a wider range of therapies, we can apply to the Adoption Support Fund (ASF) for funding to deliver services for our children that we would normally have to buy in / commission. We anticipate this being an ongoing saving BUT have submitted it as a one off as the Adoption Support Fund has only been agreed until March 2025.	Low	Jayne Shelbourn-Barrow	(30)	0	0	(30)
CFE011	New	Support five children in care who are currently living in residential homes to move to a foster family so they experience a caring family home	The Council is recruiting more foster carers to support children and young people in a family home. This additional capacity means we can move five young people who are currently in a residential home to the fostering home in 2024/25. As well as better outcomes for these young people by matching them to carers, there will be a financial saving of £1.07m. £1m saving has already been taken from the budget, £67k is the remaining balance.	High	Richard Selwyn	(67)	0	0	(67)
CFE012	New	New homes for young people aged 16 to 25 years who are ready to live in supported accommodation on their journey towards independent living	The Council has established new contracts for housing related support and accommodation for young people over 16. The providers are YMCA Brunel Group and YMCA Dulverton Group. This new 16+ services will support higher levels of need and are therefore more cost-effective, as well as improving outcomes for young people on their journey to independence.	High	Richard Selwyn	(3,386)	0	0	(3,386)
CFE013	New	Support children and young people in a loving Homes & Horizons home	The Council entered a strategic partnership with the Shaw Trust in 2022, with a plan to build 8 to 10 new homes for children and young people as well as providing therapeutic education and high-needs fostering. The service is called Homes & Horizons and provides loving homes for children and young people with the most complex needs, that other providers are unwilling to support. By supporting an average of 15 to 16 young people in Homes & Horizons in 2024/25, there is a saving of £1.72m, as well as better care and outcomes for those children. This saving is in addition to the previous projection PYS CS-05 due to improving performance of the Homes & Horizons programme.	High	Richard Selwyn	(1,715)	0	0	(1,715)
CFE014	New	Support eight young people in care who are currently living in residential homes, who are ready to live in supported accommodation on their journey towards independent living	The Council has established new contracts for housing related support and accommodation for young people over 16. The providers are YMCA Brunel Group and YMCA Dulverton Group. This new 16+ service will support higher levels of need and will be able to support these 8 young people to move forward into this accommodation from residential care	High	Richard Selwyn	(1,586)	0	0	(1,586)

The risk profile for any savings agreed in prior years is as per the profile when the saving was originally agreed. These risks will be updated for following reports.



Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
CFE015	Approved 2023/24 MTFP	Reduction in the cost of providing residential placements for Children in Care	Children in Care in external residential placements will move to new in-house residential homes, run through the strategic partnership with The Shaw Trust.	Medium/ High	Jayne Shelbourn-Barrow	(1,109)	(469)	0	(1,577)
CFE016	Approved 2023/24 MTFP	Use of Government grant to fund preventative services	Use of Government grant to fund preventative activities within Children's Services.	Low	Jayne Shelbourn-Barrow	0	(900)	0	(900)
<b>Total Children, Families and Education</b>						<b>(9,568)</b>	<b>(1,933)</b>	<b>0</b>	<b>(11,501)</b>
<b>Community Services</b>									
CMS001	New	Remove historical (Somerset West and Taunton) grants to Parishes for open spaces maintenance	The proposal is to cease providing grants to 47 Parish Councils that have been used to support maintenance of footpaths and playing fields (not on Somerset Council Land). These parishes will need to submit a request through their parish precept.	Low	Sarah Dowden	(40)	0	0	(40)
CMS002	New	Remove historical (Somerset West and Taunton) Grants to Parishes for bereavement services	The proposal is to cease providing grants to 47 Parish Councils that have been used to support maintenance of burial grounds. These parishes will need to submit a request through their parish precept.	Low	Sarah Dowden	(20)	0	0	(20)
CMS003	New	Somerset Scientific Services inflationary fees and charges increase for analysing samples from 1st April 2024	The fee charged when analysing samples (e.g. water) has been reviewed. The proposal is to increase the charge for this service by the Consumer Prices Index at 6.8%. Original income budgets are £336,800 at 6.8% = £22,900.	Low	Sarah Dowden	(23)	23	0	0
CMS004	New	Cease funding for Operation Clean Sweep	Operation Clean Sweep was a programme in the former Somerset West and Taunton area. The funding for this is no longer required as the scheme has ceased.	Low	Sarah Dowden	(40)	0	0	(40)
CMS005	New	Registration Ceremony inflationary fees and charges increase from 1st April 2024	Review and increase in line with inflation. Non-statutory Fee's and Charges.	Low	Sarah Dowden	(150)	80	0	(70)
CMS006	New	Remove Relief Staff Budget in Libraries	The libraries relief staff budget is used to cover staff sickness and leave, this budget will be removed offering less cover for unplanned absences.	Low	Liz Dawson	(25)	0	0	(25)
CMS007	New	Consider the closure of the Performing Arts Library in Yeovil	Commence discussions with Department for Digital, Culture, Media & Sport for changes to service approach from 2025/26, prior to a public consultation.	Medium	Liz Dawson	0	0	0	0
CMS008	New	Consider the removal of the Mobile Library service	Commence discussions with Department for Digital Culture, Media and Sport to change service approach from 2025/26, ceasing the mobile library service, prior to a needs analysis and public consultation.	High	Liz Dawson	0	0	0	0
CMS009	New	Consider reducing core library opening hours	Commence discussion with Department for Digital, Culture, Media and Sport for changes to service approach from 2025/26 to reduce total opening hours across core libraries by 10%. Note this savings proposal is the preferred alternative to saving CMS-011a and CMS-011b.	Medium	Liz Dawson	0	0	0	0
CMS010	New	Reduce Core Libraries Network (maximum)	This proposal is to commence discussions with the Department of Culture, Media and Sport for changes to service approach from 2025/26 to reduce the core library network (either library closures or transferring to an alternative delivery model). £380k for 25/26.	High	Liz Dawson	0	0	0	0
CMS011	New	Reduce Core Libraries Network (minimum)	This proposal is to commence discussions with the Department of Culture, Media and Sport for changes to service approach from 2025/26 to reduce the core library network. £50k 25/26.	Medium	Liz Dawson	0	0	0	0
CMS012	New	Cease overnight locking and morning reopening of Wellington, Blenheim and Vivary parks.	Cease provision of the locking and reopening service that is currently carried out by an external contractor, harmonising approaches for parks across the County (i.e. they will remain open overnight).	Low	Sarah Dowden	(15)	0	0	(15)
CMS013	New	In sourcing of street cleaning and grounds maintenance.	In-source all street cleansing and ground care in the old Mendip District, and street cleansing in the old Somerset West and Taunton District, that is currently outsourced to a contractor, IDVerde. Notice would be given to contractor in April 2024 with service moving to in-house in November 2024 (Somerset West) and July 2025 (Mendip).	Low	Sarah Dowden	0	(250)	0	(250)

The risk profile for any savings agreed in prior years is as per the profile when the saving was originally agreed. These risks will be updated for following reports.

Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
CMS014	New	Closure of all Council owned public toilets.	Closure of all Council-owned public toilets exploring devolution to City, Town and Parish Councils.	Low	Sarah Dowden	(301)	0	0	(301)
CMS015	New	Cancellation of RNLI lifeguard contract at Somerset North Beaches	The Lifeguard service is provided by RNLI at Burnham on Sea, Berron and Brean beaches from early July until the first week in September. The contract provides some additional cover in the main season to compliment the Council employed beach safety wardens. This proposal is to cease the contract with RNLI and solely use beach safety wardens.  The proposal is to cancel the RNLI contract and instead utilise existing Beach Safety Wardens to cover beach safety issues. Beach safety wardens currently cover beach safety from March to October and therefore there will still be beach safety controls in place throughout the whole operating season.	High	Sarah Dowden	(35)	0	0	(35)
CMS016	New	Cease provision of temporary toilets for Bridgwater Carnival	The Council will no longer fund the hire of temporary toilets for the Bridgwater Carnival.	Low	Sarah Dowden	(9)	0	0	(9)
CMS017	New	Cease providing barrier protection around some of the open spaces around the Bridgwater Carnival route during the procession.	There will no longer be barrier protection provided for open spaces along the Bridgwater Carnival procession route.	Low	Sarah Dowden	(7)	0	0	(7)
CMS018	New	Cease the Council run CCTV monitoring service across Somerset.	There are currently cameras serving Taunton, Bridgwater, Yeovil, Wellington, Burnham On Sea, Highbridge, Street, Wells, Glastonbury, Frome, Shepton Mallet. This proposal would turn off the cameras, close the monitoring centre and no monitoring would be carried out. There may be contract termination financial penalties.	Medium	Sarah Dowden	(489)	(163)	0	(652)
CMS019	New	Minor Reductions to Libraries budgets	Reduction of several small budget streams, including catering, furniture and equipment, promotions and projects, will have no adverse impact on the delivery of library services.	Low	Liz Dawson	(18)	0	0	(18)
CMS020	New	Reduce sports and leisure facilities at Yeovil Recreation Centre	The closure of managed sport and leisure facilities at Yeovil Recreation Centre including most outdoor sports facilities and the leisure facilities in the Jon O'Donnell Pavilion building. Green spaces on site, the tennis courts, children's play area and multi-use games area are proposed to remain open to the public. The cafe on site is not included in this proposal and is being considered separately.	Medium	Liz Dawson	(90)	(75)	0	(165)
CMS021	New	Cease funding to Burnham swimming pool	Cease revenue funding that was awarded in 2008 to a previous incumbent local operator of Burnham Pool to support swimming provision. The pool is now leased by the previous incumbent to Legacy Leisure whom would no longer receive this funding.	Low	Liz Dawson	(12)	0	0	(12)
CMS022	New	Continued temporary closure of the Octagon Theatre in Yeovil	The Octagon Theatre is currently closed on a temporary basis pending capital development.	Medium	Liz Dawson	(174)	0	0	(174)
CMS023	New	Phased reduction of funding to Taunton Brewhouse	The Council owns the freehold for Taunton Brewhouse operated on the Council's behalf by tenants. This proposal would see a reduction in grant funding to complete cessation by April 2025.	Medium	Liz Dawson	(13)	(119)	0	(132)
CMS024	New	Reduce discretionary cultural budget	Reducing this discretionary budget will mean the Council can only provide minimal grant funding to support the delivery of the Council's strategic cultural outcomes.	Low	Liz Dawson	(71)	0	0	(71)

Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
CMS025	New	Closure of South Somerset Visitor Information Centre	Closure of the Visitor Information Centre at Cartgate.	Medium	Liz Dawson	(53)	0	0	(53)
CMS026	New	Closure of Taunton Visitor Information Centre	Closure of Taunton Visitor Information Centre.	Low	Liz Dawson	(114)	0	0	(114)
CMS027	New	Review the delivery of the Heritage Service to deliver a minimum service	The heritage service would be reviewed to deliver a minimum service.	Medium	Liz Dawson	0	(150)	0	(150)
CMS028	New	Remove public access to South Somerset Heritage Collection	Close South Somerset Heritage Collection removing public access to the facility from April 2025.	Medium	Liz Dawson	0	(37)	0	(37)
CMS029	New	Pause of Play Area Replacement Programme across Somerset	Throughout 2024/25 no new play equipment will be installed unless it is externally funded. A play area maintenance budget will remain to repair dangerous equipment only.	Low	Sarah Dowden	(168)	0	0	(168)
CMS030	New	Reduction in operational budgets in Operational Services	A reduction of 20% or complete removal of budget across specific maintenance and operational budgets within Operational Services. Many of these budgets can be reduced due to Local Government Reform and will therefore not impact on service delivery.	Low	Sarah Dowden	(199)	0	0	(199)
CMS031	New	Fees and Charges - Annual inflationary increases Minehead Harbour Fees	Annual inflationary fee's and charges increases to Harbour Fees (Minehead).	Medium	Sarah Dowden	(11)	0	0	(11)
CMS032	New	Fees and Charges - Beach Parking at Berrow and Brean Beaches	Increases to Beach Parking charges at Berrow and Brean Beaches.	Medium	Sarah Dowden	(7)	0	0	(7)
CMS033	New	Environmental Health budget reductions	Environmental Health budget reductions. These reductions relate to reducing an agency budget and other shared LGR savings so will not impact on service delivery.	Low	Sarah Dowden	(24)	0	0	(24)
CMS034	New	Unused sport and development budget	Consolidation of former Council budgets. Following review the budgets are no longer needed as projects have completed and as such offered up as a saving.	Low	Liz Dawson	(85)	0	0	(85)
CMS035	New	Taunton Crematorium Fee Increase	Increase of fees at Taunton Crematorium.	Low	Sarah Dowden	(108)	0	0	(108)
CMS036	New	Cemeteries Fee Increase - Somerset East	Increase of fees. Cemetery fees in Somerset East.	Low	Sarah Dowden	(6)	0	0	(6)
CMS037	New	Increase in Environmental Health Fees and Charges	Annual Increase in Fees and Charges for Licensing and Environmental Health. Proposed Fee increases, estimated additional income.	Low	Sarah Dowden	(36)	0	0	(36)
CMS038	New	Westlands Entertainment Venue - changes to operation of service	Savings could be achieved from changing the operation of the service to ensure the business is more viable.	Medium	Liz Dawson	(116)	0	0	(116)
CMS039	New	Closure of Taunton Nursery and reducing planting across Somerset Council Parks	Closure of nursery operations at Taunton and reducing the planting across Somerset Council Parks, using plants/shrubs brought in, not grown	Low	Sarah Dowden	(47)	(16)	0	(63)
CMS040	New	Closure of Yeovil Nursery and reducing planting across Somerset Council Parks	Closure of nursery operations at Yeovil and reducing the planting across Somerset Council Parks, using plants/shrubs brought in, not grown	Low	Sarah Dowden	(52)	(17)	0	(69)
CMS041	New	Stopping carrying out the parish ranger scheme (South area)	Currently area south carrying out a ranger service using 3 members of staff to carry out paid for work by the parish councils. During the exercise of costing out the service it has been found that the service costs the council money, and is not viable. It is also not carried out in the other areas, so the view at this time is to stop the activity.	Low	Sarah Dowden	(16)	(5)	0	(21)

Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
CMS042	Approved 2023/24 MTFP	Contract rationalisation for grounds maintenance contracts	Providing ground care services internally for the areas covered previously by Mendip and Somerset West and Taunton Councils	High	Sarah Dowden	(50)	0	0	(50)
CMS043	Approved 2023/24 MTFP	Contract rationalisation for street cleansing contracts	Providing street cleansing services internally for the areas covered previously by Mendip and Somerset West and Taunton Councils	Medium	Sarah Dowden	(50)	0	0	(50)
CMS044	Approved 2023/24 MTFP	Lifeline Services - alignment of fees and charges for new customers from April 2023	Increase in fees and charges of 10% for Lifeline Customers. This modelling is reflects a phased harmonisation of fees across new and existing customers and assumes a 1% growth in service demand.	Medium	Jan Stafford	(195)	0	0	(195)
CMS045	Approved 2023/24 MTFP	Reduction in the CCTV maintenance budget by 20%	Reduction in CCTV maintenance budget. At 20% this will equate to a reduction in roughly 46 cameras across Somerset from the current 225 total provision	Low	Sarah Dowden	(50)	0	0	(50)
CMS046	Approved 2023/24 MTFP	Increased Berrow & Brean Beach Parking fees	An annual increase of 50p for car parking at Berrow and Burnham Beaches.	Medium/ High	Sarah Dowden	(12)	(12)	(12)	(36)
CMS047	Approved 2023/24 MTFP	Charging for Fire Risk Assessments	Charging for Fire Risk Assessments.	Medium/ High	Paul Hickson	(2)	0	0	(2)
CMS048	Approved 2023/24 MTFP	Charging for Standard Assessment Procedures (SAP) & Air Testing	Charging for Standard Assessment Procedures (SAP) & Air Testing.	Medium/ High	Paul Hickson	(2)	0	0	(2)
CMS049	Approved 2023/24 MTFP	Charging Simplified Building Energy Model (SBEM)	Charging Simplified Building Energy Model (SBEM).	Medium/ High	Paul Hickson	(2)	0	0	(2)
CMS050	Approved 2023/24 MTFP	Charging for Energy Performance Certificates	Charging for Energy Performance Certificates.	Medium/ High	Paul Hickson	(1)	0	0	(1)
CMS051	Approved 2023/24 MTFP	Charging for Local Authority Building Control Warranties Sound tests	Charging for Local Authority Building Control Warranties Sound tests.	Low	Paul Hickson	0	(2)	0	(2)
<b>Total Community Services</b>						<b>(2,938)</b>	<b>(743)</b>	<b>(12)</b>	<b>(3,694)</b>

Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
<b>Climate &amp; Place</b> CAP001	New	Replacement of Black Recycling Box with a lower cost alternative.	When providing new or replacement rigid plastic 55l Black Recycling box they will be replaced with a lower cost polypropylene flexible alternative that is similar in construction to the existing Blue Bag used for the collection of mixed cans and plastics. The proposed variant will be used to for the collection of Cardboard and Paper.	High	Kirsty Larkins	(50)	(10)	0	(60)
CAP002	New	Review of subsidy for contracted bus services within the County	Review of the subsidy required for contracted buses services. The Council has a statutory obligation to secure the provision of such public passenger transport services as we consider it appropriate to secure to meet any public transport requirements within the county which would not in our view be met by the commercial market. Sometimes referred to as 'socially necessary' services.  In making any significant changes to supported service provision to assist in balancing the Council's budget and the on-going budget challenges that the Council faces; it will be important that the council has considered the relative impact of any changes in the context of the full range of services that it has a duty to provide, and considers it appropriate to make these changes as part of a re-balancing of allocation of funds to manage competing risks across the authority.	High	Mike O'Dowd-Jones	0	0	0	0
CAP003	New	Reduction in maintenance budget for 20 miles an hour when lights show signs	There is £200k allocation for maintenance of the 20 when light show assets. As this capital programme was only completed this year, it is unlikely that the full maintenance budget will be required therefore, we are able to offer up a proportion of this maintenance allocation for savings for this year only.	Low	Mike O'Dowd-Jones	(175)	175	0	0
CAP004	New	Cease Funding for Community Rail Partnerships	Cease funding community rail partnerships such as Severnside and Heart of Wessex.	High	Mike O'Dowd-Jones	(5)	0	0	(5)
CAP005	New	Reduction of Highways Assets Commissioning Posts	Reduce number of commissioning posts to reflect reduced need for highway commissioning resource following award of long-term contracts (8-10 years) which formed the bulk of the work for these posts. Delete two posts. One at Grade 10 and one at Grade 7.	Low	Mike O'Dowd-Jones	(102)	0	0	(102)
CAP006	New	Reduce funding for Transport Assessment Review and Modelling Advice	Reduce contract spend by further reducing the amount of consultancy advice utilised (e.g. for traffic modelling advice) when responding to developer transport assessments associated with planning applications.	Medium	Mike O'Dowd-Jones	(17)	0	0	(17)
CAP007	New	School Crossing Patrols	Stop funding School Crossing Patrols.	High	Mike O'Dowd-Jones	(41)	41	0	0
CAP008	New	Planning fees income	Increase in target for planning fee income based on assessment of current profile of income from development management services delivered by the Council.	Medium	Paul Hickson	(300)	0	0	(300)
CAP009	New	Economic Development activity spend reduction	Rationalisation of economic development revenue activity expenditure following integration of service post local government reorganisation. This involves the efficiency benefits of integration of the service, focussing of spend on core functions (including economic assessment, business support, third party contributions, inward investment and essential policy and strategic requirements) and releasing as a saving non core expenditure provision.	Low	Paul Hickson	(450)	0	0	(450)

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Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
CAP010	New	Closing 5 Household Recycling Centres	Close 5 Recycling Sites based on those sites that offer the largest saving per tonne.	High	Kirsty Larkins	(883)	(80)	0	(963)
CAP011	New	Reduction in the number of Waste Vehicles	Following the successful roll out of Recycle More we are in a position to rationalise our fleet.	Low	Kirsty Larkins	(202)	0	0	(202)
CAP012	New	Introduction of a countywide booking/permit scheme for household recycling centres	The introduction of a countywide permit booking scheme to allow Somerset residents only to access the Recycling Site network provided by the Council. This would prevent access to the sites by non residents and therefore reduce the amount of waste & cost of running the sites.	Medium	Kirsty Larkins	(44)	(191)	0	(235)
CAP013	New	Contractual change - Waste	Following the successful introduction of Recycle More we will now be able to reduce contractual payment to contract provider.	Low	Kirsty Larkins	(70)	0	0	(70)
CAP014	New	Income generation - Waste	Increased income for waste collection due to increase in demographics - relating to garden waste and bulky waste.	Low	Kirsty Larkins	(205)	(185)	0	(390)
CAP015	New	Internal order advertising	Current regulations specify that modification and public path orders have to be advertised in a local newspaper. This has a cost attached to it. As part of the RoW reforms package that DEFRA are overseeing, such advertising will switch to online (SC website). For internal public path orders (SC is applicant) and for modification orders this change will represent a saving.	Low	Mike O'Dowd-Jones	(4)	(4)	0	(8)
CAP016	New	Building Control income	Increase in TRO fees to recover corporate over heads - at an additional £10 per hour.	Low	Paul Hickson	(100)	0	0	(100)
CAP017	New	Do I need planning permission - reintroduce charge	Reintroduce a charge for residents requiring advice as to whether or not a proposed development requires planning permission.	Low	Paul Hickson	(10)	0	0	(10)
CAP018	New	Recover costs of infrastructure programmes through an increase in rates	Increase the charge out rates for highways capital activity, which will remove the requirement for revenue budget. This also creates budget headroom to enable the service to provide engineering advice at the project initiation stage without directly charging.	Low	Mike O'Dowd-Jones	(275)	0	0	(275)
CAP019	New	Tourism Related Savings	This proposal comprises ceasing of spend across two separate service directorates, as follows: Economy, Employment & Planning (EEP) - Cease £96,900 of tourism spend supporting the marketing and development of Somerset's visitor economy in 2024/25. Culture - Operational savings of £72,000 removing Tourism South specific marketing support which includes Council managed print and digital activity.	Medium	Paul Hickson/Liz Dawson	(169)	0	0	(169)

Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
CAP020	New	Recharge of Salary to LNRS Grant	The salary of the office leading the work on Local Nature Recovery will be charged to the grant, thus making a revenue saving from Climate budget.	Low	Kirsty Larkins	(53)	0	53	0
CAP021	New	Recharge of Salary – BNG	The salary of the ecologist leading work on Biodiversity Net Gain will be charged to the grant making a revenue saving to the Ecology budget.	Low	Kirsty Larkins	(23)	(23)	45	0
CAP022	New	Increasing parking charges in line with inflation	Increase in Parking charges in line with inflation.	Medium	Mike O'Dowd-Jones	(400)	0	0	(400)
CAP023	New	Reduction in Road Safety (& Transport data) budget	Reduction in the Road Safety & Transport Data budget. This will include the reduction in project work and deletion of 2 vacant posts along with recharging/cost recovery	Medium	Mike O'Dowd-Jones	(150)	0	0	(150)
CAP024	New	Forecasted increase in income for Street Works	The income for Street Works varies depending on demand and compliance with national legislation. Although it cannot be guaranteed, we expect to receive more than the £91K forecast based on the income given over the past three years.	Low	Mike O'Dowd-Jones	(110)	0	0	(110)
CAP025	New	Increase in fees for Traffic Regulation Orders (TROs) to cover corporate overheads	Increase in TRO fees to recover corporate overheads - at an additional £10 per hour.	Low	Mike O'Dowd-Jones	(460)	0	0	(460)
CAP026	New	Capitalisation of staff costs - regeneration programmes	Capitalisation of staff into externally funded projects.	Low	Paul Hickson	(216)	60	0	(156)
CAP027	New	Reduction in transport policy posts	Removal of two posts in the transport policy team reducing the team by 50%.	High	Mike O'Dowd-Jones	(70)	0	0	(70)
CAP028	New	Reallocating funding so that Two Active Travel Posts are funded from a Department for Transport capability Fund instead of through the Somerset Council revenue budget	Funding of two posts from a Department for Transport active travel capability fund grant instead of from Somerset Council revenue budget.	Medium	Mike O'Dowd-Jones	(90)	90	0	0
CAP029	New	Reallocating funding so that a Commissioning Service manager post is funded from a Department for Transport Public Transport Capability Grant instead of the Somerset Council Revenue Budget.	Funding the post of transport commissioning service manager from Department for Transport public transport capacity grant instead of from Somerset Council revenue budget.	Low	Mike O'Dowd-Jones	(54)	54	0	0
CAP030	New	Taunton Park and Ride Service	Utilise surplus income from town centre parking charges to run this public transport service, and deliver a service that is fully funded from fees and charges. Note: Decision already taken at 6th December Executive.	Low	Mike O'Dowd-Jones	(220)	(220)	0	(440)
CAP031	New	Removing letters as a channel for Garden Waste Renewals	The Garden Waste service has around 64,000 annual subscribers, over the past few years since the implementation stride have been taken to channel shift renewal reminders from letters to email renewals. As is, around 10% of all re-subscriptions do not provide an email address to allow an email resubscription notification to be sent. We propose that during the next re-subscription period we notify all remaining postal customers that this channel is being removed and insist that an email is provided to ensure all future notifications are undertaken by email. Customers will be able to contact the council by phone in relation to resubscriptions.	Low	Kirsty Larkins	0	(8)	0	(8)
CAP032	New	Reduction in highway maintenance and devolution of service	Undertaking certain routine highway maintenance activities less often such as emptying gullies or cutting grass. The maintenance policy and planned works schedule for specific activities will be amended to reduce the amount of intervention by Somerset Council operatives. We will work with Parish Councils and communities to empower them to undertake some of this work themselves, such as through identifying and training local skilled people and providing access to contracts to purchase their own services where necessary.	High	Mike O'Dowd-Jones	(330)	180	0	(150)
CAP033	New	Fleet - Consolidation, Rationalisation and reallocation	This saving proposes to implement a new vehicle usage policy which will rationalise the current fleet, maximise the use of in-house fleet and make service efficiencies	High	Mike O'Dowd-Jones	(200)	(800)	0	(1,000)
CAP034	Approved 2022/23 MTFP	Advertising on roundabouts and Council vehicles.	Provide an advertising service to enable businesses and internal clients to advertise on highway assets, including roundabouts and fleet.	Low	Mike O'Dowd-Jones	(25)	0	0	(25)

