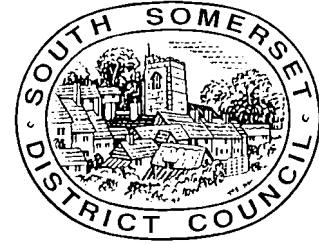


South Somerset District Council

Notice of Meeting



District Executive

Making a difference where it counts

Thursday 6th July 2017

9.30 am

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

Disabled access and a hearing loop are available at this meeting venue.



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

The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please contact the Democratic Services Manager on 01935 462148 or democracy@southsomerset.gov.uk

This Agenda was issued on Wednesday 28 June 2017.

Ian Clarke, *Director (Support Services)*

**This information is also available on our website
www.southsomerset.gov.uk and via the mod.gov app**



INVESTORS IN PEOPLE

District Executive Membership

Ric Pallister
Peter Gubbins
Henry Hobhouse
Val Keitch
Jo Roundell Greene
Sylvia Seal
Peter Seib
Angie Singleton
Nick Weeks
Derek Yeomans

Information for the Public

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

Members of the Public are able to:-

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

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

The Executive Forward Plan and copies of executive reports and decisions are published on the Council's web site - www.southsomerset.gov.uk.

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

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

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

District Executive

Thursday 6 July 2017

Agenda

1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on 1st June 2017.

2. Apologies for Absence

3. Declarations of Interest

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

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

4. Public Question Time

5. Chairman's Announcements

Items for Discussion

- 6. Westlands Leisure Complex** (Pages 5 - 9)
- 7. SSDC Corporate Peer Challenge and Review** (Pages 10 - 37)
- 8. SSDC Transformation Programme - Progress Report** (Pages 38 - 42)
- 9. Affordable Housing Development Programme** (Pages 43 - 68)
- 10. 2016/17 Capital Budget Outturn Report** (Pages 69 - 89)
- 11. 2016/17 Revenue Budget Outturn Report** (Pages 90 - 119)
- 12. Prevention Charter for Somerset** (Pages 120 - 125)
- 13. District Executive Forward Plan** (Pages 126 - 130)
- 14. Date of Next Meeting** (Page 131)

15. Exclusion of Press and Public (Page 132)

16. Property Investment Acquisition for Income Generation (Confidential) (Pages 133 - 139)

Agenda Item 6

Westlands Leisure Complex

Executive Portfolio Holder: Cllr Sylvia Seal, Leisure, Culture & Wellbeing
Assistant Director: Steve Joel, Assistant Director – Health and Well-Being
Lead Officer: Steve Joel, Assistant Director – Health and Well-Being
Contact Details: Steve.joel@southsomerset.gov.uk or (01935) 462278

Purpose of the Report

1. This report seeks to provide the District Executive with a summary of the progress in delivering the Westlands Leisure Complex Project as approved by the District Executive.

Forward Plan

2. This report has been part of the District Executive Forward Plan following the District Executive decision in October 2015 to enter into an agreement with Leonardo Helicopters (LH) to take over the management and operation of the Complex for a 30 year term.

Public Interest

3. The Complex has been a locally important and long standing venue regularly hosting a vast array of sporting activities and different events ranging from functions, conferences, meetings, training events, to weddings, ballroom dances, award ceremonies, festivals and live music events.
4. The Complex was wholly owned by LH, and had been traditionally operated as a proprietors club for the benefit of LH employees, their families and associate community members under a formal constitution. Following the announcement by LH to close the Complex at the end of September 2015, the Council decided to seek to negotiate and secure satisfactory terms with LH and other funding partners to take over its operation.
5. The Council approved an internal loan of £1,865,046 towards the costs of extensively refurbishing the Complex, and reached agreement with LH to lease the site from 27th May 2016.
6. Refurbishment works have progressed in four initial phases, namely 1) Sport and Fitness Centre, 2) Conference and Entertainment Centre, 3) Pavilion and 4) Car Parking and Site Illumination. A Project Board was formed to oversee the project and to take stage decisions.
7. The Project Board has monitored stage and project progress, and resolves emerging project problems areas or opportunities.
8. As part of the project governance arrangements, members requested progress update reports. This report seeks to provide the District Executive with a progress summary.

Recommendation

9. The District Executive are asked to note progress achieved to date.

Progress

10. The Practical Completion stage has been reached for the first three phases covering the Sport and Fitness Centre, Conference and Entertainment Centre, and Pavilion.

11. In terms of timescales actual practical completion dates have slipped in comparison with target dates:

Facility	Forecast Practical Completion Date	Actual Practical Completion Date	Slippage
Sport and Fitness Centre	16/12/2016	30/12/2016	2wks
Conference and Entertainment Centre	03/03/2017	Phase 1: 24/03/2017 Phase 2: 21/04/2017 Phase 3: 5/05/2017	9wks
Pavilion	14/04/2017	23/06/2017	10wks

12. Car parking and illumination works have been delivered in-house outside of the main contract. These works are 90% complete having been partially impacted by slippage in the main contract. They are expected to be complete in July 2017.
13. Construction snagging issues are being currently being progressed by the build contractors EBC Building and Construction. The majority of snags and issues have been completed and it is expected that the snagging phase will be completed during July.
14. As the operation develops a small number of other operational snags are emerging which are not EBC / build contract related. These issues are being progressed internally via Property Services.
15. Financially the final project cost is expected to exceed budget. The Project Team and Project Board have continued to tightly monitor project spend and all risks are being actively managed and are under control. Subject to the outcome of the final account negotiations with EBC, it is expected that any shortfall will be met through a combination of additional banked \$106 sums, revenue previously set aside by the Project Board, usable capital receipts to manage this risk. Cost risks stem from:
- 15.1. Security incidents
 - 15.2. Site power
 - 15.3. Asbestos removal
 - 15.4. Structural improvements
 - 15.5. Design change
 - 15.6. Fire risk mitigation
 - 15.7. Building Regulation
 - 15.8. Fixture, fitting and equipment replacement
 - 15.9. Fitness Centre improvements
 - 15.10. Rental related improvements
16. The Pavilion has only recently reached practical completion we would expect to receive and negotiate the financial account with EBC by the end of Q3 this year.

Operations

Conference and Entertainment Centre

17. Westlands Conference and Entertainment Centre held its first event on Wednesday 29th March with an Encore Screening from the Royal Opera House of 'The Sleeping Beauty'. The phased approach to opening the building required a temporary entrance and limited the space and time available for the team to mobilise operations. This slippage and the failure of BT to deliver the new fibre install to site despite having the 9 month lead time, presented considerable challenges to the operational team. Nonetheless the staff have responded outstandingly both working around the clock and finding numerous ways to working around issues.

18. The response from customers has been overwhelmingly positive from previous users of the complex to new visitors to the site. As with any new venue there have and are 'teething problems' to work through and improvements to the building, service and procedures being made every day.
19. Our first few months of operation have seen a host of events with over 10,000 tickets purchased for events in the first three months and an estimated further 10,000 visitors at non-ticketed events. Further key highlights include:
- Sold out events include comedians Joel Dommett and Henning Wehn and popular events with Brian Conley.
 - CBeebies star Justin Fletcher, who brought two sold out performances, required the larger capacity of Westlands and would not have come to the County without the venue.
 - The 'themed party nights' have proven popular with live performances a great atmosphere.
 - Yeovil Beer Fest proved a hugely popular and successful event
 - The Funtasia Charity Ball and Western Gazette Business Awards were functions for 300 guests and a four course meal. Both events went well and as The Western Gazette Awards were the second function and we made a number of improvements that led to a much quicker service and better experience for guests and very positive feedback.
 - The Official Opening took place on Tuesday 27th June with Darcey Bussell CBE re-opening the venue in a special afternoon ceremony and an evening 'Audience with' event with BBC Somerset's Claire Carter.
 - We have hosted a number of conferences and meetings from large scale events up to 400 to smaller intimate meetings. Justine Parton, Events Manager, has been constantly busy with requests for weddings, parties, wakes, trade fairs and much more. Events are proving successful and we are building up regular clients.
 - Full On Sport have taken up tenancy in one of the offices on the first floor.
 - A 'Residents Forum' has been setup to meet twice a year for those properties adjoining the site.
 - A 'Users Forum' has been setup for groups and clubs who use the site and will meet on a quarterly basis.
 - Weekly classes from LeRoc and Westlands Ballroom and Latin Group.
 - Our Westlands Social Media accounts are growing quickly with 2,439 likes on Facebook, 405 followers on Twitter and 103 followers on Instagram.
20. We are just beginning to see the potential for Westlands and all the many different events the site can host and bring to the area. As we develop our relationships with hirers, agents, promoters and our reputation for delivering events well the number of events will increase. The forthcoming season sees a host of exciting events including:
- Somerset Gin Festival
 - A busy screening schedule with Encore Live Screening including Helen Mirren in 'The Audience' and the best of independent and British film.
 - Live music from Heather Small, Joe Brown, Ricky Ross and Dr Hook.
 - Themed Party Nights and a busy Christmas Party Period.
 - BBC Somerset bringing their 'Christmas Celebration' to South Somerset for the first time with a concert at Westlands broadcast on Christmas Day.

21. The team are currently working on making further improvements including:

- More 'Brown' visitor signs directing people to the site are being installed shortly.
- Daytime Lunge Bar service is now operational for facility users and members of the public with a 'café and bar menu' available through the day, with free parking, good Wi-Fi, outside terrace area and a fine selection of drinks, sandwiches and cakes. We are actively marketing to groups to meet in the space.
- Issues with heating system, alarm faults and a gypsy incursion have all been dealt with by staff in what has certainly been a steep learning curve. But 'the show must go on' and in many cases our customers would not have been aware of the challenges staff have faced.
- Continue to build the staff team including the appointment of two part-time Box Office roles to complete the team. The new team are passionate, dedicated and are settling in well and quickly developing service standards to ensure we consistently provide outstanding service the Octagon has become renowned for.

Sport and Fitness Centre

22. The centre has now been operating for 6 months.

23. Evenings in the main hall are fully booked Mon – Fri from 6pm onwards, the programme is still developing during the day and that is what is being progressed alongside the build the health and fitness membership.

24. It has built a good steady block booking programme for badminton, table tennis and 5 a-side football throughout the week in the evenings, with U3A block booking morning sessions and the occasional martial arts booking throughout the evening.

25. Of the block bookings, Yeovil Badminton Club and Yeovil Table Tennis Club have both developed weekly Junior and Adult coaching sessions alongside their club sessions. There are new In It Together 'girls' badminton coaching sessions and further sessions are planned to extend this national initiative across other sports. Saturday mornings and some Sundays are also booked for match play and training.

26. U3A book courts for badminton and table tennis and work is being undertaken with them to help grow their programme and from September, further Recreational will be added where adults can come in and play various sports and activities as part of a social group.

27. Yeovil Squash Club offer adult and junior coaching sessions alongside their club sessions. Further squash coaching sessions are being added to the late afternoon and weekend part of the programme, once a coach has been recruited. Casual squash bookings are performing better than expected given the online booking, court refurbishment and ease of car parking.

28. Among the main sports bookings above, we also have a few martial arts and 5 aside bookings in the main hall and have a couple of classes that take place.

29. Exercise classes are running at 78% capacity and excellent feedback is being received regarding the class programme and studios.

30. The health and fitness gym is building its membership base steadily; with quite a bit of work currently being carried out with the staff to ensure that it continues to grow. Peak use

periods are early morning and early evening with quiet periods in between. There are plans to open up the gym to target groups during the quiet times including teen gym sessions early afternoon and 50+ late mornings.

31. Financially the Sport and Fitness Centre is performing ahead of expectation, and is on track to deliver a surplus in Q4.

Financial Implications

32. Financially the final project cost is expected to exceed budget. The Project Team and Project Board have continued to tightly monitor project spend and all risks are being actively managed and are under control.
33. The final project cost will be subject to the outcome of the final account negotiations with EBC.
34. In order to avoid compromising the Council's ability to secure best value through the subsequent final account negotiations, a confidential copy of the forecast project cost will be presented at the meeting.
35. It is expected that any shortfall will be met through a combination of additional banked S106 sums, revenue previously set aside by the Project Board, and usable capital receipts to manage this risk.

Risks

36. There are no new implications.

Corporate Priority Implications

37. There are no new implications.

Carbon Emissions and Climate Change Implications

38. There are no new implications.

Equality and Diversity Implications

39. There are no new implications.

Background Papers

District Executive:

- Westlands Leisure Complex (Executive Decision) – September 2015
- Westlands Leisure Complex (Executive Decision) – October 2015
- Westlands Leisure Complex – Progress Report – February 2016
- Westlands Leisure Complex – Lease Report – May 2016

Full Council:

- Westlands Leisure Complex (Executive Decision) – October 2015

Agenda Item 7

SSDC Corporate Peer Challenge and Review

Executive Portfolio Holders: Cllr. Ric Pallister, Leader, Strategy & Policy
Cllr Jo Roundell Greene, Transformation
Cllr Henry Hobhouse, Income Generation

Chief Executive: Alex Parmley

Lead Officer: Andrew Gillespie

Contact Details: andrew.gillespie@southsomerset.gov.uk

Purpose of the Report

This report updates Members on the Corporate Peer Review that took place in March 2017. The report sets out the findings of the Peer Review Team and seeks Member approval for the high level action plan to address the findings of the review.

Forward Plan

This report appeared on the Executive Forward Plan for July 2017.

Public Interest

This report updates on the findings of the Corporate Peer Review of South Somerset District Council. Peer Review is a core element of the Local Government Association's sector-led improvement offer to local authorities. Peer reviews are managed and delivered by the local government sector for the sector. They are improvement focused, recognising that all councils, no matter how good they are, always have scope for improvement. The scope of a Peer Review is agreed with the council and tailored to its local needs and specific requirements.

The Council will consider the findings of the Peer Review and decide on what action it needs to take to improve what it delivers for the communities it serves.

Recommendations

That District Executive:

- I. Note the findings of the Peer Review Team set out in their report attached as Appendix A
- II. Note the recommendations of the Peer Review Team set out in section two of their report attached as Appendix A and summarised in section 3 of this report
- III. Agree the high level action plan set out in Appendix B, in response to the Peer Review findings
- IV. Request the Transformation Programme Board monitors progress with delivery of the action plan and updates on progress be provided to District Executive through the regular reporting on Transformation.
- V. Invite a follow-up visit by the Peer Review Team within the period of the next 12 to 18 months, to help the Council monitor progress with delivery of our plans and ambitions

Summary

In March 2017, the Council underwent a Peer Challenge and Review. Peer Review is a core element of the Local Government Association's sector-led improvement offer to local authorities. Peer reviews are managed and delivered by the local government sector for the sector. They are improvement focused; the scope having been agreed with the council and tailored to its local needs and specific requirements.

The peer team involved serving peers (Officers and Members) from across the sector. Their aim is to help the council respond to its local priorities and issues in its own way to greatest effect. The make-up of the peer team reflected this Council's requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with the Council.

It is important to understand that the peer review is not an inspection. It is a tool aimed at improving, not judging, the council.

The Peer Review process involved reviewing a range of documents and information in order to ensure the team were familiar with the Council and the challenges it is facing. The team then spent four days on site at South Somerset, during which they spoke to more than 100 people including a range of council staff together with councillors and external partners and stakeholders.

Since being on site the Peer Team have reviewed their findings and have now produced a report setting out their analysis of the organisation and their key recommendations. The Council will need to consider the Team's findings and recommendations and where appropriate, take action or address the findings in our plans for the future. This report sets out an initial, high level action plan.

1 Background

- 1.1 The Local Government Association (LGA) is a national membership organisation that works on behalf of councils and other public bodies. The LGA has a range of priorities that it works on from year to year, and amongst these priorities is a 'sector-led improvement' programme, which is provided to member councils free of charge. The programme was introduced following the abolition of previous national performance frameworks and associated inspections, and is a tool to help councils improve their own performance by inviting in, and learning from, others within the sector.
- 1.2 The LGA Peer Challenge or Review is an element of the sector-led improvement programme that involves a four day on-site assessment of how well a council is performing across five key areas:
 - Understanding of the local place and priority setting
 - Leadership of place
 - Financial planning and viability
 - Organisational leadership and governance
 - Capacity to deliver
- 1.3 In addition, given the Council's plans and priorities, the Peer Team were asked by the Council to also look at our approach and progress with:
 - The Transformation Programme and associated benefits

- Income generation / commercialisation ambitions and targets
- Cultural change in the organisation to ensure one team focused on the customer and the council's goals for its communities, with a more commercial, business-like approach.

2 LGA Peer Review for SSDC

- 2.1 In the March 2017, the Council hosted a Peer Review Team organised by the LGA. This was to gain an external perspective of how well the Council was performing generally, and to provide input in shaping our plans for the future as we embark on our Transformation Programme.
- 2.2 The Peer team was headed-up by Colin Carmichael, Chief Executive, Canterbury City Council, and contained Members and officers from other councils with a range of experiences including technology enabled transformation, cultural change and commercialisation & income generation. The full team are set out in section three of their report in Appendix A.
- 2.3 Following a review of key documents the Peer team held a series of meetings and discussions with staff, Members, key stakeholders and partners, as well as undertaking a tour of the district. Through this process which involved meeting over one hundred people, they developed key lines of enquiry which resulted in their initial findings and recommendations. Following the on-site work, the LGA Peer team have produced a written report of their findings, including recommendations for the Council to consider. This report is set out in Appendix A.

3 LGA Peer Challenge Report – Overview

- 3.1 The Council is extremely pleased to have received an overall positive assessment and report which will help us in meeting our ambitions for the organisation and the communities we serve. The report recognises the Council's strengths in understanding and meeting the needs of its local communities and the District as a whole and that this is assisted by the area system. This understanding is translated in to a clear set of priorities and we engage well with local partners to deliver for and with our communities, making things happen on the ground.
- 3.2 The strength of political leadership in challenging times and the consensus formed on the priorities and direction of the Council are also recognised by the Peer team, as is the collaborative working relationship between Members and officers. The Council is recognised as having had a prudent approach to financial management that has helped deal with the financial challenges and provide a resource to help the council progress its plans for the future. In addition, the Council is regarded as having enthusiastic and committed staff and managers which are an asset in moving forward with significant change.
- 3.3 As well as recognising the Council's strengths, the report also highlights some areas the Council will need to have regard to and address, in particular, to ensure it is successful in its Transformation and Income Generation ambitions. The Peer Team have made a number of recommendations which are set out in section two of their report in Appendix A. These are in summary:
 - 1) Articulate the transformation vision simply and clearly.
 - 2) Invest in further capacity as soon as possible.

- 3) Develop a detailed implementation plan for the transformation programme as soon as possible.
- 4) Ensure the Chief Executive and SLT have appropriate personal authority and visibility to see through the changes required.
- 5) Make sure our Transformation Implementation Plan is adaptable, and explicitly includes how we will undertake strategic workforce development and our desired cultural change.
- 6) Create a co-ordinated commercialisation approach that has a clear focus on what areas we will and will not pursue.
- 7) Ensure a more structured rigorous and timely process to the assessment of capital investments.
- 8) Take action to see if there are any 'quick wins' to help the Council's financial position

4 Responding to the Peer Review findings

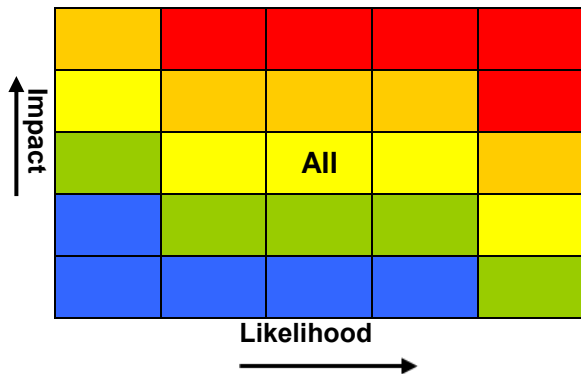
- 4.1 The Council will need to take some time to fully consider the Peer team's findings and how it responds. To commence this process a High Level Response and Action Plan has been developed and is set out in Appendix B. This does not list all the detailed actions to be taken and will need to be added to over the course of the coming months. The District Executive is recommended to agree the High Level Response and Action Plan.
- 4.2 Much of the findings and recommendations fall within the remit of Transformation and should be considered in taking forward our programme. Therefore it is recommended that the Transformation Programme Board take overall responsibility for the Peer Review findings, ensuring that actions are developed and delivered. It is important in doing this that they are integrated in to our Transformation Plans and do not form a separate piece of work that competes for resources. Further, that in reporting on progress with Transformation to the District Executive, that such reports also include updates on the response to the Peer Review and any associated actions.
- 4.3 Recognising that the Peer Review is aimed at assisting Councils with improvement and to help the Council keep a check on progress with its plans, it is recommended that the Peer Review Team are invited back to undertake a follow-up review in the future. It is suggested that a period of twelve to eighteen months' time would be appropriate ensuring time to make progress but also coming before the planned end date of the Transformation Programme.

5 Financial Implications

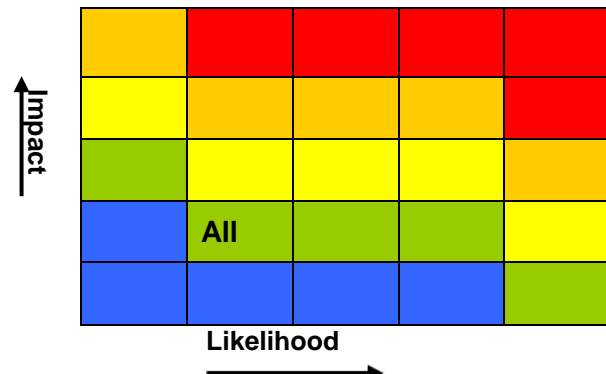
There are no direct financial implications arising from this report. Any actions in response to the Peer Review findings that have financial implications will be reported separately to District Executive.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

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

Council Plan Implications

The Peer Review aims at supporting the Council in better meeting its ambitions as set out in the Council Plan.

Carbon Emissions and Climate Change Implications

None from this report.

Equality and Diversity Implications

None from this report.

Privacy Impact Assessment

None from this report.

Background Papers

Corporate Peer Challenge Feedback Report
Peer Review High Level Action Plan

Corporate Peer Challenge

South Somerset District Council

13th – 16th March 2017

Feedback Report

1. Executive Summary

South Somerset District Council (SSDC) has in previous years been regarded as being at the leading edge of local government. The Council has good self-awareness, acknowledging that it has been through some difficult times, including a period with no Chief Executive, and that it has in recent years lost that edge. In view of this the Council has started a very ambitious transformation programme that will affect all services and how it operates generally. Financial pressures are part of the reason for change, but the main driver is accessible customer service and supporting local communities.

The Council has a good understanding of the diverse communities it serves. The district council area comprises a large and varied geographical area with a mixture of very rural areas and urban communities. This creates a variety of different local needs and priorities. Despite this complexity SSDC and its individual local members understand both their own immediate locality and the needs of the district overall. This understanding is significantly assisted through the Council's area based committee system and locality working.

The Council is in the process of refreshing its Council Plan and has already used its local understanding to create clear priorities. There is a need to develop a clear system and structure for prioritising individual projects within these overall priorities. As part of this it is important that local members bear in mind their responsibility for the district area as a whole and not just their immediate locality.

There has been prudent financial management over many years and this has enabled SSDC to manage past financial challenges. The Council is in a relatively strong financial position in comparison to many other councils, is debt free and has significant financial reserves and capital receipts - of which around £15m are at present unallocated.

Despite this comparatively good financial position there are still significant financial challenges that must be tackled. The current Medium Term Financial Strategy (MTFS) identifies a revenue shortfall of £4.7m over the life of the strategy. It is anticipated that £2m of this will be met by the transformation programme with £2.7m to find through income generation and cost reductions. There is, therefore, a heavy reliance on transformation/ greater commercialisation being achieved and producing the anticipated savings/ income generation. It must also be borne in mind that some income generation will take time. This financial shortfall, therefore, remains a risk and the Council is aware of this. In addition there is a need for a clear structure for the process of allocating money to future capital schemes.

The transformation programme is ambitious and the Council is placing great emphasis on this to preserve and improve services as well as meeting its financial challenges. The Council has taken external advice on the transformation programme and set aside significant financial resources to fund its implementation. There are, however, two main issues that need to be addressed swiftly if the programme is to be successful:

- There is not a consistent understanding throughout the organisation of what the transformation programme is intended to achieve. Many people stated that they have not heard a simple and clear vision for how the Council will operate. It is essential that all levels appreciate what is trying to be achieved and why. There is a need for an engagement approach that builds on written communications and emphasises face to face messages from the top
- The Council is lacking capacity in key areas which are necessary to implement the transformation programme. The most obvious of these are strategic programme management, strategic human resources, commercialisation, marketing and communications. Investment should be made now to increase capacity in these areas and the Council is likely to have to look externally for many of the skills and experiences it requires. This needs to be followed by the development of detailed implementation plans for each workstream within the transformation programme.

The Council also plans to create a more commercial culture and increase income generation. It needs to back up its commercial intentions with a clear council wide commercialisation strategy. This strategy must be realistic regarding the areas in which commercialisation is most likely to be successful and be clear where commercialisation will not be pursued. There is a need to distinguish innovation from distraction i.e. do not pursue ideas that will take up financial and time resources with only a limited chance of return. Whilst there is a good focus and developing strategy on property, it is not clear how non-property opportunities will be analysed, supported and grown. The commercial strategy should be clear as to what the assessment criteria will be. Clear commercial targets must be set and these must be understood. The Council should recognise that to be successful in its commercial and income ambitions it will require new and different roles, skills, experiences and approaches to those currently within the organisation.

Good progress has been made on resolving the senior officer structure, but the Council still has a long way to go on its transformation journey. This includes the need for a clear culture change programme that creates a commercially minded culture but which retains the strengths of the current customer-focused culture within the Council. This journey will require considerable resolve, some difficult decisions and willingness at all levels to embrace the changes that the Council has identified as required. At present the Council has shown considerable political and financial commitment to making the transformation happen.

2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

- 1) **Articulate the transformation vision simply and clearly.** It is essential that all levels within the Council appreciate what you are trying to achieve and why. Create an approach to engagement that builds on written communications and emphasises face to face messages from the top

- 2) **Invest in further capacity as soon as possible.** The scale of the transformation and commercialisation programmes is large and complex. You should invest in additional specialist resources now especially strategic programme management, commercialisation, strategic human resources, communications and marketing.
- 3) **Develop a detailed implementation plan for your transformation programme as soon as possible.** This will require detailed workstream outputs. Dependencies and integrations between these workstreams must also be identified and communicated. These should dictate the Council's timescales.
- 4) **Ensure the Chief Executive and SLT have appropriate personal authority and visibility to see through the changes required.** It is important that members understand their strategic role and allow the Chief Executive and his Senior Leadership Team (SLT) personal authority to implement the culture change and system issues which are part of the transformation programme.
- 5) **Make sure your Transformation Implementation Plan is adaptable, and explicitly includes how you will undertake strategic workforce development and your desired cultural change.** The plan must be adaptable to your own needs and capable of being adapted further as it proceeds. It needs to have a clear statement as to the development needs that will be required of the workforce and a definition of the cultural changes the Council requires.
- 6) **Create a co-ordinated commercialisation approach that has a clear focus on what areas you will and will not pursue.** The Council needs to back up its commercial intentions with a clear council wide commercialisation strategy. This strategy must be realistic regarding which areas of commercialisation are most likely to be successful in and be clear where commercialisation will not be pursued. There is also a need to establish clear governance arrangements around this programme including the creation of new trading operations.
- 7) **Ensure a more structured, rigorous and timely process to the assessment of capital investments.** The Council should ensure that a clear criteria and process for determining capital allocations within its overall strategy is in place. This should support as far as possible its commercialisation/ income generation ambitions.
- 8) **Take action to see if there are any 'quick wins' to help the Council's financial position by:**
 - **Reviewing reserves and capital allocations to see if all are required.** The Council has significant reserves and capital allocations in addition to its unallocated capital receipts. The scale of these justify review, as there may be scope for re-allocation or further support to revenue pressures.
 - **Reviewing charging for services and car parking.** There is scope for a financial 'quick win' as regarding charging for existing services including adding premium charges when the service is 'gold standard'.

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at South Somerset District Council were:

- Colin Carmichael, Chief Executive, Canterbury City Council
- Caroline Adlem, Head of Traded Development, Essex County Council
- Councillor Peter Fleming, Leader, Sevenoaks District Council
- Angela Glithero, Assistant Director Resources and Improvement, Economy, Transport and Communities, Derbyshire County Council
- Steve Jorden, Head of Paid Service, South Hams District Council and West Devon Borough Council
- Councillor Steven Lambert, Aylesbury Vale District Council and Buckinghamshire County Council
- Jonathan Lund, Corporate Director, Gloucester City Council
- Bob Ross, LGA Peer Challenge Manager

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, in view of your ambitious transformation plans you also asked us to look at how the Council is progressing its:

- Transformation Programme and associated benefits
- Income generation / commercialisation ambitions and targets
- Cultural change in the organisation to ensure one team focused on the customer and the council's goals for its communities, with a more commercial, business-like approach.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. 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 for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent four days onsite at South Somerset, during which they:

- Spoke to more than 100 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 45 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 280 hours to determine their findings – the equivalent of one person spending more than 7.5 weeks in South Somerset.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (13th – 16th March 2017). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?

The District Council area comprises a large and varied geographical area. This is made up of a mixture of very rural areas and urban conurbations which creates a variety of different local needs and priorities. In addition to local district council ward members, these needs are represented by 121 parish councils (and County Council councillors) which will inevitably create demands for local services. Despite this complexity SSDC and its local members understand both their own immediate locality and the needs of the district overall. This understanding is significantly assisted through the Council's area based committee system and locality working.

Although the peer team understands that the Council Plan is being refreshed, the Council has already used its local understanding to create clear priorities for the district area. There did not appear to be a clear system and structure, however, for prioritising individual projects within these overall priorities. It is important that such a system exists and is used - particularly as the area based structure can otherwise create pressures for local projects that could cloud overall corporate priorities. It is important that local members bear in mind their responsibility for the district area as a whole.

The Council is successful in engaging with a wide variety of local stakeholders and is willing to work in partnership with them. These stakeholders range from large corporate organisations, business networks, housing associations etc. to small community groups, voluntary organisations etc. The South Somerset Together forum was described by various partners as useful for sharing information at a strategic level. In addition the Council also gives grants to assist local innovation and self-help in order to protect local facilities and services e.g. community shops.

The area based committee system is supported at officer level by locality working and community offices staffed by Customer Advisors. This assists local people to raise queries, concerns etc. and there were also numerous examples of these officers being able to 'pull together' local partners to 'make things happen' locally. Examples of this are the partnership with local businesses to encourage people to use Yeovil town centre, which is being led and resourced by businesses with 'enabling' support from the Council, and work with Chard Town Council and the County Council on providing local community support. This emphasis on local working is crucial to the success of the Council's transformation programme and future operating model which is intended to strengthen locality working – although attention is again drawn to the need to ensure a clear focus on overall district priorities.

4.2 Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?

The Council's understanding of its area is backed by tangible action 'on the ground'. This includes investment in economic development schemes, rural housing programme etc. Local collaborative working is strong and district partners spoke highly of the Council. However, some broader partners (i.e. those outside just the immediate district area) reported that there was a perception that the Council could be too risk averse and, particularly at officer level, that the impression is sometimes given that it has to be 'South Somerset's way or not at all'. It should be noted that there were also reports that this reputation and perception is improving.

