



District Executive

Thursday 4th February 2021

9.30 am

**Virtual Meeting
using Zoom meeting software**

The following members are requested to attend the meeting:

Jason Baker
Mike Best
John Clark
Adam Dance
Sarah Dyke

Peter Gubbins
Henry Hobhouse
Val Keitch
Tony Lock
Peter Seib

Any members of the public wishing to address the meeting at Public Question Time need to email democracy@southsomerset.gov.uk by 9.00am on Wednesday 3 February 2021.

The meeting will be viewable online at: https://youtu.be/oXvE2_f4_KI

For further information on the items to be discussed, please contact democracy@southsomerset.gov.uk

This Agenda was issued on Wednesday 27 January 2021.

Alex Parmley, Chief Executive Officer

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

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.

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.

District Executive

Meetings of the District Executive are usually held monthly, at 9.30am, on the first Thursday of the month (unless advised otherwise). However during the coronavirus pandemic these meetings will be held remotely via Zoom video-conferencing. For more details on the regulations regarding remote/virtual meetings please see the Local Authorities and Police and Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 as part of the Coronavirus Act 2020.

The Executive Forward Plan and copies of executive reports and decisions are published on the Council's web site: <http://modgov.southsomerset.gov.uk/ieDocHome.aspx?bcr=1>

Agendas and minutes can also be viewed via the mod.gov app (free) available for iPads and Android devices. Search for 'mod.gov' in the app store for your device, install, and select 'South Somerset' from the list of publishers, then select the committees of interest. A wi-fi signal will be required for a very short time to download an agenda but once downloaded, documents will be viewable offline.

Public participation at meetings (held via Zoom)

Public question time

We recognise that these are challenging times but we still value the public's contribution to our virtual meetings. If you would like to participate and contribute in the meeting, please join on-line through Zoom at: <https://zoom.us/join> You will need an internet connection to do this.

Please email democracy@southsomerset.gov.uk for the details to join the meeting.

If you would like to view the meeting without participating, please see: https://youtu.be/oXvE2_f4_KI

The period allowed for participation in Public Question Time shall not exceed 15 minutes except with the consent of the Chairman and members of the Committee. Each individual speaker shall be restricted to a total of three minutes.

If you would like to address the meeting at Public Question Time, please email democracy@southsomerset.gov.uk by 9.00am on Wednesday 3 February 2021. When you have registered, the Chairman will invite you to speak at the appropriate time during the virtual meeting.

Virtual meeting etiquette:

- Consider joining the meeting early to ensure your technology is working correctly.
- Please note that we will mute all public attendees to minimise background noise. If you have registered to speak during the virtual meeting, the Chairman will un-mute your microphone at the appropriate time.
- Each individual speaker shall be restricted to a total of three minutes.
- When speaking, keep your points clear and concise.
- Please speak clearly – the Councillors are interested in your comments.

District Executive

Thursday 4 February 2021

Agenda

1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on Thursday 7 January 2021.

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. **SSDC Annual Action Plan 2021-2022** (Pages 6 - 25)
7. **2021/22 Draft Budget and Medium Term Financial Plan Update** (Pages 26 - 177)
8. **Capital, Investment and Treasury Strategies 2021/22 to 2023/24** (Pages 178 - 241)
9. **2020/21 Revenue Budget Monitoring Report for the Period Ending 31st December 2020** (Pages 242 - 264)
10. **2020/21 Capital Budget Monitoring Report for the Period Ending 31st December 2020** (Pages 265 - 279)
11. **Planning and Phosphates - Adoption of a Phosphate Load Calculator** (Pages 280 - 285)
12. **Planning Reimagined - Changes to the Scheme of Delegation to Increase Efficiency of the Planning Service** (Pages 286 - 291)

- 13. Future Delivery of the Environment Strategy** (Pages 292 - 298)
- 14. Proposed Changes to the Senior Management Structure** (Pages 299 - 306)
- 15. District Executive Forward Plan** (Pages 307 - 310)
- 16. Date of Next Meeting** (Page 311)



SSDC Annual Action Plan 2021-2022

Executive Portfolio Holder:	Val Keitch, Leader of Council
Strategic Director:	Kirsty Larkins, Director Strategy and Commissioning
Lead Specialist:	Peter Paddon, Lead Specialist Strategic Planning
Lead Officer:	Anna-Maria Lenz - Specialist Strategic Planning
Contact Details:	Anna-maria.lenz@southsomerset.gov.uk

Purpose of the Report

1. To invite Members to recommend the adoption of the Annual action plan 2021-2022.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 4th February 2021.

Public Interest

3. The Annual Action Plan is a strategic document, which sits within the Council Plan 2020-2024 and sets out the strategic ambitions of South Somerset District Council. It is a key document and tool used to communicate and share the objectives for the Council. The Annual Action Plan is designed to articulate the commitments we make and milestones we set; as well as provide the basis on which to hold us accountable.

Recommendations

4. That District Executive recommend to Full Council to:
 - a) Agree the Annual Action Plan for 2021-2022 comprising of revised Areas of Focus, Priority Projects and Area Chapters.