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						2024/25 £'000	2025/26 £'000	2026/27 £'000	
CAP035	Approved 2023/24 MTFP	Additional Park and Ride income	Additional income received via the Bus Service Improvement Plan grant that also enables a reduction in the charges.	Low	Mike O'Dowd-Jones	(17)	26	189	197
CAP036	Approved 2023/24 MTFP	Bridges - Contract Inflation	Managing the works contract inflation costs within the existing budget, by reducing the delivery of non-essential schemes.	High	Mike O'Dowd-Jones	(36)	(16)	(16)	(68)
CAP037	Approved 2023/24 MTFP	Trading Standards - reduced premises requirements at Chelston Depot	Reduction in the amount of premises used by the joint Trading Standards service at the Chelston Depot. This will enable part of the space to be released for commercial letting. Trading Standards will retain a residual presence linked to metrology lab and storage needs.	Low	Paul Hickson	(3)	0	0	(3)
CAP038	Approved 2023/24 MTFP	Economic Development - fees and charges from the Somerset Business Hub	Scaling up the countywide Mendip Hub business engagement model. This will enable additional income from training and support services and introductions to the Trading Standards Primary Authority function.	Medium	Paul Hickson	(4)	0	0	(4)
CAP039	Approved 2023/24 MTFP	Economic Development - integrated operating model for workspace	Generation of operating efficiencies and net income growth by aggregating the small business workspace of the five Councils under a single transformed operating model.	Medium/ High	Paul Hickson	(60)	(15)	0	(75)
<b>Total Climate &amp; Place</b>						<b>(5,620)</b>	<b>(927)</b>	<b>271</b>	<b>(6,276)</b>
<b>Resources &amp; Corporate Services</b>									
RCS001	New	Revenues & Benefits Budget Realignment from LGR	The various Revenues & Benefits budgets have been worked through in detail. This exercise has identified significant budget pressures relating to staffing costs, print & post costs & Council Tax Section 13A 1(c) discounts. However, we have also identified key underspends & that the income predictions in the budget are significantly understated. The budgets have been restructured to accurately reflect the income we should receive (through various Govt. grants & court fees). This budget restructuring enables the budget pressures to be absorbed within the budget and provides a net saving.	Low	Nicola Hix	(100)	0	0	(100)
RCS002	New	Migrate Azure (Microsoft Cloud Storage) to a more cost effective contract	Take advantage of new costing models available for Microsoft Azure Cloud services.	Low	Andy Kennell	(25)	0	0	(25)
RCS003	New	Consolidation of data centre infrastructure	Consolidation of the Taunton on-premises servers to a single site and remove a duplication of server virtualisation licences and to avoid capital investment in new hardware.	Low	Andy Kennell	(36)	0	0	(36)
RCS004	New	Consolidation of County Hall Internet connectivity	The contracts we have for our connectivity to both the internet and the Microsoft cloud (BT Express Route) are old and can be consolidated down from three separate links to two. Technology has moved on so the need for a dedicated link to Microsoft Azure is no longer needed.	High	Andy Kennell	(36)	0	0	(36)
RCS005	New	Reduce ICT Operational support contracts	Reduction and removal of services utilised by ICT operational management and technical teams.	Low	Andy Kennell	(50)	0	0	(50)
RCS006	New	Reduction in Microsoft licences to reflect a smaller workforce	The saving is based on a headcount reduction of 300 staff from 1st April 2024 at a licence cost of £300 per user.	Low	Andy Kennell	(90)	0	0	(90)
RCS007	New	Change the support contract for Microsoft software	Purchase support for Microsoft Software from lower cost resellers.	Low	Andy Kennell	(100)	0	0	(100)
RCS008	New	Reduction in the number of staff mobile phones	Mobile phones will only be provided to staff who are essential users in the future. It is estimated that this will mean a reduction of 20% of the number of phones from 3,500 to 2,800 in 2024/25.	Low	Andy Kennell	(36)	0	0	(36)

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						2024/25 £'000	2025/26 £'000	2026/27 £'000	
RCS009	New	Consolidation of support for the Environmental Health case management system	The contract for external hosting of one of the previous case management systems will not be renewed delivering an efficiency saving.	Low	Andy Kennell	(75)	0	0	(75)
RCS010	New	Revs & Bens Staffing Costs Saving	This option models the impact of a 15% reduction in staffing costs within the Revs & Bens service. The figures used are based on current year (2023/24) spend. In practice, however, it is not realistic to expect to be able to reduce the resourcing within the service by any significant amount until we have consolidated the four separate IT systems to a single platform. In addition, a decision is required on our approach or otherwise to ending the CAPITA contract for the former Mendip area.	Medium	Nicola Hix	0	(270)	0	(270)
RCS011	New	Removal of BT Exchange lines	Review all current BT exchange lines and circuits across all former authorities and identify connections to be ceased.	Low	Andy Kennell	(76)	0	0	(76)
RCS012	New	Increase in the Government Council Tax admin grant	Increase in the Government Council Tax admin grant.	Low	Nicola Hix	(570)	0	0	(570)
RCS013	New	Reduce cleaning specification at larger sites	Frequency and extent of cleaning will be reduced at main office and other larger council sites (note that this does not include schools). Impacts are not considered significant.	Low	Ollie Woodhams	(188)	0	0	(188)
RCS014	New	Reduction in energy costs - Electricity	Reduction in energy costs across the estate due to improved pricing, energy efficiency measures and investment in decarbonisation / energy efficiency / on site renewables at key sites.	Medium	Ollie Woodhams	(350)	0	0	(350)
RCS015	New	Reduction in energy costs (gas) - decarbonisation and energy efficiency	We are projecting a reduction in gas costs, due to a combination of reduced consumption through energy efficiency and decarbonisation projects and improvements in heating controls across the estate.	Medium	Ollie Woodhams	(325)	0	0	(325)
RCS016	New	Reduce post, print and digital mail costs	Initial reduction in third party (non-staff) costs resulting from the transition project to align Print, Post and Digital mail services; reduction in postage costs from standardising to second class outbound mail and contract alignment.	Low	Ollie Woodhams	(25)	0	0	(25)
RCS017	New	Council Tax & Business Rate Court Costs	Council Tax and Business Rates legislation allows us to apply to the Magistrates Court for court costs to cover our costs in making applications for Liability Orders in instance where people have not paid as required. Our actual costs will increase next year due to a variety of factors and consequently it is reasonable for us look to increase the costs figure. The current figures is £76.00 and we are recommending an increase to £81.00, which equates to a 6.6% increase, which is in line with inflation.	Low	Nicola Hix	(100)	0	0	(100)
RCS018	New	Increase in fees for the Asbestos team in line with inflation.	As a result of the pay award for 23/24 the team have reviewed their charge out rates for externally charged activity to third parties. We have therefore calculated this proposed increase in our income target as being a realistic reflection of the additional income that should be generated by increasing our charge-out rates.	Low	Ollie Woodhams	(7)	0	0	(7)
RCS019	Approved 2023/24 MTFP	Additional Rental Income from Yeovil Town Football club and Avon and Somerset Police	Additional income streams relating to Yeovil Town Football Club and Avon and Somerset Police	Medium	Ollie Woodhams	(16)	0	0	(16)
RCS020	Approved 2023/24 MTFP	Consolidation of Maintenance and Facilities Management Services.	Consolidation of Maintenance and Facilities Management Services reducing costs	Low	Ollie Woodhams	(50)	0	0	(50)
RCS021	Approved 2023/24 MTFP	Savings in the cost of Internal Audit	Reduced contract cost for internal audit as a consequence of Local Government Reorganisation in Somerset.	Medium	Nicola Hix	(48)	(65)	18	(96)

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						2024/25 £'000	2025/26 £'000	2026/27 £'000	
RCS022	Approved 2023/24 MTFP	Reduction in the number of licences for the email security software	Reduction of 600 licences for the email security software.	Medium	Andy Kennell	(17)	0	0	(17)
RCS023	Approved 2023/24 MTFP	Consolidation of the Firewall contract that protects the Councils IT systems	Consolidation of the Firewall contract that protects the Councils IT systems.	Medium	Andy Kennell	(3)	0	0	(3)
RCS024	Approved 2023/24 MTFP	Sedgemoor District Council - FortiAnalyzer	Tied up in Claranet contract until May 2024	Low	Andy Kennell	(1)	0	0	(1)
RCS025	Approved 2023/24 MTFP	Sedgemoor District Council - FortiGate VPN	Supplier VPN and alternative VPN for ICT in the event of Always on failure with MS - tied up in Claranet contract until May 2024	Low	Andy Kennell	(1)	0	0	(1)
RCS026	Approved 2023/24 MTFP	E-mail security contract	Consolidation of ICT support services and associated contracts.	Low	Andy Kennell	(12)	0	0	(12)
RCS027	Approved 2023/24 MTFP	Use of new communication software	Savings from decommissioning Skype environment.	Low	Andy Kennell	(50)	0	0	(50)
RCS028	Approved 2023/24 MTFP	Property Rationalisation and running costs	Savings in premises running costs from property rationalisation, disposal and asset transfer or divestment. These savings will be delivered through reviews of the Council's property estate and asset devolution initiatives.	Medium	Ollie Woodhams	(225)	(200)	0	(425)
<b>Total Resources &amp; Corporate Services</b>						<b>(2,610)</b>	<b>(535)</b>	<b>18</b>	<b>(3,128)</b>
<b>Strategy, Workforce &amp; Localities</b>									
SWL001	New	Remove the budget for the Pathway to Employment Scheme	The proposal is to remove or reduce the £212.6k annual budget the Organisational Development Team is allocated to run the Pathway to Employment Scheme. The award winning scheme, which has been in existence for the several years, boosts the employability of those not in Employment, Education or Training (NEET), vulnerable/disadvantaged young people within Somerset, such as Care Leavers or those with a disability. Staff currently benefitting from the scheme will continue to do so until the end of their contracts.	Medium	Dawn Bettridge	(113)	(100)	0	(213)
SWL002	New	Removal of Rapid Access to Physiotherapy Contract for staff	Since 2014 Somerset County Council had provided its staff with rapid access to physiotherapy to improve workplace attendance. The service has been well used by the organisation; since its inception usage has doubled. This proposal is to remove the rapid access to physiotherapy services for staff.	Medium	Dawn Bettridge	(25)	0	0	(25)
SWL003	New	Staff Recognition/Long Service Awards Budget	To remove the budgets for staff recognition scheme, long service awards, staff suggestion scheme. These budgets are no longer required. Also to combine the budgets for employee subscriptions and general subscriptions and reduce overall budget requirement by over 50%.	Low	Dawn Bettridge	(11)	0	0	(11)
SWL004	New	Reduction of £30k from Learning and Development Budgets for Somerset Council Staff.	An ongoing reduction of £30k to be applied to the Learning and Development Budget, from 2024/25. This sits alongside the once-off saving of £200k (separate proforma completed) in 2023/24.	Low	Dawn Bettridge	(30)	0	0	(30)
SWL005	New	Electoral services savings - non staffing budgets	Having brought together 4 legacy council budgets and the consolidation cost centres, a surplus has been identified in the base budget. This money could be used to reduce the anticipated £300K annual pressure to fund the next Somerset Council Election in 2027 or as a saving in itself.	Low	David Clark	(75)	0	0	(75)
SWL006	New	Create new Audit and Governance Committee	Merge the current Audit Committee and the current Constitution & Governance Committee into one single Committee.	Medium	David Clark	(12)	0	0	(12)

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						2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
SWL007	New	Reduce the size of majority of Committees	Reduce the membership size of the Audit Committee, Constitution & Governance Committee, HR Committee, all Scrutiny Committees, Strategic Planning Committee and the four Area-based Planning Committees from 13 Members to 9 Members.	Medium	David Clark	(5)	0	0	(5)
SWL008	New	Centralise Executive and Informal Executive meetings at Deane House Taunton	By Centralising all Executive and Informal Executive Meetings at Deane House in Taunton we can save on payments of travel expenses to Members.	Medium	David Clark	(2)	2	0	0
SWL009	New	Reduction in elected member training and support	Reduction in 2024/25 member training and conference budget allocations. All member training to be delivered internally online and face to face with no training by external providers (unless free). Delay target of achieving Member Training Charter Plus accreditation in 24/25 to 26/27 with a focus on induction for next elections. Reduce staffing resource towards member support with a focus mainly on digital and online training. Review additional support and induction training in 2026 ahead of elections in 2027. Also reduce member conference budget by 50%. (Members Budget reduction of £11k and £18.5k from DS Budget).	Medium	David Clark	(13)	0	0	(13)
SWL010	New	Reduce Scrutiny Committees and Task and Finish Group Work	To revise the number of formal scrutiny committees from 5 to 3, which would be Scrutiny Resources, Scrutiny Place and Scrutiny People. Increase the meeting frequency from bi-monthly to 6 weekly. Also to limit the number of Task and Finish Groups to 1 per Committee per annum. This would reduce travel and expenses claims as well as reducing the roles that benefit from a Special Responsibility Allowance.	Medium	David Clark	(23)	0	0	(23)
SWL011	New	Reduction in membership of the Executive	Reduction in membership of the Executive creating a saving on Special Responsibility Allowances.	Medium	David Clark	(40)	0	0	(40)
SWL012	New	Reduction of some elected member Special Responsibility Allowances	Reduce Special Responsibility Allowances for some positions, to bring them in line with comparable peer councils.	High	David Clark	(35)	0	0	(35)
SWL013	New	Decision not to provide a directly funded community grants scheme and not to renew community grants that had been provided by predecessor authorities	The proposal is to not develop a new community grants scheme for Somerset Council. Predecessor authorities ran community grant schemes that each varied in how they operated and how funds were allocated across the Somerset as a whole. Prior to the financial emergency being declared, work was underway, linked to MTRS, to review and rationalise grants across the council. This was to deliver savings and with a view that the criteria for any future schemes would reflect whole county considerations. Not directly offering a community grant scheme at all will also mean that it will not be possible to consider renewing grants to organisations funded by predecessor authorities.	Low	Sara Skirton	(70)	0	0	(70)
SWL014	New	Reduction in contract costs for Land Charges	Services are delivered by Capita for Land Charges (East) and these are still required as per Contract. But a saving can be achieved due to an overall contract reduction following the exit of services (Customer Services and IT) as a result of the consolidation of these services following Local Government Reorganisation.	Low	Sara Cretney	(75)	0	0	(75)
SWL015	New	Increase Fees & Charges in relation to Street Naming and Numbering (SNN)	Increase in fees and charges by RPI of 6.8%. Additional increase of 5% on top of the RPI increase.	Low	Sara Cretney	(7)	(11)	0	(18)
SWL016	New	Software Licence Fees	Computing Costs - Software Licences.	Low	Sara Cretney	(100)	0	0	(100)
<b>Total Strategy, Workforce &amp; Localities</b>						<b>(634)</b>	<b>(109)</b>	<b>0</b>	<b>(743)</b>

The risk profile for any savings agreed in prior years is as per the profile when the saving was originally agreed. These risks will be updated for following reports.

Reference Number	New or Already Approved	Title	Description	Risk Profile	Service Director	Saving Amount			Total £'000
						2024/25 £'000	2025/26 £'000	2026/27 £'000	
<b>Local Government Reorganisation</b>									
LGR001	Approved	Expected saving in staffing costs from Local Government Reorganisation	Staffing savings relating to Local Government Reorganisation in Somerset	Low	All	(4,000)	(4,400)	0	(8,400)
<b>Total Local Government Reorganisation</b>						<b>(4,000)</b>	<b>(4,400)</b>	<b>0</b>	<b>(8,400)</b>
<b>Total Somerset Council Savings</b>						<b>(35,179)</b>	<b>(10,231)</b>	<b>276</b>	<b>(45,134)</b>

Reference Number	Title	Description	Service Director	Pressure Amount			
				2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
<b>Adults Services</b>							
ADS001	Provider Inflation	Fee Inflation for Social Care providers for Adult Services (Residential & Nursing)	Emily Fulbrook	59,844	24,087	23,072	107,004
ADS002	Demographic Growth	Demographic Growth for Adults Services (Placements)	Emily Fulbrook	9,368	10,304	9,996	29,668
ADS003	Change in legislation	Building team capacity in the Operations team to deliver reforms and legislation changes	Emily Fulbrook	400	0	0	400
<b>Total Adults Services</b>				<b>69,612</b>	<b>34,391</b>	<b>33,068</b>	<b>137,072</b>
<b>Children, Families and Education</b>							
CFE001	Home to School Transport	Inflation on Home to School Transport contracts.	Amelia Walker	700	270	280	1,250
CFE002	SEND Transport	Increase in demand for Special Education Needs (SEND) transport provision.	Rob Hart	3,070	1,370	1,370	5,810
CFE003	Childrens Commissioning - Contract Inflation	Inflation for three Children's services contracts: Pause, SEND mediation & Adoption South West	Richard Selwyn	84	31	31	146
CFE004	SEND Transport	Special Educational Needs (SEND) transport inflation increase.	Rob Hart	710	290	320	1,320
CFE005	Change Management resource for the Children's Transformation Programme	A team of project/programme and change management staff is required to work alongside multiple partners to support partnership working, build capacity and capabilities within the service and deliver programme objectives and benefits across a complex programme of work.	Richard Selwyn	249	0	0	249
CFE006	External placements inflation	Contractual inflation for external placement contracts	Jayne Shelbourn-Barrow	5,855	1,087	1,132	8,073
CFE007	External Placements Demand	Increased complexity of need of children and lack of sufficiency within fostering, require longer periods of care in external placements	Jayne Shelbourn-Barrow	11,885	884	1,184	13,953
CFE008	Increase demand in children in need packages	Section 17, Children in Needs, increased demand in particular around family support packages and parental assessments	Jayne Shelbourn-Barrow	892	0	0	892
CFE009	Transport inflation	Inflationary pressure is expected to drive higher unit costs into 2024/25.	Jayne Shelbourn-Barrow	86	32	33	150
CFE010	Population Increase - Children in Need	Anticipated increase in Children in need/Care package as a result of population increase and poverty.	Jayne Shelbourn-Barrow	157	68	290	514
CFE011	Change in requirement for number of children being taken into care	Change in requirement for numbers of Unaccompanied Asylum Seeking Children (UASC) children being taken into care	Jayne Shelbourn-Barrow	160	160	160	481
CFE012	Inflation for staying put allowances and other leaving care allowances	Contractual inflation for leaving care allowances	Jayne Shelbourn-Barrow	25	10	10	45

Reference Number	Title	Description	Service Director	Pressure Amount			
				2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
CFE013	Fostering fees and allowances inflation increase	Fostering fees and allowances inflation to recruit and retain in house foster carers and the provision of special guardianship support (to remove children from the care system to the care of a family member). Costs are significantly lower than those in the external placement market.	Jayne Shelbourn-Barrow	300	209	213	722
CFE014	Direct Payments inflation	To support families with disabled children to care for their child at home.	Jayne Shelbourn-Barrow	111	41	42	194
CFE015	Direct Payments demand	To support families with disabled children to care for their child at home. There is a statutory responsibility under section 17 of the Children Act 1989 to assess required support to disabled children and to provide this support under the act or under the Chronically Sick and Disabled Persons Act 1970	Jayne Shelbourn-Barrow	291	224	224	740
CFE016	CWD External Placements Inflation	Contractual inflation for external placement contracts	Jayne Shelbourn-Barrow	59	22	25	105
CFE017	CWD External Placements Demand	External placements increased demand as a result of increase in care days. Those children in care remain in the care of an external placement provider for longer periods. Increased complexity of need of children and lack of sufficiency within fostering, require longer periods of care in external placements	Jayne Shelbourn-Barrow	148	0	0	148
CFE018	Reduction to Childrens Vacancy factor	Reduction to Childrens Vacancy factor	Jayne Shelbourn-Barrow	132	0	0	132
CFE019	Reduction to Childrens Vacancy factor	Reduction to Childrens Vacancy factor	Jayne Shelbourn-Barrow	141	64	0	205
CFE020	Family Safeguarding	Funding to continue the Family Safeguarding Service (at £1.2m pa) in order to reduce financial pressures on the children's placement budget.	Richard Selwyn	1,200	0	0	1,200
CFE021	Pause	Funding to continue the Pause programme (at £225k pa) in order to reduce financial pressures on the children's placement budget	Richard Selwyn	225	0	0	225
<b>Total Children, Families and Education</b>				<b>26,479</b>	<b>4,761</b>	<b>5,313</b>	<b>36,553</b>

Reference Number	Title	Description	Service Director	Pressure Amount			Total £'000
				2024/25 £'000	2025/26 £'000	2026/27 £'000	
<b>Community Services</b>							
CMS001	16-25 yr old homeless duty from April 2024	The housing options service will take responsibility for 16-25 yr olds who the Council have a duty under the Homeless Act previously part of a commissioned service. This service will cost circ £1.6m per year but be offset by a reduction in the Children's budget of £1.2m.	Chris Brown	400	0	0	400
CMS002	Abri Income Target	South Somerset Council previously undertook external grounds work for Abri Housing Association on a contractual basis. This contract was cancelled at the end of 2021/22 by the Council as it was deemed to be impacting core services, however, this income target has incorrectly remained in the budget.	Sarah Dowden	505	0	0	505
CMS003	Public Health Funerals	Budget provision of Public Health funerals, approximately 83 a year not funded previously.	Sarah Dowden	20	0	0	20
CMS004	Repairs & Maint - Planned Maint - Building Ext Fabric + Revenue Support	Sedgemoor Council signed a "Community Use Agreement" (2009-2028) with English Sports Council (Sport England) and Kings of Wessex School committing the Council to £150,000 revenue support towards the 'wet side' aka swimming pool in Cheddar. There is RPI built into the contract but this has never been called upon and the amount has remained the same.	Elizabeth Dawson	411	(200)	0	211
<b>Total Community Services</b>				<b>1,336</b>	<b>(200)</b>	<b>0</b>	<b>1,136</b>
<b>Climate &amp; Place</b>							
CAP001	Waste Collection and Disposal Contract Inflation	Both Waste Collection, New Waste Treatment Facility & Core Services Contracts contract are long term contracts and are subject to agreed indexation as detailed within each contract	Kirsty Larkins	2,399	1,810	1,926	6,134
CAP002	Removal of charges for DIY materials (asbestos, plasterboard & rubble)	Removal of income budget for charging residents for DIY materials in their homes following Government announcement in June 2023 to amend the Controlled Waste Regulations 2012	Kirsty Larkins	458	0	0	458
CAP003	Energy from Waste Facilities becoming part of the Emissions Trading Scheme	Government announced in July 2023 that it was the intention for Energy from Waste (EfW) operations to be included within the UK's Emission Trading Scheme (ETS) from 2028, with a monitoring start likely from 2026.	Kirsty Larkins	0	0	0	0

Reference Number	Title	Description	Service Director	Pressure Amount			Total £'000
				2024/25 £'000	2025/26 £'000	2026/27 £'000	
CAP004	Pay settlement 2023/24	Contribution to pay settlement for waste collection staff	Kirsty Larkins	273	11	11	295
CAP005	Persistent Organic Pollutants (Soft Furnishing Wastes) Legislation Change	Government announced in August 2022 ( <a href="https://www.letsrecycle.com/news/waste-sofas-must-be-incinerated-pops-ea/">https://www.letsrecycle.com/news/waste-sofas-must-be-incinerated-pops-ea/</a> ) that new Persistent Organic Pollutant (POPs) guidance was being introduced from January 2023, that would impact the way Councils handled and treated POPs (household soft furnishings such as sofas).	Kirsty Larkins	120	0	0	120
CAP006	Waste Services housing growth	Waste collection contract cost increase due to Housing growth	Kirsty Larkins	247	264	275	786
CAP007	Bridges & Structures - Contract Inflation	Inflationary rises to our Framework Contract Rates.	Mike O'Dowd-Jones	71	71	55	197
CAP008	Street Lighting Contract Inflation	Contractual inflation for Street Lightening	Mike O'Dowd-Jones	63	0	0	63
CAP009	Highway Maintenance Contract Inflation	Contractual inflation for Highway Maintenance	Mike O'Dowd-Jones	216	0	0	216
CAP010	Waste Tonnage Growth	Forecast tonnage growth to increase in line with projected population growth of 1%.	Kirsty Larkins	726	259	269	1,254
CAP011	Lighting Contract Price Rebasing at 1/4/24 (Contractual Requirement)	Additional funding to cover the rebasing of the contract price list following the retendering of the Highway Lighting Term Maintenance Contract (2012 - 2024).	Mike O'Dowd-Jones	151	(151)	0	0
CAP012	Highway Maintenance Contract Price Rebasing at 1/4/24	Additional funding to cover the rebasing of the contract price list following the retendering of the Highway Term Maintenance Contract (2017 - 2024) to become the Highway Term Service Contract, Surfacing Contract and Surface Treatments Contract that will commence on 1st April 2024.	Mike O'Dowd-Jones	545	(545)	0	0
CAP013	Trading Standards - adjustment for joint service salary related costs	Trading standards duties are delivered through a joint service arrangement with Devon, Plymouth and Torbay Councils, with Devon acting as the host authority. As part of this agreement the Council is required to meet its proportion of the annual changes relating to salary, NI and superannuation costs of the joint service.	Paul Hickson	31	0	0	31
CAP014	Drainage Board Levy	Inflation on Drainage Board Levies	Kirsty Larkins	120	0	0	120
<b>Total Climate &amp; Place</b>				<b>5,418</b>	<b>1,720</b>	<b>2,537</b>	<b>9,674</b>



Reference Number	Title	Description	Service Director	Pressure Amount			
				2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
<b>Resources &amp; Corporate Services</b>							
RCS001	Contract Inflation - Cleaning Contracts	Forecast increase in cleaning contracts across premises cost centres which fall outside of Strategic Asset Management	Ollie Woodhams	7	3	3	13
RCS002	Water Inflation	Forecast increase in water cost across premises cost centres which fall under Strategic Asset Management.	Ollie Woodhams	9	4	4	17
RCS003	Employee - Notional Growth/Savings	Removal of income budget from legacy Council for the capitalisation of staff costs which is unachievable.	Ollie Woodhams	76	0	0	76
RCS004	Contract Inflation - Cleaning Contracts	Forecast increase in cleaning contract costs across all premises	Ollie Woodhams	49	19	20	88
RCS005	Business Rates - County Hall	Revaluation rateable value £1,320,000 at a multiplier of 0.512 £675,840 for 24/25.	Ollie Woodhams	88	0	0	88
RCS006	Repairs & Maintenance Inflation	Inflation of around 10-15% has been typical for construction products and materials so far this year.	Ollie Woodhams	130	150	165	445
RCS007	Electricity Inflation	Estimated pressure for electricity budgets in 2024/25. Will be revisited at the end of September 2024.	Ollie Woodhams	0	334	367	701
RCS008	Gas Inflation	Forecast increased cost of Gas for future years using the current consumption and pricing data available. No forecast pressure in 2024/25.	Ollie Woodhams	0	167	184	352
RCS009	Repairs & Maintenance Inflation	Inflation of around 10-15% has been typical for construction products and materials so far this year - Construction Output Price Indices reported.	Ollie Woodhams	139	152	167	459
RCS010	Water Inflation	Forecast increase in water cost across other premises costs centres which sit outside of Strategic Asset Management	Ollie Woodhams	5	2	2	9
RCS011	Business Rates Increase	Increase in Business Rates budget for anticipated increase for 24/25 by Consumer Price Index (CPI)	Ollie Woodhams	255	100	102	456
RCS012	External Audit Scale Fee Increase	Public Sector Audit Appointments (PSAA) have set out the proposed scale fee to reflect the audit work required for the authority for 2023/24 onwards.	Nicola Hix	256	0	0	256
RCS013	Dividend from Battery Storage Investment	Removal of dividend budget as current trading results do not forecast one.	Ollie Woodhams	1,700	0	0	1,700
RCS014	Revs and Bens S13 Foster Carers + Care Leavers	Discretionary powers to reduce the amount of Council Tax payable for foster carers and care leavers discounts.	Nicola Hix	276	0	0	276
RCS015	Investments for Yield	The income in respect of Investment properties is expected to be below budget by up to £2.5m. Mostly due to known voids.	Ollie Woodhams	2,500	0	0	2,500
RCS016	Saltlands Solar Park	Removal of income budget from sale of electricity as the solar park project is not being taken forward for delivery at this time.	Ollie Woodhams	130	0	0	130
<b>Total Resources &amp; Corporate Services</b>				<b>5,621</b>	<b>931</b>	<b>1,014</b>	<b>7,565</b>