The Council's ambitions for local services is backed by a willingness to accept risk in some cases in order to drive forward projects within the district. A particularly notable example is the Westlands centre which serves a variety of local need in Yeovil but which has potential to have a financial cost for the Council. Similarly there are initiatives such as the Yeovil Innovation Centre which is planned to have an expansion in 2018. Such initiatives and willingness to accept reasonable risk are generally welcomed by the peer team but two points should be stressed:

- The Council must ensure that it has a clear, structured and robust method of appraisal of the business case for such initiatives which includes sufficient challenge e.g. has the council truly challenged the case for an expansion of the Innovation Centre which is only 85% full and with other office space available in Yeovil?
- As stated before, there is a need for an over arching strategy to meet the Council's priorities. Projects need to demonstrate that they deserve priority within that strategy

One particular observation of the peer team is that economic development is stated as one of the main priorities of the area. While there are examples of specific projects to support this, the peer team felt that the Council has not invested sufficiently in the officer resource to support the priority and that the size of the economic development team was small in relation to the task it faces.

4.3 Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

The Council has in previous years been regarded as being at the leading edge of local government. However, it acknowledges that it has been through some difficult times and that it has in recent years lost that edge. Changes in senior management over the past 18 months, including a temporary period with an acting Chief Executive whilst the future leadership requirements were determined, has clearly been a difficult and testing time. It is pleasing to see that the Council is now coming through that period with the formation of a new Senior Leadership Team under a new Chief Executive, committed to

the change programme the Council has embarked upon. To continue this progress it is important that the political leadership remains consistent and united in their overall strategy for the district and that the new officer structure is fully in place as soon as possible. This new officer team must also ensure that it is consistent and seen to be united in its managerial leadership approach.

There is wide spread backing for the new Chief Executive and much reliance is placed on him for the planned transformation of the Council. The peer team stresses that such a transformation is a very large task and one person cannot achieve it on their own. There must be realism as to what can be achieved and in what timescale – the peer team feel that so far there has been little time to achieve tangible results other than progress on the officer restructuring (which should be completed as soon as possible).

There are two points allied to this which are also dealt with in section 4.5 of this feedback:

- The Council has gaps in officer capacity and to fulfil its transformation programme needs to be prepared to invest in additional resources to see this through effectively
- Middle management understanding of and involvement in the transformation programme is required to supplement senior management capacity. The peer team did not see much evidence of this as yet and steps should be taken to harness this potential capacity as soon as possible - particularly as these managers showed a clear willingness to be involved.

Councillor and officer relations were observed and consistently stated to be good and promoting effective working. However, there is a need to ensure that the respective roles are clearly understood and respected. This will be particularly important when the transformation programme is fully underway and a large amount of operational details will need to be decided upon and implemented. It is accepted that, particularly during the period without a Chief Executive, members may have been required to 'fill the gap'. This is not only understandable but also kept the Council operating. However, it is important that members understand their strategic role and allow the Chief Executive and his SLT personal authority to implement the culture change and system issues which are part of the transformation programme.

One aspect where the members must have a clear role is in the scrutiny of the transformation and commercialisation process. The arrangements for this were not clear to the peer team and even members seemed to have some confusion as to whether scrutiny members also served on transformation related boards. The structure and methods of scrutiny should be clearly understood – together with the acceptance mentioned above that this should operate at a strategic level.

Although the Council has come through testing times recently there are also many challenging times ahead as it deals with its financial pressures and the implementation of its transformation programme. This will require councillors to be strong and consistent in their resolve to meet these challenges and to stand collectively by the decisions that are made as the process proceeds. This process will affect the Council at all levels from

political leadership to front line services and a willingness to accept change at all these levels is required.

4.4 Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

The Council has adopted a prudent approach to financial management over many years and this has enabled it to manage past financial challenges. Examples of this prudent approach include hedging against a fall off in New Homes Bonus and the creation of an Efficiency Strategy in 2016. Partly as a result of this approach the Council is in a relatively strong financial position in comparison to many other councils. It is debt free and has significant financial reserves and capital receipts of which around £15m are at present unallocated.

Despite this comparatively good financial position there are still significant financial challenges that must be tackled. The current Medium Term Financial Strategy (MTFS) identifies a revenue shortfall of £4.7m over the life of the strategy. It is anticipated that £2m of this will be met by the transformation programme with £2.7m to find through income generation and cost reductions. There is, therefore, a heavy reliance on transformation/ greater commercialisation being achieved and producing the anticipated savings/ income generation. It must also be borne in mind that some income generation will take time. This financial shortfall, therefore, remains a risk and the Council is aware of this. In addition there is a need for a clear structure for the process of allocating money to future capital schemes.

There may be opportunities to improve the Council's financial position now which will contribute to its financial sustainability in the medium-term. Specific opportunities include:

- Reviewing whether all the reserves currently held will actually be required
- Being willing to review fees and charges (including car parking) to see if additional income can be generated. This should include looking at premium payments for 'gold standard' services which clearly exceed statutory requirement e.g. next day service for taxi licenses. Although this can raise sensitive issues many other councils are now actively pursuing these options.
- Reviewing where it invests its capital receipts and reserves to ensure that it is maximising their contribution to the Council's revenue position
- The Council has comparatively low targets for the collection of Council Tax and Business Rates, although it is understood that it has recently taken on extra staff to improve performance. It must ensure that it is maximizing performance in its collection

The Council should look to take early decisions and action on these matters given that the commercial and income generation ambitions will take a number of years before they start to generate additional revenue for the Council

The Council has around £15m in unallocated capital receipts. The peer team did not see evidence of a clear structure for the process of allocating money to capital schemes. This again ties in with the observations regarding the need for an overarching strategy with a clear process for determining the priority of local schemes within that strategy. The Council should put in place a clear criteria and process for determining capital allocations and ensure that this aligns with its corporate priorities and supports as far as possible its commercialisation/ income generation ambitions.

During the transformation, commercialisation and financial challenges processes it is of course vital that the leadership has direct and easy access to top quality financial advice. The current long serving and well-respected Section 151 will shortly be leaving the Council and it is understood that plans are not yet being implemented for a permanent replacement. This position should be resolved as soon as possible and the new Section 151 officer placed at a level within the organisation that reflects the complexity and importance of the Council's financial position and the amount of transformation and commercialisation work that will shortly be underway.

4.5 Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

The Council has reviewed and is implementing a new senior management structure. At this point, the next layers of the management structure are not yet fully in place and this is hampering the overall effectiveness of the management of the Council and its transformation programme. In order to make progress at a sufficient pace the next management levels need to be embedded urgently rather than waiting for the decision making process outlined in the transformation timetable. It is also crucial that these levels visibly demonstrate collective and effective leadership. This is why the middle managers need to understand, own and are collectively involved in the transformation programme. Communicating the transformation vision to all levels of the Council is a difficult and time-consuming task. It is important that the Council empowers and involves service heads in spreading this message.

The peer team feels strongly that, even when the full structure is implemented and full advantage is being taken of current capabilities, the Council is lacking capacity and expertise in key areas which are necessary to implement the transformation programme. The most apparent of these are strategic programme management, strategic human resources, commercialisation, marketing and communications (also shortly section 151 as mentioned above). The peer team considers that in view of the scale of the transformation envisaged it is essential that extra capacity is taken on now in order to help contribute to developing the plans and to enable transformation to proceed at pace.

The effects of transformation will reach all parts of the Council. This will require appreciation of and adaptation to new ways of working, development of new skills, different team alignments and more flexible working for large numbers of staff. There are two vital elements that the Council must have in place very soon to support this in:

- A strategic workforce plan and organisational development strategy that clearly identifies the new requirements of the Council and how these will be met
- A commitment to invest in your people and organisational development so that the organisation can evolve as the Council envisages. In this respect it is noted that the Council achieved Investors in People Gold standard in 2015 and has stated its commitment to giving an increased focus on training and development.

The peer team heard reports of inconsistent and out dated management practices e.g. some micro-management, measuring of time at work rather than output etc. There was not time for the team to examine these in detail but they were sufficiently widespread to gain some credence. The team feel that this is an issue that should be recognised and dealt with by the senior and middle management and there be a conscious effort to encourage more modern management techniques e.g. agile working etc.

This last point is particularly important as all staff seen were found to be enthusiastic and committed. They are facing difficult times due to the financial challenges and transformation process and there is an obvious danger that morale may suffer. A visible demonstration of trust by all managers and the adoption of management techniques that recognise the commitment of your staff would help these morale issues.

4.6 Transformation

The Council has started a very ambitious transformation programme that will affect all services and how SSDC operates generally. This is in response to the Council's self-awareness that it is no longer 'leading the way' and will have to change to maintain services. Financial pressures are part of the reason for change, but the main driver is accessible customer service and supporting local communities. The Council has been willing to learn from others and has visited and is working with other local councils that have already undertaken such programmes. It is important that the Council does not attempt to simply 'lift' the solution from another council and that the programme is adapted to its own circumstances and is also capable of adaptation as it proceeds.

Financial backing is in place for the programme and transformation funds are available. Mention has already been made in the peer team's feedback of the need for some of these funds to be spent on creating additional capacity in key areas.

Throughout the peer challenge it was evident that there was not a consistent understanding of what the transformation programme is intended to achieve. A wide variety of people stated that they felt they have not heard a simple and clear vision for how the council will operate. They would welcome further detailed information in the near future. This level of awareness of the transformation is understandable at this stage of the process. However, there is a need for a robust engagement plan and communication plan. This should include an emphasis on personal communication that builds on written briefings.

The programme and associated programme management arrangements for the transformation must be worked up as soon as possible. This will require detailed workstream outputs. Dependencies and integrations between these workstreams must also be identified and this should dictate the Council's timescales. This will be a

complex and time-consuming task and will require dedicated support. Allied to this, the importance of IT and choosing the right IT partners should not be underestimated as real transformation will rely on a credible, reliable IT solution that recognises the connectivity issues highlighted by many officers and partners during the peer challenge.

Clearly there will be an enormous number of detailed service decisions to be made as the programme progresses. It is important that these are evidence based. At present there is not a structured approach to gathering such evidence. To enable robust decision making and prioritisation a clear corporate approach to data collection, analysis and intelligence gathering is required as part of the overall transformation programme.

A main IT supplier was in the process of being established at the time of the peer challenge. In addition consultants have been engaged to help with designing the transformation programme. This means that the Council will need to have very clear supplier management arrangements established. It was not clear to the peer team what was intended to be done in-house and what the suppliers will deliver. This must be specified clearly and understood by all parties and these arrangements need to be properly resourced in a way that allows business as usual to continue as programme implementation is progressed.

Strong resolve will be needed to see the transformation through. It must be stressed by all levels of leadership and management that transformation is not a 'passing phase' and that the commitment to change is non-negotiable.

The Council's current commitment to transformation is genuine and it is prepared to devote valuable resources to it. Although good progress has been made in resolving the senior officer structure there is still a long way to go on your transformation journey. Tackling the issues identified in this feedback is essential to its success.

4.7 Income generation and commercialisation

The Council plans to create a more commercial culture and increase income generation. To do this successfully it needs to back up its commercial intentions with a clear council wide commercialisation strategy. This strategy must be realistic regarding the areas in which commercialisation is most likely to be successful and be clear where commercialisation will not be pursued. There is a need to distinguish innovation from distraction i.e. do not pursue ideas that will take up financial and time resources with only a limited chance of return. Clear commercial targets must be set and these must be understood. Allied to this, there is a need for more widespread understanding of the difference between income generation, covering costs and the creation of genuine commercial surplus.

Although the importance of commercialisation/ income generation has been recognised in the new officer structure, there is not a clear rationale for what fits under the new Director, Commercial Services and Income Generation's remit. There is a good focus on property and there may be a commercial opportunity for you in making this service available to others. However, it is not clear how non-property opportunities will be analysed, supported and grown. The commercial strategy should be clear as to what the assessment criteria will be.

It is important that the Council recognises that it will need significant commercial, marketing and legal support if it is going to achieve its commercial ambition. At present the arrangements for this support are not finalised and this should be tackled as a matter of urgency. In addition, whilst on site the peer team heard various proposals mentioned for the potential establishment of new trading operations. The Council should ensure that it establishes clear governance arrangements for creation of new companies and commercial activities. It is also suggested that these arrangements are externally scrutinised e.g. through external audit or similar facility.

A brand management strategy should be established if the Council intends to expand its commercial activities, including the possible establishment of new delivery and/ or trading organisations. This should ensure the application of consistent rules to the extension of the Council's brand. It is desirable to avoid a flood of new company names and logos with little or no obvious connection to the council.

As mentioned in section 4.4 regarding financial planning and viability there is scope for income generation through charging policies for existing services. There is no overall strategy or criteria for how these charges are currently set - including how to maximise income or even recover costs. Such criteria should be established and as part of its overall commercialisation approach the Council should consider reviewing all of its fees and charges to

- Identify all existing fees and charges, how these costs are calculated and what they include
- Ensure all costs are allocated, including provision for risk, product investment, prudent planning etc. where full cost recovery is appropriate
- Identify any new areas where fees and charges could be introduced
- Establish the ability to cost recover / make surplus (i.e. through charging powers – some opportunities may need a separate company to make surplus, if it is felt there is a market opportunity to do so).

4.8 Cultural change in the organisation

The Council has an ambition to create a more commercial, business-like approach with an appropriate organisational culture to support this. Although the reasons for this are clear, it must not lose the many advantages of its current culture as this was found consistently by the peer team to have a strong focus on customers and communities. Staff were found to be genuinely friendly, proud of working for the Council and had created supportive teams helping each other and customers. This attitude should not be lost during any 'culture-shift'.

This ambition for cultural change is not currently backed by a change plan and progress is at a very early stage. This emphasises the need for a strategic HR resource that can create such a plan and identify what systems, rewards, engagement and motivation techniques will be employed. In addition staff development (as mentioned previously) will be essential if staff are to have a true understanding of commercial techniques and mindsets.

It is understood that there are plans in place to update/refresh the Council's attitudes and approaches framework. This refresh provides a useful opportunity for a cultural change plan. Strategic HR, when it exists, should take the opportunity to actively engage staff and unions in the process to gain true ownership. It was noted that throughout discussions with managers and staff there appeared to be very little reluctance to change. Indeed many people spoken to expressed a desire to 'get on with it'. Advantage should be taken of this attitude to avoid any risk of it waning.

Building on existing mechanisms such as staff development appraisals and using them consistently across the Council will help to embed the new attitudes and approaches. Management development programmes have been run in the past and could be considered as a way of equipping managers with the skills to help deliver the transformation programme and contribute to the culture change. Having a learning and development strategy that focuses on transformation and working in more commercial ways would also help to reinforce the approach.

Overall, therefore, the peer team found work on cultural change to be at a very early stage. When this work really gets underway it is vital that the personal involvement of managers is required – they must be ambassadors for the Council's transformation

5. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Andy Bates Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are: Email Andy.Bates@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Peer Challenge before March 2022.

South Somerset District Council

Peer Review High Level Action Plan

July 2017

Recommendation / Finding	Response	Action	Owner	Date to be completed	Status
General					
Overall Peer Challenge Assessment of the Council.	The Council welcomes the Peer Team’s assessment of the Council and will consider their findings in developing and implementing its plans for the future.	i) DX to welcome the report and note the findings	DX	July 2017	In progress
		ii) Leader and Chief Executive to write to the Peer Team and thank them	Leader and CEO	July 2017	In progress
	The Council will agree an action plan.	iii) Hold a Member briefing to outline the findings and the response	CEO	June 2017	In progress
		The Transformation Programme Board will seek to integrate the agreed actions in to the plans of the Council as well as monitoring progress towards delivery.	iv) Hold officer briefings to outline the findings and response	CEO	June 2017
	Progress in addressing the Peer Team’s findings will be reported through the update reports on Transformation to the District Executive.		v) Publish the Peer Review Report and the Council’s response on the Council website	Performance Manager	July 2017
		vi) Incorporate the Peer Review progress reporting in to the Transformation Programme update reports.	Performance Manager	July 2017	In progress
Peer Team Recommendations					
1) Articulate the transformation vision simply and clearly. It is essential that all levels within the Council appreciate what you are trying to achieve and why. Create an approach to	Work has been ongoing since October 2016 on the Transformation Vision and the engagement approach. A summary of the vision was included in the Council Plan Annual Action Plan agreed by DX and Council in April	i) Transformation vision to be developed and agreed by Council as part of the Council Plan	Leader and CEO	April 2017	Completed
		ii) Transformation Communications and	Strategic Lead for Transformation	June 2017	Completed

Recommendation / Finding	Response	Action	Owner	Date to be completed	Status
engagement that builds on written communications and emphasises face to face messages from the top	2017.	Engagement Plan to be developed. iii) Engagement events to be held for staff. iv) Engagement events to be held for Members	Strategic Lead for Transformation Strategic Lead for Transformation	April 2017 and ongoing through life of programme April 2017 and ongoing through life of programme	Commenced and ongoing Commenced and ongoing
2) Invest in further capacity as soon as possible. The scale of the transformation and commercialisation programmes is large and complex. You should invest in additional specialist resources now especially strategic programme management, commercialisation, strategic human resources, communications and marketing.	<p>The Council recognises the need to invest in capacity to deliver, in the form of roles, skills and experience, if it is to generate the benefits and returns it is seeking from both Transformation and Commercialisation & Income Generation.</p> <p>The capacity required to deliver Transformation has been considered in developing the detailed business case which was presented to DX and Council in April 2017. This provides for Strategic Lead and Programme Manager roles together with HR, Change Management and Communications.</p> <p>The capacity required to deliver commercialisation and income generation is being considered through the development of the Commercialisation Strategy, the Commercial Property Strategy and through the service design within Transformation (the first two informing the latter)</p>	<p>i) Council to agree detailed business case for Transformation including the resources to deliver the savings and benefits</p> <p>ii) Recruit Programme Manager, Strategic HR resource and Communications Lead</p> <p>iii) Council to agree the Strategy for Commercialisation and Income Generation and the Commercial Property Strategy, including the resources and approaches to deliver the benefits and income.</p>	<p>CEO</p> <p>Strategic Lead for Transformation</p> <p>Director of Commercial Services</p>	<p>April 2017</p> <p>July 2017</p> <p>August 2017</p>	<p>Completed</p> <p>Part Completed, part in progress</p> <p>In Progress</p>

Recommendation / Finding	Response	Action	Owner	Date to be completed	Status
3) Develop a detailed implementation plan for your transformation programme as soon as possible. This will require detailed workstream outputs. Dependencies and integrations between these workstreams must also be identified and communicated. These should dictate the Council's timescales.	<p>The Council recognises the importance of robust a Programme Management approach and the need to adhere to best practice in programme management if it is to successfully deliver the programme and achieve the outcomes and benefits targeted.</p> <p>Detailed programme planning is well advanced and will be taken forward by the Programme Manager, to be agreed by the Transformation Programme Board.</p>	i) Detailed Programme Plan to be developed and agreed by the Transformation Programme Board	Transformation Programme Manager	July 2017	In progress
4) Ensure the Chief Executive and SLT have appropriate personal authority and visibility to see through the changes required. It is important that members understand their strategic role and allow the Chief Executive and his Senior Leadership Team (SLT) personal authority to implement the culture change and system issues which are part of the transformation programme.	The Leader and the District Executive recognise the importance of ensuring the CEO and SLT have the required authority and visibility to deliver.	i) Review the governance of the Transformation Programme ii) Review progress at Leader and CEO regular meetings	District Executive Leader and CEO	May 2017 Ongoing	Completed In progress
5) Make sure your Transformation Implementation Plan is adaptable, and explicitly includes how you will undertake strategic workforce development and	The Council recognises the need to ensure it has an adaptable plan whilst also ensuring it remains focussed on the objectives of the transformation and the target timescales for delivering changes and benefits.	i) Ensure sufficient resources for Strategic Workforce Development a) throughout transformation and b) ongoing after transformation ii) Annual Strategic Workforce	Transformation Board CEO / SLT	April 2017 December 2018	Completed In progress

Recommendation / Finding	Response	Action	Owner	Date to be completed	Status
your desired cultural change. The plan must be adaptable to your own needs and capable of being adapted further as it proceeds. It needs to have a clear statement as to the development needs that will be required of the workforce and a definition of the cultural changes the Council requires.	Transformation has many aspects to it and the Council recognises that the most important aspect concerns people. The Transformation HR workstream has a focus on how we will support people through change and also how we ensure people are developing and adaptable to the ongoing change that the Council will have to go through post-Transformation. Budget has been provided for this in the detailed business case agreed by Council in April 2017. This will include the establishment and implementation of a Strategic Workforce Development Plan.	Development Plan to be agreed by SLT iii) Cultural Change Plan to be presented to Transformation Programme Board	HR Lead Strategic Lead for Transformation	September 2017 August 2017	In progress In progress
	The Council also recognises that the changes to be delivered through Transformation will require cultural change in the organisation and has been developing plans to support this including through engagement of staff in helping shape the future and in the development of its Attitudes and Approaches Framework.				
6) Create a co-ordinated commercialisation approach that has a clear focus on what areas you will and will not pursue. The Council needs to back up its commercial intentions with a clear council wide	The Council accepts the need for a coordinated approach to commercialisation and income generation. Work has commenced on both a Commercialisation Strategy and a Commercial Property Strategy. In	i) Council to agree the Strategy for Commercialisation and Income Generation and the Commercial Property Strategy, including the resources and approaches to deliver the benefits and income. <i>(repeat of action 2ii</i>	Director of Commercial Services	August 2017	In progress

Recommendation / Finding	Response	Action	Owner	Date to be completed	Status
commercialisation strategy. This strategy must be realistic regarding which areas of commercialisation are most likely to be successful in and be clear where commercialisation will not be pursued. There is also a need to establish clear governance arrangements around this programme including the creation of new trading operations.	addition, commercialisation now forms part of Transformation and consideration will be given to what roles, skills and approaches will be needed to be successful in this regard as well as cultural changes and governance.	<i>above)</i>			
7) Ensure a more structured, rigorous and timely process to the assessment of capital investments. The Council should ensure that a clear criteria and process for determining capital allocations within its overall strategy is in place. This should support as far as possible its commercialisation/ income generation ambitions.	<p>The Council recognises that it has a healthy capital position but needs to use this in a focussed way to meet its income generation ambitions and its wider community priorities.</p> <p>Through the Commercial Strategy, revised criteria are being developed to determine capital allocations.</p>	Council to agree the Strategy for Commercialisation and Income Generation and the Commercial Property Strategy, including the resources and approaches to deliver the benefits and income. <i>(repeat of action 2ii and 6i above)</i>	Director of Commercial Services	August 2017	In progress
8) Take action to see if there are any 'quick wins' to help the Council's financial position by:					
<ul style="list-style-type: none"> Reviewing reserves and capital allocations to see if all are required. The Council has significant 	The council has set aside reserves for a variety of purposes, and recognises that it is important to review these to ensure they remain allocated to	i) Review and challenge earmarked reserves to ensure they remain appropriate, and recommend	S151 Officer	July 2017	In progress

Recommendation / Finding	Response	Action	Owner	Date to be completed	Status
<p>reserves and capital allocations in addition to its unallocated capital receipts. The scale of these justifies review, as there may be scope for re-allocation or further support to revenue pressures.</p> <ul style="list-style-type: none"> Reviewing charging for services and car parking. There is scope for a financial 'quick win' as regarding charging for existing services including adding premium charges when the service is 'gold standard'. 	<p>current priorities and risks. Similarly capital plans may change over time and supports a regular review of these.</p> <p>The Council agrees is it appropriate to review the strategy and policy for fees and charges including parking, including consideration of the pricing model applied for different types and quality of service.</p>	<p>any 'surplus' reserve is reprioritised or released to general balances.</p> <p>ii) Review capital budget allocations, including the schedule of 'reserved' schemes, and recommended de-prioritisation.</p> <p>iii) Review Treasury Management Strategy and investment of reserves to optimise investment income</p> <p>iv) Members will be advised of recommended changes to the Financial Strategy to include a target for income generation through fees added to the Medium Term Financial Plan, reflecting relevant regulations, freedoms, service costs and market conditions.</p> <p>v) Establish officer team to review income generating services with a view to increasing yield.</p>	<p>S151 Officer and</p> <p>S151 Officer and CEO</p> <p>S151 Officer and CEO</p> <p>Director of Commercial Services</p>	<p>July 2017</p> <p>August 2017</p> <p>September 2017</p> <p>June 2017</p>	<p>In progress</p> <p>In progress</p> <p>In progress</p> <p>In progress and ongoing</p>
Other Findings and Recommendations					
Economic Development - the peer team felt that the Council has not invested sufficiently in the officer resource to support the priority and that the size of the economic development team was small in relation to the task it faces		Review capacity in economic development to ensure it is consistent with ambitions through the Transformation Programme	CEO and Director of Service Delivery	April 2018	In progress

Recommendation / Finding	Response	Action	Owner	Date to be completed	Status
Scrutiny of transformation and commercialisation - the arrangements for this were not clear to the peer team		Review governance of transformation including agreeing revised scrutiny arrangements.	CEO	April 2017	Completed
Section 151 - it is understood that plans are not yet being implemented for a permanent replacement. This position should be resolved as soon as possible and the new Section 151 officer placed at a level within the organisation that reflects the complexity and importance of the Council's financial position		i) Appoint an interim S151 Officer to provide appropriate financial leadership during transition to the new operating model.	CEO	April 2017	Completed
		ii) S151 Officer responsibility to be established within the new structure and recruitment undertaken.	CEO	January 2018	In progress
Management - In order to make progress at a sufficient pace the next management levels need to be embedded urgently		All Management roles to be included in phase 1 of Transformation Programme	Strategic Lead for Transformation	October 2017	In progress
The Council should ensure that it establishes clear governance arrangements for creation of new companies and commercial activities.		To be addressed through the commercial strategy.	S151 Officer and Director of Commercial Services	August 2017	In progress
A brand management strategy should be established if the Council intends to expand its commercial activities		To be addressed through implementation of the commercial strategy and through the Communications and Marketing Team proposed to be established through Transformation structure.	CEO and Director of Strategy	April 2018	In progress

Agenda Item 8

SSDC Transformation Programme – Progress Report

Chief Executive: Alex Parmley
Lead Officer: Tracy Winsor, Strategic Lead for Transformation
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Purpose of Report

This progress report has been prepared in accordance with the Transformation Programme Governance arrangements agreed by Full Council in April 2017.

Recommendation

That members note the report.

Background

The Council has embarked on an ambitious plan to totally redesign its service delivery to ensure an improved experience for the customers and the communities it serves whilst at the same time reducing the cost to the tax payer. This will be achieved through a radical change in the way our services are designed, the way service teams are structured to support service delivery and by making more use of digital technology including Electronic Document Management (EDM), workflow and web based technologies. Rather than cutting services, this is an investment based approach that will realise genuine efficiencies, whilst also realising improvements in levels of services for customers and modernising service delivery.

Implementation of the agreed business case will deliver:-

- recurring net annual savings of £2,483,925 from an investment of up to £7,448,155
- a 'fit for purpose' organisation that will be in a position not only to drive continuous improvement but also to generate additional income to fund and support the council's future priorities.

The programme will deliver the Future Operating Model and the associated savings by the end of December 2018.

In order to manage this process, effectively maximise benefits and minimise risks, the implementation is divided into phases. Phase 1a Leadership and Management, Phase 1b Support Services, Phase 2 Strategy & Commissioning and Phase 3 Service Delivery & Commercial. A summary delivery timetable is shown in the appendix to this report.

Each phase contains an element of detailed design at the beginning, moving through consultation, interviews, selection and training for new roles. To ensure as much continuity of service provision as possible this activity will be supported by detailed transition plans. Each phase has a target saving allocated to it based on the analysis of the organisation undertaken in the detailed business case. Monitoring of progress with delivery, the realisation of the programme benefits and the delivery of savings will be undertaken through a quarterly report to the Transformation High Level Steering Group, The Scrutiny Committee and the District Executive.

Progress April - June 2017

Governance & Management

The revised governance arrangements are being followed and are proving effective in supporting the development of the programme in the way outlined in April 2017.

The Transformation Programme is divided into a number of work streams and progress to date is outlined below. Further work streams, including locality working and agile working will be developed as the programme moves forward.

The Programme is complex, with many elements to coordinate. As intended, the new Programme Board continues to meet on a fortnightly cycle to agree and authorise progress.

The revised budget agreed by full council in April 2017 identified additional resources to invest in programme delivery and achieve a greater level of savings.

The Transformation Programme team has been strengthened with the addition of a full time Programme Manager (Mike Franks) and further support for the People and Change; and Customer Focus and Service Redesign work streams.

Currently both in year and ongoing savings as a return on this investment are forecasts based on detailed activity analysis. There is no report on savings at this point. The savings projected from Phase 1 are to be realised in January 2018. We will include progress in realising the savings forecast in future progress reports.

Members will have noticed an increase in activity from April 2017 as we move into the implementation stages of the Programme. Overall, delivery of the Programme is on track and taking place as planned.

Communication & Engagement

2.1 Transformation Tuesday

Transformation Tuesday is published each week to keep staff across SSDC up to date with the Programme. Issue 20 was published on Tuesday 20th June. There is also a monthly Transformation Update that is sent to all elected members of the Council.

2.2 Going for Gold

Over 300 staff from all SSDC's services and teams joined the Senior Leadership Team (SLT) Alex Parmley, Ian Clarke, Clare Pestell and Martin Woods, for the Going for Gold events held on 25-28 April at the Westlands Entertainment Venue. These were important events aimed at engaging and informing staff about the Transformation Programme. SLT launched the vision and objectives for the future of the Council and each morning included an energising presentation from Olympic athlete James Howard about preparation, focus and teamwork.

In workshop groups, everyone was able to contribute ideas and views towards the new Attitudes and Approaches Framework and, in smaller group sessions, to discuss Design Principles, Operating Model, and Technology and Agile Working and how these will look in the transformed Council. Comments about the Going for Gold events included; "Enjoyable and informative, it has really boosted my enthusiasm for the future of SSDC" and "Thank you for the presentation that was both enlightening and reassuring".

2.3 Change Champions

29 staff from teams throughout SSDC have volunteered to be “Change Champions”. They will help to promote understanding about transformation with their colleagues, listening to concerns and acting as an informal channel of communication with the Transformation Programme Team. Kirsty Larkins, Housing & Welfare Manager, has joined the change champions and will help with management of the network.

From mid-June, Change Champions have been a listening ear for staff as we go through transformation, providing another channel of communication with the Transformation Team so that questions and concerns can be understood and addressed.

The Change Champions are trialling a social media channel for communications which we hope will become the channel of choice for everyone within the council to share information and provide assistance.

2.4 Members Briefing

A well-attended briefing for members was held on 15th June, before the Full Council meeting.

The event was designed to:

- Respond to requests by Members to have more information on Transformation
- Provide further details about the content and delivery of the Transformation Programme
- Kick start Member engagement in shaping the way the Council works in the future, particularly in areas which affect the Member role most.
- To reassure members and develop understanding of how the savings will be delivered
- Trail the next members event on locality working and Q & A with South Hams Members - September (Date TBA)

Participation during the five linked sessions and informal feedback afterwards suggests that the briefing was well received and worthwhile. We were able to provide more detail of the various work streams involved and how that work will deliver the programme and meet the ambitions of the Council. As intended, the sessions generated lots of ideas and suggestions to make the most of the new way of working.