The Annual Action Plan 2021-2022

5. The purpose of the Annual Action Plan (pg. 3-14 of Appendix A) is to help us deliver the Council Plan 2020-24 and the vision, values and aims it includes. This is achieved by translating the vision and aims into key Areas of Focus, Priority Projects and Area Chapters. These are categorised into five themes (Protecting core services, Economy, Environment, Places where we live, and Healthy, self-reliant communities).
6. The 2021-2022 Annual Action Plan is the second Annual Action Plan within the 2020-2024 Council Plan period.



South Somerset District Council

7. Appendix A combines the Council Plan 2020-2024 which sets out the administration's vision for South Somerset including values, and aims for the District with the 2021-2022 Annual Action Plan.
8. Since the adoption of the 2020-2021 Annual Action Plan the Council and the communities that it serves have faced significant challenges due to the Covid Pandemic. The Annual Action Plan for the 2021-2022 period shows the Council's ongoing commitment to deliver services and priority projects that meet the needs of our residents, visitors and businesses.

Areas of Focus

9. The Areas of Focus within each of the five themes help us streamline our resources and efforts to deliver for our residents, communities and businesses. The Areas of Focus are aligned to key strategies including our Commercial, Economic Development, Environment and Housing and 'Improving Lives' (Somerset's Health and Wellbeing) Strategy. There is also a Community of Practice (COP) operating to support each theme.

Priority Projects

10. The reviewed list of priority projects reflects the close out of transformation, the programme management approach to regeneration and the inclusion of outstanding elements into Areas of Focus and new priority projects. The review has resulted in a reduced number of priority projects from eight last year (2020/21) to five for this coming year (2021/22) which, will also allow more focus on projects identified as particularly important for the 2021/22 period.
11. The proposed five Priority Projects for 2021-2022 are as follows:
 - Lead the recovery and revitalisation of our economy and communities to be stronger, more resilient and more vibrant than before Covid-19
 - Continue to deliver Regeneration Programmes
 - To develop proposals to accelerate the delivery of key housing sites and associated infrastructure
 - Address child poverty, social isolation and low levels of social mobility across the district
 - To accelerate action to adapt to and mitigate the effects of climate change and extreme weather
12. For each of the priority projects, key milestones and desired outcomes are identified for 2021-2022 (Appendix A).

Area Chapters

13. The Area Chapters have been reviewed and agreed in separate Member workshops for each Area. Area Chapters will be developed to determine the outcomes, milestones, key activities and resources needed from across the



South Somerset District Council

organisation to support the delivery of the area focused priorities set out in the relevant chapters. The overall approach to delivery will be based on the principle that we will enable others to deliver, partner where it makes sense and deliver where we are able to and others cannot.

Financial Implications

14. Where the costs of implementing our Council-wide areas of focus and priority projects are known, where possible, this will be funded from an existing revenue budget. If funding from an existing revenue budget cannot be found a request will be made for additional revenue funding, which will be included in the Medium Term Financial Plan as a revenue pressure. If the funding required is capital, this will be included in the capital programme for 2021-22 onwards where appropriate.
15. For projects or areas of focus at an investigative or scoping stage funding will be subject to future capital bid processes or require external funding support.

Council Plan Implications

16. This report details the Council's strategic objectives for the 2021-2022 period.

Carbon Emissions and Climate Change Implications

17. None directly from this report. However, the Council Plan 2020-2024 and Annual Action Plan 2021-2022 emphasises our commitment to protecting the environment.

Equality and Diversity Implications

18. An Equality Impact Relevance Check Form has been completed and is attached to this report (Appendix B). In producing the plan itself there are no direct impacts. However, it is likely that individual equality impact assessments will need to be carried out for the individual areas of focus and priority projects.

Privacy Impact Assessment

19. None directly from this report.

Background Papers

20. DX report: SSDC Council Plan 2020-2024, Item 6 in the reports pack available here: <https://modgov.southsomerset.gov.uk/documents/g2573/Public%20reports%20pack%2006th-Feb-2020%2009.30%20District%20Executive.pdf?T=10>
21. Full Council Report: SSDC Council Plan 2020-2024, Item 7 in the reports pack available here: <https://modgov.southsomerset.gov.uk/documents/g2576/Public%20reports%20pack%2019th-Feb-2020%2019.30%20South%20Somerset%20District%20Council.pdf?T=10>

Council Plan 2020 - 24



Our Vision for South Somerset

A naturally beautiful and sustainable environment, which also allows business to flourish and good homes to be delivered. A place where our communities are safe, vibrant and healthy and have access to exceptional cultural and leisure activities.



2020 - 24



Our Values



Customers first - Designing plans and services around our customers



Community at heart - Enabling residents to support our communities and the environment we live in



Open and transparent - Actively communicating, engaging and listening to feedback



Innovative - Embracing innovation and technology to improve customer service and facilitate access to council services for all who need it



Getting things done - Empowering dedicated and flexible employees and elected members focussed on delivery



Working collaboratively - Working with partners to enhance outcomes for our communities

Our Aims

South Somerset District Council One Team,
Ambitious for South Somerset.