Reference Number	Title	Description	Service Director	Pressure Amount			
				2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
<b>Strategy, Workforce &amp; Localities</b>							
SWL001	Member Allowances 2024/25 - 2028/29	Anticipate increase in level of Members Basic Allowance in comparison to Peer Councils, IRP recommends a link between staff pay awards and any increases to members' allowances.	David Clark	118	0	0	118
<b>Total Strategy, Workforce &amp; Localities</b>				<b>118</b>	<b>0</b>	<b>0</b>	<b>118</b>
<b>Non-Service</b>							
NSV001	Environment Agency Levy	The Environment Agency (EA) levy on the Council to fund its local flood defence programme. Estimated to increase by 2.5% each year.	Nicola Hix	19	20	20	59
<b>Total Non-Service</b>				<b>19</b>	<b>20</b>	<b>20</b>	<b>59</b>
<b>Total Somerset Council Pressures</b>				<b>108,603</b>	<b>41,622</b>	<b>41,952</b>	<b>192,177</b>

Reference Number	Title	Description	Service Director	Pressure Amount			
				2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
<b>Adults Services</b>							
ADS001	Reverse One-Off Use of the Disables Facilities Grant to Fund Equipment	Reversal of one-off use of the Disabled Facilities grant in 2023/24 to fund equipment.	Emily Fulbrook	3,500	0	0	3,500
ADS002	Reverse one-off use of Better Care Fund Funding	Reversal of one-off use of the Better Care Fund in 2023/24.	Emily Fulbrook	2,000	0	0	2,000
<b>Total Adults Services</b>				<b>5,500</b>	<b>0</b>	<b>0</b>	<b>5,500</b>
<b>Community Services</b>							
CMS001	3% increase on Lifeline subscription fees for all current customers	Increase in service subscription fees by 3% in year one. This is based upon 2021/22 customer numbers and has taken into consideration the average closed accounts per year.	Jan Stafford	32	0	0	32
<b>Total Community Services</b>				<b>32</b>	<b>0</b>	<b>0</b>	<b>32</b>
<b>Climate &amp; Place</b>							
CAP001	Savings in the road maintenance budget	An element of the road maintenance budget was not required in 2023/24 as 20 MPH signs were still under warranty, this budget is now required.	Mike O'Dowd-Jones	200	0	0	200
CAP002	Full cost recovery for Street Works Permits	Full cost recovery for Street Works Permits	Mike O'Dowd-Jones	260	0	0	260
CAP003	Consistent approach to charging and cost recovery for events carried out under the Town Police Clauses Act	Charging £200 for events carried out under the Town Police Clauses Act.	Mike O'Dowd-Jones	5	10	15	30
<b>Total Climate &amp; Place</b>				<b>465</b>	<b>10</b>	<b>15</b>	<b>490</b>
<b>Resources &amp; Corporate Services</b>							
RCS001	Additional Rental Income, Deane House & Seaward Way	Additional rental income net of estate service charges for Deane House and Seaward Way.	Ollie Woodhams	13	0	0	13
<b>Total Resources &amp; Corporate Services</b>				<b>13</b>	<b>0</b>	<b>0</b>	<b>13</b>
<b>Non-Service</b>							
NSV001	Reduction in employers pension contributions	The actuarial review of the pension fund determined a lower annual contribution for the pension fund deficit for historic service.	Nicola Hix	500	500	0	1,000
<b>Total Non-Service</b>				<b>500</b>	<b>500</b>	<b>0</b>	<b>1,000</b>
<b>Total Somerset Council Reversal of Savings</b>				<b>6,510</b>	<b>510</b>	<b>15</b>	<b>7,035</b>

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## Dedicated Schools Grant 2024/25

### Introduction

1. School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local Authority, and with specific regulations on what each block of funding can be spent on
  - Schools Block (SB)– funds primary and secondary schools through the school’s funding formula, premises funding and growth funding for new and growing schools or bulge classes.
  - Central Schools Services Block (CSSB) – funds services provided by the local authority centrally for all schools and academies, such as the admissions service.
  - Early Years Block (EYB)– funds the free entitlement for 2, 3, & 4-year olds in all early year’s settings in the private, voluntary and independent (PVI) sector as well as nursery classes in mainstream primary schools.
  - High Needs Block (HNB) – funds places in special schools, resource units and alternative provision, and top up funding for pupils with Education, Health & Care Plans (EHCPs) in all settings including non-maintained special schools, independent special schools, and further education colleges.
2. The allocations for the 2024/25 financial year were published by the Department for Education (DfE) on 19 December 2023. Adjustments to the allocations are made throughout the year for academy schools recoupment, high needs provisions and for early year’s provisions. The CSSB is generally fixed for the year.
3. The DSG is a ring-fenced grant and must be deployed in accordance with the conditions of grant and the latest school and Early Years Finance (England) Regulations. Detailed guidance for each block is contained within various operational documents issued by the Education Funding & Skills Agency (EFSA).
4. Schools Forum meets a minimum of four times a year and the papers for the meetings can be found on the following link:

<https://www.somerset.gov.uk/children-families-and-education/school-life/somerset-schools-forum/>

5. **Table 1** sets out the detailed DSG allocations for 2024/25 as published by the DfE on 19 December 2023.

<b>DSG Block</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>£ Change</b>	<b>% Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
<b>Schools Block</b> For distribution through the formula for mainstream schools and academies and for growth in schools	351.3	372.1	391.1	19.0	5.1%
<b>Central School Services Block</b> For local authority core functions, admissions, and historic commitments	5.6	5.0	4.6	-0.4	-8.0%
<b>High Needs Block</b> Funding for pupils with special educational needs in mainstream, special and independent special schools, for pupils in alternative provision and local authority or commissioned services for high needs pupils	75.4	83.7	87.4	3.7	4.4%
<b>Early Years Block</b> Funding for the early years entitlements includes: <ul style="list-style-type: none"> <li>• funding for the universal 15 hours entitlement for all 3 and 4-year-olds</li> <li>• funding for the additional 15 hours for 3 and 4-year-old children of eligible working parents</li> <li>• funding for the 15 hours entitlement for disadvantaged 2-year-olds.</li> <li>• funding for the 15 hours entitlement for 2-year-old children of eligible working parents from April 2024</li> <li>• funding for the 15 hours entitlement for 9-month-old up to 2-year-old children of eligible working parents from Sept 2024</li> </ul>	29.4	31.1	50.2	19.1-	61.4%
<b>Total</b>	<b>461.7</b>	<b>491.9</b>	<b>533.3</b>	<b>41.4</b>	<b>8.4%</b>

### **Schools Block**

6. The vast majority of the schools block allocation is pupil driven with different funding rates for primary pupils and secondary pupils. The funding rates are

known as Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs). These funding rates are then multiplied by the pupil numbers on the October 2023 census which show the number of children in mainstream schools and academies.

7. An allocation for growth (growing schools and bulge classes) and premises (national non-domestic rates [NNDR]) and schools funded through the Private Finance Initiative) is also added to the PUF and SUF allocations to complete the funding for the schools' block.
8. The approach to setting the schools funding formula for 2024-2025 will be to mirror the full national funding formula rates.
9. The School Block funding includes £3.4m NNDR funds which will be retained by the ESFA due to centralising the payments of NNDR.
10. The schools block budget will be set based on the criteria agreed at the Schools Forum meeting in January 2024. The final budgets will be agreed at the January 2024 meeting of the Schools Forum based on the settlement received from Government on 19 December 2023.

### **Central Schools Services Block**

11. The Central Schools Services Block is split into two elements, historical commitments and ongoing commitments. From 2020/21 the ESFA included a mandatory reduction of 20% per annum in the historic commitments element of this block. Funding for ongoing commitments is calculated using two factors, a basic per pupil factor, through which local authorities receive the majority of funding, and a deprivation per-pupil factor.

### **Early Years Block**

12. The Early Years Block provides funding for all early years entitlements including:
  - funding for the universal 15 hours entitlement for all 3 and 4-year-olds
  - funding for the additional 15 hours for 3 and 4-year-old children of eligible working parents
  - funding for the 15 hours entitlement for disadvantaged 2-year-olds.
  - funding for the 15 hours entitlement for 2-year-old children of eligible working parents from April 2024
  - funding for the 15 hours entitlement for 9-month-old up to 2-year-old children of eligible working parents from Sept 2024

13. Early Years Funding regulations state that at least 95% of available early years funding must be passported to early years providers. Therefore, a maximum of 5% of can be utilised by the authority to fund central functions that support early years provision.
14. All providers are consulted annually on the distribution of the early years funding formula and the central spend is agreed at Schools Forum.

### **High Needs Block**

15. The authority receives the funding for the High Needs Block based on a national funding formula set by the DfE.
16. The allocation for the high needs block has increased by £3.7m from £83.7m in 2023/24 to £87.4m in 2024/5. There will be a total net adjustment to the import/export element in July to reflect actual movement. This is a net adjustment to reflect the difference between high needs pupils and students living in one local authority and attending a school or college in another.
17. The authority funds special schools, alternative provisions and resource provision on two elements, a core place funding element which is a fixed rate and a top up element which is based on the individual pupils specific needs.

### **Deficit Management Plan**

18. Local authorities are facing increased demand for services for pupils with Special Educational Needs and Disabilities (SEND). By December 2023, Somerset had issued 5,447 Education Health and Care Plans for pupils with SEND, which is an increase of more than 160% in the last five years. As well as the significant increase in numbers, there has been an increase in the complexity of pupils' needs.
19. In 2020, the Government introduced a statutory override for a period of three years (up to end of March 2023) that allowed local authorities' DSG deficits to be separated from the wider local authority accounts. Subsequently, the Government agreed to extend the DSG statutory override by a further three years so that the override will now expire on 31 March 2026. In the case of Somerset, the DSG is forecast to overspend by £17.4m in 2023/24 and reach a cumulative deficit of approximately £96m by 31 March 2026.



20. The actual, current forecast and projected DSG deficits are shown in the table below:

	31 March 2023 Actual £m	31 March 2024 Forecast £m	31 March 2025 Projected £m	31 March 2026 Projected £m
Dedicated Schools Grant deficit	20.7	38.1	61.5	96.2

21. As one of the conditions of the Dedicated Schools Grant, local authorities with DSG deficits are required to prepare and implement a DSG Management Plan. The DfE recognises that in some cases it may take several years to recover any DSG deficits.
22. The local authority is currently in the process of refreshing its DSG Management Plan and agreeing the plan with the Department for Education. The refreshed plan will be shared with Schools Forum and council members when complete.

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## Decision Report - Executive Decision

Forward Plan Reference: FP/23/11/09

Decision Date – 15/1/2024

Key Decision – Yes



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### Framework for Asset and/or Service Devolution

Executive Member(s): Cllr Theo Butt Philip - Lead Member for Transformation and Human Resources

Local Member(s) and Division: Applicable to all members/divisions

Lead Officer: Sara Skirton - Director, Partnerships and Localities

Author: Scott Weetch

Contact Details: [scott.weetch@somerset.gov.uk](mailto:scott.weetch@somerset.gov.uk)

### Summary / Background

1. Somerset Council has committed to supporting communities to have greater influence over the assets and services that are most important locally, through devolution. To support that aim, an Asset and Service Devolution Framework has been drafted to guide discussion both externally and internally, set out principles and support effective governance and opportunity and risk management.
2. Work to develop the framework began pre-Vesting Day and has continued in Somerset Council through a cross service working group. The Framework outlines the principles that we will work to, to support and achieve devolution where appropriate to do so.
3. The Council has had ongoing engagement with the City, Town and Parish Council sector about devolution and this has informed the proposed approach.
4. The purpose of this report is to ask Executive to consider the approach within the Framework and agree to adopt it.
5. It should be noted that the current financial emergency faced by the Council is impacting the context for and pace of devolution discussions with our partners, particularly City, Town and Parish Councils. This means that some devolution activities will need to move at a faster pace than was previously envisaged,

however it is just as important to ensure that the principles of good governance and effective risk management continue to be observed.

6. The Draft Devolution Framework supports the principles outlined in the Council Plan
  - A responsible council that acts with integrity
  - A listening, empowering council
  - A council with evidence-based and open decision making
  - A collaborative council

### **Recommendations**

7. That the Executive:
  - a. Considers the overall approach to devolution set out in this report which reflects the draft Asset and Service Devolution Framework.
  - b. Agrees to adopt the draft Asset and Service Devolution Framework.

### **Reasons for recommendations**

8. To support the appropriate management and governance of asset and service devolution activity. Acknowledging the financial emergency and imperative to work swiftly with our community leaders in the short term to resolve immediate issues.

### **Other options considered**

9. Careful consideration was given to whether the draft Framework was still relevant and likely to fit for purpose in the current context. This was one of the reasons why discussion at Corporate and Resources Committee was considered essential.
10. Noting the significant work that has gone into the development of the Framework, with input from subject matter experts from a range of services and stakeholders, along with the need to ensure that devolution activity is well managed, the preferred option is to proceed to seek its formal adoption.

## Links to Council Plan and Medium-Term Financial Plan

11. Whilst devolution is not specifically noted in the Council Plan it is a factor in the delivery of sustainable services and to be an enterprising and forward-thinking council.

## Financial and Risk Implications

12. In undertaking a review of the effects of the Financial Emergency and MTFP, consideration should be given to those projects brought forward that can transfer assets and/or services to be managed via other organisations to benefit the community. In particular, the financial sustainability of the proposals and any positive effects on the Council's financial position will need to be prioritised.
13. When considering any devolution of assets and/or services, early conversations with organisations such as City, Town and Parish Councils have been carried out for precept arrangements to be considered and implemented to ensure the financial sustainability of any proposals in the short term, whilst also keeping long term aspirations under review.
14. Key risks  
Failure to have in place a devolution framework, with associated principles and robust processes could result in uncoordinated ad-hoc devolution activity across the Council that is not aligned with strategic priorities and corporate outcomes. There would also be risks to effective governance and to the sustainability of devolved activities.

The risks summarised below, whilst arguably less to do with the Framework itself and more reflecting risks in relation to acceleration of devolution discussions in the context of the financial emergency, are considered worth including here. They also reflect stakeholder feedback and concerns.

Risk	Mitigation	Score	Mitigated Score
Failure to provide adequate resource in proposed service areas could delay or miss any opportunity	Resource allocation overseen by service directors	16	

for devolution impacting the financial emergency budget gap.			12
The inability to articulate costs of services by service area and geographic area could result in local councils not willing to take on assets / services.	Considerable work is being undertaken in services to explain/disaggregate costs where it is possible to do so.	20	12
Lack of clarity of which services and for which areas are on offer will lead to frustrated ambitions of partners in Councils and missed opportunity	Frequent correspondence and meetings with the sector undertaken. More clarity will be provided in January 2024 as part of budgetary decision making.	9	6
Legal and Regulatory Challenges: Ensuring compliance with all relevant laws and regulations will be a complex task, potentially leading to legal challenges if not handled correctly.	Ongoing consultation and dialogue with the sector and subject matter experts.	12	6
Reputation and Accountability: Somerset Council remains accountable to some extent for the delivery of services, and any issues with devolved services can impact reputation and public accountability.	Ongoing consultation and dialogue with the sector.	12	6
Administrative Burden: The devolution process may intensify administrative responsibilities and complexities for Somerset Council. Mechanisms required to manage contracts, asset transfers, and oversight efficiently.	Oversight of process by appropriate board.	16	6

### Legal Implications

15. There are no immediate legal implications associated with a decision to adopt the Framework. However, as services or assets are agreed to devolved, appropriate legal advice will need to be sought. Whilst this was proposed to be done on a case by case basis, reflecting the differing needs of each transaction, consideration needs to be given to the cumulative impact on legal capacity if, as part of the financial strategy, devolution activity is accelerated. The city, parish and town council sector has discussed appointing a single set of solicitors to represent them to ensure an effective and holistic approach.

### **HR Implications**

16. There are no direct HR implications to this decision. Consideration of HR implications, such as TUPE, of individual decisions reached through the devolution process are being and will be worked through at the appropriate time.

### **Other Implications:**

### **Equalities Implications**

17. Whilst a full Equalities Impact Assessment (EIA) is not considered to be a requirement for this report, all asset and service devolution agreements need to take account of the Council's equalities duties and the impact on protected groups of any changes in responsibility. The organisation taking on greater responsibility for an asset or service may not be subject to the same duties as the Council and, in the case of full devolution of an asset or service, the Council would no longer be able to directly manage any equalities implications. An EIA will therefore be required to inform all decisions to devolve any asset and / or service. A high-level EIA will also be prepared to support the emerging programme of devolution.

Considerations for any devolution project include:

- Does it impact accessibility to the asset or service
- For assets, who would have responsibility for reasonable adjustments / accessibility of the space
- If it is a service, how can the Council work with the organisation it is being devolved to support understanding of equalities considerations.

These considerations have been added to the principles in the draft Asset and Service Devolution Framework.

### **Community Safety Implications**

18. There are no direct community safety implications as a result of adopting the Framework, however they will need be considered as part of any devolution project.

### **Climate Change and Sustainability Implications**

19. Somerset Council have declared both a Climate and Ecological Emergency. Through that, the Council has committed to working towards making the whole county, including our own estate and operations, 'Carbon Neutral' by 2030 and to take positive action to reverse the damage on our natural habitats by man-made activity. We have also pledged to ensure that Somerset is resilient to, and prepared for, the effects of Climate Change.

There are no climate change and sustainability implications directly arising from the adoption of the Framework.

### **Health and Safety Implications**

20. There are no direct health and safety implications from the adoption of the Framework. Changes to Health and Safety responsibilities will need be considered as part of any devolution project.

### **Health and Wellbeing Implications**

21. There are no direct health and wellbeing implications from the adoption of the Framework, however local management of assets and services can impact community wellbeing.

### **Social Value**

22. Whilst the adoption of the Devolution Framework does not directly deliver social value benefits, it is expected that social value benefits will accrue from the devolution of services and assets as an outcome in due course. This will depend on the extent and type of services and assets being devolved, and the organisation taking them on, but could include:



- Developing employment, skills and training opportunities, particularly for hard-to-reach/disabled/target groups
- Improving health and wellbeing, maintaining independence and reducing inequalities of local residents and employees
- Helping build community capacity and playing an active role in the local community, especially in those areas and communities with the greatest need
- Creating opportunities for micro-providers, the voluntary sector, small and medium enterprises to be part of supply chains which support Somerset Council priorities and service delivery

### **Scrutiny comments / recommendations:**

23. Corporate and Resources Scrutiny Committee considered the draft Devolution Framework on 5 December 2023. Much of the discussion related to the practical application of the Council's approach to asset and service devolution in the current context. Particular issues were raised in relation to the timing of decisions by the Council about which services and assets it may no longer be able to provide directly, and the information City, Town and Parish Councils required in order to plan their budgets and precepts. Other concerns raised including the ability of smaller parishes to respond and what that might mean for equality of service provision across Somerset.
24. It was noted that there were ongoing and iterative discussions about this with the local council sector.
25. Whilst there were observations and recommendations about the Council's approach to devolution, which have been noted, there were no formal changes proposed to the Framework itself.

### **Background**

26. A Framework for delivering and managing asset and/or service devolution has been developed and accompanies this report as Appendix 1. This Framework forms the backbone of our commitment to responding to the needs and wishes of the community to deliver the best services across our county. Considerable information and substantial resource will be required to enable this, alongside significant conversations, and interaction with our community leaders. This

Framework outlines our overall approach to achieving devolution by cooperating with organisations across the county.

27. The Framework recognises that there are differing approaches to devolution and illustrates that there is a spectrum of influence that communities can potentially have on the asset and services that matter most to them, from influencing to full devolution of assets and/or services. From Somerset Council's perspective, the approach must strike a balance between the immediate needs created by the financial emergency, aspirations of local communities to take on more influence, control, or guardianship of assets and/or delivery of services, with the duty of care it must have in safeguarding the best interests of Somerset residents. This should be a shared concern.
28. The Local Government Reorganisation Programme Board had agreed a phased approach in September 2022. This phased approach set out a structured devolution programme, which included the production of this framework. ,
  - Phase one - Planning and Development: In this phase the focus is on developing the framework, Medium Term Financial Plan (MTFP) review, engaging with organisations and learning from the Bridgwater Town Council pilot.
  - Phase two - Engagement and Review: In this phase the focus was initially on developing further pilots, thematically and/or geographically based, where there is greatest potential for community benefit and to understand any challenges / difficulties from organisations.
  - Phase three - Action: This phase is to provide a wider roll out of assets and/or services to organisations where applicable, through dedicated resource.
29. Whilst this phased approach remains logical, the context has changed significantly since September 2022. Whilst future pilots could still be an option, the reality of the current financial emergency facing Somerset Council means that some devolution projects will need to be accelerated as part of the immediate objective to achieve financial stability and where possible continuity of services that are of value to the public.
30. A wide-ranging pilot has been undertaken in conjunction with Bridgwater Town Council and the former Sedgemoor District Council. The initial Bridgwater pilot proved to be more complex and therefore slower to deliver the original aspirations of either party but has allowed much learning to be gathered on the challenges that an asset and/or service devolution project presents.

31. This has directly influenced the development of the Framework. The pilot continues to be progressed and is informing how other devolution projects will be managed, with particular focus on finding more agile approaches and working in partnership with communities to remove barriers.
32. Even with the current financial challenges and the need to move at pace, it is important to have a strategic approach to devolution, as proposed in the draft Devolution Framework, to provide principles and guidance and ensure sound governance, for devolution activities in both the short and longer term. It is likely however that in the short term some stages of the process will need to be condensed to enable timely solutions and mitigate the impact of Council budget reductions. Risks in relation to this will need to be carefully identified and managed.
33. The main points of the Framework are described below.

### **The principles for devolution**

Devolution must align with strategic priorities of the new Somerset Council

- i. Certain assets may be needed for statutory service delivery and those of strategic or financial significance.
- ii. Somerset Council will need to maintain viable and efficient services and may have contractual constraints.
- iii. Devolution must reflect the financial emergency and align with the immediate strategic needs of the authority and must align with Somerset Council's approach to its Medium-Term Financial Plan.
- iv. Asset / service devolution must reflect the climate emergency and align with the Somerset Climate Emergency Action Plan.

Our approach should be co-produced.

- i. Consultation with customers and communities: using the Local Community Networks as an effective forum: ensuring we work to deliver what communities want/need.

- ii. Engagement with staff impacted by any proposals, may be required, fulfilling our duties as a responsible employer.
- iii. Engagement with communities of interest/stakeholders impacted by any proposals.

Devolution of services and/or assets should be sustainable.

- i. Be resilient/sustainable over time.
- ii. Involve honest conversations from the outset: achieving/delivering more may cost more or be unrealistic.
- iii. Have transparency in monitoring impacts and lessons learnt.

Devolution should have clear benefits to the community.

- i. Service improvement business case: how will it deliver desired benefits to the community and manage risks.
- ii. Does the proposal help deliver the receiving authority's/local community's wider vision for the area.
- iii. Financial and asset management plans: how will it be sustainable.
- iv. Services and buildings should be well governed and compliant with all relevant legislation (e.g., equalities, health, and safety)

#### 34. **The stages for devolution transfer decision making.**

##### *Pre-application stage*

This will include provision of information, where appropriate and available, to potential applicants on the specification of services and running costs of assets to help inform the development of proposals.

##### *Expression of interest submission*

Checking that the application meets eligibility criteria. Significant exchange of information including costs. Consultation with service/asset areas and division members.

##### *Business case stage*

This is likely to consider an asset or service request in relation to its Fixed Asset Record book value, market value and overall costs likely to be incurred. A business case will also be required for all key decisions or whereby the application concerns the devolution of a statutory service. The Council recognises that completing a business plan will take the applicant time and effort and will only request one in situations where that time and effort is commensurate to the value or significance of the asset(s) or service(s).

This is also the stage where in depth conversations across finance, legal, service areas and HR would be finalised.

#### *Negotiation and transfer*

The detail of legal agreements for the transfer of an asset and/ or service will take place following approval of a business plan, although Heads of Terms may be required in advance. The applicant may be expected to meet some or all of Somerset Council's legal costs incurred because of any transfer agreement. The decision on the sign-off of all transfers will be made in accordance with decision-making rules as set out in Somerset Council's constitution.

35. *Exceptions to the above process* - the purpose of this framework is to encourage conversations between Somerset Council and receiving organisations. It is on this basis that no exceptions to asset devolution have been specifically identified, however it is likely that in certain circumstances some assets will not be eligible for devolution.

This may include:

- Assets that generate significant income or are held to fulfil strategic priorities.
- Assets held for future capital realisations.
- Assets or land held for future development of a Council or partner scheme.
- Vacant land or buildings that can generate a significant capital receipt.

In such circumstance Somerset Council would aim to provide clarity as early in the process as possible and/or to identify what alternative arrangements or devolution outcomes may be deliverable.

36. Devolution can be delivered across of range of options including influencing, enhanced or joint delivery or full asset or service transfer. There are five possible outcomes for

service and/or asset devolution as set out by the Somerset Association of Local Council Councils and the Society of Local Council Clerks in their paper 'Recommendations on the role of Parish Councils in the event of Local Government Reorganisation in Somerset.'