2.5 Work Stream

The communication work stream workload has increased significantly in the period leading up to consultation. The levels of ongoing engagement needed to make sure everyone is aware of what is happening and when, means that we need to increase our resources in this area. A new temporary post will shortly be filled.

Customer Focus and Service Redesign

A significant proportion of the savings will be delivered through this work stream. Meetings have now been held with all support services teams to begin the process of redesign. Business Analysts have been recruited internally and they will be leading staff from each area of support services through a series of workshops to redesign all high volume processes, enabling as much self-service as possible. These begin in July and will continue throughout the summer and autumn.

Implementation of Phase 1

Formal consultation for Phase 1 began on the 26th June 2017. All staff whose roles are in Phase 1 were invited to a briefing given by the Chief Executive, SLT and HR and to receive information packs which include the proposed new structures for the management and corporate support services, the attitudes and approaches framework, an expression of interest form and the timeline.

A comprehensive package of support is being delivered to staff, including one to one sessions with HR, drop in sessions to learn more about the proposals and workshops on how to apply for new roles and interview skills.

Consultation ends on the 26th July and the selection process begins on 7th August with the outcomes being notified to all applicants week commencing 25th September

Technology

The contract with the ICT software supplier has now been agreed. The supplier CIVICA has already been working with the ICT team to put the architecture in place to support the new solutions and the first planning meeting has been held. The detailed work will now commence and one of the early priorities is to create a portal for staff to self-serve HR, Legal, ICT and Finance issues. This will support the changes happening as part of Phase 1 and will also be a good way to test some of the functionality which we are using in the external customer portal later on in the programme.

Risk Profile

The Programme Board manage any identified risks to programme delivery. As necessary the Board can “elevate” consideration of a risk to the High Level Steering Group to discuss controls and mitigation. However, currently the Board believes all risks are being managed satisfactorily.

Accepting the officer recommendations in this report will not affect the risk profile.

Carbon Emissions and Climate Change Implications

None from this report

Equality and Diversity Implications

No adverse equality impacts have been identified


Privacy Impact Assessment

None from this report

Background Papers

SSDC Transformation Programme – Report to Full Council April 2017

Appendix

		2017										2018												2019			
ACTIVITY		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
Phase 1a	Leadership & Management																										
Phase 1b	Support Services																										
Phase 2	Strategy & Commissioning																										
Phase 3	Service Delivery & Commercial																										
Phase 5	Data Cleaning & Migration																										
		FY 17/18										FY 18/19												FY 19 / 20 ONWARDS			
		Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1		Q4							
Savings per quarter								£ 124,830		£ 711,744		£ 205,501				£ 357,812		£ 1,141,934									
IN YEAR SAVINGS												£ 124,830												£ 1,275,057		£ 2,541,821	

Agenda Item 9

Affordable Housing Development Programme

Executive Portfolio Holder: Councillor Ric Pallister, Strategy and Policy
Director: Martin Woods, Service Delivery
Service Manager: Colin McDonald, Corporate Strategic Housing Manager
Lead Officer: Colin McDonald, Corporate Strategic Housing Manager
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1. Purpose of the Report

The purpose of this report is to update the Executive on the final position of the Affordable Housing Development Programme for 2016/17, the current position for 2017/18 and future prospects. This includes recommendations for adjustments to the grant allocations within the programme.

2. Recommendations

The Executive are asked to

- (a) Confirm ringfencing of the £175,000 grant returned from Spectrum for deployment to produce new affordable housing in Yeovil [*ref section 7*];
- (b) Note the outturn position of the Affordable Housing Development Programme for 2016/17 [*ref section 10*];
- (c) De-allocate £2,300 from Magna Housing Association for the single acquisition in Chard which came in under budget [*ref section 11*];
- (d) De-allocate a further £312,500 from Stonewater for the Learning Disability (LD) scheme at West Hendford, Yeovil [*ref section 11*];
- (e) Allocate an additional £11,000 for Stonewater for the supply and fitting of cookers at the Queensway scheme, Yeovil [*ref section 11*];
- (f) Confirm an allocation of £92,500 to BCHA for acquisition of five bought not built properties [*ref section 11*];
- (g) Note the progress made on Community Led Housing and use of the specific fund allocated by central Government [*ref section 13*]

3. Public Interest

- 3.1. This report covers the provision of affordable housing over the past year and anticipates the likely delivery of more affordable homes being constructed during the current financial year. It will be of interest to members of the public concerned about the provision of social housing for those in need in their local area and of particular interest to any member of the public who is seeking to be rehoused themselves or has a friend or relative registered for housing with the Council and its Housing Association partners.
- 3.2. "Affordable" housing in this report broadly refers to homes that meet the formal definition that appears in national planning policy guidance (the 'National Planning Policy Framework'). In plain English terms it means housing made available to people who

cannot otherwise afford housing (owner occupied/mortgage or rented) available on the open market. Typically this includes rented housing (where the rent is below the prevailing market rate for a private sector rented property of similar size and quality) and shared ownership (where the household purchases a share of the property that they can afford and pays rent, also at a below market rate, on the remainder). The Housing & Planning Act 2016 formally defines the new Starter Homes as also being a form of 'affordable housing'.

- 3.3. This report covers the level of public subsidy secured (which is necessary in order to keep rents at below market rates) and sets out where affordable housing has been completed. It does not cover the letting of the rented housing or the sale of the shared ownership homes; in short, it is concerned with the commissioning and delivery stages only.

4. Background

- 4.1. The overall programme has traditionally been achieved through mixed funding (Housing Grant [administered by the Homes and Communities Agency - HCA], Local Authority Land, Local Authority Capital, Housing Association reserves and S106 planning obligations) and the careful balancing of several factors. This includes the level of need in an area; the potential for other opportunities in the same settlement; the overall geographical spread; the spread of capacity and risk among our preferred Housing Association partners and the subsidy cost per unit.
- 4.2. A previous report was considered by the District Executive on 1st September 2016 which considered the final outturn for 2015/16 and gave some longer term perspective.
- 4.3. In recent years a significant element of the affordable housing delivery programme has been produced through planning obligations within larger sites being brought forward by private sector developers. However the delivery of these is tied to wider economics, not least the developers view of prevailing market conditions and the speed at which they estimate completed properties will sell at acceptable prices. Typically the required affordable housing is agreed at the outset of larger sites, but delivered as the site progresses over a number of years.
- 4.4. The South Somerset Local Plan (2006 – 2028) was formally adopted on 5th March 2015 having completed all the other necessary stages, including examination by Government appointed Inspector.
- 4.5. Under both HG3 and HG4, the Local Plan seeks 35% to be provided as affordable housing (subject to viability). The 35% derives from the previous Strategic Housing Market Assessment (SHMA) which was undertaken by Fordham Research in 2009, commissioned in conjunction with the other districts in Somerset and covering both the Taunton and South Somerset Sub-Regional Housing Market Areas. The SHMA took into account the 'backlog' of need (as expressed on the housing register) and the demographic projection of newly arising need over the remainder of the plan period.
- 4.6. Many aspects of the Housing and Planning Act 2016 are now in force. However it included different sets of regulations which further detail will be written into in due course, none of which have yet appeared. The Act introduced the Governments proposal of 'Starter Homes' as an alternative form of provision to 'traditional' Affordable Housing. A starter home is a new dwelling which is only available for purchase by qualifying first-time buyers and which is made available at a price which is at least 20% less than the market value subject to a cap. A first time buyer must be aged at least 23 and under 40. The price cap is £ 250,000 outside London.

- 4.7. Between 4th October 2012 and 1st June 2017 requests from Housing Associations for endorsement of voluntary disposals with respect to individual properties formerly owned by the council were subject to consultation with the relevant ward member/s and a formal report to the Portfolio Holder. Last month the District Executive agreed to cease this in the light of the report from a Scrutiny task & finish group in the light of our experience to date, particularly with reference to proposed disposals from Yarlinton. In future members will be informed of proposed disposals in their ward.
- 4.8. In November 2010 the Portfolio Holder approved the first Rural Housing Action Plan, which set out the mechanisms available to the Council in providing more affordable housing in rural locations. A revised Rural Housing Action Plan was approved in June 2013 and the most recent revision was approved by the Portfolio Holder in October 2016.
- 4.9. The Government made available £4.7 billion of capital grant through the HCA (except in London) for the newly revised funding period 2016-21 under the renamed 'Shared Ownership and Affordable Homes Programme'. Initially the majority of these funds (95%) were initially geared towards ownership products with just 5% set aside for 'traditional' rented products (such as affordable rent) for 'older, disabled and vulnerable people'

5. The Housing White Paper

- 5.1. A Housing White Paper "Fixing Our Broken Housing Market" was published on 7th February 2017. It set out the Government's strategy for building more of the right homes in the right places. Although labelled as a Housing White Paper, much of the content concerned housing related planning policy and as such it can be seen as a follow up to the Housing & Planning Act 2016.
- 5.2. Aligned with the publication of the White Paper the Housing Minister, Gavin Barwell, embarked on a series of meetings around the country to directly discuss the issues covered with a range of stakeholders. The Leader of the Council and the Corporate Housing Strategy Manager were able to attend one of these meetings, held in Taunton with the Leader being able to speak to the Minister directly during the question and answer session.
- 5.3. The White Paper was unusual in that it included a very broad consultation document, which comprised of just under forty substantive questions. The deadline for response was in May but with the general election it is not known whether civil servants have had time to collate responses received.
- 5.4. The White Paper included more detail on Starter Homes, in particular an indication that the period for potential repayment of discount (left to be set in regulations by the 2016 Act) may be for fifteen years and an indication that previous Government intention to seek 20% Starter Homes on all qualifying sites would in fact be just 10% and cover a range of home ownership products including Starter Homes.

6. Future HCA Funding Prospects

- 6.1. The initial bid round for the 2016-21 'Shared Ownership and Affordable Homes Programme' closed on 2nd September 2016 and as anticipated we are now in the usual 'CME' process whereby bids can be submitted and evaluated at any time subject to there being funds remaining

- 6.2. In line with the wider approach to all forms of housing indicated in the White Paper, the Government relaxed the proportions of the programme set aside for home ownership products and once again allowed bids for general needs rented dwellings, albeit on the Affordable Rent regime. This re-opens the prospect of the Council's own capital funds being used to underwrite a scheme for rent with the expectation that the Housing Association will subsequently bid for HCA funding, where we are willing to accept affordable rent being applied to the dwellings.

7. Housing Association voluntary disposals

- 7.1. Over the past five years there have been seventy four proposed voluntary disposals from Housing Associations in South Somerset. About three quarters of these have come from Yarlington, which is unsurprising as it owns 84% of the existing stock in the district, the majority of it older and more widely spread than any other Housing Association. Only one disposal, proposed by Magna, was withdrawn following comments from the Council.
- 7.2. Yarlington has proposed disposal of 54 properties – five in Yeovil, one in Ilminster and 48 in rural locations. After the formal process the Portfolio Holder agreed to 26 of these disposals and withheld consent from 24; two predated the October 2012 policy, one did not reach portfolio holder stage as last months District Executive decision curtailed the process and one was not subject to it because it was not transferred from the Council but instead was acquired by Yarlington under mortgage rescue.
- 7.3. It is estimated that when all these disposals are completed, Yarlington will have gained just over £ 6½m in net proceeds from these disposals but to date no indication has been given of where such funds have been redeployed.
- 7.4. In the light of the recent District Executive decision to inform ward members only (rather than undertake a full internal consultation), the Portfolio Holder has suggested that the District Executive receive a regular item for information on Housing Association voluntary disposals. A breakdown of the disposals that Yarlington have consulted us on to date is provided at Appendix A. Not all of these properties have actually been sold yet – for example the more recent properties may still be subject to contract and it is understood that the intention is to dispose of all of the Donyatt Hill flats once they have all become vacant.
- 7.5. Stonewater have proposed three disposals – all within the past twelve months. Two of these properties were in Yeovil (68 Hertford Road and 18 Hathermead Gardens), both last financial year. The other proposed disposal is 20, Belvedere Grange, Somerton and was first notified to the council this May. None of them are former Council properties (Stonewater does own a small number of former Council properties passed to Raglan and Jephson under the former trickle transfer policy that predated the LSVT). Stonewater has given an undertaking that all the funds raised will be redeployed in South Somerset.
- 7.6. Aster have disposed of one property – 7, Coombe Wood Lane, Combe St Nicholas. This happened last financial year and was not a property transferred to them from the Council.
- 7.7. Knightstone have disposed of one property – 24 Severalls Park Avenue, Crewkerne. This happened last financial year and, again, was not a property transferred to them from the Council.
- 7.8. Magna have disposed of one property in Yeovil, 60 Lyde Road, five years ago. This was the property which triggered the original District Executive decision in October 2012 on how to respond to such proposals. Shortly afterwards Magna also proposed to dispose

of another property in a rural parish but withdrew the suggestion after initial liaison with the Council. Until recently Magna had chosen not to progress a development programme and so they have had not had the same reasons for raising funds as other Housing Associations.

- 7.9. It should also be noted that in 2014/15 Spectrum (which has since merged with Sovereign) relinquished the lease on it's remaining homes in Yeovil after having transferred all other stock in Somerset to Knightstone. These were a development of fourteen flats in a building in Newton Road, Yeovil. The lease was terminated as the entire building was due to be redeveloped by the freeholder (although this hasn't actually happened since) and all of the flats had been empty for some time having been effectively blighted by the proposed redevelopment plans. Spectrum repaid £175,000 grant to the Council, having decided to strategically withdraw from the district. It is suggested that this repaid grant is ring fenced for deployment for new affordable housing in Yeovil.

8. New Strategic Housing Market Assessment (SHMA)

- 8.1. The new needs assessment was delivered in October 2016 by Justin Gardiner Consulting, commissioned in conjunction with three other districts. Evidence from the new SHMA will feed into the early review of the Local Plan
- 8.2. In particular it estimates an annualised need of 865 new affordable homes in the district for the duration of the Local Plan period. This includes the current known 'backlog' as expressed through actual registrations on Homefinder and a projection of emerging need from newly forming households and existing households falling into need.
- 8.3. Taking into account an annual vacancy rate of 659 affordable homes (arising from the existing stock), the SHMA projects an annual shortfall of 206 homes for the remainder of the Local Plan period.
- 8.4. Of course the SHMA is only looking at net figures, it is not taking into account the possibility that the 659 vacancies arising from within the existing stock will not all be in the right place or will not all be of the right size to meet current demands. Nor is it taking into account the possibility that a small proportion of the 659 vacancies will be properties subject to voluntary disposal (meeting market demand, but not directly contributing to meeting affordable housing need).
- 8.5. Based on the overall housing projections (including market), the annualised shortfall of 206 affordable homes represents approximately 34% of all homes required by the end of the Plan period. This is, at first sight, remarkably close to the existing policy of seeking a 35% contribution under planning obligations.
- 8.6. However not all sites qualify for the 35% obligation. Since the start of the current Plan period monitoring shows that 38% of completions have been on sites of 10 dwellings or less, in other words only 62% of all housing has been subject to the 35% policy. In addition a number of sites that are subject to the policy produce lower than the full 35% anyway, due to viability issues. On the other hand there have been some sites which are effectively 100% affordable housing.
- 8.7. The SHMA also indicates that a greater percentage of affordable housing needs to be social rent rather than intermediate. Our previous split was two thirds (of the obligated 35%) social rent and the remaining one third other intermediate product, usually shared ownership. The need for social rent (based on income cohorts) has risen to 70-80% with

an identified 10-15% for affordable rent (which did not exist as a separate product when the previous SHMA was carried out) and a further 10-15% other intermediate product.

8.8. However the HCA, whilst now able to fund general needs rent dwellings once again, will insist on affordable rent and only agree to social rent in exceptional circumstances. Where the Council is the sole funder of a grant aided scheme we have previously agreed to shift to our own hybrid rent rather than insist on social rent. It is unlikely, then, that traditional ('100%') Housing Association sites will produce affordable housing in the ratios identified as needed by the SHMA.

8.9. The SHMA also gives an indicative breakdown of property sizes for affordable housing as follows:

Size	Rented	Intermediate & Starter Homes
1 bedroom	35-40%	15-20%
2 bedrooms	35-40%	50-55%
3 bedrooms	20%	25-30%
4+ bedrooms	5%	0-5%

8.10. The SHMA also gives some commentary on the possibility of adopting the Governments new national space standards. Currently we tend to seek new affordable housing to meet the following space standards, which originally derived from the 'Housing Quality Indicators' that were used by the Housing Corporation and then the HCA, based on gross internal floor areas.

1 bedroom flat	47 m ²	
1 bedroom house	55 m ²	
2 bedroom flat	66 m ²	
2 bedroom house	76 m ²	(86 m ² if 3 storey)
3 bedroom house	86 m ²	(94 m ² if 3 storey)
4 bedroom house	106 m ²	(114 m ² if 3 storey)
4 bedroom parlour house	126 m ²	(134 m ² if 3 storey)
5 bedroom house	126 m ²	(134 m ² if 3 storey)

If anything, the Governments new national space standards are slightly more generous overall than the above.

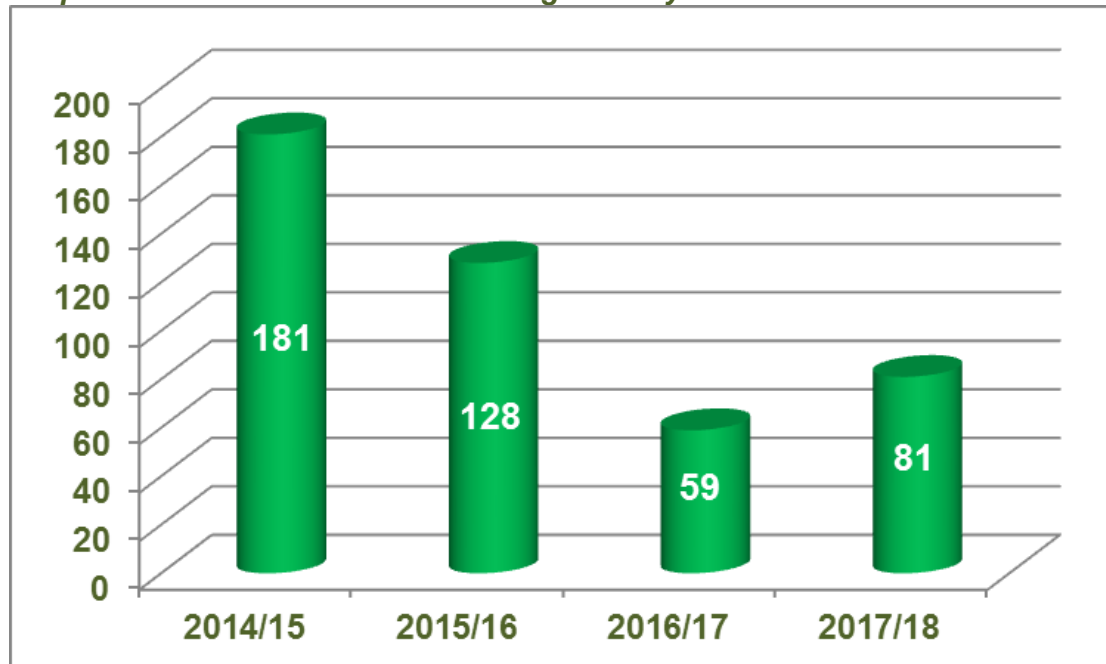
8.11 As part of the early review of the Local Plan an issues and options document discussing the implications arising from the new SHMA as shown above will be considered by the LDS Board and brought to District Executive in due course, prior to public consultation.

9. The Affordable Housing Programme: A four-year profile

9.1. The graphs below show the overall shape of the programme over the past three financial years (in order to give some longer term context) and the projected outturn for the current financial year. Further detail on the first two years covered by these graphs can be found in the previous reports to District Executive (1st October 2015 & 1st September 2016) and is not repeated here. The rest of this report considers the outturn for the last complete financial year, 2016/17 and future schemes which now have grant funding confirmed (either from HCA or from this Council), most of which shall be on site during the current financial year.

9.2. Overall Delivery

Graph One: Overall Affordable Housing Delivery

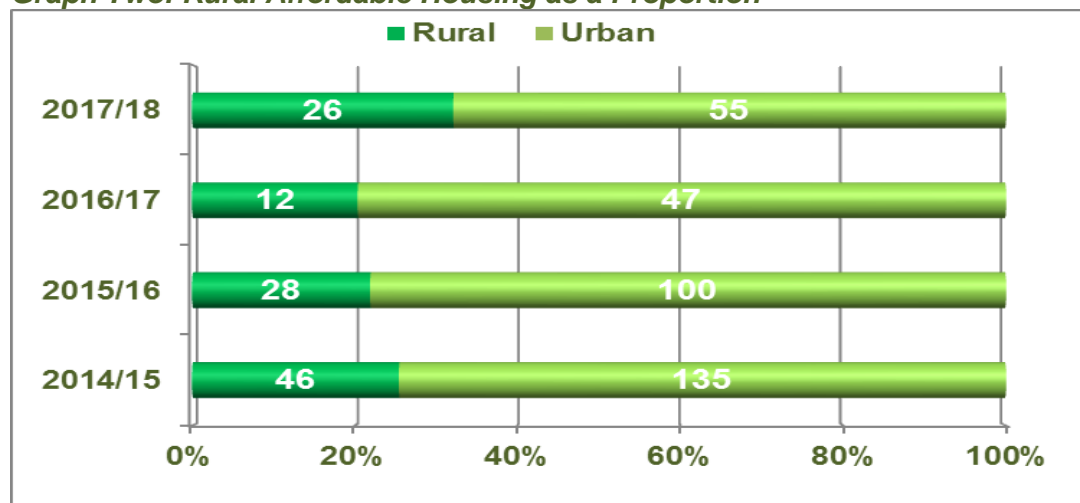


9.2.1. Graph one (above) shows the overall size of the affordable housing programme over the past three years and the expected size for the current year. The longer term trend has been downwards with the average for the four year period above falling to 112, whereas the average for 2011-15 (the last complete HCA four year funding period) was 206. Taken together, over the whole seven year period, our longer term average delivery is now 155.

9.3. Rural Delivery

Graph two demonstrates that we have consistently delivered at least 20% of all new affordable homes in settlements of under 3,000 population. The projection for the current financial year is 32%.

Graph Two: Rural Affordable Housing as a Proportion



9.4. Public subsidy

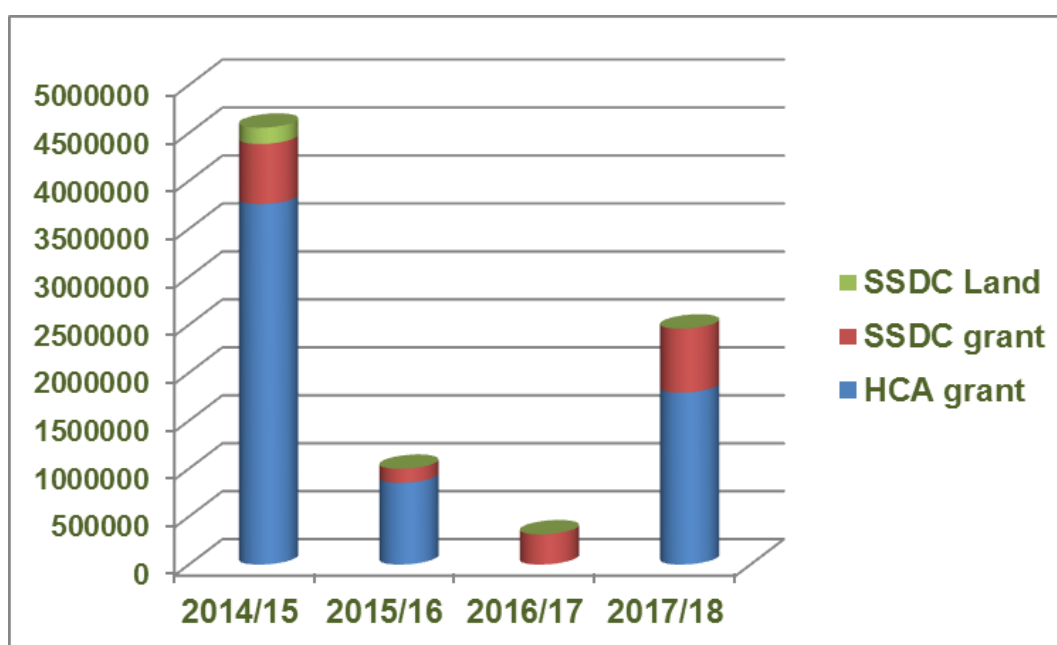
9.4.1. Graph three shows the level of public subsidy associated with schemes completing in each financial year. It should be noted that subsidy is paid at various stages and in most cases some proportion of the subsidy will have been paid over in the financial year/s prior to the year of completion, as the development has progressed. Historically, capital subsidy from the Homes and Communities Agency has been the dominant feature.

9.4.2. Over the past three years the total value of public subsidy has been as follows:

Homes & Communities Agency	£ 4,610,243 (79%*)
District Council (Capital Grant)	£ 1,088,200 (19%*)
District Council (Land Value)	£ 170,000 (3%*)
Total public subsidy	£ 5,868,443

**Rounded up to nearest whole number, so doesn't add up to 100%*

Graph Three: Level of Public Subsidy Associated With Completed Schemes

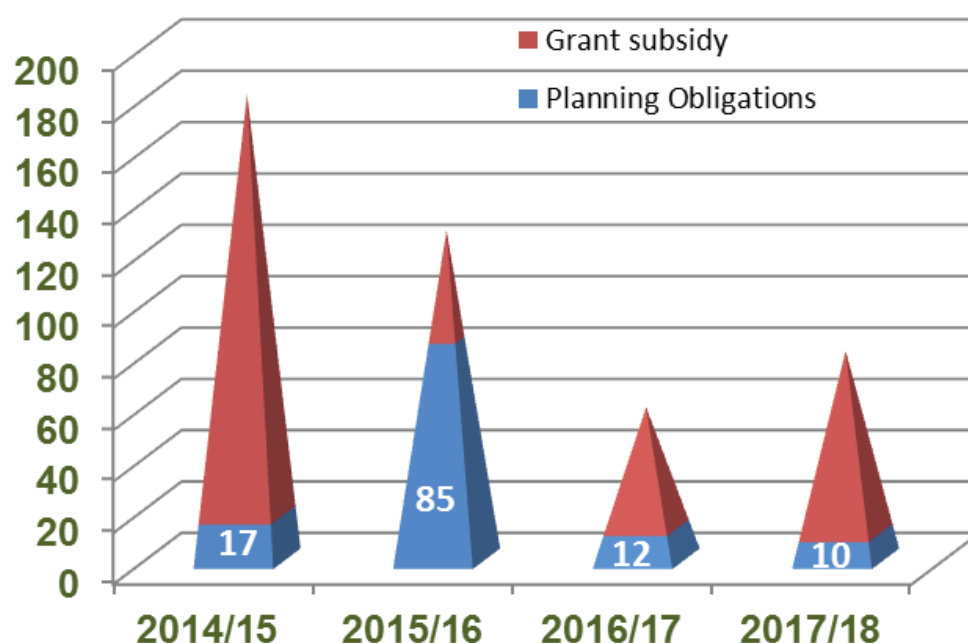


9.4.3. Most unusually last financial year included no completed schemes subsidised through the HCA, although as previously mentioned grant will have been paid over during the build stages for schemes due to complete in the current financial year.

9.4.4. Graph three does not include the recycled funds used by Housing Associations arising from 'staircasing' in shared ownership (where the leaseholder purchases a further tranche of the equity) or the outright disposal of a rented property.

9.4.5. Graph four below demonstrates the relationship between that part of the programme sustained by the subsidies shown above and the delivery of affordable housing through planning obligation alone. The apparent peak in 2015/16 is due largely to the completion of the first 59 obligated dwellings on the Lufton key site in Yeovil, acquired by Yarlington.

Graph Four: Relationship between subsidy and planning obligations

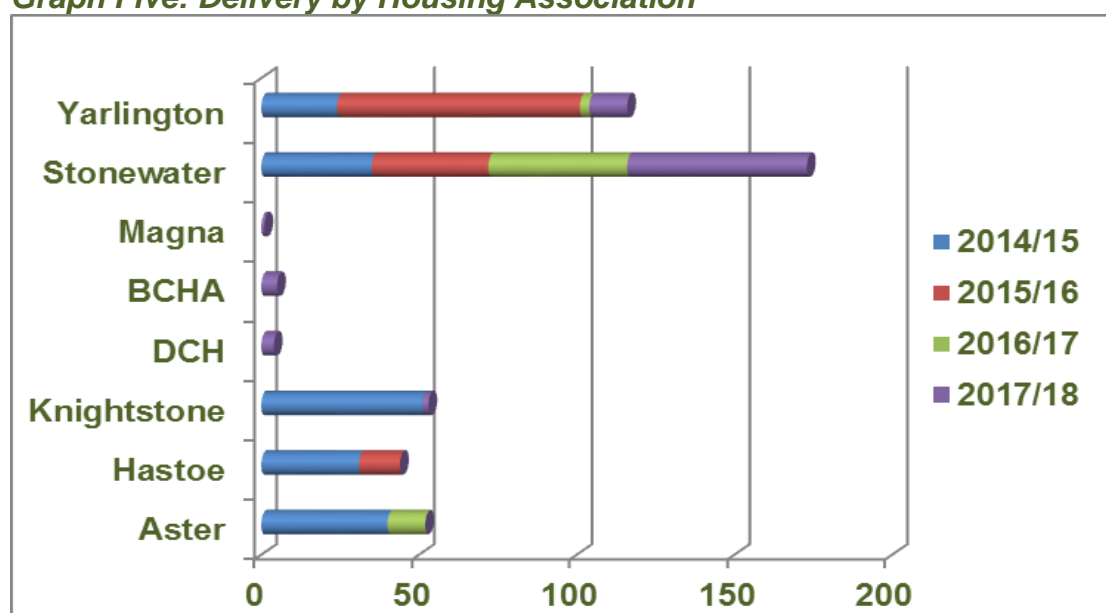


9.5. Delivery by Association

9.5.1. Graph five shows the delivery over the four year period (including the projected delivery for the current financial year) broken down by Housing Association.

9.5.2. The graph includes one property acquired by Magna this financial year. Until recently Magna had chosen to put a hold on new developments but it now intends to restart its development programme.

Graph Five: Delivery by Housing Association



9.5.3. The figures attributed to Stonewater include the homes produced by both Jephson and Raglan in 2014/15 (prior to their merger to form Stonewater)

9.5.4. It should be noted that this graph does not include a very small number of affordable dwellings delivered directly by private sector developers or the one acquired by the Council.