Great to work for

- *Agile and empowered staff
- *Inspiring people



Leading the way

- *Modern and resilient
- *Adaptable to change
- *Technology enabled



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Excellent to work with

- *Business-like organisation
- *Efficient and effective



Delivering for our communities

- *Resilient services
- *Customer focused
- *Data driven
- *Proactive



Annual Action Plan 2021/22

Council Plan themes and Areas of focus for 2021/22



Protecting Core Services

To ensure a modern, efficient and effective council that delivers for its communities, we will:

- Be great to work for, retaining, developing and attracting talent into the organisation
- Predict the peaks and troughs in demand for our services, to prioritise and direct organisational resources appropriately, address capacity and build resilience
- Establish a commercial culture and approach to become self-sufficient financially
- Deliver a high quality, effective and timely service to our customers and communities
- Exploit emerging technologies and their potential for improving our performance
- Harness intelligence, feedback and data to ensure that we continue to shape and improve services based on evidence and are equipped to proactively and effectively deliver interventions to ease preventable demand for our services



Economy

To assist businesses to recover from the Covid-19 pandemic whilst supporting growth within the South Somerset economy, we will:

- Align projects so that economic growth is sustainable and inclusive for all, working with key external organisations and communities to deliver shared visions and ambitions
- Continue to deliver South Somerset District Council's Covid-19 Economic Recovery Plan
- Deliver with other stakeholders a coherent programme to make South Somerset a hub of enterprise and innovation, to enhance key sectors including aerospace, advanced engineering / manufacturing, tourism, food & drink and agriculture, and improve productivity.
- Implement new learning programmes to deliver better local career opportunities and better satisfy digital, aerospace and advanced engineering business needs by working with major employers, learning institutions, business and public agencies
- Work with commercial providers and public sector programmes to increase the broadband speed and availability plus mobile connectivity throughout the district
- Explore and implement innovative transport technology solutions (including Digital Demand Responsive Transport) to make rural transport more accessible and affordable



Environment

To keep South Somerset clean, green and attractive and respond to the climate and ecological emergency we will work in partnership to:

- Continue the delivery of the Environment Strategy action plan, reducing our carbon emissions by 10% every year, to reach carbon neutrality by 2030
- Adopt and commence delivery of an Open Spaces Strategy promoting green infrastructure across the district
- Enhance the quality of the environment and its resilience and ability to adapt to climate change in partnership with our communities and businesses
- To protect South Somerset's landscape and to seek to increase tree cover within our communities and the wider environment
- Support the delivery of the County wide Climate Emergency Strategy
- Initiate and support actions and infrastructure to encourage a shift to low carbon transport options including walking, cycling and electric mobility
- Promote and improve recycling and minimise waste through the roll out of 'Recycle More' across South Somerset from June 2021 through the Somerset Waste Partnership
- To support the development of environmental and ecological aspects within local, parish & neighbourhood plans, promoting Nature Recovery Networks across the district
- Work with external partners to benefit the wider national cause in developing and generating clean energy storage to reduce renewable energy wastage in turn reducing use of fossil fuels in UK energy production



Places where we live

To enable housing and communities to meet the existing and future needs of residents and employers, we will work to:

- Enable the delivery of good quality housing in appropriate places across all tenures, to meet community needs
- Maximise the provision of affordable housing
- Support rural communities and economies through delivery of affordable housing
- Prevent people losing their home and supporting people who are homeless to have a place they can call home
- Support communities to identify any housing need in their parish and support them to meet this demand, including supporting Community Land Trusts
- Support provision of housing for Life long independent living
- To deliver sustainable communities where people want to live and thrive
- Proactively identify adaptable housing and community solutions responding to the consequences of the Covid-19 pandemic
- Promote and encourage environmentally sustainable housing, including to protect the Somerset Levels and Moors when determining planning submissions following advice from Natural England



Healthy, Self-reliant Communities

To enable healthy communities which are cohesive, sustainable and enjoy a high quality of life, we will:

- Embed social value into all processes and activities to ensure we maximise the support we give to our communities
- Work with partners to keep, and help our residents feel safe in their homes and communities
- Work with partners to reduce the impact of social isolation and create a feeling of community
- Work with partners to support people in improving their physical and mental health and wellbeing
- Enable quality cultural, leisure and sport activities
- Proactively support residents facing hardship
- Help tackle the causes of economic & social exclusion, poverty and low social mobility
- Support older people to live and age well by increasing their independence, reducing loneliness, and improving financial security

Priority Projects for 2021-22

To meet our core aim of:



**Economy &
Healthy, Self-reliant
Communities**



Economy



Places where we live



**Healthy, Self-reliant
Communities**



Environment

1. Lead the recovery and revitalisation of our economy and communities to be stronger, more resilient and more vibrant than before Covid-19

2. Continue to deliver Regeneration Programmes

3. To develop proposals to accelerate the delivery of key housing sites and associated infrastructure

4. Address child poverty, social isolation and low levels of social mobility across the district

5. To accelerate action to adapt to and mitigate the effects of climate change and extreme weather

Priority Project 1: Lead the recovery and revitalisation of our economy and communities to be stronger, more resilient and more vibrant than before Covid-19



Desired 2021/22 project outcomes:

Businesses surviving the pandemic and then growing:

- Delivering on the Council's Economic Covid-19 Recovery Plan, the Economy Area of Focus and the Somerset Recovery and Growth Plan
- We will lead and support ambitious projects for growth and productivity in strong partnership with key stakeholders, achieving higher value jobs, greater inward investment, innovation and skills

A socially inclusive and sustainable recovery from the impact of Covid-19

- Engagement with local communities, public, private and third sectors to deliver innovative local social action and economic recovery
- Targeted support to our low-income and most vulnerable residents affected by Covid-19 by working with local communities building on their strengths and assets, focusing on a socially sustainable recovery

Improved accessibility for all to education, work, health and social opportunities:

- Increased engagement of young people and young adults in leading a resilient recovery and delivering innovative local social action
- Improved accessibility for all to education, work, health and social opportunities

2021/22 Key Milestones Recovery and Growth Milestones are unlikely to follow a linear process and will adapt with the changing Covid-19 pandemic situation and resulting impact on the economy and community.