- Influencing and monitoring
- Joint/enhanced delivery
- Agency agreements, management agreements, licences, and sponsorship
- Delegated authority
- Full transfer of services or assets

37. Whatever the devolution option that is pursued, it is recognised that community organisations bring:

- A close knowledge of the needs of their communities, with ability to tailor activity accordingly.
- An ability to mobilise their communities, coordinating and harnessing individuals and groups to address local priorities.
- In the case of city, town, and parish councils the ability to raise money locally through a precept.

38. The above principles, stages and exceptions are designed to enable managed conversations with organisations in which expectations on both sides are clear from the outset.

39. Proposals for the transfer of assets to 'organisations' will be assessed against the following criteria:

- Transfer will provide social, economic, or environmental well-being benefits to the local community.
- 'Tidying up' – e.g., passing incidental pieces of land and landscaping or parts thereof to the local level.
- It will provide a community facility which the transferee has demonstrable skills, drive, resources to deliver and sustain.
- It will facilitate the continuation of service that Somerset Council is no longer able to provide. It will facilitate access to funding not available to Somerset Council.
- Consider whether there are any relevant covenants or other restrictions on land/assets. –
- Alignment with the Council's Assets Disposal Policy.

40. Proposals for the transfer of services will be considered. In some circumstances Somerset Council may only delegate services rather than devolve assets. Examples of where a service level agreement will only be appropriate include:

- The Council has a statutory obligation, such as highway or a housing authority to provide.
- Land maintained for the benefit of the community by the council, but not owned by the council.
- Land where commuted sums for the maintenance have been paid to the council (by a developer typically)
- Where there is only a small area of council owned land, which means the cost of the legal land transfer is prohibitive (negated where the 'organisation' are prepared to fund the transfer).
- Where responsibility for discretionary services is transferred, Somerset Council will cease to be responsible and accountable for the delivery of these services.

41. *Governance* – the Framework references a decision-making board which would consider asset and service devolution proposals. Rather than look to create a new board, it is proposed that devolution proposals be considered in the first instance by the officer board that will oversee the Partnerships and devolution elements of the Council's emerging Transformation Programme, with referral to Executive or Asset Management Group as appropriate to the decision required. The Framework will be revisited in due course to reflect this approach.

## **Background Papers**

Recommendations on the role of Parish Councils in the event of Local Government Reorganisation in Somerset. Authors – Somerset Association of Local Councils and Society of Local Council Clerks, 2020.

**Note** For sight of individual background papers please contact the report author.

## **Appendices:**

- Draft Asset and Service Devolution Framework

## Report Sign-Off

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	04/01/2024
Communications	Peter Elliott	29/12/2023
Finance & Procurement	Jason Vaughan Nicola Hix	04/01/2024
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Asset Management	Oliver Woodhams	05/01/2024
Executive Director / Senior Manager	Alyn Jones	04/01/2024
Strategy & Performance	Sara Cretney	04/01/2024
Executive Lead Member	Cllr Theo Butt Philip	22/12/2023
<b>Consulted:</b>	Councillor Name	
Local Division Members	N/A	
Opposition Spokesperson	Cllr Faye Purbrick Opposition Spokesperson for Transformation and Human Resources	Sent 22/12/2023
Scrutiny Chair	Cllr Bob Filmer for Scrutiny Corporate & Resources Committee	Sent 22/12/2023





**Somerset  
Council**

# **Draft Framework for Asset and/or Service Devolution**

<b>Organisation</b>	Somerset Council
<b>Title</b>	Draft Framework for Asset and/or Service Devolution
<b>Author</b>	
<b>Owner</b>	
<b>Protective Marking</b>	
<b>Primary Legislation</b>	

## Sub-Heading

Text

## Sub-Heading


<b>Responsible</b>	
<b>Accountable</b>	
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## Version History

Revision Date	Author	Version	Description of Revision

## Document Notification

Approval	Name	Date

## Contents

Purpose .....	4
Introduction .....	5
Local Government Reorganisation in Somerset.....	6
Local Community Networks (LCN) .....	8
Principles.....	8
Asset Devolution .....	10
Service Devolution .....	12
Application Process - Eligibility and Assessment .....	13
Timescale.....	17
Appeals .....	17
Appendices .....	18

## Purpose

The purpose of this framework is to set out Somerset Council's approach to the devolution of Assets and/or Services to give greater local control and influence to reflect what is most important to local communities.

The new Somerset Council seeks to be proactive to build ambitious programmes of delegation and devolution. We want to be an organisation that responds to the needs and wishes of its local communities. The Council hopes that this framework will encourage openness, conversation and understanding between themselves and the wider community.

This framework reaffirms the commitment that was first made within the One Somerset Business Case and seeks to provide clarity not only to local City, Town, and Parish Councils but also to Community and Voluntary Groups and local communities (known hereafter for the purpose of this framework as 'organisations') within Somerset on the approach to devolution and the options that may be available. We want this framework to be a vehicle to influence place shaping and to help deliver the priorities and vision for an area.

Somerset Council recognises that the devolution of assets and services to a more local level can create a sense of community ownership and facilitate the delivery of

stronger, more resilient, and sustainable services and resources. Community led solutions have the potential to achieve better outcomes than centrally administered initiatives. The ability of these groups to access funding not necessarily available to Somerset Council creates the opportunity to modify or enhance physical assets or to deliver and adapt services in a way that more closely matches or responds to the needs and expectations of local communities.

Devolution can be delivered across of range of options including influencing, enhanced or joint delivery or full asset or service transfer.

Whatever the devolution option that is pursued, 'organisations' bring:

- A close knowledge of the needs of their communities, with ability to tailor activity accordingly.
- An ability to mobilise their communities, coordinating and harnessing individuals and groups to address local priorities.
- In the case of city, town, and parish councils the ability to raise money locally through a precept.

## Introduction

This framework seeks to recognise that Somerset Council must strike a balance between the aspirations of local communities to take on the guardianship of assets and/or delivery of services, with the wider services and priorities of the Council to achieve mutual benefits for all parties, including the community at large.

The funding and cross subsidisation of services and assets within an organisation the size of Somerset Council is a complex matter. The income generated by a specific asset or service may subsidise the delivery of other less profitable Council services which themselves may be unrelated either functionally or geographically. Therefore, each expression of interest will have to be carefully considered in this context.

This framework seeks to clearly set out the procedures and identify the information that will need to be provided to enable a fair and transparent assessment of any request to be made. This was a key learning point from the Bridgwater pilot outlined below.

As part of the transition from 5 Councils to the new Somerset Council in 2022/2023 a pilot study for the devolution of assets and services was undertaken with Bridgwater Town Council. This pilot clearly demonstrated the ambition of a Town Council to deliver for its community but also the challenges of seeking to progress the devolution

of assets or services in the absence of a clearly defined procedure and framework and limited cost data to help support a sound business case.

Somerset Council recognises that devolution can stimulate the involvement of local people in shaping their environment and communities, it can be a catalyst for social, environmental, and economic regeneration. However, the full transfer of assets or services may not be appropriate in all instances especially where the transfer would not align to the priorities of Somerset Council. Where opportunities do exist, this framework seeks to bring clarity and structure to the process as well as setting out expectations and responsibilities.

## Local Government Reorganisation in Somerset

The devolution of assets and services was a key deliverable of the One Somerset Business Case to remain connected with the communities the Council serves. That commitment remains as Somerset Council embeds its priorities and Council Plan. What the business case sets out, and is repeated below, is that devolution can be delivered in several ways.

The One Somerset Business Case repeated a list of 5 different levels at which parish and town councils ('organisations') could be involved in influencing the use of assets. These levels, or outcomes, were first presented in a paper jointly produced by the Somerset Association of Local Councils and the Society of Local Council Clerks entitled *Recommendations on the Role of Parish Councils in the event of Local Government Reorganisation in Somerset*. The 5 potential outcomes are as follows:

### **Outcome 1. Influencing and Monitoring.**

This could include changes to the way existing contracts held by Somerset Council are delivered and /or input into the requirement when new contracts are retendered. Organisations can play a role in monitoring existing service delivery in their area. They may also seek to influence the way an asset is utilised or managed.

The financial impact of any changes to the delivery of services or management of assets should be financially sustainable unless agreed by Somerset Council.

### **Outcome 2. Joint /enhanced delivery**

To enhance an existing service by funding additional work that exceeds the baseline service provided by the council. Organisations may also choose to deliver additional services not provided by the council. This could be through a separate contract or by extending an existing one.

Various options to enhance assets and/or services are.

- Encouraging community participation with support / sponsorship from local businesses.
- Procuring a separate contract (with a 'local' contractor).
- Employing their own staff / wardens.
- The use of volunteers / volunteer teams.
- Purchasing additional services via an existing contract.
- Managing or utilising an asset (or part of it) in a different way or by a different organisation.

This option has scope to enhance the value and cost of services and/or assets already provided by Somerset Council. The funding for enhancement would be expected to be met by the 'organisations'.

### **Outcome 3. Agency Agreements, management agreements, licences, and sponsorship**

The Council can offer agency agreements for service and / or assets to enhance services or assets locally. The agreement sets out basic standards and conditions (e.g. health and safety) and may include a lump sum based on the minimum level of service the Council would undertake.

For example, the maintenance and enhancement of areas within the highway boundaries in one of three ways;

- Licence – a license may be granted to maintain and enhance an area of highway verge. This is often used to cover 'flower beds' and landscaped areas.
- Management agreement – Agreement to manage a public area or asset – often ones used for events etc.
- Sponsorship – private organisations can pay a fee to sponsor the maintenance of a highway feature for which they get local recognition via appropriate signage. This is often used on roundabouts or 'welcome to' signage.

Under this option Somerset Council may provide some or all the funds needed for work undertaken on the council's behalf to a base level of standard. Any enhancement should be funded by the 'organisations' unless otherwise agreed.

### **Outcome 4. Delegated Authority**

To take on full responsibility for the delivery of a local service on behalf of the Council. Many of these services are discretionary, however, some of the services could be statutory duties of Somerset Council.

The financial position must be agreed between all parties as part of a formal Authorisation document or Delegation Agreement. While it may be possible to delegate the delivery of a statutory service it is not possible to delegate responsibility therefore Somerset Council will likely require a formal legal agreement to be entered into in such circumstances.

In respect of assets this could include tenancy or lease agreements with the freehold and some residual landlord responsibilities retained by Somerset Council.

### **Outcome 5. Full transfer of services or assets**

Where 'organisations' take on the full ownership and responsibility for an asset or delivery of a service. Depending upon the value of an asset to be transferred Somerset Council may need to satisfy 'best consideration' and 'publicity' obligations. Any full transfer proposal will need to demonstrate that the freehold is a necessity for success and provide reassurance of the long-term benefits to the community.

The application process – eligibility and assessment, within this framework goes into further details that will be used in considering devolution applications, including Somerset Council's Asset Disposals Policy. This policy establishes the basis for which the Council disposes of its property assets. Within this policy it sets out the Member engagement.

### **Local Community Networks (LCN)**

While assets and services cannot be devolved to Local Community Networks (LCN) the Council does consider these to be an essential forum to prioritise and debate options. As a collective that would cover several parish and town areas. Each LCN can work with their constituent organisations as delivery partners to help facilitate discussions about them taking on delegated responsibilities from Somerset Council. This approach may well present opportunities to work across boundaries for cluster working to give the best possible delivery model for the area.

### **Principles**

The following table sets out the key guiding principles that will be applied to the devolution of services and assets programme.



<p><b>Our approach should be co-produced:</b></p>	<ul style="list-style-type: none"> <li>i. Consultation with customers and communities: using the LCN's as an effective forum: ensuring we work to deliver what communities want/need</li> <li>ii. Engagement with staff impacted by any proposals, may be required, fulfilling our duties as a responsible employer</li> <li>iii. TUPE arrangements</li> <li>iv. Engagement with communities of interest/stakeholders impacted by any proposals</li> <li>v. Framework will be developed in liaison with representatives; including the Somerset Association of Local Councils (SALC) and the Somerset branch of the Society of Local Council Clerks (SLCC)</li> </ul>
<p><b>Devolution of services and/or assets should be sustainable</b></p>	<ul style="list-style-type: none"> <li>i. be resilient/sustainable over time</li> <li>ii. have honest conversations from the outset: achieving/delivering more may cost more or be unrealistic</li> <li>iii. have transparency in monitoring impacts and lessons learnt</li> </ul>
<p><b>Devolution should have clear benefits to the community</b></p>	<ul style="list-style-type: none"> <li>i. Service improvement business case: how will it deliver desired benefits to the community and manage risks</li> <li>ii. Does the proposal help deliver the receiving authority's/local community's wider vision for the area</li> <li>iii. Financial and asset management plans: how will it be sustainable</li> <li>iv. Services and buildings should be well governed and compliant with all relevant legislation (e.g., equalities, health, and safety)</li> </ul>
<p><b>Devolution must align with strategic priorities of the new Somerset Council</b></p>	<ul style="list-style-type: none"> <li>i. Certain assets may be needed for statutory service delivery and those of strategic or financial significance.</li> <li>ii. Somerset Council will need to maintain viable and efficient services and may have contractual constraints.</li> <li>iii. Asset / service devolution must reflect the climate emergency and align with the Somerset Climate Emergency Action Plan.</li> </ul>

	iv. Must align with Somerset Council's approach to their Medium-Term Financial Plan
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## Asset Devolution

Somerset Council have responsibility for land and buildings through various means:

- Owned assets – where the Council holds the freehold interest or a long lease
- Dedicated assets – where the Council have a historical contractual obligation, but do not have the freehold ownership, e.g. areas of open space or play areas under planning agreements
- Statutory responsibility – where the Council have a duty to maintain assets (and provide services) under legislation, e.g. highway land.

Any proposals for the transfer of assets to 'organisations' will be assessed against the following criteria:

- Transfer will provide social, economic, or environmental well-being benefits to the local community.
- 'Tidying up' – e.g., passing incidental pieces of land and landscaping or parts thereof to the local level.
- It will provide a community facility which the transferee has demonstrable skills, drive, resources to deliver and sustain.
- Will facilitate the continuation of service that Somerset Council is no longer able to provide.
- Will facilitate access to funding not available to Somerset Council.
- Consider whether there are any relevant covenants or other restrictions on land/assets.

Where an asset is identified as potentially being eligible for transfer Somerset Council will consider both Freehold and long-term lease options.

## Exceptions

The purpose of this framework is to encourage conversations between Somerset Council and receiving organisations. It is on this basis that no exceptions to asset devolution have been specifically identified, however it is likely that in certain circumstances some assets will not be eligible for devolution. This may include:

- Assets that generate significant income or are held to fulfil strategic priorities.
- Assets held for future capital realisations.
- Assets or land held for future development of a Council or partner scheme.
- Vacant land or buildings that can generate a significant capital receipt.

In such circumstance Somerset Council would aim to provide clarity as early in the process as possible and/or to identify what alternative arrangements or devolution outcomes may be deliverable.

## **Funding**

Any asset transfers would also be expected to be funded locally in the first instance. However, depending upon the submitted business case Somerset Council may consider a one off or other financial contribution if the transfer can clearly demonstrate its sustainability, community benefits and alignment with the Council's priorities.

## **Transfer Agreements**

Any transfer agreements are likely to include clauses, such as:

- Somerset Council to have first refusal should the asset subsequently be sold on (if within 10 years of transfer)
- A requirement that benefits the wider community i.e. maintains the community's access and use of the asset
- An overage agreement should the asset subsequently fall out of community use and be sold on the open market or leased at commercial rates to ensure that the Council receives an additional sum if the original purposes are no longer met.

## **Best Consideration**

The Council may dispose of surplus land and property having regard to the provisions in section 123 of the Local Government Act 1972 and the General Disposal Consent 2003. This legislation ensures that public property is disposed of at the best price obtainable subject to certain exceptions.

The exception is where the disposing authority considers that the purpose of the disposal at less than best price will achieve the promotion or improvement of the economic, social, or environmental well-being for the area and/or local residents. Somerset Council will secure valuation advice that sets out the unrestricted (best price obtainable) and restricted values, together with the value of any proposed conditions. Any costs incurred by Somerset Council in seeking relevant valuation advice could be met by the applicant, but this would be subject to discussion.

When considering the disposal of public open space, the legal requirements of the Council to advertise proposed disposals and consider objections, must be complied with. Open Space is defined as “any land, laid out as a public garden, or used for the purposes of public recreation, or land which is a disused burial ground”.

The Council is obliged to give notice of the intention to dispose by placing a public notice in the local newspaper for two consecutive weeks. As this is older legislation, more modern social media methods would likely be used to additionally raise awareness. Any objections must then be considered by the appropriate decision maker. Applicants may be required to meet the costs of advertising the proposed disposal, again, subject to discussion.

## Service Devolution

The transfer of both statutory and discretionary services can be considered; although where services which Somerset Council has a duty to provide have been transferred, the ultimate responsibility will remain with it. Responsibility for delivering the service may be transferred under clear contractual arrangements. The receiving organisation will then become responsible for the delivery of those services in accordance with the terms of a Service Level Agreement. Where Somerset Council has an underlying statutory responsibility, it must be able to terminate the service level agreement at any given time, where the SLA is not being met. It should be noted that service monitoring meetings would identify issues during the delivery and therefore avoid this outcome if at all possible. Similarly, the receiving authority depending on the contractual arrangements may have the ability to terminate.

In some circumstances Somerset Council, will only delegate services rather than devolve assets. Examples of where a service level agreement will only be appropriate include:

- The council has a statutory obligation, such as highway or a housing authority to provide.

- Land maintained for the benefit of the community by the council, but not owned by the council.
- Land where commuted sums for the maintenance have been paid to the council (by a developer typically)
- Where there is only a small area of council owned land, which means the cost of the legal land transfer is prohibitive (negated where the 'organisation' are prepared to fund the transfer).

Where responsibility for discretionary services is transferred, Somerset Council will cease to be responsible and accountable for the delivery of these services. There is no guarantee that the Council would consider re-assuming delivery of the service.

## Equalities

All asset and service devolution agreements need to take account of the Council's equalities duties and the impact on protected groups of any changes in responsibility. The organisation taking on greater responsibility for an asset or service may not be subject to the same duties as the Council and, in the case of full devolution of an asset or service, the Council would no longer be able to directly manage any equalities implications. An EIA will therefore be required to inform all decisions to devolve any asset and / or service. A high-level EIA will also be prepared to support the emerging programme of devolution.

Considerations for any devolution project include:

- Does it impact accessibility to the asset or service
- For assets, who would have responsibility for reasonable adjustments / accessibility of the space
- If it is a service, how can the Council work with the organisation it is being devolved to support understanding of equalities considerations.

## Application Process - Eligibility and Assessment

### **The Devolution Transfer Process Decision-making**

Following consideration of devolution requests, and negotiations, a decision by Somerset Council will be taken on individual devolution transfers. All such decisions will be taken in accordance with this Framework, the Somerset Council Asset Disposal Policy and Somerset Council's Constitution. Key decisions on significant devolution transfers will be taken by Executive and/or Lead Members. Non-key decisions will be taken by the relevant officers in accordance with the scheme of delegation.

Considerations over whether a decision is a key decision or not are likely to be determined by the size, scope and complexity of the project proposed.

A Devolution Advisory Board will consider all devolution requests and oversee the devolution programme. This will comprise the relevant Lead Member, and senior officers from within the council (Service Directors of Partnership and Localities and Strategic Asset Management, relevant representatives from legal and finance, and possibly other bodies such as SLCC or SALC, where appropriate). The Board will make recommendations to the relevant decision-maker (officer/member) on the detail of transfer agreement terms and sign-off.

The Council may need to balance the competing interests of community and voluntary groups and/or local councils and an assessment will need to be made as to the option that will deliver most sustainable benefit to the local community. Where possible, potential beneficiaries can be brought together in a partnership where this can result in a collective benefit to residents. We would encourage any such opportunities to be explored through the appropriate Local Community Network.

### **Pre-Application Stage**

As part of Somerset Council's commitment to supporting the transfer of services and/or assets, support will be provided to 'organisations' to enable them to consider submitting expressions of interest. This will include:

- Online guidance and information including template expressions of interest form and business plan.
- Provision of information, where appropriate and available, to potential applicants on the specification of services and running costs of assets to help inform the development of proposals.
- A named contact to support organisations to submit expressions of interest, support business plan development, and to keep the applicant updated at all stages of the transfer process.

### **Stage 1: Expressions of Interest Submission**

Somerset Council will:

- Check that the application meets the eligibility criteria to be considered and notify the applicant accordingly.
- Notify the relevant local member(s) and seek their views.
- Notify the relevant service areas, including Strategic Asset Management and seek their views.

- If the request is in relation to service devolution, information will be provided to the applicant regarding service specifications and costs (where possible an estimate of disaggregated costs).
- An initial assessment of the potential application of TUPE regulations will be undertaken.
- If the request is in relation to community assets, the following information will be provided to the applicant:
  - Estimated costs for maintenance of the asset.
  - Estimated market value of the asset (if any).
  - Condition survey report (if available).
  - Any outstanding loan or funding agreements in place
- If the applicant wishes to then proceed with the transfer request, in light of this information, then the expression of interest will be considered by the Devolution Advisory Board.
- The Devolution Advisory Board will determine if the application passes the stage 1 assessment and next step options which are:
  - a) Business plan required before decision.
  - b) Business plan not required, and a decision can be agreed (either as an offer decision or Executive Member if a key decision).
  - c) A decision in-principle can be agreed subject to further information being submitted and/or financial/legal arrangements being agreed.
  - d) Application rejected and feedback provided to the applicant.

## **Stage 2: Business Case Stage**

The Council wishes to ensure that the transfer is successful for all parties. As such a business case will normally be required. This is likely to consider an asset or service request in relation to its Fixed Asset Record book value, market value and overall costs likely to be incurred. A business case will also be required for all key decisions or whereby the application concerns the devolution of a statutory service.

The Council recognises that completing a business plan will take the applicant time and effort and will only request one in situations where that time and effort is commensurate to the value or significance of the asset(s) or service(s).

Where the application concerns a package of asset and service devolution only a single business case will be required. It is likely that this document would be co-developed in partnership.

If a business plan is required, it should clearly illustrate the:

- Status, background, and governance arrangements of the applicant

- A summary of the project
- Aims and objective for the asset or service.
- Identified need or demand.
- Benefits to local community and how it helps to deliver the vision for the area.
- Alignment with the priorities of Somerset Council
- Financial sustainability assessment
- Risk assessment
- Property Management Plan

It is anticipated that supporting evidence will also be requested on the following areas:

- Health & safety arrangements in place
- Safeguarding arrangements
- Equalities
- Staffing and/or contractual arrangements/implications
- Insurance
- Operational procedures
- Governance

All business plans will be considered by the Devolution Advisory Board prior to a recommendation to the decision-maker(s) (normally the Executive Lead Member or Members).

The Council will consult local member(s) prior to a decision on transfers that require a business plan. Somerset Council also reserves the right to engage with the appropriate Local Community Network on any relevant applications.

The internal assessment process will also likely engage the following services as necessary:

- Finance
- Legal
- Strategic Asset Management
- Street Scene/Clean Surrounds/Neighbourhood Services
- HR (TUPE/Redundancies)

Somerset Council will also, at this stage, consider their obligations under section 123 of the Local Government Act 1972 if the proposal concerns the potential disposal of public open space and the associated requirement to advertise.

### **Stage 3: Negotiation and Transfer**



The detail of legal agreements for the transfer of an asset and/ or service will take place following approval of a business plan, although Heads of Terms may be required in advance. The applicant may be expected to meet some or all of Somerset Council's legal costs incurred as a result of any transfer agreement.

The decision on the sign-off of all transfers will be made in accordance with decision-making rules as set out in Somerset Council's constitution.

## Timescale

It is anticipated that Stages 1 to 3 above will be completed within 6 months subject to available resources. However, any timelines provided are indicative and will vary depending on the complexity of each application and responsiveness of applicants. The process of transfer takes time and must be fully understood by all parties and reflected in decision making and budget settlement.

It is anticipated that timescales will be better understood over time as processes and procedures are formulated, reviewed and amended.

It is important to note that there is no requirement to participate in this process and it is acknowledged that the appetite, capacity, and capability will differ between organisations. It may be that cluster working, if appropriate, to unlock further potential is more beneficial to the community.

## Appeals

All applicants are entitled to appeal against decisions made if they feel that a decision has been unfair/and or there has been a breach of this policy.

Appeals shall be made in writing, stating clearly the issue or reference to the part of the policy that has been breached, within 28 days of the decision being made.

The appeal will be managed in line with the Council's stage 2 complaints procedure.

## Background Documents

**Property Asset Management Strategy and Plan** - The document sets out the Council's strategic objectives for property asset management, the approach the

Council will take to managing its property assets, and a series of high-level commitments to guide property asset management decisions and policy making

**Assets Disposals Policy** - This policy establishes the basis for which the Council disposes of its property assets. Within this policy it sets out the Member engagement.

## Appendices

- Expression of Interest Form
- Business Case Toolkit
- Flow Chart (EOI, Business case, Assessment, Heads of Terms Decision Making, legal Agreement)
- Powers of a Parish and Town Council

## Decision Report - Executive Decision

Forward Plan Reference: FP/23/08/13

Decision Date – 15<sup>th</sup> January 2024

Key Decision – Yes

Confidential Information – No



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## Sign off of Equality Objectives and Action Plan from EFLG Peer Challenge

Executive Member(s): Cllr Adam Dance - Lead Member for Public Health, Equalities and Diversity

Local Member(s) and Division: All

Lead Officer: Tom Rutland – Public Health Promotion Manager – Equalities

Author: Angela Farmer – Equalities and Riak Manager

Contact Details: [tom.rutland@somerset.gov.uk](mailto:tom.rutland@somerset.gov.uk) [angela.farmer@somerset.gov.uk](mailto:angela.farmer@somerset.gov.uk)

## Summary / Background

1. A paper was presented to the Executive in May 2023, seeking agreement to proceed with 3 specific areas of work. This report provides an update on these three pieces of work:
  - Disability Confident Leader Assessment
  - Internal Race Audit
  - Equality Framework for Local Government Peer Challenge
2. This report also seeks agreement from Members on Somerset Council's new Equality Objectives that will take effect from April 2024.

## Recommendations

3. The Executive agrees:
  1. The action plan in response to the LGA Peer Challenge report
  2. The 4 Equality Objectives that will take effect from April 2024, noting that further work will need to be undertaken to develop the actions to deliver the objectives from April 2024 and that a further report will be made to Executive when the actions have been developed and agreed by relevant services.
  3. To note the progress that has been made on the Race Audit.

4. To note that the Disability Confident Leader assessment will be completed by the end of January 2024 with external validation being completed by April 2024.