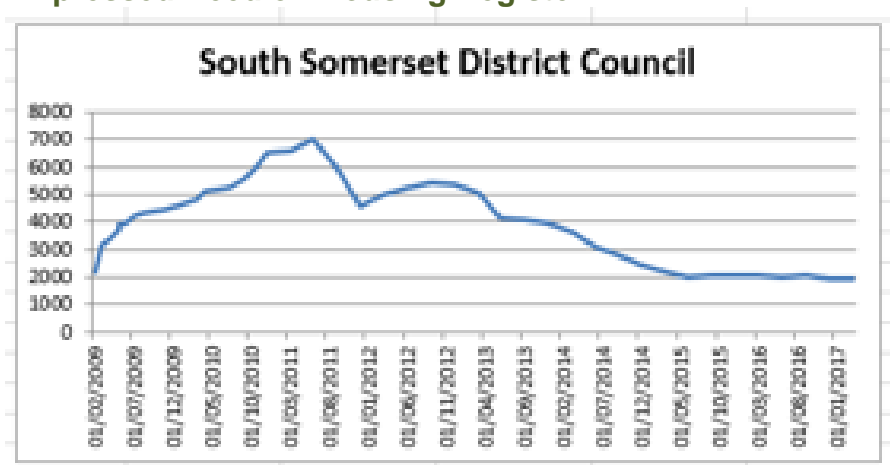
9.5.5. The graph demonstrates how Stonewater have overtaken Yarlington as the biggest provider of new homes in the district over the four year period covered by this report. Yarlington, of course, remain the biggest provider of existing homes, and thus vacancies arising, with about 84% of all social housing in the district.

9.5.6. The current financial year (shown in purple) also shows diversification of provision with the first completions/acquisitions of three Housing Associations, including BCHA who were appointed as a new main partner two years ago.

9.6. Housing Register

9.6.1. The graph below is extracted from the most recent quarterly report submitted to the Homefinder Monitoring Board. Since the creation of a single county wide system in December 2008 the number of applicants expressing a need through the register has initially increased and then steadily fallen. The fall in applications can be attributed to better maintenance of the register (removing redundant applications) and, in part, the policy changes previously introduced which restricted applicants to those who have a local connection with the County. However for just over three years those on the register assigned to South Somerset District Council has remained pretty steady at around 2,000, close to the level we had prior to creating the county-wide system.

Graph Six: Expressed Need on Housing Register



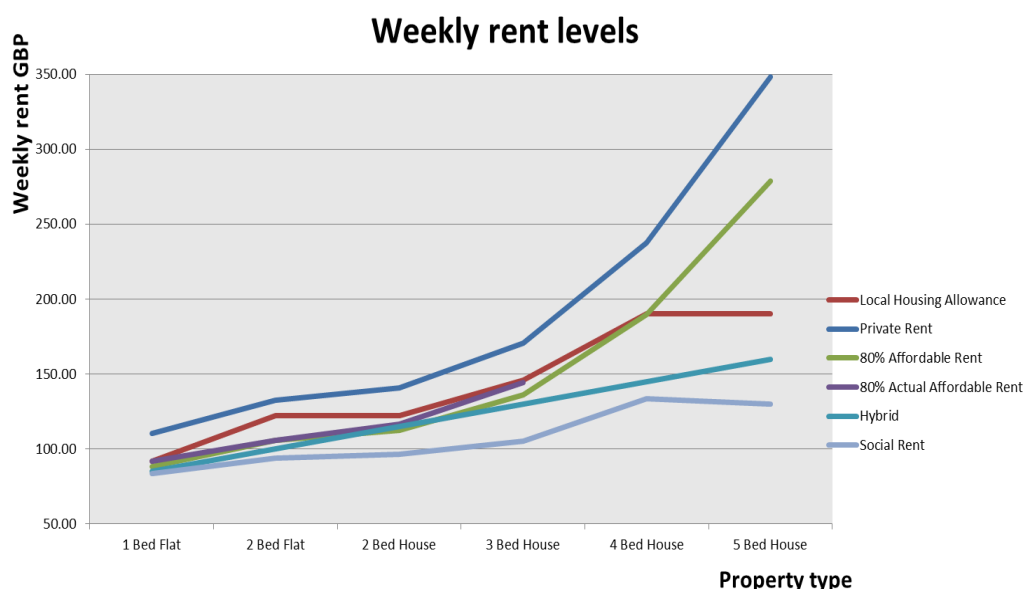
This suggests that we have reached an equilibrium where the supply of new housing (together with the casual vacancies arising from within the existing stock) is just about keeping pace with the newly arising expressed need. Other data shows that South Somerset consistently deals with the highest number of new applications in the County but also has the highest number of vacancies advertised and properties let meaning that our part of the register is more dynamic with consistently around 25% of the registered households (yet to be housed) and 25% of the bids made but 27% of the offers and lettings.

9.7. Outcome rents

9.7.1. The graph below is a very rough guide to the relationship between the different rent regimes. It is important to note that the figures are all district wide averages which

masks the variation, particularly in market and affordable rents, between locations. There is no local housing allowance (Housing Benefit limit) for a five bedroom property – hence the red line flattens once it reaches four bedrooms. Apart from one anomaly with social rents for five bedroomed houses, generally all forms of rent tend to ‘kink’ at the higher end – i.e. the additional rent charged per extra bedroom increases at a greater rate – except for the hybrid rent (which was deliberately modelled as a straight line).

Graph Seven: Relationship of Different Rent Regimes



9.7.2. The green line shows modelled average affordable rents at 80% of the average prevailing private sector values. The purple line shows actual average affordable rents, i.e. on real properties, and tends to be slightly higher than the green line, probably because on average the Housing Association properties are newer and of better quality than the ‘average’ available on the private rented sector.

9.7.3. Since July 2015 both social rents and affordable rents have been decreasing by 1% per annum. Overall this reduction in income led to a significant reduction in the borrowing power of the Housing Association sector and subsequently additional viability issues on sites subject to planning obligations.

9.7.4. Bearing in mind that the graph shows district wide averages, because of the treatment of service charges, there has been very little difference between the social rent and the affordable rent model in flats, the expected difference being clearly in houses. However in some locations, particularly higher value villages, even for these property types the outcome rent has been discernibly higher on the affordable rent regime.

9.7.5. Similarly there is very little difference between actual affordable rents and the ‘hybrid model’ up to the point of three bedroom houses. It is therefore suggested that we continue to use the hybrid model when the District Council is the sole source of grant funding for four or five bedroom properties and for all property types in certain higher value rural locations, but otherwise accept the affordable rent model for the majority of new grant funded homes.

10.2016/17 Outturn

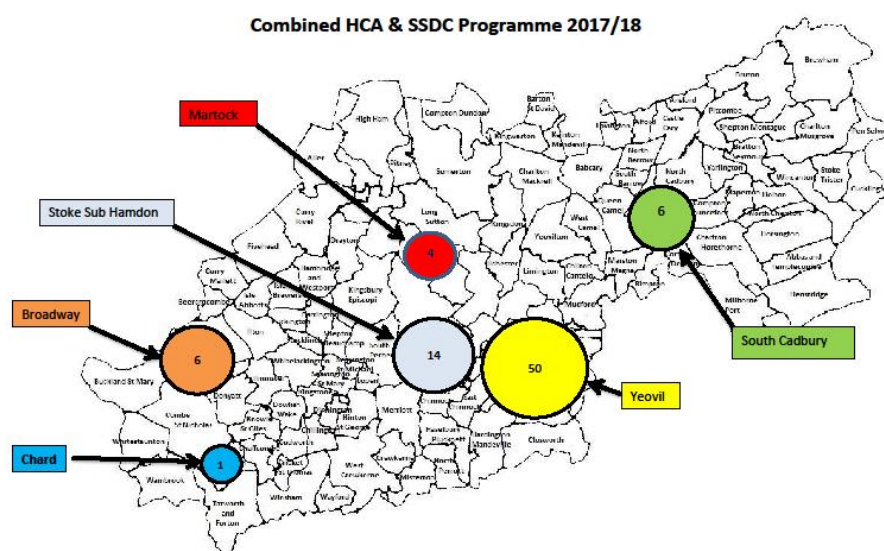
- 10.1. During 2016/17 a total of 59 new affordable homes were completed, of which 12 were produced without direct public subsidy but through obligations imposed on developers under section 106 of the Town and Country Planning Act 1990. The full details are shown at Appendix B.
- 10.2. Three different Housing Associations delivered three schemes in two different settlements, Yeovil and Milborne Port. The three schemes have three different funding routes – one being grant aided by the HCA, one grant aided by the Council and the third subsidised through planning obligations alone.
- 10.3. The most significant scheme has been the new Stonewater development at West Hendford in Yeovil, of which the first forty-four properties, including one with some special adaptations, were completed last financial year. The main part of the scheme has been funded entirely through the HCA but no figures are shown in Appendix B as the grant has not been disaggregated into different delivery phases. Instead the HCA grant is shown at Appendix C under the projected outcome for the current financial year.
- 10.4. The Aster scheme at Milborne Port is the only one completed last year that was brought forward through planning obligations. Planning permission was granted to the developer at a time when Aster were still one of our main partner Housing Associations and thus they were automatically cited on the s106 Agreement. This development included a bespoke property tailored to the individual needs of a specific household which would not have been possible without close co-operation between the Council, Aster and Stongvox, the main developer of the overall site.
- 10.5. The three bedroom bungalows built by Yarlinton in Yeovil were grant funded by the Council to meet a very specific identified need. The scheme costs were relatively high pro rata, being a small site with all the dwellings being bungalows. This resulted in a high level of grant per dwelling, but this was commissioned by the Council to meet the specific needs of three households who could not be adequately accommodated elsewhere.
- 10.6. The number of new Affordable Rent dwellings delivered is just over three times the number delivered as social rent, despite the latter being higher in the previous year. This arises entirely from the Stonewater scheme, being HCA funded. The proportions will continue to vary over time depending on the timing of peaks and troughs in the different forms of delivery.
- 10.7. In addition the Council acquired two five bedroomed houses in Yeovil during 2016/17. These were purchased directly from the developer and leased to Stonewater who then let them to households in need of larger accommodation. The rents charged by Stonewater were kept within the LHA limit (for Housing Benefit) but were effectively market rents, albeit at the lower end of the market, with the lease subsequently paid by Stonewater to the Council making a small return on the investment. The two five bedroom acquisitions are not, then, 'affordable' housing and so are not included at Appendix B. However the acquisitions did meet the urgent needs of households on the register who otherwise may have been stuck in less suitable accommodation for an indefinite period.

11. Current Year (2017/18) Programme

- 11.1. During 2017/18 we expect a total of 81 new affordable homes to be delivered; the full details are shown at Appendix C. The figure is subject to some fluctuation as sites progress, for example delays due to adverse weather, but it is also possible that other

dwellings will come forward. It should be noted that for the purposes of these reports affordable housing 'secured' under s106 of the 1990 Act is only placed on the programme once the developer has entered into contract with the relevant Housing Association.

- 11.2. 81 is a reasonable improvement on the 59 achieved during 2016/17 but is still below our longer term average and well below the 206 annual requirement identified by the SHMA.
- 11.3. This includes ten homes delivered through planning obligations over two different sites – one brought forward by Higdon Homes and the other by DCH. As with last financial year no affordable homes are expected to be delivered from the larger sites (controlled by some of the larger developers).
- 11.4. Currently we expect five Associations to deliver eight schemes in five different settlements and a sixth Association to acquire a single dwelling in a sixth settlement. The map below shows the geographic spread.



- 11.5. Stonewater will complete a total of 57 new homes, 36 of these for affordable rent, across three sites – two in Yeovil, including the last phase of the West Hendford scheme discussed in the section above, and the other in Stoke sub Hamdon.
- 11.6. At a site meeting on 27th April, the Portfolio Holder was generally impressed with the overall layouts and designs for the new flats that Stonewater has created at Queensway in Yeovil. However he was concerned over two aspects of the finishes – the absence of shower screens and the lack of a fitted cooker as part of the kitchen suite. Stonewater agreed to amend the specification to include shower screens within the existing budget and to install dual fuel cookers on the basis that the marginal cost of supply and fitting them would be included as additional grant from the Council. It is therefore recommended that a further £11,000 in grant is allocated to Stonewater for this scheme.
- 11.7. The West Hendford scheme is due to be completed before the date of the Committee meeting and includes the provision of some Learning Disability (LD) flats. In October 2015 the District Executive approved the principle of underwriting the grant for the LD

scheme within the West Hendford site and in September 2016, following a successful award of grant through the HCA for the general needs element, the level of capital subsidy from the Council was reduced to £375,000 purely to underwrite the LD project.

- 11.8. It was thought that the monies required to subsidise the LD element would be made available from health service funding following the sale of an existing building no longer regarded as fit for purpose and subject to approval from NHS England. It was predicted that, in this event, the actual level of grant required from the Council would reduce to around £100,000.
- 11.9. However Stonewater have since been awarded additional funding from the HCA. From Stonewater's perspective this is a preferable route as the health service funding would appear as a charge on the property whereas HCA grant, whilst it comes with other conditions attached, is not seen as a legal charge. Council grant is still required to complete the scheme but this has now reduced to £62,500, equating to one sixth of the total public subsidy. Accordingly a further £312,500 in Council grant subsidy can now be de-allocated.
- 11.10. Knightstone have accessed health service funding to acquire a number of bungalows across the County for specialist LD provision, including relatively high physical needs. Two such properties were acquired in Yeovil in April this year with a total of £630,588 funding coming from NHS England. The remainder of this County-wide project is likely to consist of acquisitions outside of South Somerset.
- 11.11. Yarlinton are working on two rural sites – one grant funded where completion should take place later this month – at South Cadbury. The other is through planning obligations on the site at Broadway being developed by Higdon Homes, being one of only two schemes to deliver social rent this year.
- 11.12. The other social rent is a single acquisition completed by Magna in April to assist a family with special circumstances, grant funding (£37,000) for which was agreed by the Portfolio Holder in November 2016. Magna were asked to assist with this acquisition as they owned the immediately adjacent dwelling and have recently emerged from their self-imposed moratorium on new development. Magna claimed £34,700 in grant, allowing £2,300 to be returned to the general reserve.
- 11.13. The scheme in Martock produces four shared ownership dwellings through planning obligation alone is unusual in that the whole site is being developed by DCH, a Housing Association, who will then retain the freehold of the shared ownership units. Any surpluses raised from the sale of market housing (after construction costs and effectively subsidising the shared ownership dwellings) will be ploughed back into DCH affordable housing programme. Whilst a number of Housing Associations have discussed the possibility of developing market sites in principle with the Council, this is the first example that we actually have on site. Earlier this year DCH announced a proposed merger with Knightstone.
- 11.14. The other scheme is acquisition of five two-bedroom properties ("bought not built") in Yeovil by BCHA to provide move-on accommodation. Purchasing existing properties has the advantages of being able to meet identified need more quickly than designing and constructing a scheme and being able to make the provision in a 'dispersed' way rather than concentrating the client group in one location. The disadvantage is having no control over the design features and potential costs are higher as developers will make a higher profit margin on individual sales.

- 11.15. This scheme has recently been allocated grant from the HCA on the proviso that there is a contribution from the District Council. In order to keep rents within the reach of those clients currently likely to be 'silting up' specialist projects, BCHA are seeking total subsidy of around £56,000 per acquisition. After some negotiation it was agreed with BCHA and the HCA to split the required subsidy roughly two thirds (£187,500, which has been confirmed) from central sources and roughly one third (proposed £92,500) from the Council. It is therefore proposed to allocate £92,500 to BCHA for this purpose, equating to subsidy of £18,500 per dwelling, and to take this allocation from the Yeovil reserve.
- 11.16. The actual outcome for this financial year could be augmented with some additional individual properties such as mortgage rescues or further Bought not Built properties. It is also still possible that some properties may be sold as Starter Homes, but this seems unlikely as we are yet to see the full regulations set out in the 2016 Act including knowing the full discount period.

12. Pipeline schemes – beyond 2017/18

- 12.1. There are a further four schemes with grant secured from the Council, all of which are subject to securing planning permission and thus are unlikely to complete until 2018/19 at the earliest although conceivably a start could be made on site this financial year. These are shown at Appendix D.
- 12.2. In addition it is possible, but by no means certain, that next financial year may see the next 'peak' in delivery of affordable housing through planning obligations on one or more of the larger sites. In particular it is expected that Persimmon will progress development on the Lufton key site in Yeovil to the point where provision of more affordable housing is triggered within the terms of the existing s106 Agreement. There is also the possibility of the delivery of the first tranche of affordable housing within the Brimsmore key site in Yeovil.
- 12.3. Just under £2 million of Council grant is provisionally allocated to three different Housing Associations planning to deliver at least 74 new homes across four different sites in three settlements. In all cases the funds have been allocated in the expectation that once suitable planning permission is secured a bid for funds will be made to the HCA, potentially releasing some or all of the grant allocated by the Council.
- 12.4. The Yarlington scheme at Misterton was allocated funds by the District Executive in October 2015 for the first phase of 17 dwellings – 11 for social rent and 6 for shared ownership – in anticipation that a bid will be made to the HCA for grant funding towards a larger site overall. Yarlington now intend to submit a planning application later this month. It should be noted that should the HCA be willing to fund the entire site then the rented properties will, in all probability, have to be realigned under the affordable rent regime.
- 12.5. The Stonewater scheme at Crewkerne was allocated funds by the District Executive in September 2016, on the assumption that some HCA funding was to be redeployed (mainly for the shared ownership element) but, again, in anticipation of a suitable bid being submitted to the HCA. The planning application has not been straight forward and a decision is expected to be reached after the submission of this report but before the District Executive meeting.
- 12.6. There are two schemes in Chard. One of these involves Council land at Jarman Way. The disposal had previously been agreed to in order for Knightstone to create nine new dwellings for rent. This follows on from the nearby scheme of 41 new dwellings which

Knightstone completed in February 2015. Knightstone had secured grant funding from the HCA initially supplemented by £120,000 in Council grant agreed by the District Executive on 1st October 2015. In addition to creating new affordable housing the proposal enables the creation of better play facilities on adjacent land retained by the Council.

- 12.7. An additional £80,000 in grant from the Council was approved by the Portfolio Holder in January 2017 following a cost increase of around 15% from the original quotes Knightstone had obtained. It is worth noting that the land is not being sold at nil value on this occasion and so does not represent a further subsidy. However transfer of the council land has been delayed due to third party complications and this has prevented Knightstone from being able to commence the scheme yet.
- 12.8. The other scheme in Chard arises from land assembly that Stonewater achieved when acquiring the former Chard Working Men's Club. Stonewater already owned a number of properties in neighbouring Silver Street including an area to the rear of these properties accessible from Silver Street. This enabled contractors (and plant) access to the former Working Men's Club for the duration of the refurbishment. Acquisition of the former working men's club included curtilage to the rear, effectively creating a land assembly opportunity giving Stonewater a small infill site.
- 12.9. Stonewater now propose to construct four new homes on this site to the rear of the former Working Men's Club. They intend to use a modular method of construction – with the main components manufactured and assembled off site. The factory fitting includes bathrooms, kitchens, decorations, doors, plumbing and electrics; each building exceeds the current regulations for sound and thermal insulation. Once the homes have been assembled and snagged in the factory they are delivered to the site in 'modules', ready for Stonewater's site contractor to carry out the external finishing and for the properties to be clad in brick and/or render etc. The necessary NHBC warranties and related insurances will all be in place as with a traditional build.
- 12.10. Due to the size of the site and the pro rata costs of site preparation, on this occasion the modular construction method will not produce any significant savings in construction costs (compared to the 'average' Housing Association development, although traditional build on this site could prove to be much more expensive). However we do anticipate a significant saving in time. Stonewater estimate on-site works to be 14 weeks whereas a traditional build contract would be seven months at best and probably longer, possibly up to a year (weather conditions pending).
- 12.11. Using this particular modular construction on this site also affords the opportunity for both Stonewater and the Council to evaluate the advantages and disadvantages and consider rolling it out across larger sites, with possible future time and cost savings.
- 12.12. In May this year the Portfolio Holder agreed to allocate £216,000 in grant to underwrite the subsidy needed for this scheme with the usual proviso that we would expect Stonewater to bid to the HCA. An initial bid to the HCA was rejected as being at too high a pro rata cost and a further bid is now being submitted on the basis of there being a contribution from the Council. If the outcome of this bid is known by the date of the Executive meeting it may be possible either to recommend a reduction in the allocation or confirm that the whole amount will be required.

13. Community Led Housing

- 13.1. As part of the 2016 Budget, a £60 million fund was announced to support community-led housing developments in areas "where the impact of second homes is particularly

acute.” About a third of the entire fund was earmarked for the South West. The fund is intended to enable local community groups deliver affordable housing and to help build collaboration, skills and supply chains “at a local level” to promote housebuilding that is community led. The fund covers capital investment, technical support and revenue to make more schemes viable and significantly increase community groups’ current delivery pipelines

- 13.2. The Government worked with the Community Housing Alliance (including the National Community Land Trust [CLT] Network and other members of the community-led housing sector). It has cited these organisations as a source of advice on how to effectively deploy the funding. It should be recognised that the South West is already well placed and has a recent history of growth in the CLT sector. In South Somerset we have encouraged two successful CLT led housing schemes – at Queen Camel and at Norton sub Hamdon
- 13.3. Funding was allocated to local authorities “proportionate to the number of holiday homes in the local area and taking account of the affordability of housing to local people”. The allocation for South Somerset District Council is £263,222.
- 13.4. On 18th January the Wessex CLT Project coordinated an exploratory meeting of all the local housing authorities in the three counties covered by their project – i.e. Devon, Dorset and Somerset. Incidentally this meeting was held in South Somerset. At the meeting the Governments intentions were outlined and various options considered and debated.
- 13.5. A brief discussion paper was put forward to the Portfolio Holder discussion group meeting that was held on Friday 10th February, which was also attended by Steve Watson from the Wessex CLT Project. The meeting was open to all elected members and attended by twelve, including the Portfolio Holder and the Chair of the Scrutiny Committee.
- 13.6. Following this the Portfolio Holder confirmed a proposed split of funding options as follows.

Capacity Building Events (incidental costs – hall hire, refreshments, postage)	£ 6,222
Grant funding to Wessex CLT Project	£ 25,000
Housing Needs Surveys (either direct grant or transfer to area cost centre)	£ 27,000
Small grants to local groups	£ 30,000
Feasibility/planning grant to local groups	£ 40,000
Revolving Land Fund (revenue contribution to capital)	£ 135,000
Total	£ 263,222

- 13.7. We are running three capacity building events across the district to highlight the opportunities and encourage parish councils and others to bring forward community led schemes. This includes presentations from the Wessex CLT project and our existing CLTs. Two of these have been timed to fall into national rural housing week (3rd – 7th July 2017).

Monday 3 rd July	1.30pm	Norton Sub Hamdon Village Hall
Wednesday 5 th July	6.30pm	Council Offices, Churchfields, Wincanton
Thursday 20 th July	1.30pm	Horton Village Hall

- 13.8. The revenue contribution towards Wessex CLT project is intended to build capacity in the independent support sector, particularly in the expectation that allocations from the Governments fund in future years will be subject to competitive bids for 'shovel-ready' schemes. The project will increase their capacity with an intention to provide additional support over a four year period with the expanded service becoming fully self-financing in year five. They propose to provide "end-to-end technical support" to local groups for community housing projects and expand this from supporting the CLT model to include others such as co-housing projects and self-build. A small addition (about £2,000) to the requested sum should provide for the project to reimburse reasonable costs to volunteers, for example attending and presenting to the events cited above. Following discussions with thirteen local authorities, the project have developed a standard Service Level Agreement document.
- 13.9. Local Housing Needs Surveys are used to assist in justification for planning permission under policy SS2 by providing evidence of 'hidden' need (not expressed on the register) and refining proposed tenure and property mixes. The rural housing development officer has co-ordinated a 'standard template' which can be used by our area teams or by the Community Council for Somerset. There was a clear preference for our own area community development teams to offer this service to Parish Councils and other community groups, but a recognition that they may choose to use an independent provider. Setting aside approximately 10% of the allocated funds should pay for around six additional surveys.
- 13.10. Direct grant assistance to local groups. For Norton sub Hamdon CLT and Queen Camel CLT, grants administered by our area development teams met the costs of incorporating as trusts, entering into option agreements with landowners, acquiring the freeholds of their sites, disposing of long-term leases to their partner-associations and completing S106 Agreements. So far one such grant request has been received, from the South Petherton CLT, and approved.
- 13.11. In addition, further sums have been set aside to assist community led groups carrying out feasibility work on their preferred sites (such as wildlife surveys and contamination reports) and making a planning application. For Norton sub Hamdon CLT and Queen Camel CLT, such costs were borne 'at risk' by their housing association partners prior to seeking capital grant. Other CLTs have been able to obtain government grants to commission this work themselves. The Wessex CLT Project has been administering these grants on behalf of CLTs – advising on heads of terms with landowners; tendering the services of architects, engineers and surveyors; assisting with application forms etc. The government grant regime only runs to March 2018 and Wessex have advised councils in receipt of the Community Housing Fund allocations that it would be helpful if an allowance could be made to the same ends.
- 13.12. The largest portion of the fund has been set aside for land acquisition. Once acquired it can then be held by the Council until a scheme is ready to be progressed (which in itself is not a short term plan). This could be a 'rolling programme' whereby the delivery vehicle (such as a housing association) buys the land from the Council for a similar sum, thereby replenishing the fund. There could be an element of direct subsidy where land is handed over to a community led group for less than the sum paid by the Council, potentially with suitable covenants in place.

13.13. The following sums have been committed thus far –

SLA with Wessex CLT project	£ 25,000
Grant to South Petherton CLT	£ 6,680
Room Hire for four area events	£ 74.40
Total	£ 31,754.40

14. Financial Implications

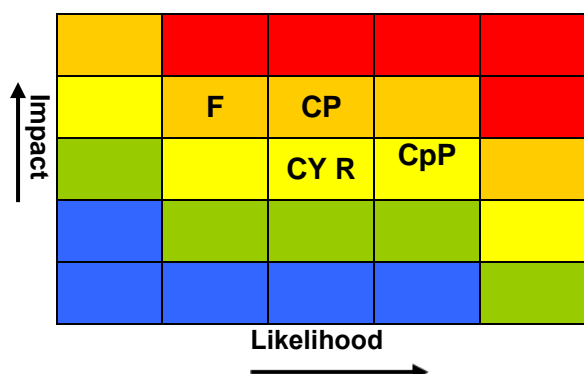
The table below is a summary of the movements in the reserve since the last report:

Affordable Housing Reserve	£1,000 (rounded)
Balance b/f (per DX report September 16)	476
Additional allocation to Stonewater: Queensway (Portfolio Holder Oct 2016)	(23)
Allocation to Magna: Chard (Portfolio Holder Nov 2016)	(37)
Additional allocation to Knightstone: Jarman Way (Portfolio Holder Jan 2017)	(80)
Allocation to Stonewater: R/o Chard Working Mens' Club (Portfolio Holder May 2017)	(216)
Return of grant from Spectrum	175
Total Remaining Balance of Reserve	295

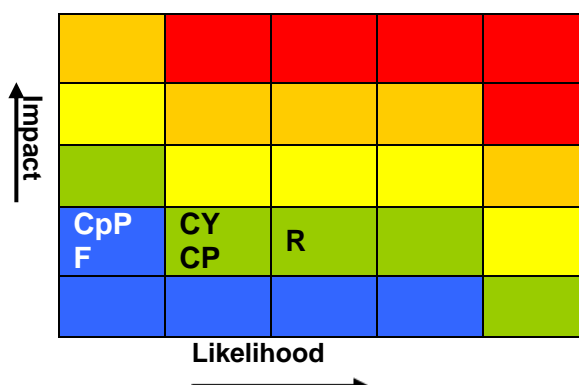
- 16.1 If the District Executive confirms ringfencing of the £175,000 returned by Spectrum, this effectively creates a new reserve specifically for Yeovil and decreases the general reserve to £120,000.
- 16.2 If the District Executive approves the proposal to de-allocate £2,300 from Magna and £312,500 from Stonewater as per the recommendations, this affordable housing reserve will increase to £434,800.
- 16.3 Following this, if the District Executive approves the proposal to allocate £92,500 to BCHA for the move-on bought not built properties and £11,000 additional grant to Stonewater for the Queensway scheme, both from the Yeovil reserve, as per the recommendations, this reserve will then decrease to £71,500.
- 16.4 The general contingency funding has traditionally been held back to meet operational requirements, such as "Bought not Builts" for larger families; mortgage rescue and disabled adaptations specifically designed for clients where opportunities do not exist in the current stock.

17. Risk Matrices

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

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

18. Carbon Emissions and Climate Change Implications

Previously all affordable housing in receipt of public subsidy, whether through the HCA or from the Council, had to achieve the minimum code three rating within the Code for Sustainable Homes. The HCA has now dropped this requirement and work has been undertaken to understand the precise differences between code three and current building regulations (which have improved). Whilst the Council may be able to seek slightly higher standards than those achieved through building regulations where it is the sole funder of schemes, this is rarely the case as usually there is some HCA grant sought at some stage.

19. Equality and Diversity Implications

All affordable housing let by Housing Association partners in South Somerset is allocated through Homefinder Somerset, the county-wide Choice Based Lettings system. Homefinder Somerset has been adopted by all five local housing authorities in the County and is fully compliant with the relevant legislation, chiefly the Housing Act 1996, which sets out the prescribed groups to whom 'reasonable preference' must be shown.

20. Implications for Corporate Priorities

The Affordable Housing development programme clearly provides a major plank under "Homes" and in particular meets the stated aim:

"To work with partners to enable the provision of housing that meets the future and existing needs of residents and employers."

21. Privacy Impact Assessment

This report does not directly impact on any data held of a personal nature.