- Move from Covid-19 response to focus on recovery
- Better understand the impact and developing local solutions
 - Commission research into the impact of Covid-19 to inform the recovery of communities in South Somerset and to assist in developing local solutions
 - Target activity aimed at low-income and most vulnerable residents, especially young people and young adults
 - Assemble strong local community and business partnerships to support recovery built on local strengths and assets
- Deliver the first Skills, Employment and Wellbeing Hub for local residents to access support
- Commence the delivery of the first community resilience projects for young adults
- Increased availability of high performance broadband and mobile reception
- Agree a strategic plan with key stakeholders for an integrated and ambitious innovation ecosystem, which will maximise the way that YIC, Bunford Innovation Park, iAero and start-up projects will advance our local economy and key enterprises
- Produce a High Streets Recovery Action Plan for our Market Towns including Yeovil, Chard and Wincanton
- To produce an economic mission for Chard that includes forming an application to future Government funds (e.g a Town Deal / Levelling Up)
- Complete a feasibility study for Digital Demand Responsive Transport pilot to improve local transport and identifying funding



- Opening of iAero and capitalising on its economic leverage
- Work with Yeovil College to deliver a new learning programmes that reflect the needs of businesses now and in the future
- Commence actions for a resilient, inclusive recovery and growth in partnership with local stakeholders
- Deliver further Employment and Wellbeing Hubs for local residents to access support
- Deliver a range of inclusive community events and activity that promote the inclusion of all local residents, particularly those most affected by Covid-19
- Subject to funding, launch the Digital Demand Responsive Transport Pilot



- Review progress and learning from delivery and agree project milestones for Q3/Q4



- To be agreed

Priority Project 2: Continue to deliver the Regeneration Programmes



Desired 2021/22 project outcomes:

- Substantial progress on plans to rejuvenate and repurpose the town centres of Yeovil, Chard and Wincanton
- A shared ambition and confidence with stakeholders and partners to work together and invest in our town centres
- Leadership in the reshaping of our town centres in line with the council's economic recovery and environment strategies
- Social and community recovery of our town centres creating work community and business opportunities

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2021/22 Key Milestones



Yeovil

- Commencement of stage one public realm improvements

Chard

- Tender highways/public realm improvement works
- Start first phase of High Street Heritage Action Zone (HSHAZ)
- Formulate and agree way forward for Phase two

Wincanton

- Grant programme for building improvements approved
- Intervention approach approved for key vacant premises
- Calendar of town centre events planned and promoted



Yeovil

- Completion of phase one public realm improvements
- Commence phase two public realm works

Chard

- Commence highway/public realm improvement works

Wincanton

- Stimulus package in place for use of High Street buildings



Yeovil

- Finalise Workspace Strategy
- Finalise Car Parking Action Plan
- Sign off phase two of Cycling and Walking Package



Yeovil

- Complete planning process to enable planning process for Old Cattle Market and Glovers Walk
- Continue with Public Realm enhancements

Chard

- Priority highway improvement works for leisure centre access completed
- Leisure Centre opened
- Phase two - Boden Mill plans adopted

Wincanton

- On-site construction commenced for phase one Public Realm schemes
- Plans agreed for the Future use of the former Health Centre

Priority Project 3:

To develop proposals to accelerate the delivery of key housing sites and associated infrastructure



Desired 2021/22 project outcomes:

- To proactively intervene in bringing forward difficult and delayed housing projects
- To strengthen development relationships with all stakeholders involved in new housing and our communities
- To deliver sufficient appropriate good quality housing of all types and tenures to meet our housing needs as set out in the Local plan
- To secure necessary physical and social infrastructures to meet demands of delivery

2021/22 Key Milestones



- To implement the action plan based on the set of recommendations in the "Accelerating housing delivery in South Somerset" report
- Develop stronger relationships with all stakeholders involved in new housing and our communities
- Set a programme of liaison meetings with key organisations/individuals in the development industry
- Initiate a plan to intervene on and increase delivery of housing and appropriate infrastructure of Strategic sites in Yeovil and the primary market towns
- Aiming for interim solution to deliver phosphate neutrality be adopted and implemented as a consequence of housing development



- Review the effectiveness of the existing Partnerships with Registered Providers (RPs) and reach out to wider active accredited affordable housing providers in order to extend choice and promote and encourage more development
- Further engagement with Homes England (HE) to look at support and infrastructure funding on stalled sites; rural exception sites; MMC; SME funding; Strategic Partners; specific projects
- To propose the use of PPA's where planning assistance for key sites has been identified. Have 2-3 Planning Performance Agreements with dedicated planning resource on key sites
- To commence delivery of the Key site in Crewkerne