**Reasons for recommendations**

4. The Council has taken the opportunity in its first year of operation to put Equality, Diversity, and Inclusion at the heart of the work of the Council by agreeing to undertake both an Equality Framework for Local Government Peer Challenge and an Internal Race Audit. Both pieces of work will support the Council’s Equality, Diversity and Inclusion delivery for our residents and staff by developing and improving areas identified as requiring further development.
5. The Council has also taken the opportunity to develop a new set of Equality Objectives to meet our requirements under the Equality Act 2010. The objectives will aim to make a difference to the communities that we will work with as they are now more focused, with specific goals to achieve.

**Other options considered:**

6. The option not to take forward the recommendations from the LGA Peer Challenge.

**Links to Council Plan and Medium-Term Financial Plan**

7. This work will support the Council’s commitment set out in the Council Plan priority to create a Fairer Ambitious Somerset.

**Financial and Risk Implications**

8. There are no current financial implications in this report. Work done to date has been funded through the Equality Budget, using the Equality Team resources as required.

9.

<b>Please enter risk description</b>					
Failure to meet our requirements under the Equality Act 2010					
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>12</b>
<b>Please enter mitigation here</b>					
1. Equality Objectives are agreed.					

2. Action plan is developed to deliver the agreed objectives.
3. The compliance elements of the Peer Assessment report are delivered ahead of any developmental elements.
4. Regular reporting to Members and Senior Leaders.

### **Legal Implications**

10. The Public Sector Equality Duty, under the Equality Act 2010, sets the requirements on public authorities through the general duty and the specific duty. The specific duty requires a public authority to publish information demonstrating compliance with the general duty and to set equality objectives at least every 4 years.

The Equality and Human Right Commission has oversight of the Act and in particular the Public Sector Equality Duty and will undertake audits to ensure that these requirements are being met.

### **HR Implications**

11. There are no HR implications of this decision. However, there may be some outcomes and feedback from the audits and assessments. This will be considered independently when completed.

### **Other Implications:**

#### **Equalities Implications**

12. No Equality Impact Assessment is required for this decision as it will improve the outcomes for communities and staff.

#### **Community Safety Implications**

13. There are no implications from a community safety perspective

#### **Climate Change and Sustainability Implications**

14. There are no implications in this report for Climate Change and Sustainability.

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

15. There are no implications in this report for Health and Safety.

## **Health and Wellbeing Implications**

16. There are no implications in this report for Health and Wellbeing.

## **Social Value**

17. There are no implications in this report Social Value.

## **Scrutiny comments / recommendations:**

18. Both the LGA Peer Challenge draft report and the draft Equality Objectives have been presented to the Members Steering Group on which Chairs and representatives of the Scrutiny Committees sit.

## **Background**

### **19. The Equality Framework for Local Government (EFLG)**

The framework has been in place for over 8 years and provides an audit process to establish progress on equality in 4 areas:

- understanding and working with your communities
- leadership, partnership, and organisational commitment
- responsive services and customer care
- diverse and engaged workforce

The Council were fortunate to secure a Peer Challenge with core cost covered by the Local Government Association, for the period 3<sup>rd</sup> to 5<sup>th</sup> October 2023. The Council completed a self-assessment to inform the Peers on how the Council was currently performing around equality and diversity. During the Challenge the Peers interviewed a significant number of people from across the organisation and external partners. The Peer Report confirmed the findings of the Councils self-Assessment and provided a clear indication that the organisation knew how it was functioning around equality.

The LGA report has now been received and from this, 9 recommendations have been made. Working with these recommendations and the actions work already identified, the Team have brought together an initial action plan that will ensure that the team deliver actions that improve our legal compliance. The balance of the actions which are seen as development will be developed in due course when the team is clearer on the direction of the council and thus where the development work will sit. The action plan can be found at Appendix Two.

## **20. The Equality Objectives for Somerset Council**

The Public Sector Equality Duty sets the requirements on public authorities through the general duty and the specific duty. The specific duty requires a public authority to publish information demonstrating compliance with the general duty and to set equality objectives at least every 4 years.

The current set of objectives were set in 2019, jointly agreed between the 5 predecessor councils, Somerset Foundation Trust, Avon and Somerset Police and Devon and Somerset Fire and Rescue Service. In view of the transition to a single Unitary Council the objectives have been extended to account for the first year of the new council.

The Equality Team developed the following 6 initial objectives for consultation, based on data, research, and past objectives:

1. Work across council services and with external partners to deliver a minimum of 2 initiatives that will improve people's access to information and services who are otherwise digitally excluded by December 2025
2. By 2025, and by working with partners from across the County, improve access to, and information about, public amenities and services for those residents who are otherwise excluded by disability.
3. To create a viable solution to the delivery of accommodation (transit and permanent) for Gypsy and Traveller community by September 2025
4. A reduction of 15% in the number of cases of school-based peer-on-peer discrimination by April 2026
5. To improve reporting by the LGBTQ+ community of all incidents of hate against them, with improvement seen every 6 months from 1<sup>st</sup> October 2024
6. To work with council colleagues and the Voluntary, Community, Faith, and Social Enterprise sector to improve knowledge and understanding about the county's diverse communities and any tensions and integration issues that exist, delivering innovative solutions by June 2025

In determining the new set of objectives, the Equality Team considered and sought agreement from the Executive Director of Strategy, Workforce and Localities to create them for 2 years instead of 4, to reflect the transition and transformation that will occur over the next two years for the Council.

The consultation ran from 1<sup>st</sup> September to 17<sup>th</sup> November 2023. Despite best efforts, the response was low, with some clear gaps from specific communities. However, the consultation has been undertaken at a challenging time when focus was

elsewhere. The team will take the learning from this consultation to develop more creative approaches when the next set of objectives need to be created in 2025.

The top three objectives from the consultation are:

1. Work across council services and with external partners to deliver a minimum of 2 initiatives that will improve people's access to information and services who are otherwise digitally excluded by December 2025.
2. By 2025, and by working with partners from across the County, improve access to, and information about, public amenities and services for those residents who are otherwise excluded by disability.
3. A reduction of 15% in the number of cases of school-based peer-on-peer discrimination by April 2026.

A fourth objective 'To work towards being an Anti-Racist organisation, with a review of progress by December 2025', will also be included in the Council's Equality Objectives for 2024 to 2026 in recognition of the work done through the Race Audit. This will also support delivery of the Race Audit action plan.

The next step will be to develop an action plan to ensure delivery which will be completed in April/May 2024.

### **21. Internal Race Audit**

The Internal Race Audit is now complete, and the draft report is expected mid-January 2024. The audit framework included an organisational-wide survey which received over 400 responses, two focus groups with staff from the RISE Staff Network, 16 individual interviews across the organisation and two self-assessments.

### **22. Disability Confident Leader assessment**

The Disability Confident Leader self-assessment is currently being finalised with the aim of completion by the end of January 20'24, and external validation by 1<sup>st</sup> April 2024.

## **Background Papers**

23. The following additional papers provide additional information:
  - LGA EFLG Webpage – <https://www.local.gov.uk/our-support/guidance-and-resources/equality-frameworks/equality-framework-local-government>



- LGA Peer Challenge - <https://www.local.gov.uk/our-support/guidance-and-resources/equality-frameworks/equality-peer-challenge>
- Internal Race Audit scope
- EHRC website - <https://www.equalityhumanrights.com/>

## Appendices

- Appendix One - LGA Peer Challenge report (draft)
- Appendix Two - EFLG action plan

## Assurance checklist

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	19/12/23
Communications	Peter Elliott	15/12/23
Finance & Procurement	Nicola Hix	3/1/24
Workforce	Dawn Bettridge	3/1/24
Asset Management	Oliver Woodhams	N/A
Executive Director / Senior Manager	Sara Cretney	19/12/23
Strategy & Performance	Alyn Jones	3/1/24
Executive Lead Member	Adam Dance	3/1/24
<b>Consulted:</b>	Councillor Name - Val Keitch	3/1/24
Local Division Members		
Opposition Spokesperson	Lucy Trimnell	4/1/24
Scrutiny Chair	Bob Filmer	3/1/24

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# LGA Equality Peer Challenge

Somerset Council

3<sup>rd</sup> – 5<sup>th</sup> October 2023

Feedback report





1. Executive summary .....	3
2. Key recommendations .....	6
3. Summary of the peer challenge approach .....	8
4. Feedback .....	9
5. Next Steps .....	16

# 1. Executive summary

We were very pleased to be invited by Somerset Council (SC) to provide an external challenge by peers on the progress the new council has made so far on equality, diversity and inclusion (EDI) and to make recommendations to build on that progress and help take the work on EDI forward.

We found an organisation that is starting to think and act to establish and embed EDI internally and throughout all areas of its work within the community. The leadership including members and officers are highly committed to EDI and to the council being an anti-racist organisation. Service managers were able to relate some good practices in service delivery. There is a general lack of understanding and confidence around EDI at all levels of the organisation. Members and officers want more training opportunities. The organisation lacks a strategic framework for EDI and needs more governance around EDI to monitor progress and advance the work. Staff forums have huge potential, and they would benefit from some more support. The voluntary, community, faith and social enterprise sector (VCFSE) is a significant resource in Somerset and is keen to work more closely with the council and its new local community networks (LCNs) on joint objectives.

## Context

These are still early days for the new council. Vesting Day on April 1st 2023, brought together four district councils and the county council into one new unitary council. The council also has a new Liberal Democratic administration. The organisation has acknowledged that it is still in a “state of flux” with only the top three tiers of the organisation having been formally appointed. We also heard from staff that morale is low because of the upheaval and uncertainty of Local Government Reorganisation over the past two years. However, they value the fact that senior leaders are demonstrating their commitment to EDI.

We think that it is highly commendable for the council to want to embed EDI into the organisation right from the start. There is real ambition for the council to be an anti-racist organisation and there are many positives to build on. A lot of work was done on EDI in each of the five constituent councils. The team of EDI professionals have brought with them a huge amount of experience, knowledge and long-term working

relationships which have enabled them to work well together and continue to be effective as the new organisation has formed around them. Like most local authorities in the country, the council has significant budgetary challenges which can impact on the resources available for EDI work.

The peer team were asked to consider to what extent they could endorse the self-assessment prepared for this peer challenge by the council's EDI team. We found it a useful document for helping to establish a baseline for moving forward and demonstrates real self-awareness. The conversations that the peer team had with staff, elected members, and other stakeholders tested that self-assessment and will only add to the richness of that knowledge baseline.

### **Commitment and Understanding**

There is a strongly stated commitment to EDI amongst the senior leaders of the council. Both the Leader and the Chief Executive are strong advocates for EDI in the organisation. The Portfolio Holders for Public Health, Equalities and Diversity and Localities (LCNs) are also very vocal EDI supporters. The council has started to look at the culture and the values it wants for the organisation. Values workshops have involved over 1500 staff and the top three themes which have emerged are fairness, honesty and kindness which align well to EDI and show that staff are "in tune" with the direction that the Leadership want to take the organisation. The Chief Executive is determined to include EDI as one of the stated values in the council.

Staff across the organisation understand the importance of EDI, however some feel that budget setting and system reorganisation are being prioritised and dominating the agenda. We heard concern that there will be insufficient budget behind initiatives like the peer challenge and the Race Audit. It will therefore be important for SC to evaluate what capacity there is to deliver EDI ambitions and recommendations resulting from this peer challenge and the forthcoming race audit.

The organisation demonstrates a real willingness to be challenged and learn from good practice elsewhere. Commissioning of this peer challenge so early in its life is evidence of the commitment to improving and embedding equalities council wide.

The level of EDI knowledge, understanding and confidence amongst officers and

Members is variable. There is a lack of understanding around issues like racism and discrimination. We heard that both Members and officers want more training around language and Equality Impact Assessments (EIA), for example. It is very positive that both members and officers want to know and learn more, so they can apply this effectively in their roles.

“Legal and safe” appears to be the priority for the organisation. There is an emphasis on “due regard” within decision making. We heard that often EIAs are being done too late to consider mitigation fully or provide real scrutiny. EIAs need to be embedded at the beginning of any change process. In addition to due regard around decision making, the organisation also needs to be able to demonstrate how it meets the other three Public Sector Equality Duties: 1) to eliminate unlawful discrimination, harassment and victimisation, 2) to advance equality of opportunity between people who share a protected characteristic and people who do not and 3) to foster good relations between people who share a protected characteristic and those who do not.

### **Strategy, Objective Setting and Governance.**

A strategic equality framework is needed to provide the “golden thread” from the Council Plan through to personal objectives. Officers responsible and accountable for EDI in the organisation could have an instrumental role in embedding the golden thread through the provision of support and challenge to all services.

Current EDI objectives and those in development, are very much “operational” rather than strategic or setting the direction for the organisation and its aspirations for staff, residents and place. There has been a delay in setting the workforce objective and this is now hampering internal EDI communications and staff belief in the organisational commitment to EDI. A debate is still ongoing about how EDI can be incorporated into service planning, and work on performance management processes has started.

Governance around EDI needs to be strengthened. A Corporate Equalities Board might provide the best way forward. Both the Member Steering Group and staff forums would be able to contribute. There is little formal Scrutiny of EDI so far. Scrutiny could be more involved in embedding EDI by providing assurance on the progress towards achieving the organisation's equality objectives and KPIs. The governance and support to the employee EDI forums also needs be strengthened to

clarify their role and purpose and maximise their potential contribution to help drive EDI forward in the organisation.

### **Partnership and Working with the Community**

Community engagement is a priority for the council, its Communications Team, heads of service and new Local Community Networks (LCNs). The council has plenty of data to support working in the community. The Somerset Intelligence site is a good source of data for helping to identify challenges and priorities.

The voluntary, community, faith and social enterprise sector (VCFSE) wants to work more closely with the council. VCFSE organisations often represents 'seldom heard voices' and the sector see good opportunities for more joined up and cohesive partnership with the unitary council around cultural needs and inequalities. It has a good skill set and is willing to share/offer its own EDI and social cohesion knowledge and priorities with the council. The VCFSE organisations we spoke to said that since Vesting Day, they have felt better engaged with the council through the EDI Team.

## **2. Key recommendations**

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

- 2.1. Make EDI the lens through which all decisions are taken. Weave it in at an early stage – not as a thing to do “later”.** SC is keen to ensure that due regard is taken of equality impacts when all its decisions are made. EIAs need to be done at an earlier stage to allow for any negative impact to be mitigated (particularly around any planned budget reductions) and for positive impacts to be maximised. This would also enable Members to request more data or consultation from officers before a decision is taken. Consider publishing EIAs in one easily accessible area on the council website.
  
- 2.2. Consider how to prioritise the use of resources to have the greatest impact on equality – priority places; communities; groups.** Like many councils, Somerset has significant budgetary challenges. Spending on EDI related issues should be focussed on those who are most disadvantaged in



the community. EDI should also be business as usual once embedded in processes like service planning and commissioning.

- 2.3. **Establish a Corporate Equality Board to act as a driver for developing an EDI strategy and delivering the EDI objectives.** The council lacks governance around EDI at present. A corporate equality board could oversee how EDI is being embedded and allow for voices to be heard from Members, staff forums and external stakeholders.
- 2.4. **Strengthen the Members Equality Steering Group by clarifying its role and function within the decision-making and assurance process.** This is a relatively new all-party group with an important role to play in the council. Clarifying its role will enable it to have more influence over the issues it considers and be more effective.
- 2.5. **Put in place a comprehensive training programme for officers and Members to help embed EDI throughout the organisation.** Knowledge and understanding of EDI issues is variable across the council. Managers, frontline staff and Members all want to feel more confident about issues like language when serving diverse customers or interacting with diverse communities as well as holding conversations with staff.
- 2.6. **Accelerate Member involvement in embedding EDI in the council through the scrutiny function, specifically in monitoring performance of equality objectives, KPIs and reviewing equality impact assessments.** Scrutiny of EDI is not currently undertaken. Scrutiny should have an important role to play in embedding equality into the council by providing assurance and giving early focus to specific EDI issues e.g. a “rurality” commission.
- 2.7. **Enable the VCFSE to have a place at a strategic “EDI table”.** The VCFSE in Somerset wants to work more closely with the new unitary council and the new Local Community Networks. They want to be involved more strategically in setting shared objectives.
- 2.8. **Take advantage of the Local Community Network (LCN) Link Workers to**

**understand and integrate EDI thinking into the work of the LCNs.** There are 9 LCN Link Workers attached to the 18 LCNs. They will have capacity to help the LCNs deliver on their EDI objectives.

- 2.9. **Create opportunities to look at cumulative equalities impacts of commissioning and procurement.** This will identify whether there are decisions which will impact on one group or area more than another. Commissioners said they were often unaware of the activity of others and the cumulative impact of all of their work.

## 3. Summary of the peer challenge approach

### 3.1. The peer team

Peer challenges are delivered by an experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Gail Bishop – Strategy and Partnership Specialist (Equality and Diversity) - Cornwall Council
- Dr. Irena Hergottova - Head of Community Building and Cohesion - Walsall Council
- Nikki Parkhill - Head of Equality, Diversity and Inclusion - Surrey County Council
- Councillor Stewart Golton – Leeds City Council
- Sebastian Burch - Warwickshire CC – (Shadow Peer)
- Gill Elliott – LGA Peer Challenge Manager

### 3.2. Scope and focus

The Council asked the peer team to focus on three specific issues.

- The level of ownership throughout the organisation by officers and Members of equality, diversity and inclusion.
- An understanding of the commitment to equality, diversity and inclusion by officers

and Members across the organisation.

- How effectively 'Due Regard' is embedded within all stages of the decision-making process to inform the direction you take.

The Peer Team used the specified scope as a lens to align our findings with the themes of the Equality Framework for Local Government

- 1. Leadership, partnership and organisational commitment**
- 2. Understanding and working with your communities**
- 3. Service delivery and customer care**
- 4. Diverse and engaged workforce**

### **3.3. The peer challenge process**

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information to ensure they were familiar with the council and the challenges it is facing. The team then spent three days on site in Taunton, Somerset, during which they:

- Gathered information and views from around 22 meetings, in addition to further research and reading.
- Spoke to around 100 people including a range of council staff, Members and external stakeholders.

This report provides a summary of the peer team's findings which they share .as fellow local government officers and Members.

## **4. Feedback**

### **4.1. Leadership, partnerships and organisational commitment**

EDI is a priority for the Leader, the executive and opposition members. Members are

willing to share their own lived experience and take the lead in their own wards. They are committed to raising the visibility of council commitment to EDI, for example by attending LGBTQ+ Pride events and future events that are planned for migrants, carers and women. The VCFSE appreciate that Members are far more visible on EDI issues than before.

There is an established all party Member Equality Steering Group which was developed to provide some organisational challenge on EDI. They have made an excellent start, and there is now an opportunity to focus their activity by clarifying their role and position within the decision-making process and enabling them to hear from others e.g. staff forums, and community groups. Scrutiny could also be more involved in embedding EDI by providing assurance on the progress towards achieving the organisation's equality objectives and KPIs. Scrutiny can also give early focus on specific EDI issues. One of these could be a form of "rurality" commission.

Confidence is variable amongst Members in addressing EDI, particularly around language. This need for training and greater confidence around language was echoed throughout the organisation including managers and frontline staff.

One of the five key operating principles of the new LCNs is to consider equalities implications. Nine LCN Link Workers, who will also be and Public Health Champions, are associated with the 18 LCNs. There has been some early success, for example in the focus on young people in Taunton, but there needs to be more collaborative working to embed EDI in localities.

There is strong personal commitment to EDI from the Chief Executive and the senior leadership team. The Transformational 'Values Workshops' have been delivered by senior leaders helping to set the scene for the EDI programme. The Chief Executive and the Executive Directors are accessible through Q&A sessions with staff. Both the Leader and the Chief Executive include EDI issues in their blogs to staff. Going forward it will be important to find more opportunities to demonstrate commitment through role modelling, sharing lived experience through videos and blogs, and challenging inappropriate behaviour when it occurs.

EDI delivery in the council is being strengthened through the alignment with Public Health. The Community Safety Partnership Group sits in Public Health. Its website

shows a focus on inequality, but it needs to increase the visibility of the issues and find ways to strengthen engagement to widen inclusion and increase impact of its work.

The council has built good working relationships with local partners (e.g. Town and Parish, Citizens Advice, SPARK – the VCFSE umbrella organisation). This is building trust which helps to counteract myths and rumours. There are good examples of co-production and commissioning solutions to budgetary and service cuts. This has been a good opportunity for partners to demonstrate their in-depth local knowledge and for them to take ownership and continue delivering services.

The EIA process needs to be strengthened and embedded into processes from the start like project management, change management and democratic processes including the Forward Plan. This would increase the number of projects being informed by EDI considerations and could help to demonstrate better mitigation. The Equalities Team provide quality assurance for EIAs before they are appended to committee reports.

The peer team did not talk to statutory partners during the peer challenge. However, we understand that partners in the NHS, the Integrated Care Board and organisations on the Health and Wellbeing Board including the police and the fire and rescue service are keen to collaborate on equality related issues with the council. It might be useful to include links to partners in any future EDI framework (the golden thread) and corporate EDI group.

#### **4.2. Understanding and working with your communities**

The council is a “data rich” organisation. Sources include Somerset Intelligence which has been used to identify key community challenges and for completing some EIAs; Somerset Hate Crime and Community Cohesion Group share data on hate crime; the VCFSE holds qualitative data and has insights that could be better utilised to understand the 'churn and change' taking place across Somerset. Not everyone knows where to find data so its use can be patchy. For example, there is no central place for monitoring community tensions and elected Members don't have an established 'place' to share their intelligence. There need to be more opportunities to

turn data into insights and to share data with the VCSFE and other partners to understand where the gaps are. A data strategy around collecting, storing, sharing and using data is in place but it may need to be more widely known about within the council.

We heard about some good community engagement. Citizen Space is an effective method of engagement and alternative formats are provided. There are some excellent examples of engagement with SEN/SEND, looked after children, care leavers, Gypsy, Roma, Traveller people (GRT), young people, Migrants and Muslim communities, often in partnership with the VCFSE. These have made a real difference with the development of meaningful work placements for young people and changes to the provision for Muslim burials. Inter-faith work with schools requires more focus and is under-funded. We did hear that learning from some consultations is not always fed back to the community.

Libraries understand and work with communities well – they have an 'everyone is welcome' focus and support 127 languages, digital exclusion and mental health. There is a potential for the 'public realm' to be used for future cohesion initiatives by creating more cohesive, friendly and healthy public spaces like parks. The Council has good engagement with the Hinkley Point C community projects. These include funding for a Minehead Mens Shed to improve mental health of men who may be isolated in their community, and grants for a range of projects supporting vulnerable women with housing problems or suffering abuse. Somerset is hosting a significant infrastructure project, Hinkley Point C. As a result, there are various groups set up to identify impacts of the project. One of those is the Hinkley Community Safety group which looks at the impacts of the project on the community, and their safety.

The VCSFE view the establishment of the new unitary council as a good opportunity to improve communication and reduce duplicated effort. Some of those we spoke to want the council to 'rationalise' and/or 'commission out' multiple community initiatives – e.g., Connect Somerset, Public Health Champions, LCN link workers and village agents. The VCFSE want to have a place at a 'strategic table' with the council, the Member Steering Group and other partners. They think that the council needs to support the Somerset VCFSE to be sustainable and not rely so much on expertise from outside the local authority area. The VCFSE also want more support for local organisations via the commissioning process.

The Local Community Networks (LCNs) are still at the design stage with most having only met once so far. When fully effective they should enable better conversations and consultation with local communities which will contribute to ensuring due regard when decisions are taken. LCNs have EDI as one of their core principles. The VCFSE would like to have a common set of EDI objectives with the LCNs, including clear cohesion expectations. They feel that “seldom heard voices” in communities need to be linked up with the VCFSE and LCNs because as one said “We all want to talk to the same people”.

#### **4.3. Responsive services and customer care**

There is a clear commitment amongst Heads of Service to EDI. They were able to articulate how it is relevant to their service areas. Many services are considering needs beyond protected characteristics e.g. social needs assessments in bus planning. Directorates need some time and space to reflect on how well they are working to advance EDI. Consideration is still being given to how EDI can be incorporated into service planning or improvement. There is a feeling that the organisation is focussed on mitigating legal risk rather than advancing EDI: maybe now is the time to broaden the focus of the work.

The council needs to be ready to understand, respond to, and meet the needs of a rapidly changing population. It should consider ways of producing accessible communications for staff and residents. Front-line staff are keen to learn more about EDI to meet the needs of their diverse customers. More safe spaces are needed for staff to talk about EDI in teams to help their learning without fear of “getting it wrong”.

The new Director of Public Health and Population Health (first joint role) has meant that there is more spent now on prevention, leading to a bigger impact on the population.

A Gypsy Liaison Officer role has been created to improve engagement with the community and overcome barriers to services.

Some outreach has been done with GRT and Muslim people to understand their cultural needs and requirements e.g. Muslim burial sites.

We heard about other EDI positive service provision including:

- Good practice in adult social care e.g., Carnival of Good Practice; Use of

micro-providers in social prescribing.

- Increased focus on the importance of education and positive educational outcomes.
- EDI being a golden thread throughout all learning and development activity in Adult and Children's Social Care.
- Libraries playing an important role in EDI as locations for sharing information with residents.
- Running Drag Queen Story Time despite some challenges.
- Creative approaches to working with vulnerable communities e.g., work with health services to support rough sleepers.

There needs to be a range of ways that people can access services, especially for those that are digitally excluded. The Library Service is often relied upon to fill gaps in provision and offer opportunities for residents, so the council needs to consider what this means for resourcing needs for libraries.

Commissioners in services would like to move more from reactive to proactive work and would like time to reflect on the challenge of holding both operational and commissioning responsibility. Social value and corporate social responsibility could be exploited further to advance equality and inclusion for residents. Heads of Service should consider how these factors are monitored more closely within contract and performance management. The council could consider reinstating the strategic commissioners' group to create opportunities for collaboration, sharing their work and understanding cumulative impact of change.

We understand that budget is a key area of concern for the council. The peer team were told by different stakeholders that the organisation is trying to provide services for broad population groups but without the required budget. It was suggested by participants that the council should consider ways of prioritising delivery for those who need it the most.

#### **4.4 Diverse and engaged workforce**

Local Government Reorganisation has had a big impact on staff in the council. The



organisation recognises that its staff are going through a lot and has put in place an Employee Assistance Programme. Officers and Members involved in selection/recruitment have received unconscious bias training to help ensure fairness throughout these processes.

Staff knowledge of EDI is variable. Managers are often unsure about how to deal with different staff problems and need considerable assistance from HR. We heard that HR officers have built trust with depot managers through strong one-to-one relationships.

A great deal of HR data is collected, however as the legacy organisations collected different data there are some gaps in workforce data. As a result, it is not always possible to analyse the data on a corporate basis. Some employees don't trust how their data will be used and fear being identified. Characteristics like disability, religion or sexual orientation have high rates of "unknown" that will need to be resolved to better understand the Councils staff base. Better use could be made of data in identifying barriers to progression for protected groups of staff.