Background Papers

Affordable Housing Development Programme - District Executive – 1st September 2016

Approval of the Rural Housing Action Plan 2016/18 (report to Portfolio Holder) Executive Bulletins no's 690 & 691 - 7th & 14th October 2016

Affordable Housing Development Programme: Queensway Place, Yeovil (report to Portfolio Holder) Executive Bulletins no's 691 & 692 - 14th & 21st October 2016

Affordable Housing Development Programme: Bought not Built Property, Chard (report to Portfolio Holder) Executive Bulletins no's 696 & 697 - 18th & 25th November 2016

Affordable Housing Development Programme: Jarman Way, Chard (report to Portfolio Holder) 24th January 2017

Community Led Housing: Outline Plan (report to Portfolio Holder) 24th February 2017

Affordable Housing Development Programme: Scheme at rear of former Chard Working Men's Club (report to Portfolio Holder) 11th May 2017

(Report from) Overview and Scrutiny Committee - Disposal of third party properties
District Executive – 1st June 2017

Appendix A – Breakdown of voluntary disposals by Yarlington Housing

No	Property address	Date of consent or otherwise	Executive Bulletin/s (until 2017)
Prior to Financial year 2015/16			
1 & 2	6 & 8, Swedish Houses, Over Stratton, South Petherton	11 th June 2012	predates policy decision
3	3, Steart Hill, West Camel	18 th January 2013	557 & 558
4	22, Milford Road, Yeovil	16 th August 2013	587 & 588
5	12, Swedish Houses, Over Stratton, South Petherton	1 st November 2013	598 & 599
6	1, Stibbear Lane, Donyatt	13 th June 2014	628 & 629
7	9, Park Way, Bruton	Not with SSDC consent	
8	17, West Street, Stoke sub Hamdon	23 rd July 2014	Not subject to policy
9	19, Pope's Cross, Curry Mallet	12 th December 2014	653 & 654
10	28, Font Villas, West Coker	16 th January 2015	656 & 657
11	1, Vale View, Aller	30 th January 2015	658 & 659
12	4, Townsend, Shepton Montague	30 th January 2015	658 & 659
13	53, Earle Street, Yeovil	20 th March 2015	665 & 666
Financial year 2015/16			
14	1, Owl Street, Stocklinch	12 th May 2015	672 & 673
15	5, West End, Marston Magna	21 st August 2015	684 & 685
16	23, Woodhayes, Henstridge	4th September 2015	686 & 686
17	8, Fairview Terrace, Limington	23 rd October 2015	672 & 673
18	2 Townsend, Shepton Montague	13 th November 2015	674 & 675
19	19, Higher Bullen, Barwick	13 th November 2015	674 & 675
20	20, Dyers Road, Curry Rivel	Consent withheld - 18 th December 2015	679 & 680
21	2, Daisymead, Rimpton	18 th December 2015	679 & 680
22	3 Orchard View, Haslebury Plucknett	Consent withheld – 3 rd June 2016	671 & 672
23	20, Langport Road, Long Sutton	Consent withheld – 4 th March 2016	688 & 689
Financial year 2016/17			
24	88 Southville, Yeovil	Consent withheld – 27 th May 2016	670 & 671
25	36, Font Villas, West Coker	27 th May 2016	670 & 671
26	12, Daisymead, Rimpton	Consent withheld – 24 th June 2016	674 & 675
27	6, Middlefield Road, Pitney	Consent withheld – 24 th June 2016	674 & 675
28	1, Pope's Cross, Curry Mallet	24 th June 2016	674 & 675
29	28 Westland Road, Yeovil	12 th August 2016	681 & 682
30	2 Hicknoll Cottages, Compton Pouncefoot	12 th August 2016	681 & 682
31	2 Council Houses, East Lambrook	Consent withheld – 12 th	681 & 682

No	Property address	Date of consent or otherwise	Executive Bulletin/s (until 2017)
		August 2016	
32	1, Grove Close, Coombe Street, Pen Selwood	Consent withheld – 26 th August 2016	683 & 684
33	3, St Johns Cottages, Barrow Lane, Charlton Musgrove	Consent withheld – 2 nd September 2016	684 & 685
34	2, Council Houses, Clapton Road, Clapton	Consent withheld – 16 th September 2016	685 & 687
35	3, Berrymans Lane, Ilminster	23 rd September 2016	687 & 688
36	17, Taylors Orchard, Chiselborough	Consent withheld – 23 rd September 2016	687 & 688
37	2, Council House, Knole, Langport	Consent withheld – 30 th September 2016	688 & 689
38 – 45	23, 25, 27, 30, 31, 33, 34 & 36 Riverside, Horton	Consent withheld – 11 th November 2016	694 & 695
46 – 49	26, 30, 33 & 34 Donyatt Hill, Donyatt*	18 th November 2016	695 & 696
50	2, Moore Villas, Victoria Park, Castle Cary	Consent withheld – 25 th November 2016	696 & 697
51 & 52	17 & 18, Townsend, Marston Magna	Consent withheld – 14 th January 2017	n/a
53	58, Westfield Crescent, Yeovil	Consent withheld – 18 th March 2017	n/a
Financial year 2017/18			
54	4, Council Houses, Podimore	Formal process ceased	

* Note that Yarlington also informed us (at the same time) of proposed disposal of eight other flats at Donyatt Hill when they become vacant.

Appendix B: Combined HCA & SSDC Programme 2016/17

	Housing Association	Scheme Name	Social Rent	Affordable Rent	Shared Ownership/ Intermediate	Net Gain New Homes	Total Homes	Total Grant	Level of grant from SSDC	Level of grant from HCA	Planning Obligation	completion
Yeovil	Yarlington	Westfield Academy	2	0	1	3	3	£315,000	£315,000	£0		Jan-17
	Stonewater	West Hendford	0	29	16	44	44	£0	£0	£0		Mar-17
Rural (pop. below 3,000)	Aster	Wheathill Nursery, Milborne Port	7	0	5	12	12	£0	£0	£0	✓	Feb-17
		Totals	9	29	22	59	59	£315,000	£315,000	£0	12	

Appendix C: Combined HCA & SSDC Programme 2017/18												
	Housing Association	Scheme Name	Social Rent	Affordable Rent	Shared Ownership/ Intermediate	Net Gain New Homes	Total Homes	Total Grant	Level of grant from SSDC	Level of grant from HCA	Planning Obligation	completion (anticipated)
Yeovil	Stonewater	West Hendford	0	2	17	19	19	£1,125,345	£375,000	£750,345		Jun-17
	BCHA	Move-on acquisitions (bought not built)	0	5	0	5	5	£280,000	£92,500	£187,500		Mar-18
	Knightstone	Bungalows (NHS funded)	0	0	2	2	2	£0	£0	£0		Oct -17
	Stonewater	Queensway	0	24	0	24	24	£619,607	£162,000	£457,607		Aug-17
Martock	DCH	Water Street, Martock	0	0	4	4	4	£0	£0	£0	✓	Oct-17
Chard	Magna	Individual acquisition	1	0	0	1	1	£37,000	£37,000	£0		25 th April 2017
Rural (pop. below 3,000)	Yarlington	Tanyards, Broadway	4	0	2	6	6	£0	£0	£0	✓	Nov-17
	Stonewater	Dikes Nursery, Stoke-sub-Hamdon	0	10	4	14	14	£290,000	£0	£290,000		Mar-18
	Yarlington	South Cadbury	0	4	2	6	6	£108,000	£0	£108,000		Jul-17
		Totals	5	45	31	81	81	£2,459,952	£666,500	£1,793,452	10	

Appendix D: Combined HCA & SSDC Programme 2018/19+												
	Housing Association	Scheme Name	Social Rent	Affordable Rent	Shared Ownership/ Intermediate	Net Gain New Homes	Total Homes	Total Grant	Level of grant from SSDC	Level of grant from HCA	Planning Obligation	anticipated completion
Crewkerne	Stonewater	North Street	0	20	24	44	44	£1,722,776	£1,040,000	£682,776		
Chard	Stonewater	r/o Chard Working Mens' Club	0	4	0	4	4	£216,000	£216,000	£0		
	Knightstone	Dolling Close (Jarman Way)	0	9	0	9	9	£468,334	£200,000	£268,334		
Rural (pop. below 3,000)	Yarlington	Misterton	11	0	6	17	17+	£396,661	£396,661	£0		
		Totals	11	33	30	74	74+	£2,803,771	£1,852,661	£951,110	0	

Agenda Item 10

2016/17 Capital Budget Outturn Report

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
S151 Officer: Paul Fitzgerald
Service Manager: Catherine Hood, Finance Manager
Lead Officer: Nicola Hix, Management Accountant
Contact Details: nicola.hix@southsomerset.gov.uk or 01935 462612

Purpose of the Report

1. The purpose of this report is to inform Members of the outturn of the capital programme of the Council for 2016/17 i.e. the total spend for the year and how this compares with the agreed budget for the year, with explanations for the main differences. It also summarises what has been delivered through the capital invested and how this has been funded.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of July 2017.

Public Interest

3. This report sets out details of capital expenditure incurred in 2016/17 and the performance against the approved budgets for projects and the overall Capital Programme.

Recommendation(s)

4. That the District Executive: -
 - a) note the net spend of £6.187 million on capital schemes for the 2016/17 year and approve the financing of the capital programme (paragraph 7 and 18);
 - b) note the progress of individual capital schemes and the lead officers' comments as detailed in Appendix A;
 - c) approve the revisions, including profiling amendments to the Capital Programme for 2017/18 and future years as detailed in paragraph 10;
 - d) approve the virement of £67,000 outlined in paragraph 12;
 - e) approve the addition £1,220,000 to the Capital Programme budget, funded from additional income as set out in para 13
 - f) note the post completion reports on the completed schemes as detailed in Appendix B;
 - g) note the balance of S106 deposits by developers held in a reserve as outlined in paragraph 23.

Background

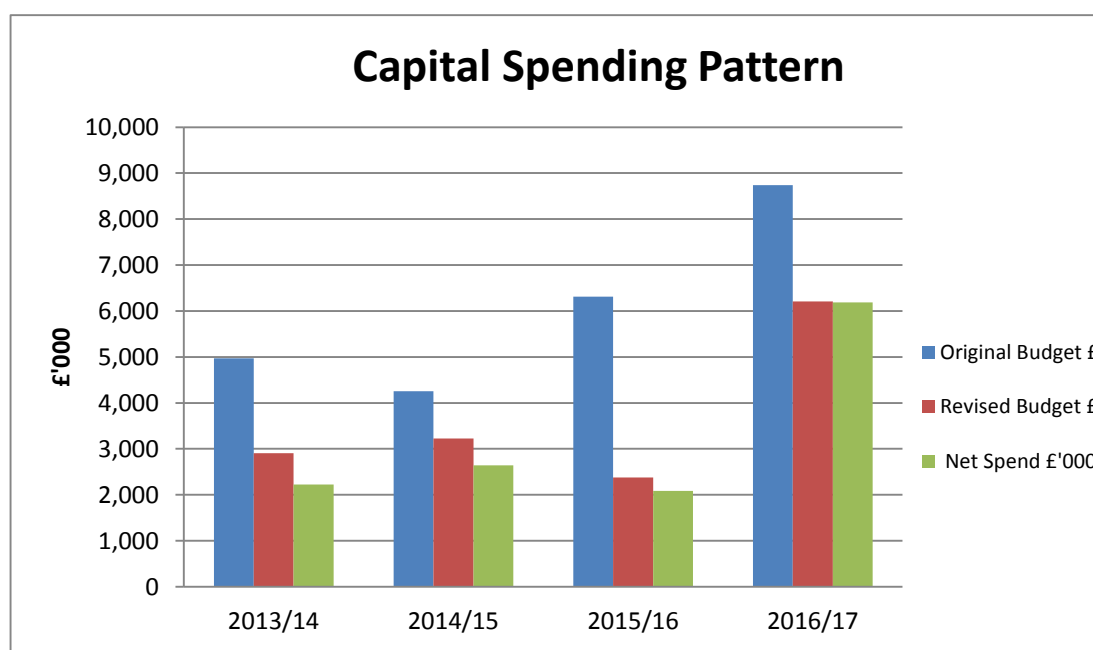
5. Full Council approve the Capital Programme in February each year. Monitoring of the agreed programme has been delegated to District Executive.

Overall Outturn Position

6. The overall position for the Capital Budget for 2016/17 is that total net spending amounted to **£6.187m**; this was **£2.551m (29%)** less than the original planned net expenditure of **£8.738m**. Amendments have been reported to members each quarter and the revised Capital Programme approved.
7. The original budget is revised each quarter to reflect changes to the programme. The position on the Capital Budget for 2016/17 at Quarter 4, showed revised planned net expenditure of **£6.211m**. With the total spend amounted to **£6.187m**; this was **£24k (0.4%)** less than planned. This is mainly due to project delays. A final report on 2016/17 spend is attached at Appendix A.
8. The **£6.187m** actual spend referred to above is the net position which includes external contributions and grants. Excluding these external contributions and grants shows gross expenditure of **£8.675m** on the capital programme, £109k on vehicles to be leased, and £202K on internal funded borrowing for assets.

Capital Spending Pattern

9. The graph below shows the actual spend compared to revised budget for the last 5 years. The total 2016/17 spend represented 99% of the revised budgeted spend for the year, compared to 88% in 2015/16.



Revised Capital Programme

10. Some amendments have been requested since Quarter 3. A summary of those amendments are outlined below and members are requested to approve the revised Capital Programme shown in Appendix A. The net budget for 2016/17 was revised from **£5.721m to £6.211m** for the following reasons: -

	16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
Capital Programme for Quarter 3 approved by District Executive in February 2017	5,721	6,118	579	(312)	(312)
Profiling amendments to capital programme quarter 4 2016/17	255	(255)			
Plus budget for year-end capital salaries	81	100			
Plus allocations from affordable housing reserve	152	54			
Plus Area Reserve allocations	2	25			
Plus projects added to Capital Programme quarter 4:					
New projects approved by Council February 2017		571	145		
SWP Loan for Vehicles		3,231	(470)	(482)	(494)
Goldenstones 10 Yr Plan Changing Rm's Refurbishment		206	(29)	(29)	(29)
Revised Capital Programme for 2016/17	6,211	10,050	225	(823)	(835)

(Figures shown in brackets reduce the capital spend in any particular year)

Delayed Projects

11. In accordance with the capital strategy any project that has been delayed by more than two years before starting is required to be reviewed so that Members can consider whether to continue to support the project. Relevant projects will be reviewed by the Leadership Board in July and recommendations included within the quarter 1 capital programme monitoring report.

Virements between Capital Projects

12. The table below shows the requested budget virements between projects within the capital programme:

Amount £'000	From	To	Reason
22	Yeovil Innovation Centre Car Park Facilities	Yeovil Innovation Centre Phase II	Underspend on car park add to contingency for phase II build.
45	Goldenstones 10yr Plan	Westlands Sport	Reallocation of budget where needed.
67	Total Virements		

Additional Income

13. This section highlights any new funding or changes to external funding that have been received by the Council within the last quarter. It is recommended the capital programme budget is increased and funded by the amounts shown in the table below:

Project	Source of Income	Additional funding received £'000
Disabled Facilities Grants	Better Care Fund	995
Westlands Leisure Complex	Ticket Levy, Tolchards Bar Fit Out, Zurich Roof Claim	225

Completed schemes (including feasibility)

14. The table below shows the projects/schemes completed in the period. Post completion reports, where indicated, are attached in Appendix B.

Scheme	Revised Net Budget £'000	Actual Spend £'000	Within acceptable limits?	Responsible Officer	Post Completion report Y/N
Purchase of 2 x 5 Bed House for Leasing	470	470	Y	Colin McDonald	N/A
Purchase of 45-50 Lavers Oak, Martock	423	423	Y	Colin McDonald	N/A
Affordable Housing - Westfield Academy 3 Bed Bung (Yarlington)	315	315	Y	Colin McDonald	N/A
Grant to Ilminster Football Club	163	163	Y	Lynda Pincombe	To follow
Yeovil Innovation Centre Car Park Facilities	120	98	Y	David Julian/ Garry Green	Y
Affordable Housing - Millfield, Chard	98	98	Y	Colin McDonald	N/A
Ham Hill Road Improvements	21	19	Y	Katy Menday / Garry Green	Y
5 Additional CCTV Cameras in Yeovil	29	32	Y	Steve Brewer	N/A

15. In order for an over/under spend to be within acceptable limits, the variation on budget should be within £10,000 or 5% (whichever is greater) of revised budget. On this basis, all of the 15 completed schemes are within an acceptable margin of the overall budget. Explanations for both under/over spends are outlined in the post completion.

Area Capital Programmes

16. Each Area has balances that can be used during the year. The position of the Area balances at 31st March 2017 and any movement within the year are as follows:

	Area East £'000	Area North £'000	Area South £'000	Area West £'000	Totals £'000
Position at start of financial year	56	185	191	147	579
Additional resources approved by DX for 17/18	25	25	25	25	100
Allocations to/(from) reserve during year	(26)	(33)	-	(110)	(169)
Position at end of financial year	55	177	216	62	510

17. Each Area was allocated an additional £25,000 in February 2017 for schemes in 2017/18. The table shows that following these approvals Area unallocated capital balances have decreased by £69,000.

Financing of the Capital Programme

18. The gross spend of £8.986m is the total capital expenditure before funding sources are included and requires financing. Members are recommended to approve the final financing of the capital programme from the following sources: -

Resources Used	Actual Gross Spend £'000
Useable Capital Receipts	6,552
External Contributions from funding partners	1,245
Capital Fund	155
Capital Grants from Central Government	889
Loan Repayments	146
Total Resources Used	8,986

19. We contributed £6.853m towards the £8.986m we spent last year. This means, for every £1 of our capital resources we contributed, we received 24p from external organisations.

Outstanding Loans

20. As part of the agreed loans policy the amount of any outstanding loans at the end of each financial year must be reported to this committee. As at 31st March 2017 the following loans were outstanding:

Borrower	Original Sum Lent £	Fixed Interest Rate	Amount Outstanding at 31 st March 2017 £	Period of Loan	Final Repayment Date
Hinton St George Shop	190,000	2.67%	182,170	20 years	February 2036
Somerset Waste Partnership	1,567,216	2.22%	1,428,219	7 years	August 2023
Total Outstanding			1,610,389		

21. There is also £15,329 outstanding in sale of council house mortgages, and £81,056 in car and bike loans.
22. Wessex Home Improvement Loans (WHIL) works in partnership with the Council to provide finance to home owners for essential maintenance and improvement works to their property. Loans are increasingly replacing grants allowing the Council to re-

circulate funds. The Council has £672,988 of capital invested with WHIL. As at 31st March 2017 there was £365,389 on the loan book and £307,599 as available capital.

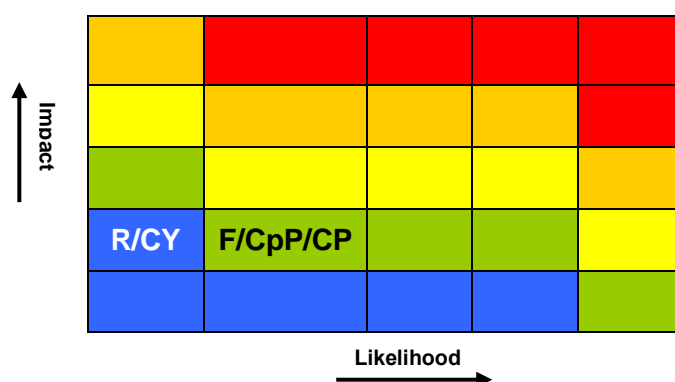
Section 106 Agreements

23. S106 agreements are legal agreements between Local Authorities and developers that are linked to a planning permission. The total balance held as at 31st March 2017 was **£3,335,546**. This is purely a South Somerset District Council financial summary, more detail on S106's is given to Area Committees on a quarterly basis.

Financial Implications

24. These are contained in the body of the report.

Risk Matrix



Key

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

Corporate Priority Implications

There are no specific implications in these proposals.

Carbon Emissions and Climate Change Implications

There are no specific implications in these proposals.

Equality and Diversity Implications

There are no specific implications in these proposals.

Background Papers

Capital Monitoring Quarter 1 to 3 Reports to District Executive

Revised District Executive Capital Programme 2016/17 - 2020/21

Appendix A

	Original Date of Project	Previous Years Spend	In Year Monitoring							Responsible Officers comments on action on slippage and performance against targets
			2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	
	Approval	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
STRATEGIC MANAGEMENT										
Chief Executive - Alex Parmley										
Service Managers - Charlotte Jones / Andrew Gillespie										
Transformation	March 16	0	0	0	0	0	1,315	1,315	A Gillespie / C Jones	Initial spending projections have been revised during the development of the Transformation Programme Blueprint to allow for further market engagement. Budget profiled for 17/18.
Total Strategic Management		0	0	0	0	0	1,315	1,315		
FINANCE & CORPORATE SERVICES										
Service Manager - Paul Fitzgerald										
FINANCIAL SERVICES										
Service Manager - Catherine Hood										
Portfolio Holder - Cllr Peter Seib										
Capital Salaries	Feb 13	2,715	131	131	0	0	100	2,946	C Hood	Allocation of budget made in line with time spent on various capital projects.
Loan to Somerset Waste Partnership for Vehicles	Oct 14	0	1,426	1,428	-2	0	-964	462	C Hood	Loan drawn upon during Qtr 2 and repayments have commenced.
Loan to Somerset Waste Partnership for Vehicles	Feb 17	0	0	0	0	0	1,785	1,785	C Hood	Loan likely to be drawn down the second half of 2017/18.
Loan to Hinton St. George & Locality Rural Comm Services - Repayment	Oct 15	-1	-8	-7	-1	0	-36	-45	C Hood	Loan repayments being made as agreed.
ICT SERVICES										
Service Manager - Roger Brown										
Portfolio Holder - Cllr Henry Hobhouse										
ICT Infrastructure Replacement	Feb 17	0	0	0	0	0	171	171	D Chubb	New capital bid allocation for 2017/18.
Total Finance & Corporate Services		2,714	1,549	1,552	-3	0	1,056	5,319		

	Original Date of Project	Previous Years Spend	In Year Monitoring							Responsible Officers comments on action on slippage and performance against targets
			2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/ Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECONOMY										
STRATEGIC HOUSING										
Service Manager - Colin McDonald										
Portfolio Holder - Cllr Ric Pallister										
Affordable Housing - Millfield, Chard	April 13	0	98	98	0	0	0	98	C McDonald	Site completed and all funds paid over.
Affordable Housing - Rural exception, Misterton (Yarlington)	Oct 15	0	0	0	0	0	397	397	C McDonald	Still expected to be claimed in 2017/18 and second claim during 2018/19.
Affordable Housing - Furnham Road Phase II, Chard (Knightstone)	Oct 15	0	0	0	0	0	120	120	C McDonald	Still expected to be claimed in 2017/18.
Affordable Housing - Westfield Academy 3 Bed Bung (Yarlington)	Oct 15	0	315	315	0	0	0	315	C McDonald	Site completed and all funds paid over.
Affordable Housing - Queensway, Yeovil (Stonewater)	Oct 15	0	162	0	162	0	0	162	C McDonald	Delays on claim meant that funding was not claimed until Qtr 1 of 2017/18.
Affordable Housing - Bought not built Allocation	Sept 14	99	0	0	0	0	201	300	C McDonald	Still expected to be claimed in 2017/18.
Affordable Housing - Mortgage Rescue Contingency Fund	Sept 14	0	0	0	0	0	277	277	C McDonald	Still expected to be claimed in 2017/18.
Affordable Housing - West Hendford, Yeovil	April 15	0	1	0	1	0	374	375	C McDonald	Allocation reduced by DX to cover underwriting of Learning Disabilities element only as detailed in report to DX earlier in the year.
Affordable Housing - North Street, Crewkerne	Sept 16	0	0	0	0	0	1,040	1,040	C McDonald	Still expected to be claimed in 2017/18.
Affordable Housing - Purchase of 1 x 3 Bed House, Chard (Magna)	Nov 16	0	37	0	37	0	0	37	C McDonald	Funding not claimed - expected early in new financial year.
Affordable Housing - Jarman Way (Knightstone)	Jan 17	0	0	0	0	0	80	80	C McDonald	Still expected to be claimed in 2017/18.
Purchase of 45-50 Lavers Oak, Martock	April 15	413	10	10	0	0	0	423	C McDonald	Some of the remaining balance used for enhancement works & the rest returned to affordable housing reserve.
Purchase of 2 x 5 Bed House for Leasing	Sept 16	0	470	470	0	0	0	470	C McDonald	Purchase of the houses completed the end of March & remaining balance returned to reserve.

	Original Date of Project		In Year Monitoring							Responsible Officers comments on action on slippage and performance against targets
		Previous Years Spend	2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	
	Approval	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
SPATIAL POLICY										
Service Manager : Jo Wilkins										
Portfolio Holder : Cllr Henry Hobhouse										
Lyde Road Pedestrian & Cycle Way	Feb 17	0	0	0	0	0	250	250	N Collins	New capital bid allocation for 2017/18.
ECONOMIC DEVELOPMENT										
Service Manager : David Julian										
Portfolio Holder - Cllr Jo Roundell-Greene										
Yeovil Innovation Centre Phase II	Feb 16	0	-233	111	-344	0	1,547	1,314	D Julian	Payments made for the Design & Project Mangement team, Planning fees, Building regs fees, Environmental survey and Travel Plan. The Travel Plan is likely to result in some remedial work needed to the pavements and roadways around YIC but this is likely to be in the latter part of the financial year. All being well, construction will begin in July 2017 and is still hoped to be completed by April 2018.
Yeovil Innovation Centre Car Park Facilities	Feb 16	0	98	98	0	0	0	98	0	Project completed and car parking fully in use. Virement for remaining budget to be added to the YIC Phase II Budget.
Total Economy		512	958	1,102	-144	0	4,286	5,756		
COMMUNITIES										
AREA SOUTH										
Service Manager - Natalie Ross										
Area Chairman - Cllr Peter Gubbins										
Reckleford Gyratory (Eastern Gateway)	Feb 07	1,633	88	0	88	0	0	1,721	N Fortt	Invoices have been received for some of the retention sum. However, we are withholding payment until the outstanding licencing arrangements have been completed.

[illegible]

	Original Date of Project Approval	Previous Years Spend £'000	In Year Monitoring							Responsible Officers comments on action on slippage and performance against targets
			2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/ Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	
AREA WEST										
Service Manager - Zoe Harris										
Area Chairman - Cllr Carol Goodall										
Market Towns Visions	Feb 06	368	64	9	55	0	0	432	H Rutter	Delivery is dependent on local capacity to champion schemes. The theme in 2016/17 was economic projects which the town regeneration partnerships struggled to design or complete on suitable schemes.
Grant to Ilminster Sports Club	Apr 16	0	0	0	0	0	0	0	Z Harris	£5K grant fully paid over for project.
Grant to Merriott Village Hall	Apr 16	0	0	0	0	0	0	0	Z Harris	£10K grant fully paid over for project.
Area West Committee Allocation		5	141	54	86	0	0	146	Z Harris	Updates reported to Area Committee.
Total Communities		2,993	532	193	342	-3	488	4,012		
ENVIRONMENT										
ENVIRONMENTAL HEALTH										
Service Manager - Alasdair Bell										
Portfolio Holder - Cllr Ric Pallister										
Disabled Facilities Grants (Expenditure)	Feb 13	3,473	-43	0	-43	0	-95	3,335	A Bell	Approx £984K external funding received from Better Care Fund. Spend of £889K for the year. Difference shown is down to profiling of income and expenditure. Remaining grant income of £95K added to budget for 17/18.
Empty Property Grants	Feb 15	1,118	123	93	30	0	50	1,291	A Bell	Budget fully committed although some grants not paid out before end of financial year.
Home Repairs Assistance	Feb 15	1,246	60	54	6	0	43	1,349	A Bell	Budget was never fully committed with small underspend expected which will be used in 17/18.
HMO Grants	Feb 15	554	54	54	0	0	30	638	A Bell	Budget fully committed to revised budget.
Loan Scheme for Somerset	Feb 13	385	0	0	0	0	0	385	A Bell	Funding reallocated to other budgets last quarter.
Upgrade link of Civica, Indigo, ESG System	June 15	27	0	0	0	0	0	27	V Dawson	Project complete - £6K underspend returned to balances.
Remediation of Whatley Gasworks	June 16	0	0	0	0	0	0	0	V Dawson	Budget of £70k externally funded. Works complete and budget fully utilised.

	Original Date of Project		In Year Monitoring							Responsible Officers comments on action on slippage and performance against targets
		Previous Years Spend	2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/ Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	
	Approval	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
ENGINEERING AND PROPERTY SERVICES										
Service Manager - Garry Green										
Portfolio Holder - Cllr Henry Hobhouse										
Car Park Enhancements	Feb 14 / 17	97	88	41	47	0	50	235	G Green	Remaining budget from 16/17 to be fully utilised on Westlands Car Park. New funding for 17/18 for various projects.
Intelligent Enforcement Car Park	May 16	0	0	0	0	0	0	0	G Green	Project deemed to be non proceedable.
New Car Parks	Feb 08	368	174	174	0	0	268	810	G Green	Delay in progressing Millers Garage site due to potential larger scale project with adjacent landowners.
Capital Works to Councils Portfolio	Various	216	236	80	156	0	166	618	G Green	Projects identified for 16/17 from approved capital programme. Largest project for 16/17 is replacement of Fire & Intruder Alarm across many sites - this has now started to progress, however some sites on hold awaiting outcome of property review awaiting for proceeding on other projects.
Adoptions for lease of floor at Churchfields	Sept 14	38	0	0	0	0	0	38	G Green	Project completed.
Gas Control System - Birchfield	Feb 13	121	25	7	18	0	469	615	G Green	Investigation on dissolved lechate and gas extraction requirements is ongoing and to consider now report received detailing short/medium term gas control options.
Transfer of Castle Cary Market House	Apr 16	0	45	22	23	0	0	45	G Green	Ongoing works complete and remainder used as dowry payment to Town Council.
Tolbury Mill Roof		0	0	0	0	0	0	0	G Green	Works completed. £14K overall.
Bus Shelters in South Somerset	Jun 16	0	40	30	0	10	0	40	G Green	Purchase made.
Yeovil Crematorium	Feb 16 2012/13	542	59	0	59	0	23	624	G Green	Majority of capital works on hold whilst expansion plans progressed.
STREETSCENE										
Service Manager - Chris Cooper										
Portfolio Holder - Cllr Jo Roundell Greene										
Access all Areas Footpaths on Open Spaces	Feb 16	0	127	116	11	0	0	127	S Fox	All sites scheduled for 16/17 completed. One additional site to be completed 17/18 with the underspend.
Purchase of Road Sweeper	Feb 17	0	0	0	0	0	145	145	C Cooper	New capital bid allocation for 2018/19.
Total Environment		8,185	988	671	307	10	1,149	10,322		

			In Year Monitoring							
	Original Date of Project	Previous Years Spend	2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/ Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	Responsible Officers comments on action on slippage and performance against targets
	Approval	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
HEALTH & WELL-BEING										
ARTS AND ENTERTAINMENT										
Service Manager - Adam Burgan										
Portfolio Holder - Cllr Sylvia Seal										
Octagon Theatre - Upgrade to Toilets (Gents & Backstage)	June 15	59	4	0	0	4	0	63	A Burgan	£4K underspend returned to balances.
Octagon Theatre Stage Dimmer Lighting	Feb 16	0	0	0	0	0	64	64	A Burgan	Work will take place over summer period of 2017/18 due to need for extended period with no performances to be carried out.
Octagon Theatre Lighting & Hearing	Dec 16	0	0	3	0	-3	0	0	A Burgan	Project on schedule - will be completed by end of financial year.
Westlands Entertainment Venue	Oct 15	0	1,954	1,968	-14	0	-248	1,706	S Joel	Sports complex finished. Main complex nearly complete but still some snagging issues and 1st floor issues to resolve. Works to pavilion progressing well. Full report to be taken to DX committee in July.
Westlands Sports & Pavilion	Oct 15	0	0	546	-546	0	0	0	S Joel	
COMMUNITY HEALTH AND LEISURE										
Service Manager - Linda Pincombe										
Portfolio Holder - Cllr Sylvia Seal										
Community Play Schemes (Lavers Oak)	Feb 07	477	3	3	0	0	0	480	R Parr	Schemes completed.
Multi Use Games Area	Feb 08	310	0	0	0	0	70	380	R Parr	Funding profiled for spend in 2017/18.
Grants for Parishes with Play Area	Feb 08	453	16	5	11	0	0	469	R Parr	Rickhayes, Wincanton is largely complete, awaiting final castle feature construction dependent on new ground settlement to ensure good foundation, likely to be in the spring. Decisions about final spend at Ilton cannot be made until conveyance of new recreational ground concluded.
Grant to Kingston View Play Area	Feb 15	2	11	10	1	0	0	13	R Parr	Mainly completed, just small balance trail to be completed in the spring once the mounding is settled.