- Review 5 Year housing delivery progress and planned infrastructure development program implementation
- To implement the actions agreed by the planning Reimagined working group which focussed on: Pre-Application Process; Validation; Consultation; Negotiation Strategy; Reports and Legal Instructions; Scheme of Delegation; Planning Committees; Planning Enforcement; Conservation
- To review aspects of the S106 process and delivery, work towards developing and publishing a model S106 agreement on the website. Including a viability review in the S106 agreement if completion has not taken place by agreed milestones



- Develop a "Housing Prospectus" to include both sites allocated within the Local Development Plan and selected sites that have outline planning permission
- To have progressed funding plans for delivery of key site in Yeovil and delivery of one other key site including the principal Towns of Crewkerne or Chard
- Annual/Ongoing: To progress the next iteration of the local plan review to provide greater certainty on future housing growth across the district

Priority Project 4: Address child poverty, social isolation and low levels of social mobility across the district



Desired 2021/22 project outcomes:

- Reduce the social isolation of struggling families
- Reduce the number of families reaching the point of crisis
- Have in place more coordinated approaches and efforts to addressing issues of poverty and low social mobility
- Be working more proactively with local communities and local partners to address the causes of social isolation

2021/22 Key Milestones



- Implement the findings from the formative evaluation report on the South Somerset Families Programme
- Lead monthly project development and review workshops
- Work with partners to co-commission proactive community support
- Develop substantial new initiatives to address poverty, low social mobility and social isolation across South Somerset
- Lead and support efforts to secure external and match funding for local programmes and initiatives
- Develop mechanisms to creatively involve families in providing feedback and programme oversight
- Begin implementation of new initiatives to address poverty, low social mobility and social isolation across South Somerset
- Identify the emerging lessons from implementing the new initiatives to address poverty, low social mobility and social isolation
- Commission an independent external evaluation of the South Somerset Families Programme
- Undertake an initial social return on investment analysis
- Share the learning from the programme evaluation within SDDC and with partners

Priority Project 5:

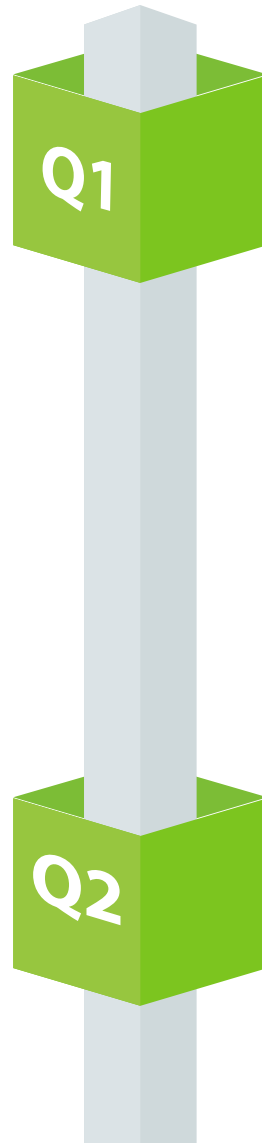
To accelerate action to adapt to and mitigate the effects of climate change and extreme weather



Desired 2021/22 project outcomes:

- To achieve a 10% annual reduction in our carbon emissions across our estate and operations to reduce reliance on fossil fuels
- Enable change through others to achieve a significant reduction in emissions across the geography of South Somerset to support resilient communities
- To increase the percentage of tree canopy cover across our estate and the wider district to help mitigate and adapt for extreme weather
- Support the creation and delivery of Nature Recovery Network maps, promoting their use across South Somerset to enhance ecological networks

2021/22 Key Milestones



- Progress works to properties in-line with energy report and funding to reduce energy use across SSDC estate and operations
- Complete annual carbon calculator to track SSDC carbon footprint
- Report on key tree planting achievements
- Launch new environment web pages and green directory
- Contract awarded for network of Electric Vehicle (EV) charge points across the district
- Fund and invest in a new 40MW Battery Energy Storage Site with external business partners, commencing onsite works to assist National Grid with reducing UK renewable energy wastage; creating more clean energy, reducing fossil fuel usage across UK
- Promote and improve recycling and minimise waste through the roll out of "Recycle More" across South Somerset from June 2021 through the Somerset Waste Partnership
- Identify options for green energy switch
- Source grant funding for SSDC and wider district tree planting initiatives
- Work with communities and businesses to develop plans to be more resilient and respond to extreme weather events
- Adopt a new Open Spaces Strategy
- Complete energy improvement works through decarbonisation fund (if grant application successful)