The organisation has a number of staff forums. They have the potential to be a considerable asset to the organisation. Some are newer than others and most are at different stages in their development. Members of the forums that we spoke to were very passionate, driven and self-starting. Some of the groups were able to identify where they have had successes e.g., work on menopause guidance and the recent RISE conference on Race which was very successful. In general, the forums lack structure and terms of reference. They have little direct access to senior managers so few opportunities to influence. More senior leadership support and sponsorship would help them to be more confident and effective.

The organisation is beginning to identify the values and type of culture it wants for itself. Fairness, honesty and kindness were the top three values that staff wanted for the new council. There is clearly more work to be done on culture. We heard fears expressed by staff around being able to challenge upwards, including being labelled a 'troublemaker' and being told to be 'grateful for having a job'. The council has seen a recent and stark example of racism by staff and service users against Black social workers recruited internationally. Lessons are being learned from this and rapid action was taken including commissioning a race audit and training. The staff

affected have also been supported by the organisation. Managers and staff said that there is pressure on time which reduces the opportunity for voices to be heard and staff to be able to reflect together on issues like racism in a safe space.

The organisation is a Level 2 Disability Confident employer, and it is working towards level 3. This is to their credit. There are some issues that need addressing. We were told by some staff that there is an inconsistent understanding of the Access to Work scheme and reasonable adjustments.

The organisation works hard to bring young people into its employment. There are good apprenticeship and graduate schemes with high retention rates of around 90%. There are also some established pathways into employment for disadvantaged young people such as work experience for care leavers and those who are neurodiverse. Some further work is needed on the implementation of these schemes to ensure that expectations from the prospective employees are managed and can be met.

## 5. Next steps

The LGA recognises that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and the LGA are keen to build on the relationships formed through the peer challenge.

In the meantime, Paul Clarke, Principal Adviser for the Southwest, is the main contact between your authority and the Local Government Association. Paul is available to discuss any further support the council requires.

[paul.clarke@local.gov.uk](mailto:paul.clarke@local.gov.uk)

# Equality Framework for Local Government Action Plan



In May 2023 Somerset Council requested the Local Government Association to visit the Council and complete a Peer Challenge on the Councils compliance with the Equality Framework for Local Government. The Framework Covers 4 areas:

- Understanding and Working with your Communities
- Leadership partnership and organisation
- Responsive services and customer care
- Diverse and engaged workforce

Page 235

The Council asked the Peers to focus on three areas:

- The level of ownership there is throughout the organisation by officers and Members of equality, diversity and inclusion.
- An understanding of the commitment to equality, diversity and inclusion by officers and Members across the organisation.
- How effectively 'Due Regard' is embedded within all stages of the decision-making process to inform the direction we take.

To support the Peer Challenge the Council completed a self-assessment that identified areas of good practice, areas for development and potential actions. As an outcome of the Peer Challenge the Peers have produced a Report that provides their feedback and proposed areas for development.

To address the key issues identified in the report in a managed way, a two-year Action Plan has been produced which can be found below. Those actions that are concerned with new developments will be looked at after 1<sup>st</sup> April 2024 once the Council's future structure and resources are known. These actions will not be lost but paused until we are able to effectively take them forward.

This action plan will work in tandem with the Councils Equality Objectives in order to provide the focus for equality work over the next two years. Any additional work will need to be considered against these two work plans.

<b>Understanding and Working with your Communities</b>		Whilst the Council's Equality function has a good working relationship with the equality voluntary sector in Somerset this is not embedded consistently throughout the whole council's work.			
	<b>Action</b>	<b>Outcome</b>	<b>Organisation Lead</b>	<b>Equality Lead</b>	<b>Delivery Date</b>
1.1	Map all data sets that the Council collects and identify where they are broken down by relevant Protected Characteristics	Improve data used to inform Equality Impact Assessment, service design and budget considerations	Malcolm Riches	Angela Farmer	December 2024
1.2	Continue to develop the Population Health database and understand how this can be used across the wider Council to make the most of the data collected.	Improve data used to inform Equality Impact Assessment, service design and budget considerations	Malcolm Riches	Angela Farmer	Ongoing
1.3	Embed equality within the Council's Data strategy	Make sure we are clear on how data support equality outcomes	Malcolm Riches	Angela Farmer	December 2024
1.4	Ensure development of the Business Intelligence Strategy includes clear links to the requirements around Equality data.	Make sure equality data is embedded in corporate strategy	Malcolm Riches	Angela Farmer	December 2024
1.5	Create an Equality Dashboard for the Council	Inform the councils direction around equality and Equality Impact Assessment	Malcolm Riches	Angela Farmer	June 2024

1.6	Identify ways Members can provide feedback on communities, resolve any gaps and share with Member Steering Group.	Improve the representation of the Equality Voice in what the council does	Kate Hellard/Scott Wooldridge	David Crisfield	June 2024
1.7	Create a Community Tension Monitoring Mechanism (connected to ASB mapping?)	Make sure the council can proactively impact community tensions	Lucy Macready	David Crisfield	June 2024
1.8	Look at ways to encourage greater participation by a wide variety of groups, often underrepresented, in the decision making of the Council.	Decisions are informed by those they will affect	Mike Bryant	Tom Rutland	June 2025
1.9	Develop monitoring information for Citizen Space together with guidance about when to use the monitoring categories and what to do with them.	Make sure consultations are representative and identify any impacts for specific groups	Victoria Hill	Tom Rutland	1 <sup>st</sup> February 2024

<b>Leadership partnership and organisation</b>		A reliance on the expertise of the Equality function can impact on the timeliness of services consideration of Due Regard. The council has also not fully grasped its role as a leader in the community on equality issues.			
	<b>Action</b>	<b>Outcome</b>	<b>Organisation Lead</b>	<b>Equality Lead</b>	<b>Delivery Date</b>
2.1	Create a plan for Equality days throughout the year that can be worked on with the VCFSE and Partners.	Visually display the Council's role as a Leader in Equality Diversity and Inclusion	Peter Elliot	Tom Rutland	February 2024
2.2	Create a consistent approach to how we engage in an ongoing conversation with the	Have a standard to what is expected of all involved	Sara Skirton	David Crisfield	March 2024

	equality VCFSE.				
2.3	Identify a forward plan to provide future opportunities for the Member Equality Steering Group on building a relationship with the VCSFE.	Steering Group are aware of community needs and issues.	Sara Skirton	David Crisfield	February 2024
2.4	Create an organisational equality network.	Provide a structure for equality work in the council and cross organisational voice on equality.		Tom Rutland/Michelle Anderson	June 2024
2.5	Work with services to improve the timeliness of 'Due Regard' considerations and Equality Impact Assessment completion.	Improve the timeliness, use and transparency of Due Regard		Tom Rutland/Michelle Anderson	Ongoing
2.6	Produce 8 area/process specific guidance on how Due Regard should inform how we do things	Make sure due regard is considered early and influences outcomes	Subject Matter Experts	Tom Rutland/Michelle Anderson	December 2024
2.7	Provide regular equality impact assessment drop-in sessions	Make sure due regard is considered early and influences outcomes		All	Ongoing
2.8	Work with performance leads to identify how Equality Impact Assessment mitigations can be effectively monitored.	Make sure actions are completed and due regard is seen as an ongoing commitment	Nicola Miles	Tom Rutland	June 2024
2.9	Identify a way to share monitoring of Equality Objectives more effectively.	We are more transparent in any progress	Nicola Miles	Tom Rutland	June 2024
2.10	Work with the Member Equality Steering	The group is effectively		Tom Rutland	June 2024

	Group to clarify its purpose and reach.	contributing to the councils work on equality, diversity and inclusion.			
2.11	Create an Equality Strategy to establish the golden thread for equality	Provide clarity on our commitment and direction	Paul Harding	Tom Rutland	June 2024
2.12	Include EIA requirements on the forward plan	Clarity on need	Mike Bryant	Tom Rutland	June 2024
2.13	Investigate the ability for EIA's to be published separately to decisions	Ease of scrutiny of EIA's completed	Mike Bryant	Tom Rutland	June 2024
2.14	Work with scrutiny chairs and boards to improve consideration of equality, diversity and inclusion within this process	Better and more effective scrutiny of EDI at an earlier stage	Jamie Jackson	Angela Farmer and Tom Rutland	June 2024

<b>Responsive services and customer care</b>		The councils buying power does not always used to support the Councils objectives around equality and diversity. This consideration is also not consistent in the councils direction setting			
	<b>Action</b>	<b>Outcome</b>	<b>Organisation Lead</b>	<b>Equality Lead</b>	<b>Delivery Date</b>
3.1	Work with Procurement to make sure a consistent approach to the use of data (including equality data) is included in the new contract management system.	Strengthen equality, diversity and inclusion within Contracts and Procurement practices for improved outcomes	Claire Griffiths	Tom Rutland	December 2024
3.2	Providing the necessary training to procurement and commissioning staff to make sure equality is clearly included within procurement processes	Strengthen equality, diversity and inclusion within Contracts and Procurement practices for improved outcomes	Claire Griffiths	Tom Rutland	December 2024

3.3	Tighten up commissioning processes to ensure equality considerations are explicit at the time of tendering and in the monitoring requirements of contracts.	Strengthen equality, diversity and inclusion within Contracts and Procurement practices for improved outcomes	Claire Griffiths	Tom Rutland	December 2024
3.4	Enact appropriate contract variations and clear improvement targets for contract providers which are subsequently monitored when the results of contract monitoring show the need for improvements in equalities outcomes.	Strengthen equality, diversity and inclusion within Contracts and Procurement practices for improved outcomes	Claire Griffiths	Tom Rutland	December 2024
3.5	Provide guidance on compliance with the requirement to have 'Due Regard' to the activity of sub-contractors as required under the new Procurement Bill.	Clarity on requirement and purpose	Claire Griffiths	Tom Rutland	December 2024
3.6	Ensure that full consideration of corporate equality objectives is a required part of the service outcome planning process.	Better corporate consideration and monitoring of equality, diversity and inclusion.	Nicola Miles/Paul Harding	Tom Rutland	June 2024
3.7	Ensure that full consideration is given to measuring how service outcomes impact on equality groups in the new Performance Management Framework and that the service user/resident experience of people from the protected characteristics of services is captured and reported in the new Performance Management Framework.	We are measuring the impact of equality work	Nicola Miles	Tom Rutland	June 2024
3.8	The development of all new service plans to	Equality is embedded	Nicola Miles	Tom Rutland	June 2025



	incorporate a requirement to have consulted with service users, and particularly those from Protected Characteristics.	through everything we do.			
3.9	Identify a mechanism to measure the engagement and participation of residents and groups/organisations from, or representing, Protected Characteristics in the new LCN's.	LCN's are representative of the communities they cover.	Kate Hellard	David Crisfield	June 2025

<b>Diverse and engaged workforce</b>		Consistency in the training and support offer for staff is needed. The Council also needs to support the development of its staff networks and how it promotes its policies.			
	<b>Action</b>	<b>Outcome</b>	<b>Organisation Lead</b>	<b>Equality Lead</b>	<b>Delivery Date</b>
4.1	Create an action plan informed by our current data and the outcome report of the independent Race Audit.	Progress the council's commitment to be an Anti-Racist organisation.		Michelle Anderson	March 2024
4.2	Create a fully resourced training programme incorporating mandatory and options online and face to face opportunities.	A structured training plan for the Staff and Elected Members that improves knowledge and makes practical changes to how the organisation functions around equality and diversity.		Michelle Anderson	June 2024
4.3	Work with our Staff Network to provide	Make sure the networks		Michelle	Ongoing

	support and develop their reach and influence.	are empowered to influence change, effectively challenge the organisation and support outcomes relevant to them.		Anderson	
4.4	Continue to review and improve Leadership and Management Programmes for staff including developing a reverse-mentoring and allyship scheme.	Provide opportunities for the organisations Leadership to understand the relationship between the decisions they make and our staffs experience of these. Specifically, the experiences of staff from Protected Characteristics.		Michelle Anderson	December 2024
4.5	Identify a more engaging strategy for sharing equality policy and practice throughout the organisation.	All staff understand the equality policies and guidance and can effectively implement them.		Michelle Anderson/Tom Rutland	December 2024

## Decision Report - Executive Decision



Decision Date – 15<sup>th</sup> January 2024

Key Decision – No

Confidential Information – No

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### Somerset Strategic Migration Board

Executive Member(s): Cllr Bill Revans - Leader of the Council and Lead Member for Governance and Communications

Local Member(s) and Division: All

Lead Officer: Chris Brown - Service Director, Housing

Author: Lisa Westlake - Service Manager – Displaced People Service

Contact Details: [lisa.westlake@somerset.gov.uk](mailto:lisa.westlake@somerset.gov.uk)

### Summary / Background

1. The decision is recognition of the Somerset Strategic Migration Board and approval of member representation.
2. For the last 2 years the Displaced People Service along with local partners have been responding to Government policy, announcements and schemes in response to international crises and the displacement of people. The governance and delivery of this work has been coordinated via emergency tactical groups. During 2023 a new governance structure was created, including the introduction of a new strategic board along with 3 operational working groups. The Somerset Strategic Migration Board (SSMB) will be responsible for leading Somerset's multi-agency welcome and response to those who have been globally displaced and find themselves living in Somerset.

### 3. Recommendations

The Executive agrees:

- a. With the establishment of the Somerset Strategic Migration Board as a strategic internal partnership body with member representation and endorse the attached Terms of Reference (Appendix A)
- b. To nominate up to 2 members to sit on this Board

- c. To nominate Cllr Fran Smith, Associate Lead Member for Adult Social Care and Housing to fulfil the role of Chair.

Approval of chair and vice-chair will be agreed by the Somerset Strategic Migration Board on annual basis.

#### **4. Reasons for recommendations**

The Board will create a forward thinking, strategic framework for Somerset's response to Government on migration.

Government is increasingly consulting with local authorities on their capacity and engagement with resettlement programmes, often requiring political sign off

#### **5. Other options considered**

Somerset's response to migration has been largely reactive for 7 years. During the last 2 years however, this has been a multi-agency operational response. With the Government placing more responsibilities on local authorities and partners to deliver support to displaced people, all partners have discussed and agreed that a strategic governance structure is now required alongside the operational delivery of programmes. Other local authorities in the region are moving towards a multi-agency strategic structure to create a long term vision around displacement.

#### **6. Links to Council Plan and Medium-Term Financial Plan**

In line with the County Plan, the Displaced People Service along with partners are committed to addressing local challenges through partnership working, prioritising:

- a) Work across health and care sectors to promote independence and reduce unnecessary demand on services
- a) Welcome and support of displaced people, encouraging them to reach their full potential, by ensuring all children are enrolled in education, adults are supported to access language classes and pathways explored to access higher education, UK qualifications and employment

- b) An environment where people can aspire and achieve without being held back by their background or circumstances.

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

All funding in support of displaced people comes from central government. The money is attached to funding instructions, ring-fenced to specific cohorts. Revenue and capital funds are allocated to Somerset Council based on the number of arrivals into the County through various schemes. The SSMB is not a decision-making body on the use of monies.

Key risks associated with the support of displaced people are held on a SSMB risk register. Where appropriate this will be escalated to JCAD the Councils corporate risk register There is no risk associated with this recommendation.

## **8. Legal Implications**

There are no identified legal implications related to this decision

## **9. HR Implications**

There are no identified HR implications.

## **10. Other Implications:**

### **Equalities Implications**

Through its functions the Board will be mindful of the legislation and ethos of the Equality Act 2010 and within this the Public Sector Equality Duty. All Board Members will be expected to conduct themselves within the principles of fairness and integrity as outlined in the Councils Equality Duties of the Public Sector Equality Duty and may require an Equality Impact Assessment to evidence this consideration. Where needed training will be provided to make sure all Board Members fully understand their duties and responsibilities. Any conduct not in keeping with these principles will be dealt with by the Board Chair.

In order for displaced people to thrive and integrate in Somerset it relies on their access to relevant services and support from both statutory and voluntary partners. The SSMB has agreed several objectives including:

- a) To agree one clear, strategic, collaborative approach to welcome and support displaced people in Somerset
- b) To monitor progress made in achieving our vision, purpose and objectives and use this to influence system change and decision making
- c) To support the multi-agency operational working groups that report to the Board, listening to their recommendations for delivery and development

## **11. Community Safety Implications**

In recognition of community safety challenges, the SSMB have set out in their objectives to 'safeguard those who have been displaced and moved to Somerset either by choice or through placement.'

To mitigate the risks of hate crime, Community Safety colleagues are represented on the SSMB both from internal SC colleagues and Avon and Somerset police.

Incidents of hate crime have been low in Somerset, but we continue to prioritise community cohesion in this area of work. Escalation pathways exist within the partnership to ensure that community risks are monitored and lessons learnt.

## **12. Climate Change and Sustainability Implications**

There are no identified climate change or sustainability implications on this recommendation. Consideration will be given to individual decisions made by the SSMB.

## **13. Health and Safety Implications**

There are no identified health and safety implication on this recommendation.

## **14. Health and Wellbeing Implications**

There are no identified health and wellbeing implications for this recommendation.

However the SSMB has identified in its objectives its desire to welcome and support displaced people, this will provide a positive impact on their health and well-being. Protracted periods of displacement leave refugees and asylum

seekers who experience ill health more at risk of serious illness and can increase the gaps in health outcomes. The involvement of the Integrated Care Board and Public Health in SSMB provides an opportunity to tackle health inequalities, giving voice to displaced populations.

## **15. Social Value**

There are no identified social value implications for this recommendation. The voluntary, community, faith and social enterprise sector is represented on the SSMB. The partnership benefits hugely from their offer of support. Community led welcome and support is vital in promoting inclusion, integration and moving displaced people towards independence.

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

The decision has not gone before scrutiny

## **17. Background**

The Displaced People Service has grown considerably in the last two years. The service has moved from Public Health across to the Communities Directorate under LGR. The staff team has grown from 5 to 20+. The number of service users has increased from 150 to over 2000 individuals moving into Somerset. The work has changed from planned to often an emergency response, from being solely delivered by Somerset Council to being delivered by multi-agency partnerships.

In the light of these significant changes, ongoing Government policy changes around asylum and safe and legal routes, it has been discussed within the existing partnership meetings and proposed that Somerset should prioritise the creation of a Strategic Migration Board to oversee this work.

The Board has representatives from all the key statutory and voluntary sector partners has 3 operational working groups reporting to it including, Asylum, Homes for Ukraine and Resettlement. The following objectives has been approved by the Board:

- a) To safeguard those who have been displaced and moved to Somerset either by choice or through placement
- b) To agree one clear strategic, collaborative approach to welcome and support displaced people in Somerset

- c) To monitor progress made in achieving our vision, purpose and objectives and use this to influence system change and decision making
- d) To support the multi-agency operational working groups that report into the Board, listening to their recommendations for delivery and development
- e) To ensure robust strategic links are in place to other strategies and boards.

## 18. Background Papers

19. The terms of reference for the Strategic Migration Board are in the Appendices

## Appendices

- **A: Somerset Strategic Migration Board – Terms of Reference**

### Assurance checklist (if appropriate)

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	18/12/23
Communications	Peter Elliott	19/12/23
Finance & Procurement	Nicola Hix	15/12/23
Workforce	Alyn Jones	2/1/23
Asset Management	Oliver Woodhams	2/1/23
Executive Director / Senior Manager	Chris Hall/Chris Brown	18/12/23
Strategy & Performance	Alyn Jones	2/1/23
Executive Lead Member	Cllr Federica Smith-Roberts	15/12/23
<b>Consulted:</b>	Councillor Name	
Local Division Members		
Opposition Spokesperson	Cllr David Fothergill	04/01/25
Scrutiny Chair	Cllr Gwil Wren	04/01/25



## **SOMERSET STRATEGIC MIGRATION BOARD**

### **Terms of Reference**

**October 2023**

#### **Purpose**

The Somerset Strategic Migration Board is responsible for leading Somerset's multi-agency welcome and response to those who have been globally displaced and find themselves living in Somerset. The Migration Board will enable local partners to work together in:

- Providing an inclusive welcome to all displaced people regardless of the route or scheme by which they arrive in Somerset
- Delivering strategic coordination in the development and ongoing delivery of services
- Centralising all key strategic decisions associated with displaced people (health, care, housing, employment, education and community integration)
- Working proactively to include the voice of those with lived experience in the design of services

The Migration Board will agree the local strategic direction and vision required to support displaced people, identifying how and where Somerset is able to support this population, ensuring where issues of complexity require an integrated response they are tackled and considered across a range of partner organisations.

#### **Definition of Displaced People**

We use the term 'Displaced People' to refer to refugees and asylum seekers. This does not include other migrants.

- **Asylum Seeker:** Someone who is seeking protection because their home country is unable or unwilling to keep them safe. Until they receive a decision on their asylum claim, they are known as an asylum seeker. Once granted asylum, they become a refugee. Until then, they do not have the same rights as a refugee or a British citizen.

- **Refugee:** Someone who has fled their country of origin because of feared persecution and as a result, require ‘international protection’. Refugees are specifically defined and protected in international law.
- **Migrant:** This is an umbrella term used to describe a person who moves within a country or across an international border, temporarily or permanently, for reasons such as work, education or for family.

## Values

- **Collaboration and Co-production:** we can do more together than on our own
- **Creativity and Flexibility:** we should be open to innovation and creativity
- **Integrity:** build on knowledge, listening to one another and prioritise the voice of those with lived experience
- **Experience and Curiosity:** build on previous local experience, be curious and learn from others
- **Solution Focussed:** recognition that it's everyone's business to support those who have been globally displaced, ensuring an inclusive, comprehensive pathway of support

## Objectives

1. To safeguard those who have been displaced, and moved to Somerset either by choice or through placement
2. To agree one clear strategic, collaborative, approach; to welcome and support displaced people in Somerset
3. To monitor progress made in achieving our vision, purpose, and objectives. And use this to influence system change and decision making.
4. To support the multi-agency operational working groups that report into the Board, listening to their recommendations for delivery and development
5. To ensure robust strategic links are in place to other strategies and boards.

There are currently three working groups overseeing the operational delivery and development of three displaced people schemes:

- Asylum Contingency & Dispersal
- Resettlement
- Homes for Ukraine

## **Roles and Responsibilities**

1. Development and delivery of a **Somerset Displaced People Strategy**
2. Maintain engagement with all stakeholders about progress with the approach/programme, successes and issues arising to continue learning and development of the strategic plans.
3. Ensure that the scope of the Board encompasses all aspects of displaced people including individuals, families, those with settled and unsettled status
4. Resolve or escalate any areas of strategic challenge which are impacting on operational delivery mechanisms. Including a duty to challenge where necessary.
5. Through commissioning, partnership and influence, to build on previous success and good practice whilst being open-minded and responsive to emerging initiatives, insight and research, and the implications for future services and interventions.
6. Keep up to date with Government policy, legislative changes, and good practice, responding to consultation where appropriate
7. Interact with local elected members to ensure their awareness of and support of the objectives and ambitions of the Board.
8. Collaborate with Central Government partners and their providers to ensure the effective delivery of schemes in Somerset
9. Continue to develop a communications strategy in support of community cohesion.

10. Review and progress learning on an annual basis

### **Membership and Meetings**

Membership of the Somerset Strategic Migration Board includes key sector representatives from the local authority (elected members and / or senior officers), those responsible for other relevant statutory services (NHS, police), voluntary sector organisations working with those who are displaced and central government colleagues and their providers.

Board members need to be sufficiently senior and influential in their own organisations to be able to take strategic decisions at the Board on their organisation's behalf and ensure that actions they commit to on behalf of their organisations are delivered. In addition, Somerset Council will nominate Elected Members to become SSMB representatives, acting as an advocate for the Board and supporting officers to deliver key work programmes.

All members agree to:

- Attend each Somerset Strategic Migration Board meeting, or to send an appropriate delegate
- Review minutes, articles, and briefing papers in preparation for meetings.
- Consider leading any substantive sub-groups identified by the board which are agreed as required to deliver the boards objectives.
- Promote the work of the Board within each member's own organisation
- Ensure service user feedback can be shared through their representing service, agency, or group.

In instances when a poll of views is required to inform the way forward, the complete membership of the group will be consulted to ensure that feedback represents the group as whole.

The Chair and Vice Chair will be agreed by the board annually.

Displaced People Service will support the Chair to ensure that the agenda, minutes, and papers for each meeting are prepared and circulated in good time; and ensure the Terms of Reference are adhered to, including delivering its defined purpose.

The group will meet on a bi-monthly basis initially and then be reviewed. Terms of Reference to be reviewed annually (October of each year)

### **Attendees**

Somerset Council – Adult Social Care – Emily Fulbrook

Somerset Council – Childrens Social Care – Kelly Brewer

Somerset Council – Housing – David Baxter/Jan Errington/Mark Leeman

Somerset Council - Education – Julia Ridge (People) and Phil Curd (Places)

Somerset Council – Community Safety – Lucy Macready

Somerset Council – Public Health – Matthew Hibbert

Somerset Council – Displaced People Service – Lisa Westlake (Service Lead & Chair of Ukraine WG)

Somerset Council – Chair of Resettlement Working Group – Joanne Towle

Somerset Council – Chair of Asylum Working Group – Carolyn Wilkinson

Somerset Council – Councillor vacancy

Somerset Council – Councillor vacancy

NHS – Associate Director for Health Inclusion – Shona Turnbull-Kirk

NHS – Director – Bernice Cooke

Police – Local Policing Area Commander – Chief Inspector Andy Pritchard

CHARIS Refugees – Chief Executive – Gordon East

Spark Somerset – Chief Executive – Katherine Nolan

Home Office – Service Delivery Lead - Karim Ismail

Home Office – Caryl Bond

Home Office – Local Authority Engagement Officer - John Anderson

DLUHC – vacancy

Clearsprings Ready Homes

SW Councils – Partnerships Manager – Kelly-Anne Phillips

**Officer Support**

Suzanne Paine - Business Support Supervisor

**Linked groups and agencies**

Resettlement Working Group

Asylum Contingency and Dispersal Working Group

Homes for Ukraine Working Group

**Governance/Accountability**

The SSMB will report to Executive

The SSMB will hold an annual review to appraise the relevance and value of its work for the coming year.