	Original Date of Project		In Year Monitoring							Responsible Officers comments on action on slippage and performance against targets
		Previous Years Spend	2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/ Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	
	Approval	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Grant for Stoke Sub Hamdon Recreational Ground	Qtr 3 14/15	0	0	0	0	0	10	10	R Parr	Funding profiled for spend in 2017/18.
Grant for Skate Park at Horton	Qtr 3 14/15	0	0	0	0	0	5	5	R Parr	The Parish Council have decided not to progress this project. Funding will be reemployed to new youth facilities project for 17/18.
Wyndham Park Play Area Equipment	S106	0	3	0	3	0	0	3	R Parr	Complete.
Eastfields, Cuckhoo Hill Play Area Equipment	S106	0	0	0	0	0	0	0	R Parr	S106 funding of £55K. Spend so far £36K. Will be completed in 2017/18 & remaining budget of £19K utilised.
Jarman Way, Chard - Play Area Equipment	S106	0	0	0	0	0	0	0	R Parr	S106 funding of £36K. Awaiting tree preservation application. Profiled for 17/18.
Grass Royal Play Area	Feb 16	0	0	2	-2	0	10	10	R Parr	Scheduled for completion in 17/18.
Cavallier Way Play Area	S106	0	0	0	0	0	0	0	R Parr	S106 funding of £5K. All complete and funding paid over.
Grant to Winterhay Lane Play Area Equipment	May 16	0	0	0	0	0	0	0	R Parr	S106 funding of £7K. All complete and funding paid over.
Grant to Happy Valley Skate Park	Oct 16	0	0	0	0	0	0	0	R Parr	S106 funding of £50K. All complete and funding paid over.
Monksdale Play Area - Equipment	Sept 16	0	0	0	0	0	0	0	R Parr	S106 funding of £15K. All complete and funding paid over.
Grant to Castle Street Playing Fields, Keinton Mandeville	Nov 16	0	0	0	0	0	0	0	R Parr	S106 funding of £7K. All complete and funding paid over.
Minchington Play Area Equipment	Nov 16	0	0	0	0	0	0	0	R Parr	S106 funding of £9K. All complete and funding paid over.
Synthetic Grass Pitch	Feb 07	812	0	0	0	0	5	817	L Pincombe	Delayed due to contractor availability, therefore remaining budget re-profiled to next financial year so can be used early spring.
Yeo Rec - Phase 2 Works (Pitch & Putt Fencing)	Feb 05	31	0	0	0	0	7	38	L Pincombe	This money is earmarked for the replacement of the pitch and putt carpets, however due to a good maintenance regime, the carpets have lasted longer than expected. Budget for future years.
Grant to Henhayes Sports & Community Centre	Feb 10	252	0	0	0	0	14	266	L Pincombe	Delayed due to other urgent Town Council projects taking priority. Profiled for 17/18.
Grant to Huish Episcopi Academy AGP	Mar 15	0	0	1	0	-1	0	0	L Pincombe	All capital paid and only £490 of S106 received is available to the applicant at the present until more S106 is received.

	Original Date of Project		In Year Monitoring							Responsible Officers comments on action on slippage and performance against targets
		Previous Years Spend	2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/ Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	
	Approval	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Grant to Westfield AGP	Feb 14	35	21	0	21	0	0	56	L Pincombe	Final payment withheld pending completion of community use agreement.
Grant to Milborne Port Rec Changing Rooms	March 14	0	0	0	0	0	0	0	L Pincombe	Still awaiting final claim from Parish Council for £5K. Paperwork required was clarified via email in June 2016.
Grant to Ilminster Football Club	Feb 15	0	50	50	0	0	0	50	L Pincombe	Payment of funding fully complete. £50K from SSDC and remaining £113K S106. Project completion form to follow.
Grant to Ilminster Football Club Cricket Square	June 15	0	0	0	0	0	0	0	L Pincombe	S106 grant of £15K now paid over therefore all complete.
Upgrade Joanna France Building	Feb 16	0	0	0	0	0	27	27	L Pincombe	Initial external funding bid unsuccessful due to number of applications. New Sport England funding streams become available January 2017 and it is anticipated that a new application will be lodged as the project is still necessary. Budget re-profiled to 17/18.
Grant for Chard Town Council Jocelyn Park	S106	0	0	0	0	0	0	0	L Pincombe	£6K S106 grant fully paid over for scheme therefore completed.
Grant to Donald Pither Memorial Ground, Castle Cary	June 16	0	0	0	0	0	0	0	L Pincombe	S106 funding of £16K paid over for scheme therefore completed.
Grant to Babcary Playing Field Committee	June 16	0	0	0	0	0	0	0	L Pincombe	Small £1K S106 grant fully paid over for scheme therefore completed.
Grant to Henstridge PC - Pitches Improvements	Sep 16	0	0	0	0	0	0	0	L Pincombe	S106 funding of £20K. Acceptance of funding offer received and work due to start shortly.
Grant to Merriott PC - Play & Pitch Improvements	Nov 16	0	0	0	0	0	0	0	L Pincombe	Final funding offer to be finalised and agreed with Parish Council January 2017.
Dual Use Sport Centre Grants	Feb 05	213	40	35	5	0	0	253	L Pincombe	Holyrood AGP have been paid £45k out of £50k (90%) awarded. Awaiting compliance on all aspects of the funding award before final payment.
Wincanton Community Sports Centre 10 year plan	Sept 12	108	35	28	7	0	35	178	L Pincombe	Enhancements have been made to the air conditioning units on site. Remaining spend carried forward into 17/18.
Goldenstones 10 Yr Plan Changing Rm's Refurbishment	Mar 17	0	0	0	0	0	119	119	L Pincombe	New project for 2017/18 funded / repaid from Goldenstones 10 year plan.

	Original Date of Project		In Year Monitoring							Responsible Officers comments on action on slippage and performance against targets
		Previous Years Spend	2016/17 Est Spend	Actual Spend to 31/03/17	Slippage to Carry Forward	Unders/ Overs on Completed Schemes	Revised Future Est Spend	Original Budget Allocation	Project Officer	
	Approval	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Huish Episcopi Swimming Pool	Apr 16	0	27	0	27	0	205	232	L Pincombe	S106 allocated of £153K, means total budget of £180K for 2016/17. Likely to be claimed in later part of financial year once works commenced.
Ham Hill Road Improvements	Feb 16	0	20	18	0	2	0	20	K Menday	Project complete and being fully utilised. £2K underspend returned to balances.
Total Health & Well-being		2,752	2,184	2,669	-487	2	323	5,259		
Total Capital Programme		17,156	6,211	6,187	15	9	8,617	31,983		

Reserve Schemes Awaiting new Appraisal but Approved in Principle

Old Town Station Reserve	0	0	0		321
Market Towns Vision	0	0	0		300
ICT Reserve	77	0	77		200
Affordable Housing - Unallocated	0	0	0		491
Affordable Housing - Rural Contingency Fund	0	0	0		500
Investment in Market Housing	0	0	0		1,931
Transformation	0	0	0		1,185
Feasibility Fund - Unallocated	0	0	0		0
Contingency for Plant Failure	0	0	0		199
Home Farm, Somerton	0	0	0		98
Lufton 2000 - All Phases	0	0	0		-1,016
Sports Zone- Inc	0	0	0		-50
Gypsy & Traveller Acquisition Fund	0	0	0		50
Infrastructure & Park Homes, Ilton - £60K Grant for MUGA	0	0	0		0
Infrastructure & Park Homes Contingency	0	0	0		54
	77	0	77		4,263

Area Reserve Schemes Awaiting Allocation But Approved in Principle

North	22	0	22		155
South	0	0	0		216
East	16	0	16		39
West	6	0	6		57
Total	43	0	43		467

Capital Programme	6,211	6,187	15		8,617
Contingent Liabilities and Reserve Schemes	120	0	120		4,730
Total Programme to be Financed	6,331	6,187	135		13,347



Post Investment Appraisal Form

Project Number	2016-02
Project Name	Ham Hill Road Improvements
Date Funding Approved	February 2016
Project Officer	Katy Munday

Project Duration Summary

	Original Estimated Date	Actual Date
Project Commenced	October 2016	April 2016
Project Completed	November 2016	March 2017

Project Budget & Actuals

	Original Budget £	Revised Budget (if applicable) £
SSDC Funding	20,200	20,200
External Funding	800	800
Total Budget	<u>21,000</u>	<u>21,000</u>
Total Expenditure	19,000	
Project underspend	2,000	
% underspend	<u>9%</u>	

Project Milestones

Key Milestones	Estimated Date	Actual Date	Reasons for Difference
Project Commenced	October 2016	Mid April 2016	Resources available to bring forward project start date
Project Completed	November 2016	End of March 2017	Initial works (tarmac) completed within 2 weeks, then needed to wait for off season with reduced visitor numbers to complete other car park works.

Revenue Implications (if applicable)

Key Categories	Original Estimate per capital appraisal	Estimate now project is completed	Reasons for Difference
Loss of interest @ 3.15%	£0.6K		
Re mark road lines	£0.4k	Not known	After year 3 if needed

Officer Time

Officer	Original Estimate (hrs)	Actual time (Hrs)	Reasons for Difference
Countryside Manager	10	5	Countryside management element undertaken by on site ranger team
Engineering & Property Services Manager	20	15	Reduced time in preparing specification, tender documents and supervision
Countryside Rangers Ham Hill	22	30	Repairs were vandalised overnight after completion and the rangers had to spend time restoring surfaces laid.

Objectives of the project (per the capital appraisal)

By repairing the road, access to the country park will be retained and improved for both vehicles and those on foot, using wheelchairs and mobility vehicles and pushing pushchairs.

The completed project will be maintained by the on-site countryside ranger team

How have the objectives been met?

By replacement of three areas of tarmac at:

- The main entrance / exit to the Highway
- The access road to the Ranger's Office
- The narrow stretch between the large quarry gate and Prince of Wales pub car park
- Constructing speed ramps and marking out junctions for traffic safety

Benefits resulting from the Project

No further financial insurance claims against SSDC for damage to visitor's vehicles.

Improved Green Flag inspection reports

Better access for all visitors whether in vehicles, on foot or in wheelchairs

Reduced speed of vehicles with speed ramps and reducing surface water on to highway

In hindsight is there anything that you would have done differently?

No

Summary

Initial project element delivered earlier than anticipated due to prioritising resource and availability of contractor

Underspend on project budget

Early liaison with landlord of the public house enabled good co-operation and planning of works to coincide with deliveries and waste disposal at peak times



Post Investment Appraisal Form

Project Number	2016-01
Project Name	Yeovil Innovation Centre Parking Spaces
Date Funding Approved	February 2016
Project Officer	David Julian

Project Duration Summary

	Original Estimated Date	Actual Date
Project Commenced	Spring 2016	15 August 2016
Project Completed	Summer 2016	10 October 2016

Project Budget & Actuals

	Original Budget £	Revised Budget (if applicable) £
SSDC Funding	120,000	
External Funding	0	
Total Budget	<u>120,000</u>	
Total Expenditure	98,000	
Project underspend	22,000	
% underspend	<u>18.3%</u>	

Project Milestones

Key Milestones	Estimated Date	Actual Date	Reasons for Difference
Project Commenced	Spring 2016	15 August 2016	Other projects had priority at time (Westlands and Somerton)
Project Completed	Summer 2016	10 October 2016	Delay in starting on site due to above

Revenue Implications (if applicable)

Key Categories	Original Estimate per capital appraisal	Estimate now project is completed	Reasons for Difference
Loss of interest @ 3.15%	£3.8k		
Re mark car parking bays	£500	Not known	In year 3 from existing budget
Electricity costs for additional lighting	£200 pa	Not known	Costs covered from existing budget

Officer Time

Officer	Original Estimate per capital appraisal	Estimate of actual time spent on project	Reasons for Difference
Economic Development Officer	10	10	
Property & Eng Services Manager	30	25	Reduced supervision on site
Senior Building Surveyor	15	15	
YIC staff in general	20	20	

Objectives of the project_(per the capital appraisal)

The outputs for the project will be:

- to create sufficient car parking spaces for existing and future tenants and their visitors, and;
- providing increased security for current and future tenants by having an electronic gated access.

The project objectives cannot be dissociated from the primary objectives of YIC:

- increasing the number of business start-ups in South Somerset,
- improving the survival and growth rates of knowledge based business in the region,
- generating high value local employment opportunities, and;
- helping diversify the local economy.

How have the objectives been met?

60 additional car parking spaces created with new LED lighting to both existing and new car park areas

Security increased by constructing height restriction barrier to prevent unauthorised encampments to supplement gated access

Benefits resulting from the Project

Car parking spaces had directly impacted by YIC occupancy, with the existing car park believed to have reached its maximum capacity at around 75% of YIC occupancy. Occupancy had been expected to hit an unexpected peak of 98% in October 2015.

The current car parking facilities are at full capacity. The resultant overspill onto Copse Road or the YIC field neither are desirable or sustainable. The new permanent car park extension has overcome these issues

The need for a more secure gated entry system had been necessitated by a number of traveller incursions onto the site. Each incursion is counter-productive to the business

ambience of YIC and necessitates extra patrols and presence of our security company. Two incursions have resulted in unplanned costs totalling over £3,500. The construction and installation of a height restriction barrier has prevented any traveller intrusions even though they have taken place elsewhere in the vicinity.

In hindsight is there anything that you would have done differently?

No

Summary

Final costs came under the project budget due to a competitive tender price

Project delivery of the car park for occupation by tenants, staff, and visitors delayed slightly due to later start date on site. Mainly due to other priority work for Property & Engineering Services Manager and appointed contractor having commitments elsewhere delaying immediate start on award of the contract.

Agenda Item 11

2016/17 Revenue Budget Outturn Report

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
Chief Executive: Alex Parmley
S151 Officer: Paul Fitzgerald
Service Manager: Catherine Hood, Finance Manager
Lead Officer: Jayne Beevor, Principal Accountant Revenue
Contact Details: Jayne.beevor@southsomerset.gov.uk or (01935) 462320

Purpose of Report

To inform Members of the actual spend against budgets for the 2016/17 financial year.

Forward Plan

This report appeared on the District Executive Forward Plan with an anticipated Committee date of July 2017.

Public Interest

This report gives the outturn revenue financial position and budgetary variations of the Council compared to the budget at 31st March 2017.

Recommendations

1. Members are RECOMMENDED to:
 - (a) Note the outturn position of £17,391,660 (an under spend of £390,670) and explanation of variances from budget holders for the 2016/17 financial year as shown in paragraphs 4-6;
 - (b) Approve the carry forwards listed and recommended for approval by Senior Leadership Team in Appendix B into the 2017/18 budgets;
 - (c) Approve individual service overspends are funded from general balances and the net underspend of £144,310 is transferred to the Transformation Reserve;
 - (d) Note the use of the specific reserves in paragraph 19;
 - (e) Note the transfers to and from balances outlined in the General Fund table paragraph 20;
 - (f) Note the position of the Area Committee balances in paragraph 23;
 - (g) Approve the virement in paragraph 28 and note the virements in Appendix G;

Background

2. Full Council approved the 2016/17 budget in February 2016. The responsibility for monitoring and controlling budgets is delegated to individual Area Committees and District Executive. Directors, Assistant Directors, and Service Managers had the responsibility for the day-to-day monitoring of budgets and reporting variations to the appropriate Committee.
3. District Executive has received regular budget monitoring reports throughout the year that have highlighted variances from budgets and comments from the budget holder.

Summary of Revenue Budgets

4. The overall outturn for SSDC Services in 2016/17 was £390,670 underspent (or 2.2%). The table below sets out a summary of the 'above the line' revenue budgets that will form part of the annual Statement of Accounts that is required to be approved by the Audit Committee in July 2017 after being audited by Grant Thornton.

Service	Original Budget £'000	Movement During the Year £'000	Final Budget £'000	Actual Spend £'000	Variation on Spend £'000	Variation on Spend after Carry Forwards
Strategic Management & Transformation	577.5	30.4	607.9	600.4	(7.5)	36.9
Finance & Corporate Services	3,704.8	116.9	3,821.7	3,590.2	(231.5)	(231.5)
Legal & Corporate Services	1,409.2	19.4	1,428.6	1,364.3	(64.3)	(39.0)
Economy	1,219.6	(42.9)	1,176.7	1,348.6	171.9	171.9
Policy & Performance	110.6	0.7	111.3	108.8	(2.5)	(2.5)
Communities	1,335.7	98.9	1,434.6	1,354.9	(79.7)	(18.0)
Environment	6,572.0	43.0	6,615.0	6,597.3	(17.7)	27.3
Health & Wellbeing	2,361.9	224.6	2,586.5	2,427.1	(159.4)	(89.4)
Total	17,291.3	491.0	17,782.3	17,391.6	(390.7)	(144.3)

2016/17 Outturn

5. Appendix A shows the budget, actual expenditure and income, variance between budget and actual together with an explanation of the variance from the Service Manager, and the carry forwards requested under the financial procedure rules.
6. The Services with significant variations (over £50,000) after carry forwards are as follows:

Service	Service Manager	Variance £'000		Budget Holders' Comments
Financial Services	Catherine Hood	(235.0)	F	The under spend is mainly due to additional investment income and a vacant finance post.
Development Control	David Norris	244.7	A	Compensation payments for planning appeal costs exceed budget and there was a shortfall in planning income.
Environmental Health	Alasdair Bell	(91.8)	F	Underspent on staff and equipment.
Engineering & Property Services	Garry Green	153.7	A	Number plate recognition for car parking enforcement has not commenced leading to an estimated shortfall of £200k for income. This is partly offset by savings in Engineering Services.
Housing & Welfare	Kirsty Larkins	(83.2)	F	Underspend due to the additional funding built into the budget for P4A that has subsequently not been required, and reduction in bad debt provision.

F = Favourable (underspent and/or income shortfall), A = Adverse (overspent and/or income surplus)

Delivery of Savings

7. District Executive monitors the delivery of savings that are agreed as part of the budget setting process through quarterly budget monitoring reports. The achievement of the targets for South Somerset District Council (SSDC) are shown in the table below;

Year	Target £'000	Actual £'000	(Excess)/ Shortfall £'000
2012/13	1,509	1,288	221
2013/14	540	540	0
2014/15	691	659	32
2015/16	619	506	113
2016/17	980	675	305
Total	4,339	3,668	671

Appendix E to this report details the progress of all major savings (those over £25,000) that were taken in the 2016/17 budget setting process.

Carry Forwards

8. In the Financial Procedure Rules, Managers can request that specific underspends (within a minimum of £5,000 for any specific purpose) may be carried forward to the following year. However, those rules also state that District Executive may waive this depending on corporate need.
9. The accounting rules require that grants need to be accounted for in the year they are actually paid and not when committed. Therefore, the carry forward on the grant budgets reflects the commitments to pay grants that have been made by the various committees.
10. Specific carry forward requests amounting to £246,360 are shown at Appendix B and members are recommended to approve these. This would effectively result in a net underspend after carry forwards of £144,310.
11. Under the Council's Financial Procedure Rules, District Executive can approve an overspend of a maximum of £25,000 to be carried forward into the following year unless District Executive agree that they are funded from General Balances. The service areas that would need to carry the overspend forward would have difficulty finding savings to compensate and, in considering also the fact the overall outturn is below budget, it is recommended that no overspends are carried forward to 2017/18 on this occasion.

Proposed Allocation to Transformation Reserve

12. At its meeting on 20 April the Council approved an update to the Transformation Programme which included the potential for greater up-front investment and leading to greater ongoing savings. With the report it was identified and noted that a further £1.1m in funding was to be identified from underspend and future financial planning via the Medium Term Financial Plan. In view of this position it is recommended that the net residual underspend of £144,310 (after carry forwards as noted above) is transferred to the Transformation Reserve to reduce the balance of funding still to be found.

Total Cost of Services

13. The CIPFA accounting regulations requires all expenditure to be allocated to front line services. This means that all support service budgets have to be apportioned as required by the Service Reporting Code of Practice (SeRCOP). This is set out in Appendix F.

Council Tax Scheme

14. The Council Tax Scheme (CTS) commenced in April 2013. The authority set a budget for 2016/17 of £8.478 million for annual discounts. Of this sum, £8.458 million was allocated for the year, therefore only marginally below the budget estimate. The cost of CTS is allocated through the Council Tax Collection Fund and is shared between the preceptors in proportion to their relative shares of council tax due for the year. For information, the budget for 2017/18 is £8.556 million.
15. A Hardship Scheme is in place for extreme circumstances with a budget of £30,000 for the year. By the end of the year SSDC had received 157 requests for hardship relief of which 137 were successful. The amount awarded by the end of the financial year was £16,938.
16. The in-year collection rate for Council Tax was 97.73% for 2016/17 compared to 97.24% for the previous year. In cash terms we collected £4.946 million more than in 2015/16. In addition to this we collected £2.718 million of previous year arrears.

Non Domestic Rates

17. The in-year collection rate for Non Domestic Rates was 98% for 2016/17 compared to 97.03% for the previous year. In cash terms we collected £1.498 million more than in 2015/16. In addition to this we collected £1.974 million of previous year arrears.
18. Non Domestic Rates income that we collect is distributed between Government, SSDC, the County Council, and Fire and Rescue Authority under the Business Rates Retention funding system.

Reserves, Balances and Contingency

19. In addition to the funds available in the Revenue Budget, the Council also holds funds in reserves and balances.
20. **Reserves** are amounts that have been set aside from annual revenue budgets to meet specific known events that will happen in the future. An example of such a reserve is the amount set aside annually to cover the cost of South Somerset District Council elections that occur every four years. The complete list of specific Reserves and the current balance on each one is provided at Appendix D.

The table below shows all transfers in or out of each one that has been actioned under the authority delegated in the Financial Procedure Rules during the last quarter. Transfers out of specific reserves that require reporting to District Executive for noting are as follows:

Reserve	Balance at 01/01/17 £	Transfers In/ (Out) £	Balance at 31/03/17 £	Reason for Transfer
Capital Reserve	1,091,596	152,636	1,244,232	Release of Capital Contributions to fund capital schemes in 16/17 – £154,768. Repayment of PV – (£13,419) RCCO re Westlands – (£141,000) Transfer of ticket levy – (£92,600) Funds re Tolbury Mill – £1,786 Repayment of Westland's loan – (£62,168)
Internal Borrowing Repayments	0	23,426	23,426	Repayments for sports equipment and horticultural vehicles
Elections Reserve	125,129	24,220	149,349	Revenue 16/17 top up of fund
Local Plan Enquiry Provision	81,769	(10,460)	71,309	Funding of Local Plan
Bristol to Weymouth Rail Reserve	15,764	(4,700)	11,064	Funding partnership spend in 16/17
Save to Earn Reserve	50,000	(50,000)	0	Reserve no longer required funds returned to general balances
LABGI Reserve	32,086	(5,200)	26,886	Funding of The Hive at YIC
Revenue Grants Reserve	630,820	41,518	672,338	Release of grants for expenditure in 2016/17- £57,763. Additional grants received in advanced for 2016/17 and future years- £99,281
Yeovil Vision	110,474	10,000	120,474	Yeovil Town Council 16/17 contribution
Council Tax/Housing Benefits Reserve	582,712	92,652	675,364	Additional Revenue and Benefits grants received in 16/17
Closed Churchyards	10,836	(7,893)	2,943	Additional contributions towards future work in closed churchyards
Deposit Guarantee Claims Reserve	8,560	(2,253)	6,307	Additional bad debt provision
LSP Reserve	82,934	(58,930)	24,004	Release of funding to revenue
Artificial Grass Pitch Reserve	61,975	22,700	84,675	Revenue 16/17 top up of fund
Infrastructure Reserve	935,002	(2,936)	932,065	Transfer to Development Control for transport highway consultancy
NNDR Volatility Reserve	2,751,464	(1,442,367)	1,309,097	NNDR collection fund adjustment and use of funds
Ticket Levy Reserve	59,686	(53,163)	6,523	Release of ticket levy funds
Waste Reserve	0	230,065	230,065	Waste leased vehicle income
Community Housing Fund	0	263,222	263,222	Community Housing grant transferred to reserve

21. **General Fund Balance** represents the accumulated revenue surpluses that are held to mitigate financial risks and unforeseen costs. Within the total, however, are amounts that have been earmarked by the District Executive for specific purposes. The table below shows the current position on the General Fund Balance compared to that previously reported.

General Fund Balances	£'000
Balance at 1 April 2016	8,267
Support for 2016/17 budget	(1,368)
2016/17 Carry forwards	(255)
Rent re 80 South Street	(2)
Transfer to Westlands	(175)
Transfer to Transformation Reserve	(1,300)
Transfer to NDR Volatility Reserve	(1,292)
Funding of Commercialisation Report	(14)
Funding of CEO post	(30)
Funding from Area East Bayford Mission Hall	(11)
Funding from Area West Chard Hub	(3)
Funds returned to Gen Bals-TM Reserve	147
Funds returned to Gen Bals-HB Reserve	590
Funds returned to Gen Bals-Flood Reserve	80
Funds returned to Gen Bals-Beacon Fund	3
Funds returned to Gen Bals-Save to Earn Reserve	50
Underspend on Revenue Budget at out-turn for 2016/17	391
General Fund Balance at 31st March 2017	5,078
Area Balances	(122)
Economic Development	(2)
Commitments	(147)
Unallocated General Fund Balance at 31st March 2017	4,807
Recommended carry forwards (appendix B) if approved	(246)
Recommended net underspend to transformation reserve (para 12)	(145)
Support for 2017/18 budget per MTFP	(789)
Utilisation of general fund for transformation	(231)
Final Unallocated General Fund Balance	3,396

22. A memorandum account has now been set up to record Building Control surpluses and deficits on the chargeable work. On a rolling three year basis, taking into account the below the line costs, Building Control has made a surplus of £56,878.
23. A review of balances and reserves has shown that SSDC currently has sufficient balances to cover major areas of financial risk. Risks were reviewed in January 2017 this established that the minimum general balance should be in the range £2.8m to £3.1m.

Area and Group Balances

24. Each Area and District Executive have balances that can be used during the year, the position of the Areas and District Executive balances and movement within the year is as follows:

	Area East £	Area North £	Area West £	Area South £	Total £
Position at start of financial year	60,190	26,600	49,640	0	136,430
Allocations to/(from) reserve during year	(11,000)	0	(3,420)	0	(14,420)
Position at end of financial year	49,190	26,600	46,220	0	122,010
Less commitments not yet spent	(45,730)	(12,706)	(46,220)	0	(104,656)
Unallocated balance available	3,460	13,894	0	0	17,354

25. The table shows that overall balances have not reduced during the year and there have been no further commitments in Area East or Area North. This leaves an overall £17,354 uncommitted. Allocations of the Area Reserves are detailed in Appendix C.

Efficiency Plan and Flexible Use of capital Receipts

26. In October 2016 the Council approved an Efficiency Plan for the period 2016/17 to 2019/20. This was a pre-requisite to taking up the 'offer' of a multiyear funding settlement from Government for the same period. Within the Efficiency Strategy the Council has taken advantage of the temporary flexible use of capital receipts to fund revenue costs of transformation.
27. The table below shows the capital receipts target within the Efficiency Strategy and receipts identified to date. This shows the need to find a further £401k through future property disposals. The capital receipts already identified are currently held in a capital receipts reserve and have not been used during 2016/17.

	2016/17 £	2017/18 £	2018/19 £	Total £
Target	100,000	200,000	200,000	500,000
Actual to Date	99,000	n/a	n/a	99,000
Further asset sales income required				401,000

28. Whilst this does not directly affect the outturn performance against budget for the year, it is helpful to track progress against the funding target as any shortfall would need to be covered from other revenue resources such as using general reserves or reprioritising earmarked reserves.

Budget Transfers ("Virements")

29. Under the Financial Procedure Rules, providing that the Assistant Director-Finance & Corporate Services (S151 Officer) has been notified in advance, Assistant Directors/Managers may authorise any virements for an individual cost centre within their responsibility. Strategic Directors and Assistant Directors can authorise virements, up to a maximum of £25,000, for an overall Directorate that is within their area of responsibility. Portfolio Holders can approve virements between services within their areas of responsibility, up to a maximum of £25,000 per virement. These virements are listed in Appendix G for District Executive to note and have been approved during the last quarter by the Assistant Director-Finance & Corporate Services.

Those requiring District Executive approval are detailed in the table below.

Amount £	From	To	Details
13,180	Equalities	Communities	The role of Equalities Officer has now been combined with Third Sector & Partnership Manager post

Stock Write Offs

30. Under the Financial Procedure Rules any adjustments to stock or stores accounts exceeding £1,000 shall be reported to Committee. Following stock checks on the 31st March 2017 no adjustments exceeding £1,000 has been written off of stock values.

External Partnerships and Other Organisations

31. Members have requested that partnerships are monitored within SSDC's overall budget because they are given grants. This currently includes the following;

South Somerset Voluntary Community Action (SSVCA)

32. 2016/17 has been a year of enormous change for SSVCA. The Furnicare merger with SC&R was completed October 1st 2016. By following this new direction it is forecasted that Furnicare will meet its financial and development goals.
33. Following the merger of the Voluntary Sector Support service and Mendip Community Support, this project was successfully rebranded as SPARK. The new name reflects a repositioning of our organisation, where we seek to promote our work to charities and voluntary groups and encourage individuals to get involved in their communities.
34. Our long-standing CEO, Sam Best left us, as did the Manager of Community Transport, Martin Ashby. Under new management – Katherine Nolan, Manager of SPARK and CAO of SSVCA; Victoria Butcher, Manager of Community Transport) the team have been reviewing the strategy and operation of the organization and have already undertaken numerous efficiency savings.
35. SPARK, which is the service part-funded by SSDC, has an encouraging year financially, attracting £12,820 additional funding, whilst also remaining within budget in terms of expenditure. This funding came from a combination of grants from Somerset County Council, Somerset Community Foundation, the CCG, as well as income from our DBS and training services that we began in 2016. The final year accounts are yet to be completed and agreed, but SPARK is projecting a healthy surplus that will be used to strengthen the reserves of the charity and support future development work. SPARK is projecting further growth for the coming year, having already secured funding from Mendip and Sedgemoor District Councils, Somerset County Council, NHS Symphony Programme and Frome Town Council. We also seek to grow our 'paid for services' over the coming year, so that we can establish a regular income stream that means we are less reliant on grants. More details can be found below.
36. Under the new General Manager at Community Transport (which is not currently funded by SSDC), the key priority this year has been to undertake a review of the operation and ensure that the service can be sustainable. More detail about this can be found in the Community Transport section below.

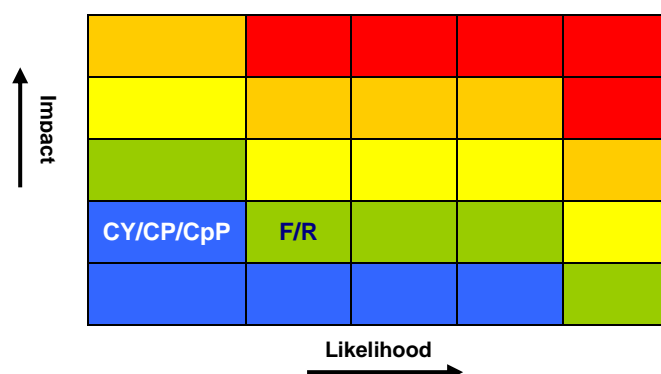
SPARK

37. SPARK has had an extremely eventful year and we have been working hard to promote our services to voluntary sector groups and communities across the District.
38. Our new website (www.sparksomerset.org.uk) has been launched and received very positive feedback. We have also developed our own volunteer database that will enable individuals to find volunteering opportunities according to location, organisation or cause. The new database is already accessible on our website and a high profile launch, prior to Volunteer's Week, is planned.
40. Spark was a lead partner in the development of a 'State of the Sector' report that gives a picture of the many challenges and opportunities facing the voluntary sector at the present time. The report was the first in-depth review of the state of the VCSE sector in Somerset and highlighted a clear need for 'infrastructure' – specifically support around funding, governance and volunteering, as provided by our organisation.
The full report is available on our website:
<http://www.sparksomerset.org.uk/projects/research-share-celebrate-grow>
41. We launched the Spark Training Programme at the end of 2016. We have already run eight courses that have been well-attended and have provided support for groups on a range of topics including fundraising, finance, DBS and social media. The programme also provides a much-needed income stream for the charity.
42. Our partnership with The Symphony Programme continues to develop. The project aims put in place a preventative approach that will enable people to better manage their own health and wellbeing. Community Partnerships have now been established in Wincanton and South Petherton. Funding has been agreed for the next 12 months and the area of focus for this work in 2017/18 will be Yeovil.
43. We will be launching our new Community Accountancy service early in the new financial year, following a recent recruitment. We will provide a much-needed, low-cost service to community groups, which will also generate a regular income stream.