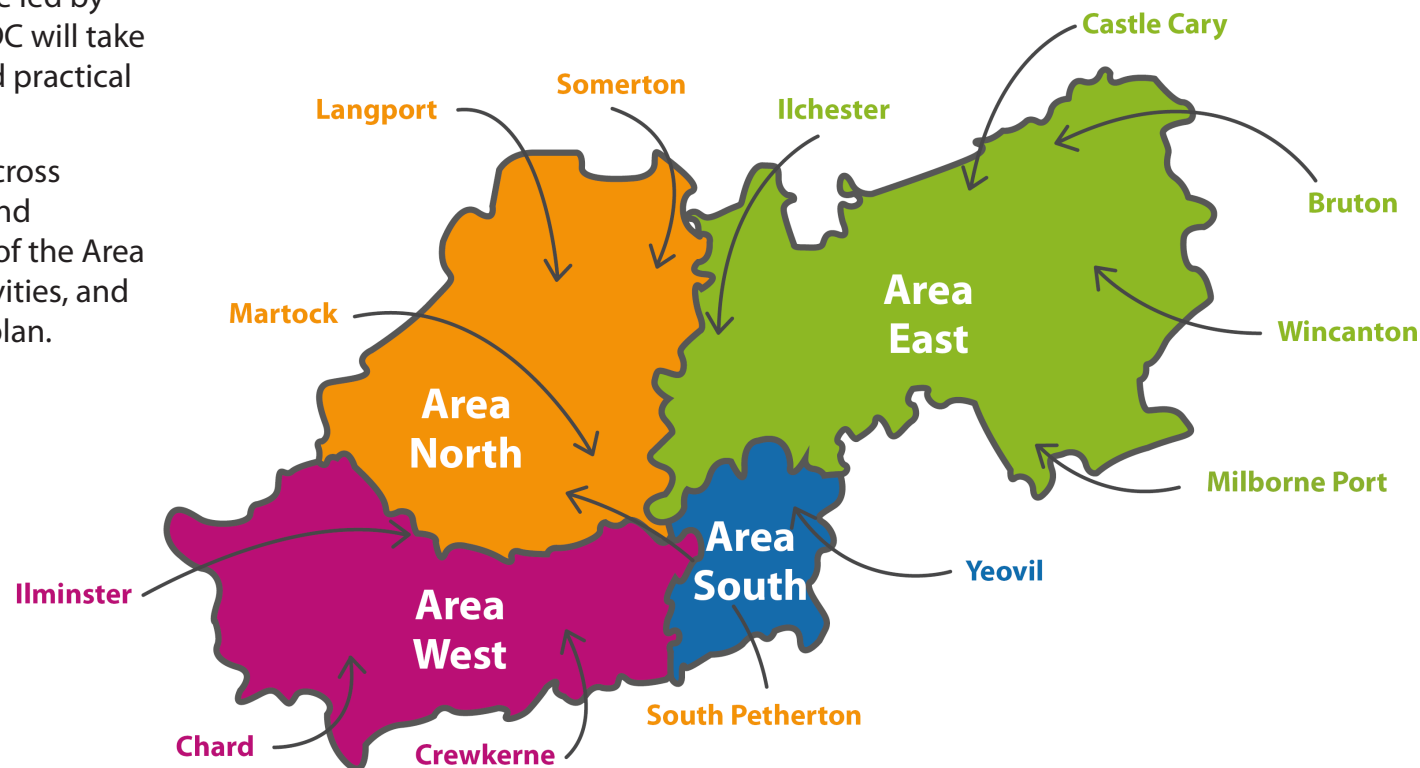
- Tree planting programmes started and promoted for winter season
 - To provide local Nature Recovery Network maps to communities to support local groups in biodiversity and open space management
 - Complete delivery of energy improvements to park homes (if grant application successful)
 - Develop opportunities for clean business growth across the district
 - Review of tree canopy cover percentage for district and further planning for impacts of Ash dieback
 - Work to begin on EV charge network
 - Support initiatives that enhance green tourism across the district
 - Complete the next phase of the Local Plan review process to enable the implementation of relevant priorities in the Environment Strategy
 - Complete and energise new 40MW Battery Energy Storage Site with external business partners to assist National Grid with reducing UK renewable energy wastage; creating more clean energy, reducing fossil fuel usage across UK
- Overall/Annual:**
- Provide ongoing support and opportunities to the network of parish environment champions
 - Identify options for decarbonisation of residential properties across the district (including grant funding)
 - Continue high quality and varied environment communications to promote behaviour change and engagement, including monthly Get Sussed newsletters

Area Chapters

The Area Chapters form part of the Annual Action Plan and should be read in conjunction with the Areas of Focus and Priority Projects. Reading the Annual Action Plan in its entirety will provide an oversight of the wider priorities as well as provide insights to specific Area priorities.

The area chapters present the priority work in an Area for the coming year. Many of the projects are led by others working in our communities and SSDC will take an enabling approach to provide advice and practical support to help others deliver.

Area+ teams are made up of officers from across the council with specific knowledge, skills and experience needed to support the delivery of the Area Chapter. Details of the Area+ team, key activities, and milestones to be presented in the delivery plan.