## Decision Report - Executive Decision

Forward Plan Reference: FP/23/07/05



Decision Date – 15<sup>th</sup> January 2024

Key Decision – Yes

Confidential Appendix - Yes

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## Decision to award Contracts for Early Help and Prevention Services in Somerset

Executive Member(s): Cllr Dean Ruddle - Lead Member for Adult Services

Local Member(s) and Division: N/A

Lead Officer: Mel Lock - Executive Director, Adult Social Care

Author: Vicky Chipchase, Laura Annandale

Contact Details: [vicky.chipchase@somerset.gov.uk](mailto:vicky.chipchase@somerset.gov.uk) [laura.annandale@somerset.gov.uk](mailto:laura.annandale@somerset.gov.uk)

### 1. Summary / Background

1.1 This report includes a conclusion and recommendations from a procurement process to award contracts to a successful applicant for early help and prevention services in Somerset. This involved a competitive procurement process to secure the continuation of these support services that include the following:

**A Connector/navigator service** - The connector role will take a whole population approach, working with a range of people who may benefit from support, including people who are lonely, have complex social needs, low level mental health, learning disability and/or autism related needs and long-term conditions. The service will support people by connecting them to community-based activities and through existing arrangements, support the development of accessible and sustainable community offers by working in partnership with Voluntary, Community, Faith and Social Enterprise (VCFSE) organisations, local authorities and others. The service will also work directly with Adult Social Care in terms of identifying community solutions for those with assessed needs.

**A Somerset Carers Service** – A one stop shop approach to ensure that all unpaid Carers in Somerset can receive the support they require, when they need it, via a single point of contact. There will be a focus on early intervention and prevention and the service will enable Carers to self-help through the

provision of information and guidance that includes access via a digital portal as well as provide direct one to one support for those who need it. The service will provide seamless support to prevent Carers having to tell their story more than once.

- 1.2 The tender evaluation report is as Appendix A.
- 1.3 The ongoing delivery of these services through this procurement exercise will sustain and further embed the Connect Somerset model that will enable continued delivery of targeted community solutions that promote a modern effective way of delivering health and care that strengthens individual and community resilience and wellbeing, as well as preventing or delaying the needs for more costly statutory interventions.
- 1.4 By providing alternative targeted community support solutions, the VCFSE are reducing the need for paid for support. Collectively they are considered a key enabler to improving outcomes for Somerset's residents as well as deliver a sustainable model of care and support that is fit for the future and reduce pressure on Adult Social Care budgets, as well as health budgets.
- 1.5 The outcome of this procurement activity has identified one successful provider to deliver both services. There are significant benefits and advantages through having an integrated service offer that enables the provider to deliver a "one family, one agent" approach. This will reduce confusion in terms of the Agent role but more importantly improve the reach and access to support whilst also maintaining a very bespoke and clear carers offer. This service model has been recognised nationally as best practice in terms of delivering early help and prevention directly into communities.

## **2. Recommendations**

- 2.1 The Executive:
  - a. Approves the outcome of the procurement process to award a contract to the supplier named in Tender Evaluation Report Confidential Appendix B to provide the following:  
**Lot 1 - Connector/Navigator Service -.**  
The contract will be for a four-year period with the opportunity for extensions.



**Lot 2 - Somerset Carers Support Service.**

This contract is jointly commissioned with NHS Somerset. The contract will be for a four-year period with the opportunity for extensions.

b. To grant a delegation to the Executive Director for Adult Services in consultation with the Lead Member for Adult Services to agree annual extensions to the initial 4-year contract up to a maximum of 4 further years.

c. Agrees the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A and therefore to treat the attached confidential Appendix B in confidence, as it contains commercially sensitive information, and as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.

d. Agrees to exclude the press and public from the meeting where there is any discussion at the meeting regarding Appendix 1 (to be treated as exempt information).

**3. Reasons for recommendations**

3.1 The current contracts/agreements for these services are due to expire on 31<sup>st</sup> March 2024. We need to ensure a continued supply of high-quality early help and prevention services for Somerset’s communities.

3.2 Somerset Council has statutory obligations in developing a local approach to preventative support. As quoted in the Care Act 2014 “A local authority must provide or arrange for services, facilities or resources which would prevent, delay, or reduce individuals’ needs for care and support, or the needs for support of carers. Local authorities should develop a clear, local approach to prevention which sets out how they plan to fulfil this responsibility, considering the different types and focus of preventative support.”

3.3 The service works directly with Adult Social Care in terms of identifying community solutions for those with assessed needs, reducing the need for paid for commissioned care. The service plays a fundamental role in Somerset

Council's financial decision-making process through active and equal engagement at Enhanced Peer Forums and Peer Forums, preventing the need for paid for commissioned care.

- 3.4 The current service has grown quickly over a short period of time, responding to the recent crises in the community – Covid, the Ukraine conflict and the current Cost of Living challenges we all face. The scale of the Agent service, and the organisation, and their resulting flexibility makes us able to do this. Reducing these interventions will mean losing the ability to respond almost overnight in a crisis, as the service has been able to do previously, for example when the service supported Public Health at the start of the Ukraine crisis.
- 3.5 One of the greatest strengths of the service is that there is flow between the different priority areas, which allows us to truly deliver the 'no wrong door' approach for vulnerable people in need and ensure that people do not fall through the cracks. For example, Hospital Home First Agents are able to move clients to the Village Agent local to them, who can then ensure that the client is connected to the community solutions they need; and be a 'helping hand' as they return to health. Specialist agents, such as the Homelessness Agent, or Children & Families Agent are able to connect their clients back into the community through the vast grassroots network of staff and community groups and individuals we have that covers the whole county.
- 3.6 14,287 people are being supported through this service in the last 12 months. In 2019/20 the Agent Service supported a total number of 13,461 new clients. New clients have been defined as people who have not previously received support, in any capacity, from the Agent Service. Of these new clients 54% (7,269) of Agent interventions and subsequent CLS prevented further input by ASC.
- 3.7 It is acknowledged that not all of the 54% who avoided further input from ASC would have gone on to receive a POC. Our data tells us that some of these will come back after 6-12 months or longer and need a POC and that 10% of all contacts go onto having a POC. We can cautiously utilise this data by looking at 2% avoided cost. 2% of the 7,269 who were resolved by the agents has a potential cost saving of £770k – £1,540k, based on six months - one years worth of average POC cost.

Of the total number (15,906) of new and existing clients seen in 2019/20, 23% (3,658) had an existing POC. Of these 3658 people who had an existing POC, 22% (805) had their POC reduced or removed as a direct result of the Agent intervention and CLS.

Of the 22% (805) who's POC was reduced as a result of the Agent intervention and CLS, this was an actual saving of 5074 POC hours, giving ASC an actual cost saving of £103k.

- 3.8 Social return on investment for current provision of work is at least £2.23 for every pound invested. 2022/23 funding creates value (including additional funding and savings in health and social care) of at least £1,794k. In terms of break even the value created exceeds the total annual investment after five/six months.

On average the cost per carer or vulnerable person has been £133, and this has created an average value per carer or vulnerable person of £306.

The value created can be broken down as follows (UN Sustainable Development Goals, the social value gold standard):

1. No Poverty	£72,364
2. Zero Hunger	£24,880
3. Good Health and Well-Being	£1,156,861
4. Quality Education	£25,175
10. Reduced Inequalities	£164,576
11. Sustainable Cities and Communities	£193,090
12. Responsible Consumption and Production	£17,580
CCS Defined (including grants and	£139,724
	£1,794,252

- The estimate of yearly return on investment is based on activity recorded in the six months April-September (ie. most recent available) or client surveys undertaken in the last six months.
- We have been cautious not to overclaim value created (if anything we are underestimating).
- Value added from various outcomes is based on a database of research included within the Social Value Engine (a tool used by over 100 local authorities and accredited by Social Value UK).
- They have generally used an aggregated attribution figure of 76% (meaning only 24% of the value is claimed as being due to our intervention). This figure comes from other (larger) studies.
- In the case of attribution of complex and/or very high value outcomes we have used a higher attribution figure (90%, meaning only 10% is claimed as being due to us).
- The current provider has made no claims in respect of some outcomes which they can evidence have been achieved but they have (as yet) been unable to cost. These include:
  - 3,900 carers and vulnerable people felt better informed about services they need to help them.
  - 3,800 carers and vulnerable people felt more able to ask for help.
  - 2,300 carers and vulnerable people felt safer and more able to manage independently.
- The current provider has made no claims in respect of community capacity outcomes (new groups/networks created, or people accessing myriad other organisations).
- The discount rate they have used (3.5%) is lower than latest CPI but in line with current projections for April 2024.

3.9 The Agent Service is one part of a wider integrated service of social prescribing, delivered by one community organisation. This links into a network of social prescribing roles that includes Intermediate Care

Community SPOC Service (with the Red Cross), Agents within Public Health, Social Prescribing Link Workers and Health Coaches in primary care.

From April 2023 we have made a commitment with colleagues from across the Integrated Care System, including Integrated Care Board, Voluntary, Community, Faith and Social Enterprise Sector (VCFSE) and Public Health to develop a social prescribing framework for Somerset, which will be linked to the Neighbourhood Approach that is being developed as part of the Improving Lives Strategy.

The framework will set out what we collectively mean by social prescribing, the key learning that has got us to this consensus, key elements of the Somerset Model, outcomes, metrics and aspects that require resourcing over time.

The priority for the first year (2024/25) is to co-develop with ICS colleagues a number of fundamental aspects of Social Prescribing, irrespective of the agency involved. This will support the process of creating efficiencies and making best use of the collective resource.

With the intention from April 2028 Somerset Council and the Integrated Care Board will create further efficiencies by consolidating and developing Social Prescribing, through joint commissioning, as part of a core offer to Somerset people.

The framework is intended to be outcome focused and will cover the following areas:

- The context, rationale and importance of social prescribing
- Learning from local schemes
- The Somerset model, key outcomes, key principles, resources to move towards over time
- The Commissioning Approach
- Fostering the right relationships through the use of partnership agreements

3.10 The VCFSE sector is an important element of the Connect Somerset way of working which have contributed to preventing costly interventions into Adult Social Care. By providing alternative targeted community solutions, Somerset's VCFSE sector are reducing the need for paid for support, thus avoiding expenditure within Adult Social Care budgets.

Improving health and wellbeing cannot be achieved by any one organisation alone. If preventative working is to be successful, then there is a need for greater onus on the statutory sector to fully recognise and support the richness and diversity which the VCFSE presents. Something that is recognised in the Target Operating Model

There is good evidence of the importance of working with partners across the VCFSE sector to address the causes of ill health – with services that can address the conditions that contribute to people becoming ill; issues such as social isolation, mental ill health, financial or housing needs, support to live with a long-term condition or disability.

Without these services many more people would make demands on health and social care services that would require costly care and support for longer.

The VCFSE is also recognised as an equal partner in the new Integrated Care System in Somerset and will support the system with understanding and responding to population health needs at source, reducing a potential rise in demand for health and social care services.

As services provided by the VCFSE sector are reduced or cut then there is likely to be increased costs to the Council as they are faced with having to take on direct service delivery, particularly in areas where the services are helping to meet statutory requirements e.g. in Adult Social Care and Children and Young Peoples Services. This is particularly the case when one of the sector's strengths is the ability to deliver at lower cost.

Pressure on families and residents has become acute. Developing a longer-term partnership with the VCFSE sector contribute to the delivery of the following objectives:

- Helping vulnerable and elderly people.
- Ensure that the Council is financially sustainable.
- Support development of stronger communities including working with them to increase their resilience.
- Explore, define and implement robust health and social care integration.

The core function of the VCFSE sector is to enable and support people to remain independent in their homes and communities, to prevent and reduce the need and dependency on paid for social care support wherever possible and for as long as possible.

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

- 4.1 The contract/agreement for these services will expire on the 31<sup>st</sup> March 2024. The decision not to tender these services was not put forward as without these services in place, Somerset Council will fail to meet its statutory obligations under the Care Act 2014, impacting hundreds, if not thousands of vulnerable people across Somerset. This could include more admissions to hospital that could have been avoided and /or delayed and an increase in demand to front long term health and social care services which will have a significant impact on finances as well as negative impact on people's outcomes.

#### **5. Links to Council Plan and Medium-Term Financial Plan**

- 5.1 These services contribute towards the Council Plan's (2023-27) objectives for a "Healthy and Caring Somerset". We want all our residents to stay as healthy as possible, for as long as possible. Promoting health and wellbeing is a crucial part of this strategy, to help people live full and healthy lives for as long as they are able.
- 5.2 These services also contribute towards the priorities set out within the Adult Social Care Strategy 2023-26.

**Prevention and Early Help** – People in Somerset should be assisted to get information and advice about their health, care and support and how they can be as well as possible – physically, mentally and emotionally. They should be supported to manage their health and wellbeing so they can maximise their independence, choice and control, live healthier lives and, where possible, reduce future needs for care and support.

**Right Support at the Right Time** - People in Somerset should have care and support that is coordinated and enables them to live as they want to, being seen as a unique person with skills, strengths and goals. We must work with people and our partners to maintain safe systems of care, ensuring continuity when people move between different services and making safeguarding personal by concentrating on improving people's lives.

In understanding the diverse health and care needs of our local communities, care should be joined-up, flexible and support choice and continuity.

## 6. Financial and Risk Implications

6.1 Please see below a summary of risks if **we were to discontinue this service**:

<b>Statutory</b>	Not meeting the Care Act 2014 statutory duty to have a developed approach to prevention
<b>Statutory</b>	Residents at greater safeguarding risk due to lack of visibility through reduced detection methods
<b>Financial</b>	5% increase in commissioned care which equates to a £13m annual increased spend <sup>1</sup>
<b>Financial</b>	Further demand on acute services – average package of care £344.75 (£17,927 per year) <sup>2</sup>
<b>Financial</b>	Loneliness is shown to cost £6k-9k per person per year <sup>3</sup>
<b>Reputational</b>	Contravention of commitment to carers and VCFSE investment
<b>Reputational</b>	Contravention of CQC assessment criteria
<b>Operational</b>	Loss of knowledge and experience through destabilising a key VCFSE organisation
<b>Operational</b>	No Criteria to Reside figure increased by >5 per day through lost D2A capacity <sup>4</sup>
<b>Operational</b>	Increase in primary care appointments by up to 30% <sup>5</sup>

6.2 There is a risk that Somerset Council will not meet its statutory obligations in developing a local approach to preventative support. As quoted in the Care Act 2014 “A local authority must provide or arrange for services, facilities or resources which would prevent, delay, or reduce individuals’ needs for care and support, or the needs for support of carers.

6.3 Safeguarding Risk - Safeguarding is the action that is taken to promote the welfare of children and vulnerable adults and protect them from harm. Protecting children and vulnerable adults from:

- abuse and maltreatment
- preventing harm to children’s health or development
- ensuring that they grow up with the provision of safe and effective care enabling them to live free from harm, abuse and neglect

Removing this service will have a catastrophic impact on how effectively Somerset Council can safeguard Somerset’s families and resident.



#### 6.4 There are other impacts in relation to this decision.

- Increase to an already pressured Adult Social Care system in terms of increase in the number of people requiring an Adult Social Care Assessment. 140 Carers and 881 Somerset residents already waiting for an Assessment as well as 3,221 outstanding reviews. Therefore, there could be up to a further 14,287 that will require a contact with Adult Social Care, plus further Carers and people within the community who will not receive targeted prevention through this prevention and are likely to reach crisis.
- Increase in the number of people requiring statutory more costly service provision to meet their needs as community solutions will be reduced. This is not limited to Adult Social Care Services but will also impact increase in demand on Children's Social Care services; Mental Health services; housing; revenue and benefits; displaced people and Somerset Council Customer Services.
- Increase in the number of people seeking help from GPs who are already under extreme pressure, a recent report demonstrates a 40% increase through reduced community solutions.
- Hospital flow will be less effective with a rise in the number of people needing more acute services and a reduction in the solutions to be able to have an effective discharge as well as an increase in bed blocking. A significant reduction to Pathway 0 discharges resulting in an increase in demand throughout bedded pathways which will be a significant impact on health and social care budgets. There will be up to 10% or 400 referrals per month into the funded Pathway 1 D2A service which would impact flow and cost of the service would increase by up to £3.5 million per year. Re-admissions will increase, with each re-admission costing around £3k per episode to the NHS.
- The Adult Social Care transformation programme (My Life, My Future) will be significantly impacted through a reduction in the ability to be able to deliver on the savings identified, through reduced community solutions.
- Inability to be able to successfully evidence against CQC assessment criteria due to lack of support for unpaid carers and no clear plan for

targeted prevention services - this risks a negative inspection outcome and damage to the Council's reputation.

- Somerset' VCFSE reduce the need for more costly statutory services. The negative impacts of reduced funding to the VCFSE, particularly at a time of increased vulnerability as they recover from the effects of both Covid19 and the Cost-of-Living Crisis, include: -
  - A reduction in service delivery and innovation
  - Staff redundancies
  - Reduced sustainability with potential closure of organisations
  - Fewer active volunteers
  - Devaluing their economic contribution
  - An ability to visibly follow through the commitment to invest in places.
  - Health and Wellbeing impacts
  - Emergency response undermined
  - Potential breach of the Public Sector Equality Duty
  - Reputational damage to the council
  - Increased costs to the council

6.5 There are risk implications in relation to ensuring sufficient continuity of high-quality early help and prevention services for Somerset's communities beyond 31 March 2024. These have been mitigated through this procurement exercise and ensure that Somerset Council meet's the Care Act obligations to develop a clear, local approach to prevention.

<b>Likelihood</b>	<b>2</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>8</b>
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## **7. Legal Implications**

7.1. Legal advice was obtained with regards to the approach to this re-commissioning exercise.

7.2 For this tender exercise, a competitive, above threshold tendering process was delivered from July 2023 (advertised through Find a Tender Service, previously OJEU), to allow sufficient time for the contracts to be awarded in January 2024

including the necessary standstill period, and for providers to put TUPE arrangements in place, as appropriate.

7.3 Care was taken to ensure all applicable procurement legislation was properly observed (the tender exercise was conducted in line with the Public Contracts Regulations 2015); and that UK regulations concerning the provision of home care services are fully complied with. The new service specification promotes a reablement approach that contributes towards the improvement of an individual's wellbeing. The model therefore meets our statutory duties under the Care Act 2014.

7.4 The new contracts include robust break clauses enabling rapid termination in the event of inadequate delivery.

## **8. HR Implications**

8.1 There are no relevant HR implications for Somerset Council.

## **9. Equalities Implications**

9.1 The new service specification is person centred and focussed on outcomes rather than matching services to particular types of need. Needs that arise from or are closely related to protected characteristics are recognised within the service specification. An awareness of the needs and how to meet them of different cultures; races; religious beliefs; gender reassignment; sexual orientation will be a requirement within contracts. This decision is unlikely to have a significant impact on human rights. An Equalities Impact Assessment can be found as Appendix C.

## **10. Community Safety Implications**

10.1 The contracts will have a positive contribution towards the safety of Somerset's communities. The services will help to connect people to their local communities, reducing the impact on social isolation and exclusion.

## **11. Climate Change and Sustainability Implications**

11.1 The service specification requires delivery of services within local neighbourhoods broadly aligned to the Primary Care Networks. This will reduce the need for travel and enable service providers to plan more effectively in terms of making efficiencies through the deployment of locally

based teams, including locally recruited volunteers. This will have a direct impact on reducing emissions through less travel time through local teams with knowledge and experience of the needs within each area.

## **12. Health and Safety Implications**

- 12.1 The health and safety of Somerset's communities is fundamental to the successful delivery of this contract. The successful bidder has their own Health and Safety plan and as part of the tender process successfully demonstrated how they will ensure positive outcomes in terms of the health and safety of their workforce and the people in receipt of the services.

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

- 13.1 The decision aims to have a positive impact on the health and well-being of Somerset's communities as the contracts will focus on the delivery of personalised support which will promote the health and well-being of individuals through outcome-based planning and assessment. This will also have a positive impact on preventing ill-health through a service that enables people to be independent at home for as long as possible.

## **14. Social Value**

- 14.1 As part of the procurement process, bidders were asked to submit proposals of how they will deliver against social value as part of these contracts. The successful applicant effectively demonstrated how they will develop and implement plans to deliver the proposals they put forward as part of their submission. These included a variety of outcomes that included, but are not limited to:

- Environmental benefits through reduced travel
- Economic benefits through local recruitment and employment
- Health and wellbeing benefits for local communities
- Reduced isolation through putting people in touch with their local communities.

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

- 15.1 The proposed decision has not been considered by Scrutiny Committee.

## 16. Background

- 16.1 Somerset Council, in conjunction with NHS Somerset, Public Health and VCFSE partners, and people who use services, have co-designed this community support offer. This joined up approach to prevention and early help will provide a “one stop shop” approach which will enable people to be supported flexibly, receiving the right care, at the right time, in the right place.
- 16.2 Through a partnership approach the focus will be on creating systemic change: changes to culture, commissioning and policy which support a new way of working. Together we will create a contractual environment where a range of specialist providers share responsibility for achieving outcomes and are mutually supportive, making decisions based on the best outcome for people.
- 16.3 The main aims of these services are to:
- Enable people to fulfil their potential by enabling the resolution of underlying issues and cause.
  - Support to enable people to become independent and step down from services.
  - Provide access to the right support at the right time, reducing reliance on crisis and emergency services and enabling people to move towards independence and wellbeing.
  - Support people to achieve their goals (the things that matter most to the individuals) through an honest relationship that changes over time as aspirations grow, develop and are achieved.
- 16.4 These services promote independence through focusing on early intervention and prevention and ensure that care and support is provided in accordance with people’s needs and goals that improves wellbeing, which includes their connectedness with others.
- 16.5 By investing in targeted preventative interventions more people and their families are living the life they want, where they want; people and their families are more resilient and have choice and control over their support; local services & support are creative, high quality, cost effective and sustainable, and there is a significant decrease in the number of people needing more intensive, long term costly services.

- 16.6 Our aim is to improve the lives of Somerset's communities by supporting the whole person to meet their aspirations and to participate in and contribute to all aspects of life. These services promote independence and improve people's lives by working with our communities - harnessing the skills and expertise of a huge range of organisations and volunteers. It's problem-solving close to home by understanding what matters to the people we work with and knowing what's going on in their local area.
- 16.7 These contracts will enable Somerset Council to continue to develop the early help and prevention offer, in line with its statutory duties under the Care Act. These services will ensure that the Council's model for the provision of care and support is sustainable for the long term with the focus being on "think community" thus reducing the need for statutory interventions and placing further financial pressure on Adult Social Care budgets.

## **17. Background Papers**

N/A

## **18. Appendices**

A – Tender Evaluation Report




B – Tender Evaluation Report CONFIDENTIAL (not for publication)

**Report Sign-Off**

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	08.12.23
Communications	Peter Eliot	08.12.23
Finance & Procurement	Nicola Hix	08.12.23
Workforce	Alyn Jones	12.12.23
Asset Management	Oliver Woodhams	08.12.23
Executive Director / Senior Manager	Mel Lock	07.12.23
Strategy & Performance	Alyn Jones	12.12.23
Executive Lead Member	Cllr Dean Ruddle	18.12.23
<b>Consulted:</b>	Councillor Name	
Local Division Members		
Opposition Spokesperson	Cllr Sue Osborne	12.12.23
Scrutiny Chair	Cllr Gill Slocombe	12.12.23

## Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer or [www.somerset.gov.uk/impactassessment](http://www.somerset.gov.uk/impactassessment)

<b>Organisation prepared for (mark as appropriate)</b>	 <b>Somerset</b> Council		 <b>NHS</b> Somerset		 <b>NHS</b> Somerset NHS Foundation Trust	
<b>Version</b>	<b>V1</b>		<b>Date Completed</b>	<b>11<sup>th</sup> October 2023</b>		
<b>Description of what is being impact assessed</b>						
To award contracts to deliver early help and prevention services that includes a Carers Support Service and Connector/Navigator Service						
<b>Evidence</b>						
<p><b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <a href="#">Office of National Statistics</a>, <a href="#">Somerset Intelligence Partnership</a>, <a href="#">Somerset's Joint Strategic Needs Analysis (JSNA)</a>, Staff and/ or <a href="#">area profiles</a>,, should be detailed here</p>						
<p>Reports issued from the Integrated Care System, Department for Education, Department for Health and Social Care and the Department for Levelling Up, Housing and Communities all outline the role that Local Authorities must play in supporting these Community Commissions. Somerset Intelligence Partnership; Office of National Statistics; Census 2021; Somerset's Joint Strategic Needs Analysis; Equality Act 2010</p>						



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

Engagement and consultation has taken place with key stakeholders including ICB colleagues to co-produce the new model of early help and prevention that improves access for Somerset's communities.

### Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	The population of Somerset was 571,600, an increase of around 41,600 people since 2011. This is a rise of 7.8% since 2011 and a 36.9% rise in 40 years since 1981. The population pyramid shows that for both male and female sexes the largest age groups are among the older age bands. The age bands with the highest population are 50-54 and 55-59. There were 84,700 people in their 50s accounting for nearly 15% of the total population. We traditionally see a thinning of the 'pyramid' in the late teens/early 20s due to people either leaving the county to attend University or to work. We then tend to see a rise in the population aged 40+ however in this census the rebound appears to be faster with the number of people in the 25-29 and 30-34 age bands rising and more similar to those in the 40s.	□	□	☒

	<p>In recent the last years, the Somerset Health and Wellbeing strategy key priorities for Somerset has been to strengthen families and communities, and highlight the importance of partnership working, providing the tools for families to help themselves and intervening early when needed</p> <p>The data show us that we have an increasing older population in Somerset and the service will need to continue to meet the needs of people now and into the future.</p> <p>This service is to support people 18 years and over. The specification reflects and responds to the full range of needs of people irrelevant of age. The re-commissioning plan and new service specification will ensure that individual outcomes are meet in a variety of ways.</p> <p>The Contracts and Quality Team alongside Commissioners of the service will ensure that the service is being delivered according to the services specification and quality standards and will take account of customer feedback.</p>			
<p><b>Disability</b></p>	<p>More than 100,000 Somerset residents have their day-to-day activities limited to some extent due to disability or a long-term health condition. This represents 18.7% of Somerset residents, or nearly one in five. These individuals meet the definition of being disabled under the Equality Act. A further 45,000 Somerset residents (7.9% of all residents) have a long-term health condition which does not limit their day-to-day activities.</p>	<p>□</p>	<p>□</p>	<p>☒</p>

	<p>The number of Somerset residents with a disability in 2021 is 6.8% higher than in 2011, although as a proportion of the total Somerset population is broadly unchanged.</p> <p>When expressed as an age-standardised rate to enable comparison between areas of different population structures, Somerset has a rate of disability slightly below the national figure for England (17.4%, compared to 17.7% nationally).</p> <p>The service currently supports a large number of people with physical disabilities and also people with learning disabilities, hearing and sight loss. This might impact on their ability to engage with the service. The ethos of the new service will be to support people to remain/become as independent as possible. The specification therefore requires the provider to reflect and respond to the full range of needs of people with disabilities, based on supporting people to remain as independent as possible within their own home. This will also require the provider to provide information and advice in a range of formats to suit individual's needs.</p> <p>The Contracts and Quality Team alongside Commissioners of the service will ensure that the service is being delivered according to the services specification and quality standards and will take account of customer feedback.</p>			
<p><b>Gender reassignment</b></p>	<p>The Office for National Statistic tells us following the Census of 2021 that 0.5% of the population indicated that their gender identity was different from their sex at birth. It also identifies that the lowest percentage was the South- West with 0.42%.</p>	<p>□</p>	<p>□</p>	<p>☒</p>

More than 1,600 Somerset residents stated that their gender identity differs from their sex as registered at birth. This represents 0.35% of the Somerset population aged 16 and over.