Community Transport

44. 2016/17 has been a year of change for Community Transport. Our new General Manager was appointed in November 2016. We also gained an additional two school runs from Somerset County Council.
45. One of the first tasks of the new General Manager was to undertake a review of the operation and ensure that Community Transport is running a financially sound service. Since January, we have looked at the pricing structure for private clients/group/trip bookings, and subsequently raised them to reflect the actual cost of the journeys. We have also looked at using alternative suppliers to ensure that our outgoings are kept to a minimum. With an ageing fleet, vehicle replacement has become a high priority therefore we looking at various funding options. We will also be contacting local companies and organisations for sponsorship.
46. South Somerset Community Transport has just started arranging transport for the Young Learners at Able 2 Achieve. Over the coming months we will be looking at assisting various other community projects.
47. We plan to raise the profile of our service over the next year, promoting to local care homes, schools and youth organisations, as well many local churches and day care facilities. The outlook for 2017/2018 predicts that Community Transport will be ending the year with a surplus of approximately £10,000.

Risk Matrix



Key

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

Background Papers

Appendix A - District Executive detailed budgets out turn position 2016/17

Appendix B – Carry forwards 2016/17

Appendix C - Area Reserves

Appendix D - Usable Reserves

Appendix E - Major Efficiency Savings 2016/17

Appendix F - Total Cost of Services 2016/17

Appendix G - Virements for Noting Qrt 4 2016/17

2016-17 Budget Detail

APPENDIX A

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
CHIEF EXECUTIVE STRATEGIC MANAGEMENT								
Chief Executive : Alex Parmley								
MANAGEMENT BOARD	Expenditure	1,312,820	1,305,700	(7,120)	44,330	44,330	37,210	<i>Overspend due to staffing changes. The corporate training budget was underspent and a carry forward for interns & apprentices is requested.</i>
Portfolio Holder : Cllr Ric Pallister	Income	(704,920)	(705,264)	(344)		0	(344)	
	TOTAL	607,900	600,436	(7,464)	44,330	44,330	36,866	
TOTAL STRATEGIC MANAGEMENT	Expenditure	1,312,820	1,305,700	(7,120)	44,330	44,330	37,210	
	Income	(704,920)	(705,264)	(344)	0	0	(344)	
	TOTAL	607,900	600,436	(7,464)	44,330	44,330	36,866	
TRANSFORMATION								
Chief Executive : Alex Parmley								
TRANSFORMATION	Expenditure	229,280	244,276	14,996		0	14,996	
Portfolio Holder : Cllr Ric Pallister	Income	(229,280)	(244,280)	(15,000)		0	(15,000)	
	TOTAL	0	(4)	(4)	0	0	(4)	
TOTAL TRANSFORMATION	Expenditure	229,280	244,276	14,996	0	0	14,996	
	Income	(229,280)	(244,280)	(15,000)	0	0	(15,000)	
	TOTAL	0	(4)	(4)	0	0	(4)	
TOTAL CHIEF EXECUTIVE	Expenditure	1,542,100	1,549,976	7,876	44,330	44,330	52,206	
	Income	(934,200)	(949,544)	(15,344)	0	0	(15,344)	
	TOTAL	607,900	600,432	(7,468)	44,330	44,330	36,862	
FINANCE AND CORPORATE SERVICES								
FINANCIAL SERVICES								
Service Manager : Catherine Hood								
AUDIT	Expenditure	95,540	94,150	(1,390)		0	(1,390)	<i>Audit fees have come in slightly under budget.</i>
Portfolio Holder : Cllr Peter Seib	Income	0	0	0		0	0	
	TOTAL	95,540	94,150	(1,390)	0	0	(1,390)	
CORPORATE COSTS	Expenditure	1,858,410	2,068,143	209,733		0	209,733	<i>Canteen - agency staff have been used to cover long term sick and the provisions budget has overspent by £18K and income was £10K short. Insurance -there was an underspend of £32K on insurance premiums and excess payments, the self insurance fund did not need topping up adding a saving of £5K. Corporate costs - an additional £31K of salaries could be capitalised but this was offset by other payroll savings that were not found. External audit fees were 18K under budget but bank charges, professional fees and other costs came in 11K over. Advertising income did not meet its target of £15K. Additional income of £15k has been received from a PWLB loan discount. Savings from postages of £25K did not materialise but this was offset by additional income from the Crematorium and other sources of £65K.</i>
Portfolio Holder : Cllr Peter Seib	Income	(648,880)	(923,666)	(274,786)		0	(274,786)	
	TOTAL	1,209,530	1,144,477	(65,053)	0	0	(65,053)	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
FINANCIAL SERVICES	Expenditure	777,160	735,255	(41,905)	7,000	0	(41,905)	The main underspend is due to vacant posts although this has been reduced by additional agency and overtime costs. Other savings include IT licence costs and electronic bank charges however these have been offset by increased costs associated with asset valuations and other IT costs.
Portfolio Holder : Cllr Peter Seib	Income	(20,330)	(20,695)	(365)		0	(365)	
	TOTAL	756,830	714,560	(42,270)	7,000	0	(42,270)	
TREASURY MANAGEMENT	Expenditure	60,220	66,891	6,671		0	6,671	The overachievement of income is due to the interest on the loan to the Somerset Waste Partnership, extending the maturity profile on our investments to achieve rates above 0.25% and achieving a dividend of 3p per unit on the Property fund.
Portfolio Holder : Cllr Peter Seib	Income	(496,020)	(628,950)	(132,930)		0	(132,930)	
	TOTAL	(435,800)	(562,059)	(126,259)	0	0	(126,259)	
TOTAL FINANCIAL SERVICES	Expenditure	2,791,330	2,964,439	173,109	7,000	0	173,109	
	Income	(1,165,230)	(1,573,311)	(408,081)	0	0	(408,081)	
	TOTAL	1,626,100	1,391,128	(234,972)	7,000	0	(234,972)	
ICT SERVICES								
Service Manager : Roger Brown								
INFORMATION SYSTEMS	Expenditure	1,014,090	1,026,864	12,774		0	12,774	
Portfolio Holder : Cllr Henry Hobhouse	Income	(16,770)	(16,669)	101		0	101	
	TOTAL	997,320	1,010,195	12,875	0	0	12,875	
TOTAL INFORMATION SYSTEMS	Expenditure	1,014,090	1,026,864	12,774	0	0	12,774	
	Income	(16,770)	(16,669)	101	0	0	101	
	TOTAL	997,320	1,010,195	12,875	0	0	12,875	
PROCUREMENT AND RISK MANAGEMENT								
Service Manager : Gary Russ								
PROCUREMENT AND RISK MANAGEMENT	Expenditure	144,890	144,833	(57)		0	(57)	Mobile Phone Rebate stopped from the supplier back in July 2016. We have not got a rebate for about 7 months so this has distorted the budget.
	Income	(8,390)	(7,429)	961		0	961	
Portfolio Holder : Cllr Peter Seib	TOTAL	136,500	137,404	904	0	0	904	
TOTAL PROCUREMENT AND RISK MANAGEMENT	Expenditure	144,890	144,833	(57)	0	0	(57)	
	Income	(8,390)	(7,429)	961	0	0	961	
	TOTAL	136,500	137,404	904	0	0	904	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
REVENUES AND BENEFITS								
Service Manager : Ian Potter								
REVENUES & BENEFITS	Expenditure	1,711,530	1,866,488	154,958		0	154,958	The significant improvement in our Housing Benefit overpayment collection has resulted in a reduction in the bad debt provision and the value of the debt outstanding.
Portfolio Holder : Cllr Peter Seib	Income	(410,360)	(340,932)	69,428		0	69,428	
	TOTAL	1,301,170	1,525,556	224,386	0	0	224,386	
HOUSING BENEFIT SUBSIDY	Expenditure	42,679,100	42,269,874	(409,226)		0	(409,226)	
Portfolio Holder : Cllr Peter Seib	Income	(43,375,260)	(43,165,262)	209,998		0	209,998	
	TOTAL	(696,160)	(895,388)	(199,228)	0	0	(199,228)	
TOTAL REVENUES AND BENEFITS	Expenditure	44,390,630	44,136,362	(254,268)	0	0	(254,268)	
	Income	(43,785,620)	(43,506,194)	279,426	0	0	279,426	
	TOTAL	605,010	630,168	25,158	0	0	25,158	
OPERATIONS AND CUSTOMER FOCUS								
Service Manager : Jason Toogood								
CUSTOMER SERVICES	Expenditure	473,780	430,480	(43,300)		0	(43,300)	Underspent as casual staffing used instead of recruiting to vacant posts. Income received from cover of SCC reception role.
Portfolio Holder : Cllr Ric Pallister	Income	0	(11,470)	(11,470)		0	(11,470)	
	TOTAL	473,780	419,010	(54,770)	0	0	(54,770)	
RESOLUTION AND PRINTING	Expenditure	77,040	77,990	950		0	950	Income from printing remained lower than targets generally as less internal printing is undertaken by teams to reduce costs to services.
Portfolio Holder : Cllr Ric Pallister	Income	(94,080)	(75,683)	18,397		0	18,397	
	TOTAL	(17,040)	2,307	19,347	0	0	19,347	
TOTAL OPERATIONS AND CUSTOMER FOCUS	Expenditure	550,820	508,470	(42,350)	0	0	(42,350)	
	Income	(94,080)	(87,153)	6,927	0	0	6,927	
	TOTAL	456,740	421,317	(35,423)	0	0	(35,423)	
TOTAL FINANCE AND CORPORATE SERVICES	Expenditure	48,891,760	48,780,968	(110,792)	7,000	0	(110,792)	
	Income	(45,070,090)	(45,190,756)	(120,666)	0	0	(120,666)	
	TOTAL	3,821,670	3,590,212	(231,458)	7,000	0	(231,458)	
LEGAL AND CORPORATE SERVICES								
DEMOCRATIC SERVICES								
Service Manager : Angela Cox								
DEMOCRATIC & SUPPORT SERVICES	Expenditure	1,074,460	1,063,264	(11,196)	23,280	15,780	4,584	The budgets were as expected at year end. Printing was a major overspend which we hope will not be repeated in 2017/18. We also had to renew the hearing loop in the Main Committee Room to remain DDA compliant which meant an overspend in equipment tools & materials.
Portfolio Holder : Cllr Carol Goodall	Income	(106,480)	(118,558)	(12,078)		0	(12,078)	
	TOTAL	967,980	944,706	(23,274)	23,280	15,780	(7,494)	
TOTAL DEMOCRATIC & SUPPORT SERVICES	Expenditure	1,074,460	1,063,264	(11,196)	23,280	15,780	4,584	
	Income	(106,480)	(118,558)	(12,078)	0	0	(12,078)	
	TOTAL	967,980	944,706	(23,274)	23,280	15,780	(7,494)	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
LEGAL SERVICES								
Service Manager : Angela Watson								
LEGAL SERVICES	Expenditure	474,130	482,923	8,793		0	8,793	The budget for Books & Publications was £10,724 overspent due to the increasing cost of on-line libraries, legal updates and other legal resources, but it is crucial that these are retained. The adverse variance on net expenditure of £23,454 is partly due to below target income for s106 agreements; some income was lost due to a number of agreements being out-sourced due to a lack of in-house capacity. I also note that a 'Bad Debt' provision of £4,736 has been added.
Portfolio Holder : Cllr Peter Seib	Income	(73,880)	(59,219)	14,661		0	14,661	
	TOTAL	400,250	423,704	23,454	0	0	23,454	
LAND CHARGES	Expenditure	130,720	97,084	(33,636)		0	(33,636)	The most notable point is the failure to meet the income target for the year. Search figures didn't pick up in the last two months of the year, meaning we were approx. £30K under target for those months.
Portfolio Holder : Cllr Peter Seib	Income	(456,740)	(445,832)	10,908		0	10,908	
	TOTAL	(326,020)	(348,748)	(22,728)	0	0	(22,728)	
RIGHTS OF WAY	Expenditure	35,560	32,763	(2,797)		0	(2,797)	Less income than target was achieved, resulting in the £5,123 adverse net figure.
Portfolio Holder : Cllr Peter Seib	Income	(16,500)	(8,580)	7,920		0	7,920	
	TOTAL	19,060	24,183	5,123	0	0	5,123	
TOTAL LEGAL SERVICES	Expenditure	640,410	612,770	(27,640)	0	0	(27,640)	
	Income	(547,120)	(513,631)	33,489	0	0	33,489	
	TOTAL	93,290	99,139	5,849	0	0	5,849	
FRAUD AND DATA MANAGEMENT								
Service Manager : Lynda Creek								
FRAUD AND DATA MANAGEMENT	Expenditure	90,540	80,852	(9,688)	9,500	9,500	(188)	Underspend but we would wish to carry forward to fund fraud work in 2017/18 as arrangement with SWAP has ended and we need to looking to secure a replacement at least in the short term as we have no investigative resource. Also needed for further DP resource/training as the new and more onerous Data Protection Regulation and the new Crime and Disorder Directive comes into force in May 2018 and we still need to do a lot more work to prepare for the change. Our project plan for implementing shows we are under-resourced to complete on time if we are also to do fraud and other work e.g. contracts.
Portfolio Holder : Cllr Peter Seib	Income	0	0	0		0	0	
	TOTAL	90,540	80,852	(9,688)	9,500	9,500	(188)	
TOTAL FRAUD AND DATA MANAGEMENT	Expenditure	90,540	80,852	(9,688)	9,500	9,500	(188)	
	Income	0	0	0	0	0	0	
	TOTAL	90,540	80,852	(9,688)	9,500	9,500	(188)	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
HUMAN RESOURCES								
Service Manager : Mike Holliday								
HUMAN RESOURCES	Expenditure	289,620	253,312	(36,308)		0	(36,308)	Underspend mainly from the training and development area with salary saving from merging the Learning & Dev Co-ordinator role with the Payroll Assistant role. Also contribution to under spend as non Investors In People assessment year.
Portfolio Holder : Cllr Ric Pallister	Income	(12,870)	(13,705)	(835)		0	(835)	
	TOTAL	276,750	239,607	(37,143)	0	0	(37,143)	
TOTAL HUMAN RESOURCES	Expenditure	289,620	253,312	(36,308)	0	0	(36,308)	
	Income	(12,870)	(13,705)	(835)	0	0	(835)	
	TOTAL	276,750	239,607	(37,143)	0	0	(37,143)	
TOTAL LEGAL AND CORPORATE SERVICES	Expenditure	2,095,030	2,010,198	(84,832)	32,780	25,280	(59,552)	
	Income	(666,470)	(645,894)	20,576	0	0	20,576	
	TOTAL	1,428,560	1,364,304	(64,256)	32,780	25,280	(38,976)	
ECONOMY								
ECONOMIC DEVELOPMENT								
Service Manager : David Julian								
ECONOMIC DEVELOPMENT	Expenditure	622,590	599,927	(22,663)		0	(22,663)	Underspend due to saving on ED 'frozen' post. YIC- slight dip in income following departure of SWAP last year (3 office units) although there have been other departures and other new tenancies in the interim.
Portfolio Holder : Cllr Jo Roundell-Greene	Income	(461,440)	(441,013)	20,427		0	20,427	
	TOTAL	161,150	158,914	(2,236)	0	0	(2,236)	
TOURISM	Expenditure	201,210	187,455	(13,755)		0	(13,755)	
Portfolio Holder : Cllr Claire Aparicio Paul	Income	(81,050)	(85,554)	(4,504)		0	(4,504)	
	TOTAL	120,160	101,901	(18,259)	0	0	(18,259)	
HERITAGE	Expenditure	59,000	44,787	(14,213)	5,000	0	(14,213)	Heritage assistant post will be backfilled in 2017/18. It was vacant for around 6 months of the past financial year.
Portfolio Holder : Cllr Nick Weeks	Income	(3,120)	(2,013)	1,107		0	1,107	
	TOTAL	55,880	42,774	(13,106)	5,000	0	(13,106)	
TOTAL ECONOMIC DEVELOPMENT	Expenditure	882,800	832,169	(50,631)	5,000	0	(50,631)	
	Income	(545,610)	(528,580)	17,030	0	0	17,030	
	TOTAL	337,190	303,589	(33,601)	5,000	0	(33,601)	
DEVELOPMENT CONTROL								
Service Manager : David Norris								
DEVELOPMENT CONTROL	Expenditure	1,537,210	1,693,013	155,803		0	155,803	Over budget due primarily to costs associated with planning appeals. Shortfall in planning fees.
Portfolio Holder : Cllr Angie Singleton	Income	(1,266,700)	(1,177,797)	88,903		0	88,903	
	TOTAL	270,510	515,216	244,706	0	0	244,706	
TOTAL DEVELOPMENT CONTROL	Expenditure	1,537,210	1,693,013	155,803	0	0	155,803	
	Income	(1,266,700)	(1,177,797)	88,903	0	0	88,903	
	TOTAL	270,510	515,216	244,706	0	0	244,706	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
SPATIAL POLICY								
Service Manager :								
PLANNING POLICY	Expenditure	286,620	344,441	57,821		0	57,821	
Portfolio Holder : Cllr Angie Singleton	Income	(2,560)	(61,575)	(59,015)		0	(59,015)	
	TOTAL	284,060	282,866	(1,194)	0	0	(1,194)	<i>On budget.</i>
TRANSPORT	Expenditure	40,310	38,767	(1,543)		0	(1,543)	
Portfolio Holder : Cllr Henry Hobhouse	Income	0	0	0		0	0	
	TOTAL	40,310	38,767	(1,543)	0	0	(1,543)	<i>On budget.</i>
TOTAL SPATIAL POLICY	Expenditure	326,930	383,208	56,278	0	0	56,278	
	Income	(2,560)	(61,575)	(59,015)	0	0	(59,015)	
	TOTAL	324,370	321,633	(2,737)	0	0	(2,737)	
STRATEGIC HOUSING								
Service Manager : Martin Woods								
STRATEGIC HOUSING	Expenditure	460,490	453,835	(6,655)		0	(6,655)	Salary & postage savings.
Portfolio Holder : Cllr Ric Pallister	Income	(265,720)	(293,764)	(28,044)		0	(28,044)	Community Housing grant £263k transferred to reserve.
	TOTAL	194,770	160,071	(34,699)	0	0	(34,699)	
TOTAL STRATEGIC HOUSING	Expenditure	460,490	453,835	(6,655)	0	0	(6,655)	
	Income	(265,720)	(293,764)	(28,044)	0	0	(28,044)	
	TOTAL	194,770	160,071	(34,699)	0	0	(34,699)	
EQUALITIES								
Service Manager :								
EQUALITIES & DIVERSITY	Expenditure	49,920	52,220	2,300		0	2,300	
Portfolio Holder : Cllr Jo Roundell Greene	Income	0	(4,130)	(4,130)		0	(4,130)	
	TOTAL	49,920	48,090	(1,830)	0	0	(1,830)	
TOTAL EQUALITIES	Expenditure	49,920	52,220	2,300	0	0	2,300	
	Income	0	(4,130)	(4,130)	0	0	(4,130)	
	TOTAL	49,920	48,090	(1,830)	0	0	(1,830)	
POLICY AND PERFORMANCE								
Service Manager : Charlotte Jones & Andrew Gillespie								
POLICY & PERFORMANCE	Expenditure	111,370	108,861	(2,509)		0	(2,509)	Once off in year saving - temporary adj to staffing.
Portfolio Holder : Cllr Ric Pallister	Income	0	(22)	(22)		0	(22)	
	TOTAL	111,370	108,839	(2,531)	0	0	(2,531)	
TOTAL POLICY AND PERFORMANCE	Expenditure	111,370	108,861	(2,509)	0	0	(2,509)	
	Income	0	(22)	(22)	0	0	(22)	
	TOTAL	111,370	108,839	(2,531)	0	0	(2,531)	
TOTAL ECONOMY	Expenditure	3,368,720	3,523,306	154,586	5,000	0	154,586	
	Income	(2,080,590)	(2,065,868)	14,722	0	0	14,722	
	TOTAL	1,288,130	1,457,438	169,308	5,000	0	169,308	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
COMMUNITIES								
COMMUNITIES, THIRD SECTOR AND PARTNERSHIPS								
Service Manager : Helen Rutter								
CENTRAL COMMUNITIES TEAM	Expenditure	142,010	208,238	66,228		0	66,228	Overspend due to staffing changes. These were covered in the Area budgets.
Portfolio Holder : Cllr Ric Pallister	Income	0	(25,000)	(25,000)		0	(25,000)	
	TOTAL	142,010	183,238	41,228	0	0	41,228	
COMMUNITY SAFETY	Expenditure	58,820	69,536	10,716	3,830	3,830	14,546	Carry forward requested for Safer Somerset Partnership projects not yet completed.
Portfolio Holder : Cllr Peter Gubbins	Income	0	(10,000)	(10,000)		0	(10,000)	
	TOTAL	58,820	59,536	716	3,830	3,830	4,546	
Service Manager : David Crisfield								
THIRD SECTOR AND PARTNERSHIPS	Expenditure	253,790	237,677	(16,113)	14,180	14,180	(1,933)	Carry forward requested for digital inclusion project in support of transformation.
Portfolio Holder : Cllr Sylvia Seal	Income	0	0	0		0	0	
	TOTAL	253,790	237,677	(16,113)	14,180	14,180	(1,933)	
TOTAL COMMUNITIES, THIRD SECTOR AND PARTNERSHIPS	Expenditure	454,620	515,451	60,831	18,010	18,010	78,841	
	Income	0	(35,000)	(35,000)	0	0	(35,000)	
	TOTAL	454,620	480,451	25,831	18,010	18,010	43,841	
LOCAL STRATEGIC PARTNERSHIP								
Service Manager : Helen Rutter								
LOCAL STRATEGIC PARTNERSHIP	Expenditure	7,600	7,775	175		0	175	
Portfolio Holder : Cllr Ric Pallister	Income	(7,600)	(7,595)	5		0	5	
	TOTAL	0	180	180	0	0	180	
TOTAL LOCAL STRATEGIC PARTNERSHIP	Expenditure	7,600	7,775	175	0	0	175	
	Income	(7,600)	(7,595)	5	0	0	5	
	TOTAL	0	180	180	0	0	180	
AREA EAST								
Service Manager : Tim Cook								
EAST AREA DEVELOPMENT	Expenditure	204,440	191,105	(13,335)		0	(13,335)	Underspend due to staffing changes across Communities.
Area Chairman : Cllr Nick Weeks	Income	(4,510)	(1,862)	2,648		0	2,648	
	TOTAL	199,930	189,243	(10,687)	0	0	(10,687)	
EAST GRANTS	Expenditure	43,410	23,243	(20,167)	20,340	20,340	173	Carry forwards for committed grants.
Area Chairman : Cllr Nick Weeks	Income	0	0	0		0	0	
	TOTAL	43,410	23,243	(20,167)	20,340	20,340	173	
EAST PROJECTS	Expenditure	69,270	68,276	(994)		0	(994)	
Area Chairman : Cllr Nick Weeks	Income	(69,270)	(68,280)	990		0	990	
	TOTAL	0	(4)	(4)	0	0	(4)	
TOTAL AREA EAST	Expenditure	317,120	282,624	(34,496)	20,340	20,340	(14,156)	
	Income	(73,780)	(70,142)	3,638	0	0	3,638	
	TOTAL	243,340	212,482	(30,858)	20,340	20,340	(10,518)	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
AREA NORTH								
Service Manager : Sara Kelly								
NORTH AREA DEVELOPMENT	Expenditure	181,550	151,884	(29,666)		0	(29,666)	Underspend due to staff moves to Transformation and used to cover additional costs elsewhere in Communities.
Area Chairman : Cllr Clare Aparicio Paul	Income	(8,660)	(8,760)	(100)		0	(100)	
	TOTAL	172,890	143,124	(29,766)	0	0	(29,766)	
NORTH GRANTS	Expenditure	16,230	10,863	(5,367)	5,350	5,350	(17)	Carry forwards for committed grants.
Area Chairman : Cllr Clare Aparicio Paul	Income	0	0	0		0	0	
	TOTAL	16,230	10,863	(5,367)	5,350	5,350	(17)	
TOTAL AREA NORTH	Expenditure	197,780	162,747	(35,033)	5,350	5,350	(29,683)	
	Income	(8,660)	(8,760)	(100)	0	0	(100)	
	TOTAL	189,120	153,987	(35,133)	5,350	5,350	(29,783)	
AREA SOUTH								
Service Manager : Natalie Fortt								
SOUTH AREA DEVELOPMENT	Expenditure	285,430	284,880	(550)		0	(550)	Slight underspend due to staff not being replaced.
Area Chairman : Cllr Peter Gubbins	Income	(56,760)	(65,930)	(9,170)		0	(9,170)	
	TOTAL	228,670	218,950	(9,720)	0	0	(9,720)	
SOUTH GRANTS	Expenditure	45,730	47,401	1,671		0	1,671	
Area Chairman : Cllr Peter Gubbins	Income	0	0	0		0	0	
	TOTAL	45,730	47,401	1,671	0	0	1,671	
SOUTH PROJECTS	Expenditure	26,200	43,467	17,267		0	17,267	
Area Chairman : Cllr Peter Gubbins	Income	(22,370)	(41,697)	(19,327)		0	(19,327)	
	TOTAL	3,830	1,770	(2,060)	0	0	(2,060)	
TOTAL AREA SOUTH	Expenditure	357,360	375,748	18,388	0	0	18,388	
	Income	(79,130)	(107,627)	(28,497)	0	0	(28,497)	
	TOTAL	278,230	268,121	(10,109)	0	0	(10,109)	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
AREA WEST								
Service Manager : Zoe Harris								
WEST AREA DEVELOPMENT	Expenditure	226,180	209,839	(16,341)	7,310	7,310	(9,031)	Underspend due to staff moves to Transformation and used to cover additional costs elsewhere in Communities.
Area Chairman : Cllr Carol Goodall	Income	(3,510)	(8,501)	(4,991)		0	(4,991)	
	TOTAL	222,670	201,338	(21,332)	7,310	7,310	(14,022)	
WEST GRANTS	Expenditure	37,120	26,380	(10,740)	10,740	10,740	0	Carry forwards for committed grants.
Area Chairman : Cllr Carol Goodall	Income	0	0	0		0	0	
	TOTAL	37,120	26,380	(10,740)	10,740	10,740	0	
WEST PROJECTS	Expenditure	25,700	26,184	484		0	484	Slight overspend due to unforeseen maintenance, can be covered from underspend in West Area Dev.
Area Chairman : Cllr Carol Goodall	Income	(16,160)	(14,267)	1,893		0	1,893	
	TOTAL	9,540	11,917	2,377	0	0	2,377	
TOTAL AREA WEST	Expenditure	289,000	262,403	(26,597)	18,050	18,050	(8,547)	
	Income	(19,670)	(22,768)	(3,098)	0	0	(3,098)	
	TOTAL	269,330	239,635	(29,695)	18,050	18,050	(11,645)	
TOTAL COMMUNITIES	Expenditure	1,623,480	1,606,748	(16,732)	61,750	61,750	45,018	
	Income	(188,840)	(251,892)	(63,052)	0	0	(63,052)	
	TOTAL	1,434,640	1,354,856	(79,784)	61,750	61,750	(18,034)	
ENVIRONMENT								
ENVIRONMENTAL HEALTH								
Service Manager : Alasdair Bell								
HOUSING STANDARDS	Expenditure	233,920	238,115	4,195		0	4,195	Slight overspend on training/professional fees budget.
Portfolio Holder : Cllr Carol Goodall	Income	(67,450)	(88,030)	(20,580)		0	(20,580)	Extra income from Home Aid and HMO licensing activity.
	TOTAL	166,470	150,085	(16,385)	0	0	(16,385)	
ENVIRONMENTAL HEALTH & COMMUNITY PROTECTION	Expenditure	912,630	834,584	(78,046)		0	(78,046)	Underspend relates to a vacant technical post and a small number of vacant hours in the budget. Savings were also made on equipment, tools and materials, travel, IS purchases and consultants fees.
Portfolio Holder : Cllr Carol Goodall	Income	(78,660)	(63,945)	14,715		0	14,715	Income on pest control and pollution prevention control (PPC) inspections down due to demand.
	TOTAL	833,970	770,639	(63,331)	0	0	(63,331)	PPC may be on a permanent downward trend that will need reviewing.
ENFORCEMENT	Expenditure	124,260	117,533	(6,727)		0	(6,727)	Slight underspend on salary costs following retirement.
Portfolio Holder : Cllr Carol Goodall	Income	(3,000)	(8,353)	(5,353)		0	(5,353)	Income on fines slightly up.
	TOTAL	121,260	109,180	(12,080)	0	0	(12,080)	
TOTAL ENVIRONMENTAL HEALTH	Expenditure	1,270,810	1,190,232	(80,578)	0	0	(80,578)	
	Income	(149,110)	(160,328)	(11,218)	0	0	(11,218)	
	TOTAL	1,121,700	1,029,904	(91,796)	0	0	(91,796)	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
CIVIL CONTINGENCIES MANAGER								
Service Manager : Pam Harvey								
CIVIL CONTINGENCIES	Expenditure	139,260	130,374	(8,886)		0	(8,886)	
Portfolio Holder : Cllr Nick Weeks	Income	(6,110)	(10,910)	(4,800)		0	(4,800)	
	TOTAL	133,150	119,464	(13,686)	0	0	(13,686)	
TOTAL CIVIL CONTINGENCIES	Expenditure	139,260	130,374	(8,886)	0	0	(8,886)	
	Income	(6,110)	(10,910)	(4,800)	0	0	(4,800)	
	TOTAL	133,150	119,464	(13,686)	0	0	(13,686)	
ENGINEERING AND PROPERTY SERVICES								
Service Manager : Garry Green								
PROPERTY MANAGEMENT	Expenditure	1,240,740	1,281,981	41,241		0	41,241	Increased expenditure due to electricity charges £22.7k, public office maintenance £13k and overtime £8k Consultants fees up £29k on budget due to one off expenditure costs on feasibility works for non capital works. Underspends elsewhere reduced increased expenditure overall.
Portfolio Holder : Cllr Henry Hobhouse	Income	(800,490)	(733,759)	66,731		0	66,731	Income down on public offices service charges/rents and wayleaves of £41k and Crematorium contribution/rent of £15.7k. Other reductions in rents and wayleave income. elsewhere
	TOTAL	440,250	548,222	107,972	0	0	107,972	
CAR PARKING	Expenditure	746,330	773,564	27,234		0	27,234	NNDR £17k over budget, payment to contractors, mainly cash collection £16k over budget, along with service charges £5.6k and consultants £6k. Underspends elsewhere reduced deficit on expenditure.
Portfolio Holder : Cllr Henry Hobhouse &	Income	(2,280,670)	(2,148,492)	132,178		0	132,178	Pay & Display income down £152k off set by back dated contributions off £42k. Season tickets down £32k and will continue to do so as Yeovil Hospital, largest business on uptake of season tickets, no longer do so due to new multi storey car park now being open. Overall income budget on target when one considers £200k allocated within budget for uplift in income from intelligent enforcement off that never materialised.
Cllr Peter Seib	TOTAL	(1,534,340)	(1,374,928)	159,412	0	0	159,412	
ENGINEERING SERVICES	Expenditure	667,640	579,897	(87,743)		0	(87,743)	General underspend on salaries and across the board on individual elements of the engineering services produced savings at the end of the year.
Portfolio Holder : Cllr Henry Hobhouse	Income	(66,720)	(92,663)	(25,943)		0	(25,943)	Income up as includes recharges to Town Councils on public convenience cleaning carried out on their behalf and also street name & numbering income up due to uplift in new housing developments.
	TOTAL	600,920	487,234	(113,686)	0	0	(113,686)	
TOTAL ENGINEERING AND PROPERTY SERVICES	Expenditure	2,654,710	2,635,442	(19,268)	0	0	(19,268)	
	Income	(3,147,880)	(2,974,914)	172,966	0	0	172,966	
	TOTAL	(493,170)	(339,472)	153,698	0	0	153,698	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
LICENSING								
Service Manager : Nigel Marston								
LICENSING	Expenditure	253,130	252,905	(225)	5,000	5,000	4,775	
Portfolio Holder : Cllr Peter Gubbins	Income	(340,010)	(341,718)	(1,708)		0	(1,708)	
	TOTAL	(86,880)	(88,813)	(1,933)	5,000	5,000	3,067	
TOTAL LICENSING	Expenditure	253,130	252,905	(225)	5,000	5,000	4,775	
	Income	(340,010)	(341,718)	(1,708)	0	0	(1,708)	
	TOTAL	(86,880)	(88,813)	(1,933)	5,000	5,000	3,067	
TOTAL ENVIRONMENT	Expenditure	13,713,460	14,023,497	310,037	45,000	45,000	355,037	
	Income	(7,098,490)	(7,426,181)	(327,691)	0	0	(327,691)	
	TOTAL	6,614,970	6,597,316	(17,654)	45,000	45,000	27,346	
HEALTH AND WELL-BEING								
ARTS AND ENTERTAINMENT								
Service Manager : Adam Burgan								
ARTS	Expenditure	2,147,520	2,474,060	326,540		0	326,540	Arts & Entertainment has had a very good year with record attendance and over 130,000 tickets sold for the first time. The Service has performed to budget with the team taking on the additional work and pressure of a second venue with Westlands.
Portfolio Holder : Cllr Sylvia Seal	Income	(1,892,720)	(2,268,556)	(375,836)		0	(375,836)	
	TOTAL	254,800	205,504	(49,296)	0	0	(49,296)	
WESTLAND LEISURE COMPLEX	Expenditure	298,750	372,532	73,782		0	73,782	
Portfolio Holder : Cllr Sylvia Seal	Income	(124,100)	(171,976)	(47,876)		0	(47,876)	
	TOTAL	174,650	200,556	25,906	0	0	25,906	
TOTAL ARTS	Expenditure	2,446,270	2,846,592	400,322	0	0	400,322	
	Income	(2,016,820)	(2,440,532)	(423,712)	0	0	(423,712)	
	TOTAL	429,450	406,060	(23,390)	0	0	(23,390)	
SPORT AND LEISURE FACILITIES								
Service Manager :								
GOLDENSTONES	Expenditure	256,430	289,254	32,824		0	32,824	
Portfolio Holder : Cllr Sylvia Seal	Income	(124,710)	(158,263)	(33,553)		0	(33,553)	
	TOTAL	131,720	130,991	(729)	0	0	(729)	
SPORT FACILITIES	Expenditure	151,960	155,421	3,461		0	3,461	
Portfolio Holder : Cllr Sylvia Seal	Income	(61,000)	(77,319)	(16,319)		0	(16,319)	
	TOTAL	90,960	78,102	(12,858)	0	0	(12,858)	
WESTLANDS	Expenditure	0	45,987	45,987		0	45,987	
Portfolio Holder : Cllr Sylvia Seal	Income	0	(9,150)	(9,150)		0	(9,150)	
	TOTAL	0	36,837	36,837	0	0	36,837	
TOTAL SPORT AND LEISURE FACILITIES	Expenditure	408,390	490,662	82,272	0	0	82,272	
	Income	(185,710)	(244,732)	(59,022)	0	0	(59,022)	
	TOTAL	222,680	245,930	23,250	0	0	23,250	