Area Chapter - Area South

Key priorities for Area South:



Economy

- Continue to support key businesses including work with the Chamber of Commerce and other partners
- Support others to deliver Town Centre Events
- To implement tailored Covid-19 Economic Recovery programmes that suit the needs of local businesses
- To support the Manufacturing Hub (M-Hub) in partnership with the Chamber of Commerce and private sector businesses
- Support Love Yeovil to deliver events and community benefit within the town
- To work with education providers in Area South including Yeovil College to provide skills for the future to local residents
- To support the local food and drink sector through the Food and Drink directory



Environment

- Support community led initiatives that contribute towards combatting climate change
- To deliver with partners a range of ecological improvements to upper Milford Valley
- To support partners in delivering the Westfield Community Association pocket park
- Deliver a range of wellbeing sessions and practical volunteering at Yeovil Country Park to support Covid-19 recovery, offering engagement with nature and offering sessions to key workers and their families. Supported by Yeovil Town Council
- Campaign and engage with Town and Parish Councils and residents around local enforcement related issues



Places where we live

- To proactively interact on the progress of targeted housing sites in the area
- To support communities to identify and enable appropriate development in rural areas around Yeovil and support community land trust proposals to meet this demand
- Encourage delivery of Yeovil key site including infrastructure funding needed to unblock delay



Healthy, Self-reliant Communities

- Support a range of improvements to community facilities through S106 and Community grants
- Work towards replacement of wheeled play provisions at Milford, Yew Tree and Oaktree parks (Skate parks)
- Support the delivery of community facilities at Wyndham Park (subject to detailed land negotiation) as well as West Coker Pavilion and Recreation Ground
- Finalise funding package for pavilion improvements at Yeovil Recreation Centre, construct a new community space and café to open in Summer 2021
- Work with Yeovil Connect to tackle health and inequality
- Maintain the network of volunteer led health walks through promotion, training and support
- Deliver the National Play Day
- Deliver six free family wildlife sessions at Riverside Park; support Yeovil schools in delivering developmental forest school activities and run five large public events at Yeovil Country Park
- Deliver twice weekly volunteering opportunities at Yeovil Country Park. Seek funding and opportunities to expand the volunteering support programme
- Develop and commence delivery of an intergenerational project working in partnership with South Somerset Heritage Collection to use their collection as inspiration for a project linking 7 care homes and 7 schools or youth groups across Yeovil
- Change the name of CHAC to South Somerset Heritage Collection and relaunch on new web pages with a digital archive. Promote the heritage collection and research resources through community talks and engagement
- Improving opportunities for non car transport including walking and cycling



Area Chapter - Area East

DRAFT

Key priorities for Area East:



Economy

- To implement specific Covid-19 Economic Recovery programmes that suit the needs based on the local impact on businesses
- Work towards providing employment land and business units of appropriate sizes readily available for uptake by business and residents.
- Continue to support key businesses including work with the Chamber of Commerce and other partners
- To pilot circular initiatives that have economic and social benefits including the promotion of repair, re-use, recycle
- To support the creation of business directories to support; the food and drink sector, tourism sector and environmental / green energy sector.



Environment

- Support community led initiatives that combat climate change
- Support the community led Active Travel projects (Wincanton to Bruton, Limington to Yeovil and Milborne Port to Sherborne)
- Produce a Local cycling and walking infrastructure plan for Wincanton (funding dependant)
- Deliver species monitoring training for Countryside staff and volunteers to enable them to carry out protected species monitoring and habitat enhancement work at Moldrams Ground LNR
- To support community groups and Environment Champions to deliver a range of ecological and environmental improvements across the Area
- Promote and support partners in delivering environmental improvements to Blackmoor Drive pond
- Campaign and engage with Town and Parish Councils and residents around local enforcement related issues



Places where we live

- To proactively intervene on the progress of targeted housing sites in the area.
- To support the communities to enable suitable and appropriate development in rural areas and support community land trust proposals.
- Enable the delivery of good quality housing in appropriate places across all tenures, to meet community needs.
- To strive to minimise the carbon footprint of all housing. Working towards Zero emissions.
- Support Neighbourhood planning as a tool to deliver suitable and appropriate local housing.
- Work closely with Parish and Town Councils of Castle Cary and Ansford on new housing sites.
- To Pilot a programme for additional planning guidance for Members
- Pilot project to facilitate communities to give advice and improve energy efficiency measures in existing housing stock by identifying heat loss through the use of tools such as thermal imaging



Healthy, Self-reliant Communities

- Support a range of improvements to local community facilities through S106 and Community grants
- Continue to support the South Somerset community accessible transport scheme
- Maintain the network of volunteer led health walks through promotion, training and support.
- Deliver a programme of Play days in towns/villages in Area East.
- Tackle social isolation by developing new wellbeing initiatives and continue to support the Balsam Centre
- Support the transition of new leisure operating contract in Wincanton, along with existing centre improvements
- Support the transition of the Heart of Wessex Community Rail Partnership to a new CIC serving Dorset and Somerset and secure representation by SSDC on this new body.

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Area Chapter - Area North



Key priorities for Area North:



Economy

- Complete signage improvements and refurbishment at Cartgate Tourist Information Centre, creating a hub for tourists and encouraging visitors to stop in Somerset.
- Continue to support individual businesses including local food and drink producers.
- Support local events and initiatives aimed at encouraging the footfall in local high streets in a Covid-19 safe way.
- To implement specific Covid-19 Economic Recovery programmes that suit the needs based on the local impact on businesses



Environment

- Complete the development stage of the 1.6 million Ham Hill National Lottery Heritage Fund (HF) project. Submit the final application by Feb 2022.
- To work with partners in delivering ecological and environmental improvements to Bracey Road Rec – Martock
- Re-launch the refurbished River Parrett Trail in Spring 2021.
- Support community led initiatives that contribute towards combatting climate change.
- Campaign and engage with Town and Parish Councils and residents around local enforcement related issues



Places where we live

- To proactively intervene on the progress of targeted housing sites in the area.
- To support the communities to enable appropriate development in rural areas and support community land trust proposals.
- Support communities to identify any housing need in their parish and support them to meet this demand.
- Support promote Neighbourhood planning as a tool to deliver appropriate local housing.