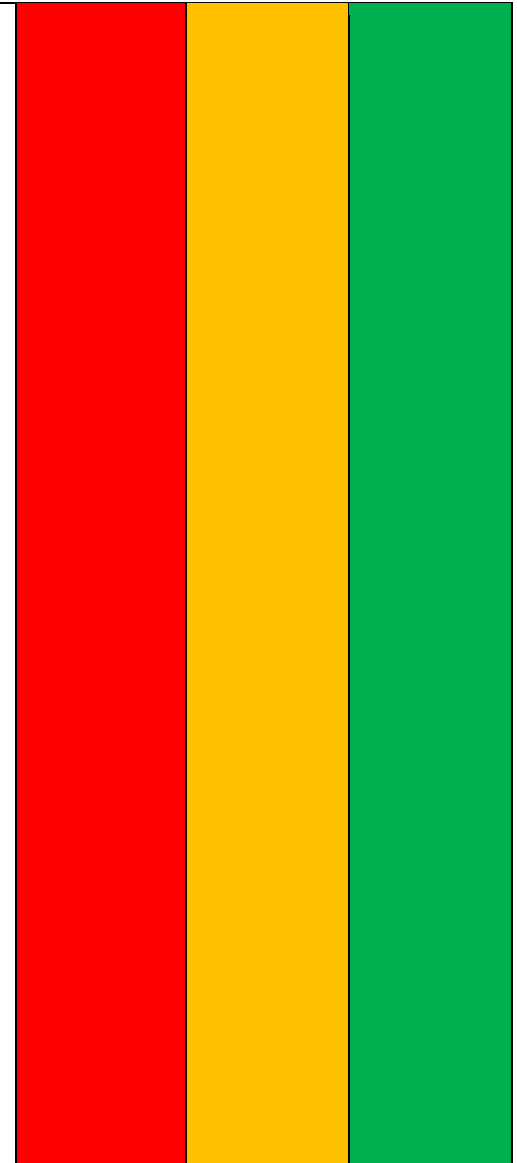
This is the first time that a question on gender identity has been included in the census, giving the first official data on the size of this population.

In this group we recognise, transman, trans woman, individuals that identify as non- binary Trans woman and trans man were the next most commonly identified gender identities, with over 300 Somerset residents identifying in each group. 5.7% of Somerset residents did not respond to the question on gender identity.

Gender reassignment is a personal process rather than a medical one. You don't have to undergo medical treatment or be under medical supervision to be protected under the Equality Act as a transgender person. Individuals experience mean that they may not wish to draw attention to themselves for fear of judgment or discrimination.

Those who have had gender reassignment may be concerned about being treated unfairly. The service specification requires the service provider to conduct its business in accordance with the principles of the support being focussed on enabling people to live independently, to stay healthy and make the most of their lives by managing their lives in the way they choose and to not discriminate.

The Service Provider will continue with their engagement with LGBTQIA+ community led organisations to appreciate individuals access to services, lived experiences and discrimination. This to create



	<p>an environment where people can feel safe to express themselves without judgment.</p>			
<p><b>Marriage and civil partnership</b></p>	<p>Marriages and civil partnerships are legal relationships that come with almost identical rights and benefits for the two parties involved.</p> <p>A civil partnership is a <b>legal relationship</b> which is registered between two people, as long as they're <b>not related</b> to each other.</p> <p>Civil partnerships were introduced with the <b>Civil Partnership Act of 2004</b>; in 2005, they became available to <b>same-sex couples</b> who were not yet allowed to marry, giving them similar rights and benefits as those enjoyed by married people.</p> <p>For years, understanding what is a civil partnership for UK residents meant understanding the legal union between a same-sex couple; this changed in <b>2019</b> when civil partnerships became available to <b>opposite-sex couples</b>, so now anyone can choose whether to enter a marriage or a civil partnership.</p> <p>The proportion of adults in Somerset who have never married and never registered a civil partnership has increased since 2011. The 2021 census shows that this group accounts for 31% of adults in Somerset. The figure for 2011 was 27.8%. Conversely, the proportion of adults in Somerset who are married has decreased, although this remains the largest group, accounting for 48.6% of adults in Somerset.</p>	<p>□</p>	<p>□</p>	<p>☒</p>

	<p>There are now over 1,000 residents of Somerset who are in a registered civil partnership, an increase of nearly 50% from 2011.</p> <p>The service will not have any negative impacts.</p>			
<b>Pregnancy and maternity</b>	<p>People in this group will encounter challenges in their workplace and may find themselves isolated.</p> <p>The service will not discriminate against this group and as for other protected characteristic overlaps will inevitably apply with other protected characteristics- so there would be an expectation for the Service Provider to be aware of the challenges faced by this group and create links with other specialist groups which are likely to be best placed to take issues forward and avoid duplication of activities.</p>	□	□	☒
<b>Race and ethnicity</b>	<p>94% of population is white British highly visible disparity.</p> <p>8.5% of Somerset residents on census day in 2021 were born outside of the UK. This is an increase on the 5.9% born outside the UK at the 2011 census. It should be noted that there have been some significant events in the interim period – notably the UK leaving the European Union, and the COVID-19 pandemic – and the census figures are not able to tell the story of any fluctuations in the years between censuses. The census 2021 does not reflect data regarding Ukrainian refugees that have come to Somerset since the start of the war.</p> <p>European countries account for over half of all Somerset residents born outside the UK. Poland is the most common non-UK country of birth for Somerset residents, with 1.3% of Somerset residents having</p>	□	□	☒

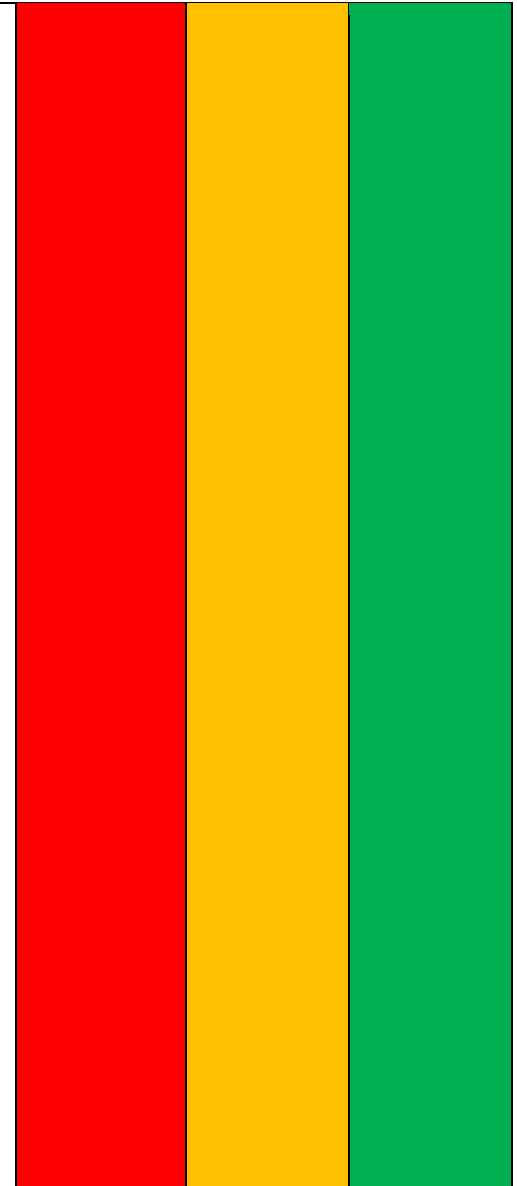
been born there. This is followed by Romania, which accounts for 0.75% of Somerset residents.

The biggest change over the 10 years since 2011 has been the number of Somerset residents who were born in Romania. There are nearly 4,000 more Somerset residents in 2021 who were born in Romania; a large increase from the 377 recorded at the 2011 census. This increase reflects a national rise of over 500% since 2011 in the number of residents born in Romania. The increase in Somerset has been greater than the national average over this period, which may be in part linked to the increased workforce at Hinkley Point C.

96% of Somerset residents speak English as their main language. This is a much higher proportion than the equivalent figure of 91% for England and Wales.

Polish remains the second most common first language spoken by Somerset residents, with nearly 7,000 Polish speakers. This is also true nationally, with Romanian also being the second common both in Somerset and nationally. The most common non-European main languages for Somerset residents are Malayalam (733 residents) and Tagalog/Filipino (602 residents). Tagalog/Filipino is the only one of the top 10 non-English main languages to have seen a small decrease since 2011.

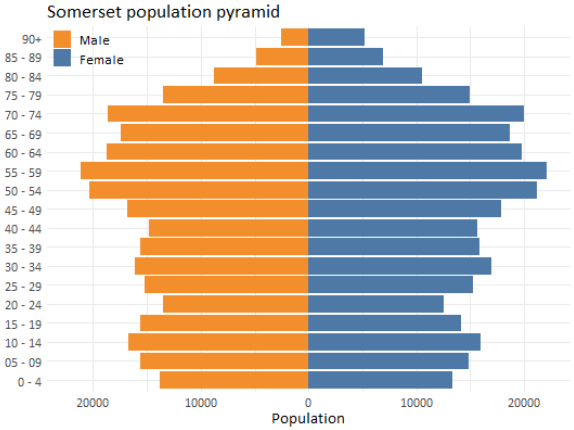
The largest increase since 2011 has been amongst those who speak Romanian as their first language (increasing from 291 to 3,583); corresponding with a similar increase in numbers of Somerset residents born in Romania seen in the country of birth dataset.



	<p>Gypsy and traveller group represent 0.1% of the population.</p> <p>The Service Provider will reach out to communities for whom English is not their first language and in doing so will also ensure that cultural backgrounds are understood to maximise the solutions for support. There may be barriers for people where English is not their first language in terms of accessing information and advice.</p> <p>The provision of early help and prevention is fundamental to ensuring that the duties within the Equality Act are met for the most vulnerable people, as they receive support. This will include providing accessible information and advice as well as direct support for all communities in Somerset. People from different backgrounds and of a different race may need to have information and support provided in a range of formats. Within the service specification it is a requirement for the provider to ensure that the information about the service will need to be made available in a variety of formats to suit individual needs. Also attention will be given to how support is delivered in order to achieve the outcomes agreed by the individual and tailored to suit their individual needs.</p>			
<p><b>Religion or belief</b></p>	<p>There has been a large increase since 2011 in the number of Somerset residents with no religion, and a corresponding decrease in the number of Christians. This reflects a similar national trend.</p> <p>Around half of the Somerset population now identify as Christian, with 4 in 10 not identifying with any religion. There have been increases in the number of Somerset residents identifying with other non-Christian</p>	<p>□</p>	<p>□</p>	<p>☒</p>



	<p>major religions since 2011, although these groups remain a small proportion of the Somerset population.</p> <p>The Somerset population as a whole is less likely to identify with a religion than the population of England and Wales (52% in Somerset as no religion or not stated, vs 56.8% nationally).</p> <p>The Service Provider will reach out to community leaders of different religious background and create opportunities for engagement.</p> <p>These services will provide Somerset's communities with a single point of access to early help and prevention and by having a combined workforce the service strives to accommodate individual needs. People with different religions or beliefs may need to receive information in a variety of formats. Within the service specification it is a requirement for the provider to ensure that the information about the service will need to be made available in a variety of formats. Also attention will be given to how care and support is delivered in order to achieve the outcomes agreed by the individual and tailored to suit their individual needs.</p>			
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<p><b>Sex</b></p>	<p style="text-align: center;">Somerset population pyramid</p>  <p>The population pyramid above shows that for both male and female sexes the largest age groups are among the older age bands.</p> <p>The Service Provider will ensure that its own organisation is balanced and both sex are represented across the organisation as well as ensuring that activities are reaching to both genders.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Sexual orientation</b></p>	<p>For the first time in a national census, individuals aged 16 and over were asked a question on their sexual orientation.</p> <p>In Somerset, 90% of residents identified as being Straight or Heterosexual. The next largest groups were Gay or Lesbian (1.2%), Bisexual (1.1%), and Pansexual (0.2%). A total of nearly 12,000 Somerset residents selected a sexual orientation other than Straight or Heterosexual: representing 2.5% of the population aged 16 and over,</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	<p>or around 1 in 40 people. 7.5% of the Somerset population did not respond to this question.</p> <p>Nationally, the proportion of people with a sexual orientation other than Straight or Heterosexual was slightly higher, at 3.2% - or around 1 in 31 people.</p> <p>The Service Provider will continue with their engagement with LGBTQIA+ community led organisations to appreciate individuals access to services, lived experiences and discrimination. This to create an environment where people can feel safe to express themselves without judgment.</p> <p>The service specification will require the service provider to conduct its business in accordance with the principles of the support being focussed on enabling people to live independently, to stay healthy and make the most of their lives by managing their lives in the way they choose and to not discriminate.</p>			
<p><b>Armed Forces (including serving personnel, families and veterans)</b></p>	<p>Somerset has long-standing links with the armed forces; particularly the major units based here, such as RNAS Yeovilton and Norton Manor Camp (40 Commando). Local organisations, including councils, already have good relationships with these bases in September 2020 and the charities that support in-service and ex-service ('veterans') personnel, their families and dependants.</p> <p>The <a href="#">Somerset Armed Forces Covenant Partnership (SAFCP)</a> brings together charities, local authorities, other public sector organisations, businesses, communities, individuals and the military in a pledge of support between local residents and the armed forces community in Somerset.</p>	<p>□</p>	<p>□</p>	<p>☒</p>

	<p>The Somerset Covenant builds on existing relationships between these organisations and provides a more consistent and comprehensive approach to a range of priority areas including education, employment, health and welfare. It supports the key principle of ensuring members of this community experience no disadvantage in accessing timely, comprehensive and effective services.</p> <p>The 2021 Census reveals that there are 27,902 armed forces veterans living in Somerset. This is the first time that this information has been asked in the census.</p> <p>The highest number of veterans live in the South Somerset district area, with 9,854, followed by Somerset West and Taunton with 7,923.</p> <p>The Service Provider will be aware of the issues faced by serving personnel, veterans and their families such as</p> <ul style="list-style-type: none"> <li>• Deployed coming back with PTSD -</li> <li>• Isolation heightened for families.</li> <li>• Impact of children having to regularly move home.</li> </ul> <p>The Service Provider is already embedded within these partnerships to create links to ensure their services are known to this group.</p>			
<p><b>Other, e.g. carers, low income, rurality/isolation, etc.</b></p>	<p>Somerset is one of the most rural counties in England. Its population density of 1.5 people per hectare is well below the England average of 4.1 per hectare. In particular, West Somerset's density of 0.5 per hectare is one of the five lowest of any local authority in England.</p>	<p>□</p>	<p>□</p>	<p>☒</p>

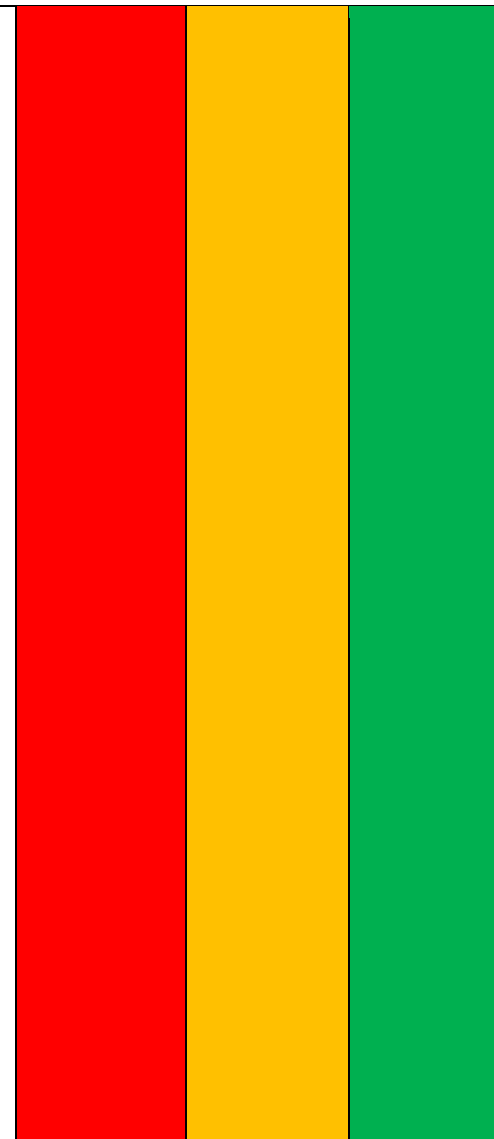
The JSNA 2015 acknowledged some good points about the rurality of Somerset and positive impact such as longer life expectancy, healthier life style, strength and friendliness of communities but also raise the challenges such social isolation, access to services, lack of appropriate housing, poor connection (mobile, broadband system) etc..

Nationally, those aged 65-79 have the highest levels of life satisfaction, happiness and sense that what one does in life is worthwhile. However, people aged 85 and over have the lowest sense of any age group that what one does in life is worthwhile (see [Subjective Wellbeing](#))

Social isolation and loneliness are key factors contributing to the health and wellbeing of older people in particular.

Around 1 in 10 people aged 65 or older are thought to experience chronic loneliness at any given time.

- With an ageing population, numbers affected are rising to an estimated 12,000 in Somerset,
- 1 in 7 Somerset households contain someone aged 65 or older living alone
  
- Thousands of older people rely on public transport to get out and about, which can be problematic in rural areas.
- About 1 in 6 social care users aged 75 or older in Somerset said they had insufficient social contact and/or felt socially isolated.



	<ul style="list-style-type: none"> <li>• Loneliness can affect both mental and physical health and wellbeing and increases the risk of disability, cognitive decline and the onset of dementia</li> </ul> <p>There will be a range of opportunities in Somerset for older people who are most at risk, such as Somerset Active Living groups, various social and activity groups and volunteering services.</p> <p>The Southwest has the highest rate of formal volunteering of any region in England. Many of these volunteers will be over retirement age and contribute substantially to communities and individual's wellbeing and we need to promote and nourish this.</p> <p>A recent publication from the Campaign to End Loneliness and Age UK, '<a href="#">Promising Approaches</a>', is very helpful as a guide to solutions to reduce loneliness and social isolation.</p> <p>There were around 50,000 Somerset residents who were providing unpaid care to a friend or relative at the time of the 2021 census. Of those, 26,000 – or 30% - provide more than 50 hours of care each week.</p> <ul style="list-style-type: none"> <li>• When expressed as an age-standardised rate to account for differences in population structure, the proportion of unpaid carers in Somerset is in-line with the national figure.</li> <li>• Numbers of unpaid carers – both locally and nationally – have decreased since the 2011 census. Within Somerset, the number of residents providing unpaid care has decreased by over 13% in the 10-year period. This decrease has not been evenly distributed, with the number of residents providing care for fewer</li> </ul>			
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	<p>than 20 hours each week dropping by 34%, whilst numbers providing over 20 hours have increased by 25%.</p> <p>However, we know that the time of the Census was during the Pandemic and also that the questions were different so is likely to have an impact on the number of Carers identified through this survey. There are likely to be significantly higher numbers of unpaid carers in Somerset.</p> <p>The services are open to all people over the age of 18 in Somerset. Within the service specification the provider will be required to ensure that people will have the best possible quality of life, including life with other family members supported in a caring role. The approach to the re-commissioning of the services includes having local teams to support across neighbourhoods broadly aligned to the Primary Care Networks, this is to reduce the need for travel and improve reach to rural areas of Somerset.</p>			
<p><b>Negative outcomes action plan</b> Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.</p>				
Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Review current service user data with service delivery partners	01/10/2023	Vicky Chipchase	Service Delivery Partnership	<input type="checkbox"/>
Co-design an outcomes-based performance management framework and incorporate into the new contract. This will	01/01/2025	Vicky Chipchase		<input type="checkbox"/>

help to determine the both the impact on users of the service as well as other services.				
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
N/A				
<b>Completed by:</b>	<b>Vicky Chipchase</b>			
<b>Date</b>	<b>12<sup>th</sup> October 2023</b>			
<b>Signed off by:</b>	<b>Tom Rutland</b>			
<b>Date</b>	<b>12<sup>th</sup> December 2023</b>			
<b>Equality Lead sign off name:</b>	<b>Tom Rutland</b>			
<b>Equality Lead sign off date:</b>	<b>12<sup>th</sup> December 2023</b>			



<b>To be reviewed by:</b> (officer name)	<b>Vicky Chipchase</b>
<b>Review date:</b>	<b>December 2025</b>

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## **APPENDIX A**

# **Tender Evaluation Report**

**Connect Somerset – Commissioning Early Help and  
Prevention Services within the Community**

**DN677166**

**Author: Name: Stephen Barker**  
**Title: Service Manager - People**  
**Procurement and Financial Governance**  
**Date: 12.10.2023**



## 1. Management Summary

Connect Somerset – Commissioning Early Help and Prevention Services within the Community was tendered in 4 Lots as follows:

Lot Number	Title	Description	Current Provider
1	Connector Support Service	The service will support residents and their families to be resilient and connected to their community to enable people to improve their health and wellbeing and lead happier lives	Community Council for Somerset
2	Carers Support Service	Provide access to the right support at the right time, reducing reliance on crisis and emergency services and enabling people to move towards independence and wellbeing.	Community Council for Somerset
3	Sensory Loss – Communicator Guide Service	The service empowers all people with sensory loss (including dual sensory loss) to take control of their health and wellbeing by giving people time to focus on 'what matters to me' and take a holistic approach to an individual's health and wellbeing. This includes people with learning disabilities and/or autism and mental ill health.	SENSE
4	Interpreter Service	The service is to provide help and support to individuals that are deaf, or hard of hearing, by providing interpreters to provide communication support services to aid eligible service users in social care related situations that require them.	Sign Solutions Ltd



Current contracts expire on 31.03.2024.

Following a Non-Key Decision approval dated **21.07.2023**; the decision was taken to go out to tender using the Restricted Process (2 Stage – Selection and Award).

## 2. Procurement Process

This procurement was carried out in accordance with the authority’s Contract Procedure Rules and Standing Orders and Public Contracts Regulations 2015 and the Treaty principles.

Suppliers were invited to submit a response to the Selection Questionnaire (Stage 1 of the 2 Stage process) through the e-tendering system. The Selection Questionnaire and accompanying documents were published on **21.07.2023**.

Bid responses were received by the closing date of **21.08.2023** as follows:

- **5** Bidders responded (4 bids for Lot 1, 3 bids for Lot 2, no bids for Lots 3 or 4)
- All Bidders submitted a compliant Bid.
- At the conclusion of this first stage, the intention was to arrive at a short list of the five (5) highest scoring Applicants in each Lot to take forward to the next stage. Less than 5 bids were received per Lot and all passed the initial evaluation stage.

All Bidders were therefore invited to submit a response to the Invitation to Tender (ITT) through the e-Tendering System. The Procurement Documents were published on **29.08.2023**.

Bid responses were received by the closing date of **27.09.2023** as follows:

- **2** Bidders responded (2 bids for Lot 1, 1 bid for Lot 2)
- All Bidders submitted a compliant Bid.
- Bids were evaluated in accordance with the criteria set out in the Procurement Documents and set out in section 2.1 below.

The Commercial and Procurement Team conducted the initial compliance checks.

### 2.1. Evaluation Methodology

Bids were evaluated in accordance with the evaluation criteria set out within the Procurement Documents. Weightings and scores are contained within the Confidential Appendix B

Evaluation criteria breakdown	Means of evaluation	
	Sub criteria	Main criteria
Quality		<b>60%</b>



Evaluation criteria breakdown	Means of evaluation	
	Sub criteria	Main criteria
Managing your service	20%	
Working with Somerset's communities	20%	
Working in partnership with others	20%	
Volunteers, Service Demand and Service User Satisfaction	20%	
Implementation	20%	
<b>Price</b>		<b>30%</b>
<b>Social Value</b>		<b>10%</b>
Procurement Document F Social Value Calculator	50%	
Social Value Commitment	50%	

## 2.2. Quality

The quality questions were scored and evaluated in accordance with the published criteria.

The quality element of the Tenders were evaluated by a panel of officers and moderated by staff from the Commercial and Procurement Team at Somerset Council (see Confidential Appendix B for the list of evaluators and moderators). Each evaluation panel member scored each Bid on an individual basis and prior to the moderation meeting.

Moderated scores are available in Confidential Appendix B, including the recommended award decision.

## 2.3. Pricing

Pricing was assessed based on the total tender price for the Services included by bidders within the Pricing Schedule. The tendered prices are available in Confidential Appendix B, including the proposed award decision.

## 2.4. Social Value

The qualitative score for social value was evaluated as per section 2.2 and moderated by Commercial and Procurement.

The value score for social value was calculated by the Commercial and Procurement team in accordance with the published criteria.



Moderated scores are available in Confidential Appendix B, including the proposed award decision.

### 3. Contractual Position

The Contract will be under the standard SC Service Terms and Conditions. There is a clause within the Contract which allows termination by giving 6 months' notice in writing to the supplier. For any extension to the Contract, discussions with the Supplier will be conducted sufficiently far in advance of the Contract expiry date to arrive at an agreed position.

As part of the bid response, Bidders were invited to offer specific measurable Social Value commitments in addition to the stated requirements of the specification. Delivery of these commitments will be monitored as part of contract management.

This is subject to approval of a Key Decision to award supported by this evaluation report.

#### 3.1. Proposed Term

The awarded Contract(s) will be for an initial term of **4** years. The contract(s) will commence on **01.04.2024** and will continue up to the initial term which will expire on **31.03.2028**. An up to **48** months contract extension option is available which would take the contract(s) to **31.03.3032**.

#### 3.2. Service Levels and Contract Management

Service levels will be monitored as part of Contract Management and the contract will be managed to ensure that the service meets expectations and to identify further opportunities for cost and service improvement.

### 4. Risk and Mitigation

**Risk:** Legal challenge following the outcome of the tender process.

**Mitigation:** Adherence to the Public Contracts Regulations 2015, Somerset Council's own Contract Procedure Rules and Standing Orders and the Treaty Principles of Transparency, Non-discrimination and Equal Treatment.

### 5. Next Steps

- Suppliers to be informed of the decision by Commercial and Procurement Team **11.01.2024**
- Standstill period **12.01.2024 – 22.01.2024**
- Contract Mobilisation/ Implementation **24.01.2024 – 31.03.2024**
- Contract awarded **23.01.2024**

**End of Report**

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

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