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
COMMUNITY HEALTH AND LEISURE								
Service Manager : Lynda Pincombe								
COMMUNITY HEALTH & LEISURE	Expenditure	1,007,090	1,020,026	12,936		0	12,936	
Portfolio Holder : Cllr Sylvia Seal	Income	(317,070)	(330,300)	(13,230)		0	(13,230)	
	TOTAL	690,020	689,726	(294)	0	0	(294)	The service was delivered within budget parameters.
TOTAL COMMUNITY HEALTH AND LEISURE	Expenditure	1,007,090	1,020,026	12,936	0	0	12,936	
	Income	(317,070)	(330,300)	(13,230)	0	0	(13,230)	
	TOTAL	690,020	689,726	(294)	0	0	(294)	
HOUSING AND WELFARE								
Service Manager : Kirsty Larkins								
WELFARE	Expenditure	348,500	292,928	(55,572)	5,000	5,000	(50,572)	Underspent as carried two vacancies for part of the year so have requested a carry forward in order to run the Chard outreach surgery this year.
Portfolio Holder : Cllr Sylvia Seal	Income	(409,420)	(399,183)	10,237		0	10,237	
	TOTAL	(60,920)	(106,255)	(45,335)	5,000	5,000	(40,335)	
HOUSING	Expenditure	1,262,870	1,052,260	(210,610)	65,000	65,000	(145,610)	Overall housing were underspent on budgets despite a major incident at Ilton which resulted in an overspend of £55k on the site.
Portfolio Holder : Cllr Sylvia Seal	Income	(206,220)	(103,454)	102,766		0	102,766	Income was less than expected but this was a knock impact of the incident at Ilton resulting in no rental income for several months.
	TOTAL	1,056,650	948,806	(107,844)	65,000	65,000	(42,844)	
TOTAL HOUSING AND WELFARE	Expenditure	1,611,370	1,345,188	(266,182)	70,000	70,000	(196,182)	
	Income	(615,640)	(502,637)	113,003	0	0	113,003	
	TOTAL	995,730	842,551	(153,179)	70,000	70,000	(83,179)	
FAMILY SUPPORT PROGRAMME								
Service Manager :								
FAMILY SUPPORT PROGRAMME	Expenditure	30,560	30,500	(60)		0	(60)	
Portfolio Holder : Cllr Ric Pallister	Income	(30,560)	(30,560)	0		0	0	
	TOTAL	0	(60)	(60)	0	0	(60)	
TOTAL FAMILY SUPPORT PROGRAMME	Expenditure	30,560	30,500	(60)	0	0	(60)	
	Income	(30,560)	(30,560)	0	0	0	0	
	TOTAL	0	(60)	(60)	0	0	(60)	
COUNTRYSIDE								
Service Manager : Katy Munday								
COUNTRYSIDE	Expenditure	526,950	590,751	63,801		0	63,801	Expenditure was managed across the countryside sites and café to take into account the long term sickness of one staff member and the extra staff and events costs attributed to the Heritage Lottery project where funding is claimed post expenditure. Where possible small grants were sought to cover public events, tree planting, tool replacement, site projects and volunteer support with the fundraising help of Friends groups at each site.

Group with Elements		Annual Budget	Actual to 31st March	Variance to 31st March	Carry Forwards Submitted	Carry Forwards Recommended by Senior Leadership Team	Variance expected 31/03/17	Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		£	£	£	£	£	£	
Portfolio Holder : Cllr Sylvia Seal	Income	(278,370)	(347,856)	(69,486)		0	(69,486)	The business at the Ninesprings café continues to grow and income exceeded the business plan projections explaining the overall service underspend. Regular income continues to be sought from Yeovil Town Council, Agri Environment schemes and a variety of licences. Project grants are applied for on a case by case basis (depending on open and available grant schemes) and in this year included Witcombe stream project, Ham Hill Geology trail and Chard woodland play area.
	TOTAL	248,580	242,895	(5,685)	0	0	(5,685)	
TOTAL COUNTRYSIDE	Expenditure	526,950	590,751	63,801	0	0	63,801	
	Income	(278,370)	(347,856)	(69,486)	0	0	(69,486)	
	TOTAL	248,580	242,895	(5,685)	0	0	(5,685)	
TOTAL HEALTH AND WELL-BEING	Expenditure	6,030,630	6,323,719	293,089	70,000	70,000	363,089	
	Income	(3,444,170)	(3,896,617)	(452,447)	0	0	(452,447)	
	TOTAL	2,586,460	2,427,102	(159,358)	70,000	70,000	(89,358)	
TOTAL SSDC	Expenditure	77,265,180	77,818,412	553,232	265,860	246,360	799,592	
	Income	(59,482,850)	(60,426,752)	(943,902)	0	0	(943,902)	
	TOTAL	17,782,330	17,391,660	(390,670)	265,860	246,360	(144,310)	

Carry Forward Requests 2016/17			
Service	Description	Carry Forwards Submitted £	Carry Forwards Recommended by SLT £
Strategic Management	Intern funding	44,330	44,330
Finance	Cash System upgrade, project delayed in 16/17	5,000	
	Procurement card scanning as requirement for retention of documents	2,000	
Democratic Services	Programme of ongoing Member training to Dec 18	15,780	15,780
	Schedule of Councillor Conference/training to Dec 18	7,500	
Fraud & Data	Counter fraud work initiatives	5,000	5,000
	Training on new data protection regulations	4,500	4,500
Heritage	Funding for Museum intern	5,000	
Area East	Wincanton work hub-Approved AEC March 15	6,020	6,020
	Heart of Wessex LAG-Approved AEC March 14 - to secure and match fund into rural economic development programme covering Area East to 2019	6,620	6,620
	Growing Space-Approved AEC Dec 16 - project not yet commenced	5,000	5,000
	The Lamp, Wincanton-Approved AEC Dec 16- works not yet completed	2,700	2,700
Area North	Somerton TC feasibility; South Petherton feasibility; Seavington Shop air conditioning unit; Somerton purchase of new chairs & Ash storage facility. (Member approval, offer letter sent, awaiting completion of project and request for payment)	5,350	5,350
Area West	Chard Town Team - Replacement signage project	980	980
	Warmer Chard & Villages project-Approved AWC August 16	7,260	7,260
	Chard Tourist Information Website project-Approved AWC March 16	2,500	2,500
	Chard Area Development back fill for Chard Hub project	7,310	7,310
Community Safety	Safer Somerset Partnership-Projects not yet completed (external funding)	3,830	3,830
Third Sector Partnership	Digital Inclusion project in support of Transformation.	14,180	14,180
Licensing	Continuation of Public Health joint project with Licensing	5,000	5,000
Streetscene	Electrical & building works required for the MOT station	40,000	40,000
Housing	Portfolio Holder report Oct 16 agreed funding for 17/18 Family Support Y4F	20,000	20,000
	DX Report Jan 17 agreed funding for 17/18 Supporting Individuals P4A	35,000	35,000
	Running of Chard Welfare Advice Surgery	5,000	5,000
	Woodland Garage outstanding repairs	10,000	10,000
	Total underspend to carry forward	265,860	246,360

Appendix C

AREA RESERVES
Quarter 4 2016/17

Allocation of Reserves	Approval Date	Approved Allocation	Balance 16/17	Transfer from Reserves during 2016/17
		£	£	£
Area East Balance B/fwd 1st April 2016			60,190	
Community Planning - Project Spend	Apr-05	50,000	26,930	11,000
Derelict Sites Castle Cary	Jun-05	4,000	4,000	
Rural Business Units	Nov-05	25,000	5,800	
Retail Support Initiative	May-09	10,000	10,000	
Wincanton Retail Support Initiative	Jul-14	10,000	10,000	
Totals			56,730	11,000
QSP balance of Reserve Unallocated Balance 31st March 2017			3,460	49,190
Area North Balance B/fwd 1st April 2016			26,600	
Support towards progressing affordable rural housing schemes	Mar-09	15,000	10,000	
Langport Cycle Path	Mar-17		2,706	
Totals			12,706	0
QSP balance of Reserve Unallocated Balance 31st March 2017			13,894	26,600
Area West Balance B/fwd 1st April 2016			49,640	
Chard Hub	Jun-16		49,640	3,420
Totals			49,640	3,420
QSP balance of Reserve Unallocated Balance 31st March 2017			0	46,220

(Area South has no reserve remaining)

Appendix D

Summary of Usable Reserves

The following table shows the current balance on each usable reserve and the movements since 1 April 2016

Reserves	Balance as at 01/04/16	Movement	Balance as at 31/3/17
	£'000	£'000	£'000
Usable Capital Receipts	34,984	-5,931	29,053
Internal Borrowing Reserve	0	799	799
Capital Reserve	1,055	189	1,244
Cremator Replacement Capital Reserve	663	-12	651
Internal Borrowing Repayments	0	23	23
Election Reserve	125	24	149
Risk Management Reserve	11		11
Wincanton Sports Centre Reserve	21		21
Local Plan Enquiry Reserve	82	-11	71
Yeovil Athletic Track Repairs Fund	118	7	125
Planning Delivery Reserve	26		26
Bristol to Weymouth Rail Reserve	16	-5	11
Save to Earn Schemes Reserve	50	-50	0
Local Authority Business Growth Initiative Reserve	37	-10	27
Yeovil Vision	110	10	120
IT Replacement Reserve	0	17	17
Insurance Fund	53		53
Transformation Reserve	411	371	782
Treasury Management Reserve	247	-147	100
Local Plan Implementation Fund	125		125
Revenue Grants Reserve	682	-10	672
MTFP Support Fund	4,958	1,666	6,624
Council Tax/Housing Benefits Reserve	1,105	-430	675
Closed Churchyards Reserve	10	-7	3
Health Inequalities	31		31
Deposit Guarantee Claims Reserve	9	-3	6
Park Homes Replacement Reserve	165		165
Planning Obligations Admin Reserve	35		35
LSP	91	-67	24
Artificial Grass Pitch Reserve	62	23	85
Business Support Scheme	165	-7	158
Flooding Reserve	80	-80	0
Infrastructure Reserve	962	-30	932
NNDR Volatility Reserve	1,459	-150	1,309
Ticket Levy Reserve	4	2	6
Waste Reserve	96	134	230
Community Housing Fund	0	263	263
Total Usable Reserves	48,048	-3,422	44,626

The list above excludes the reserves which are not usable by Members. These are the Capital Adjustment Account, Revaluation Reserve, Available for Sale Reserve, Financial Instrument Adjustment Account, Pensions Reserve and Collection Fund Adjustment Account

Appendix E

Major Efficiency Savings 2016/17

Major Efficiency Saving	2016/17 Budget Saving Target £'000	Actual Saving at Year-End £'000	Excess/ (Shortfall) £'000
Closure of Resource Centre	47	47	0
Vacant Posts removed - Agreed by Management Board	144	144	0
Further Vacant Posts	112	77	(35)
Reduced Corporate Training Budget	26	26	0
Savings in Housing once EDM implemented. (This project is now part of transformation & will be delivered in a different way)	25	25	0
Waste-Increase in green bin take up	40	40	0
Additional income through Crematorium fee increase	100	100	0
Increase in Careline income	26	26	0
Octagon-Increased ticket sales	30	30	0
Yeovil Innovation Centre additional income	66	46	(20)
Increased income from planning fees	50	0	(50)
ANPR Scheme for car parks	200	0	(200)
Property management savings	25	25	0
Cessation of CEO contract	89	89	0
Total Major Savings	980	675	(305)

Appendix F

2016/17 Total Cost of Services (Above and Below the Line Costs)

The total cost of the services for the Council as required by the Best Value Accounting Code of Practice is set out in the table below:

Services	£'000
Financial Services	(4,839.9)
Procurement & Risk Management	0.0
Revenue & Benefits	1,699.4
Democratic Services	252.4
Legal Services	(128.0)
Fraud & Data Management	136.7
Human Resources	0.1
Economic Development	1,395.0
Development Control	860.8
Spatial Policy	1,376.4
Third Sector & Partnerships	318.5
LSP	0.0
Family Support Programme	0.0
Area East	343.7
Area North	301.6
Area South	419.7
Area West	363.5
Environmental Health	1,416.3
Civil Contingencies	154.3
Engineering & Property Services	(65.8)
Building Control	137.2
Streetscene	2,282.5
Waste & Recycling	4,366.4
Licensing	31.6
Arts & Entertainment	561.7
Sport & Leisure Facilities	3,153.9
Community Health & Leisure	1,142.6
Housing & Welfare	1,346.0
Countryside	365.1
Total	17,391.7

These figures will be different to those shown in Appendix A, as 'total cost of service' figures include items classed as 'below the line' costs, i.e. those which are outside the individual budget holder's control:

- Capital Charges
- Deferred Charges
- Recharges from other departments within the Council

Individual Committees are only responsible for 'above the line' costs, and so these are the costs that are reported quarterly for budget monitoring purposes.

Appendix G

The following virements should be noted:

Value £	To	From	Description
8,000	Fraud & Data Management	Strategic Management	Intern funding
9,000	Management Corp Dem Costs	District & Parish Elections	Transfer of budget
7,570	Chard Business Hub	Area West Reserve	Revised budget for Chard Business Hub
9,450	Payroll Adjustments	Spatial Policy	Staff turnover savings
4,520	Payroll Adjustments	Scrutiny	Staff turnover savings
1,740	West Grants	Area Development – West	Christmas parking funding
62,170	Non Earmarked Balances	Westlands Loan	Repayment of Capital loan
1,210	Payroll Adjustments	Development Control	Staff turnover savings
3,320	Payroll Adjustments	Equalities & Diversity	Staff turnover savings
1,690	Payroll Adjustments	Revenues & Benefits System Support	Staff turnover savings
3,830	Yeovil One	Neighbourhood Development - Community	Transfer of budget
4,150	Area West Reserve	Chard Business Hub	Transfer of budget
3,090	Fleet Management	Horticulture	Funding for Forklift

Agenda Item 12

Prevention Charter for Somerset

Executive Portfolio Holder: Sylvia Seal, Leisure and Culture
Director: Ian Clarke, Director of Support Services
Service Manager: Angela Cox, Democratic Services Manager
Lead Officer: Angela Cox, Democratic Services Manager
Contact Details: angela.cox@southsomerset.gov.uk or 01935 462148

Purpose of the Report

1. As part of the work of the Somerset Sustainability and Transformation Plan (STP) being led by the NHS and Somerset County Council, the Somerset Health and Wellbeing Board have approved a new Somerset Prevention Charter (Appendix 1). South Somerset District Council, along with the other Somerset District Councils, NHS Foundation Trusts and hospitals have been invited to consider and commit to the Somerset Prevention Charter.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of July 2017.

Public Interest

3. All parts of the local health and wellbeing system now recognise that getting prevention right is essential to the future sustainability of public services. The Prevention Charter provides a common understanding of prevention across many organisations as well as:
 - Committing organisations from across the health and care system to the Vision and Principles of prevention, in the widest sense.
 - Making that commitment real by delivering, with co-signatories and others, the actions that together will put prevention at the heart of health and wellbeing in this county.
 - to be accountable, by measuring and reporting progress to our communities.

Recommendation

4. That the District Executive approves the adoption of the Somerset Prevention Charter on behalf of South Somerset District Council.

Background

5. The vision for the Charter is:

People live healthy and independent lives, supported by thriving and connected communities with timely and easy access to high-quality and efficient public services when they need them.

6. Therefore its adoption offers the opportunity to make significant positive impacts on health and wellbeing, reducing ill health and reducing health and social inequalities.

Report Detail

7. The Charter commits organisations to maximise prevention within the work they currently do. For South Somerset District Council this will be about encouraging everyone to think about how to

maximise prevention within the work they do; within the resources they currently have in order to maximise the financial benefits that can be realised from adopting a preventative approach.

8. The Prevention Charter has been endorsed and adopted by the following organisations:

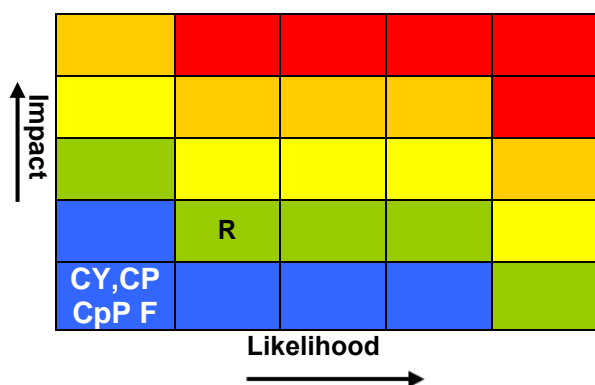
- Somerset Partnership NHS Foundation Trust
- Somerset Clinical Commissioning Group
- Taunton and Somerset NHS Foundation Trust
- Yeovil District Hospital
- Taunton Deane Borough Council
- West Somerset Council
- Sedgemoor District Council

Financial Implications

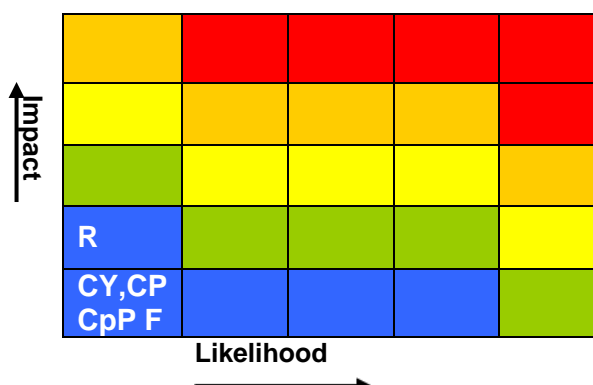
9. There are no direct financial implications to SSDC in adopting this Charter.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

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

Council Plan Implications

10. The adoption of the Somerset Prevention Charter will link through the Health and Communities high level actions within the SSDC Annual Action Plan.

Carbon Emissions and Climate Change Implications

11. There are no carbon emissions or climate change implications to SSDC in adopting this Charter.

Equality and Diversity Implications

12. We are advised that the Somerset Health and Wellbeing Board will undertake equality impact assessments on the actions taken to implement the commitment as and when appropriate.

Privacy Impact Assessment

13. There are no personal data or privacy implications in adopting this Charter.

Background Papers

13. Somerset Prevention Charter (attached at Appendix 1).
-

Somerset Prevention Charter

OUR DEFINITION

Prevention means different things to different people.

It can be about:

- preventing harm,
- preventing the need for a service,
- preventing ill health and disease,
- preventing loss of independence,
- preventing risky behaviour
- preventing an existing problem becoming worse.

In essence it's all of these and more. We agree we need to keep a broad view of prevention so we do not miss opportunities to improve the lives of people in Somerset.

OUR VISION

People live healthy and independent lives, supported by thriving and connected communities with timely and easy access to high-quality and efficient public services when they need them.

OUR PRINCIPLES

We agree that:

- Prevention is **everyone's responsibility**; we want children, families, communities and agencies to work together and develop knowledge and skills to live healthily
- We will develop accountability at organisation level for delivery against the charter through regular measuring of progress and achievement
- We want to help everyone to have a **good birth, a good life and a good death**
- We want to provide people **with the knowledge, skills, confidence and environment** to enable healthy living and minimise unhealthy behaviours that can lead to dependence on health and social care services

- Strategically, **a place-based, population, approach to prevention** is better; joined up activity and shared investment funding achieves the best outcomes and best value for money
- Prevention activity needs greater shared investment
- Prevention is **equally important** for physical and mental health, social, environmental and economic issues
- Helping people, families and communities **build protective factors and resilience** to prevent situations escalating or recurring is an important part of our prevention activity
- Providing the **right service** when needed, **in the right place at the right time** helps prevent situations escalating and reduces waste
- Effective prevention needs **joined up information** so all the issues facing people can be understood together and people can receive joined up help.
- **Sharing data** to enable better care, and anonymised data to understand population health, with necessary privacy safeguards, is essential
- We will be clear on what our strengths and weaknesses are and **find practical ways to improve**

OUR ACTION

We agree that:

- **We all** have a responsibility to consider prevention opportunities **for everyone**, and will lead by example
- **We will enhance the skills** of our front line staff and volunteers, through training, to make every contact count in addressing risks to health
- We need to improve the lives of Somerset people overall but focus our work to **improve the lives of the worst off fastest**
- We will **join up our prevention approach and resources** to maximise impact at population level
- We will **increase and refocus resources** allocated for preventative activity over time
- For services, prevention will be **done systematically** and built into our systems.
- **No door is the wrong door**, all our staff have a responsibility to help people get the right service at the right time, redirecting supportively if appropriate
- We will have **honest and open discussions** with individuals, families and communities about the issues, their responsibilities and that of public services.
- Where possible and appropriate we will **share information** to help provide people with better support. We will challenge each other and find practical solutions if appropriate information is not being shared.
- We will seek **change in local and national policies, or laws**, if such change would be most effective in improving prevention

OUR COMMITMENT

On behalf of

South Somerset District Council

I/ We endorse the Somerset Prevention Charter, committing our organisation to the Vision and Principles and to work with our co-signatories and others to deliver Our Actions.

.....

Chairman

.....

Chief Executive

Agenda Item 13

District Executive Forward Plan

Executive Portfolio Holder: Ric Pallister, Leader, Strategy and Policy
Director: Ian Clarke, Director - Support Services
Lead Officer: Ian Clarke, Director – Support Services
Contact Details: ian.clarke@southsomerset.gov.uk or (01935) 462184

1. Purpose of the Report

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

2. Public Interest

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

3. Recommendations

3.1 The District Executive is asked to:-

- I. approve the updated Executive Forward Plan for publication as attached at Appendix A;

4. Executive Forward Plan

4.1 The latest Forward Plan is attached at Appendix A. The timings given for reports to come forward are indicative only, and occasionally may be re scheduled and new items added as new circumstances arise.

5. Background Papers

5.1 None.

Appendix A - SSDC Executive Forward Plan

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
August 2017	Approval of South Somerset Early Review Local Plan Issues and Options Issues document for consultation	Portfolio Holder for Strategic Planning (Place Making)	Director Service Delivery	Jo Wilkins, Senior Policy Planner	District Executive
August 2017	Notification of an Urgent Executive Decision - Huish Pool, Huish Episcopi	Portfolio Holder Leisure & Culture	Director Commercial Services & Income Generation	Lynda Pincombe, Community Health & Leisure Manager	District Executive
August 2017	Adoption of the new Commercial Land and Property Strategy	Portfolio Holder for Property & Climate Change	Chief Executive	Clare Pestell, Director (Commercial Services & Income Generation)	District Executive
August 2017	Capital & Revenue Budget monitoring reports for Quarter 1	Portfolio Holder for Finance and Legal Services	Director Support Services	Catherine Hood, Finance Manager	District Executive
August 2017	Corporate Grants report 2016 - 2017	Portfolio Holder Leisure & Culture	Director Service Delivery	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive
August 2017	Yeovil Town Centre Markets	Councillor David Recardo	Assistant Directors (Communities)	Natalie Fortt, Area Development Lead South	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
September 2017	CIL Governance - Policy to decide how funds are allocated	Portfolio Holder for Strategic Planning (Place Making)	Director Service Delivery	Martin Woods, Director (Service Delivery)	District Executive
September 2017	Medium Term Financial Strategy / Plan	Portfolio Holder for Finance and Legal Services	Director Support Services	Paul Fitzgerald, Section 151 Officer	District Executive
September 2017	Discretionary Business Rate Relief Scheme	Portfolio Holder for Finance and Legal Services	Director Support Services	Ian Potter, Revenues and Benefits Manager	District Executive
September 2017	Quarterly Performance and Complaints Monitoring Report	Portfolio Holder for Strategy and Policy	Chief Executive	Anna-Maria Lenz, Performance Officer	District Executive
October 2017	Community Right to Bid - 6 monthly update	Portfolio Holder for Strategic Planning (Place Making)	Assistant Directors (Communities)	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive
October 2017	Transformation Project Progress Report	Portfolio Holder for Strategy and Policy	Chief Executive	Alex Parmley, Chief Executive	District Executive
October 2017	Approval of South Somerset Early Review Local Plan Preferred Options document for consultation	Portfolio Holder for Strategic Planning (Place Making)	Director Service Delivery	Jo Wilkins, Senior Policy Planner	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
October 2017	Floating Support for Vulnerable Individuals in South Somerset - update on project delivered by Yeovil 4 Family and SSDC Housing & Welfare Team	Portfolio Holder Leisure & Culture	Director Service Delivery	Alice Knight, Welfare & Careline Manager	District Executive
November 2017	Council Tax and Housing Benefit fraud report	Portfolio Holder for Finance and Legal Services	Director Support Services	Ian Potter, Revenues and Benefits Manager	District Executive
November 2017	Capital & Revenue Budget monitoring reports for Quarter 2	Portfolio Holder for Finance and Legal Services	Director Support Services	Catherine Hood, Finance Manager	District Executive
November 2017	Presentation by SPARK (Voluntary and Community Action)	Portfolio Holder Leisure & Culture	Assistant Directors (Communities)	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive
December 2017	Update on the Medium Term Financial Strategy / Plan	Portfolio Holder for Finance and Legal Services	Director Support Services	Paul Fitzgerald, Section 151 Officer	District Executive
December 2017	Update on the Yeovil Crematorium Refurbishment	Portfolio Holder for Area South	Director Commercial Services & Income Generation	Alasdair Bell, Environmental Health Manager	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
January 2018	Transformation Project Progress Report	Portfolio Holder for Strategy and Policy	Chief Executive	Alex Parmley, Chief Executive	District Executive
February 2018 February 2018	2018/19 Budget and Medium Term Financial Strategy	Portfolio Holder for Finance and Legal Services	Director Support Services	Paul Fitzgerald, Section 151 Officer	District Executive South Somerset District Council
April 2018	Transformation Project Progress Report	Portfolio Holder for Strategy and Policy	Chief Executive	Alex Parmley, Chief Executive	District Executive
July 2018 July 2018	Approval of South Somerset Early Review Local Plan Submission Plan	Portfolio Holder for Strategic Planning (Place Making)	Director Service Delivery	Jo Wilkins, Senior Policy Planner	District Executive South Somerset District Council

Agenda Item 14

Date of Next Meeting

Members are asked to note that the next scheduled meeting of the District Executive will take place on **Thursday, 3rd August 2017** in the Council Chamber, Council Offices, Brympton Way, Yeovil commencing at 9.30 a.m.

Agenda Item 15

Exclusion of Press and Public

The Committee is asked to agree that the following item (agenda item 16) be considered in Closed Session by virtue of the Local Government Act 1972, Schedule 12A under paragraph 3:

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

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

Agenda Item 16

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

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