Healthy, Self-reliant Communities

- Support a range of improvements to community facilities through S106 and Community grants
- Maintaining the network of volunteer led health walks through promotion, training and support.
- Deliver a programme of Play days in towns/villages in Area North
- Tackle social isolation by improving community transport links and creating new social offers
- Support the development and diversification of volunteering at Ham Hill. Enable the Friends of Ham Hill to expand and create a new website to support the groups activities.
- Deliver a series of woodland wellbeing sessions to support Covid-19 recovery at Ham Hill, funded by the Co-op Community Fund



Area Chapter - Area West

DRAFT

Key priorities for Area West:



Economy

- Complete gateway highway improvement scheme - Chard Fore Street
- Continue to support individual businesses and associations/Chambers of Trade/Town Teams
- To support the local food and drink sector through the Food and Drink directory
- To implement specific Covid-19 Economic Recovery programmes that suit the needs based on the local impact on businesses
- To work with the Redundancy Task Force, as part of a wider multi-agency co-ordinated response to the Oscar Mayer closure situation to include a programme of support for individuals. With a view to making a Town Deals bid for recovery or similar funding programmes that arise.

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Environment

- Support community led initiatives that contribute towards combatting climate change
- Support the volunteer group at Chard Reservoir to deliver a self guided children's trail at the Local Nature Reserve
- Continue to support the Blackdown Hills AONB
- To promote and support ecological improvements to Mitchell gardens and Snowdon Park, Chard
- Maintain pressure to deliver the 'Stop Line Way' (SLW) Cycle Path - part of the Sustrans Route 33 long Distance coast-to-coast walking and cycling route.
- Campaign and engage with Town and Parish Councils and residents around local enforcement related issues
- Produce a Local cycling and walking infrastructure plan for Chard (funding dependant)

Places where we live

- To proactively intervene on the progress of targeted housing sites in the area.
- To support the communities to enable appropriate development in rural areas and support community land trust proposals
- Progress delivery of CEDA in Chard. Agree an updated highway and transport proposal for the allocation and secure a planning legal financial contributions mechanism.
- To secure necessary physical and social infrastructures to meet demands of delivery.
- To be able to commence delivery of the first reserved matters application in the CLR site in Crewkerne
- Support communities to identify any housing need in their parish and support them to meet this demand.
- Support promote Neighbourhood planning as a tool to deliver appropriate local housing.

Healthy, Self-reliant Communities

- Support a range of improvements to community facilities through S106 and Community grants
- To improve pitch provision in Area West and particularly in Chard
- To support the Football Association to deliver a centre for football development in the Area
- Develop options to improve community transport including links to Crewkerne Station
- Develop new initiatives to tackle long-standing issues of health inequality and social isolation
- Maintaining the network of volunteer led health walks through promotion, training and support
- Deliver a programme of Play days in towns/villages in Area West
- Develop and commence delivery of an intergenerational project working in partnership with Chard Museum to use their collection as inspiration for a project linking 3 care homes and 3 schools or youth groups
- Support the transition of new leisure operating contract in Chard, along with existing centre improvements and delivery of an outreach active communities programme in target areas

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Monitoring the delivery of the Council Plan - Key Performance Indicators (KPIs*):



Protecting Core Services

- 1) Number & % of on-line accounts (household and business).
- 2) Service requests through on-line channel as a % of all service requests.
- 3) Measures for speed of decisions - Planning (weeks)
Council tax collection (%)
Benefits applications and changes (days).
- 4) Commercial & financial targets (property & income yields).



Economy

- 5) % spend with (local) SMEs.
- 6) Delivery of the Economic Development Strategy



Environment

- 7) Waste & recycling (household residual waste).
 - 8) Delivery of the Environment Strategy
- Our performance will be monitored through delivery plans.



Places where we live

- 9) Help for and prevention of homelessness – Government measure – (numbers of people supported).
 - 10) Affordable housing completions (number of units and % of all completions).
 - 11) Delivery of the Homelessness Strategy
- Our performance will be monitored through delivery plans and the ongoing monitoring of the Local Plan.



Healthy, Self-reliant Communities

The areas of focus under the Health and Communities theme will be achieved through strong partnership working and commissioned projects and programmes. Our performance will be monitored through delivery plans and ongoing feedback (from customers, partners and communities).

***These are supported by an Annual Residents Survey, locality (neighbourhood) level surveys and monitoring of complaints and feedback.**

Monitoring performance - corporate & public reporting



Priority Projects - reports against targets and milestones

Highlight reports to relevant projects / programme boards

Half-year report to DX / Scrutiny



Key performance indicators

Quarterly reports to DX / Scrutiny



Area Chapters

Quarterly reports to relevant Members



Areas of Focus

Monitoring and evaluation by relevant Portfolio Holders and boards for key strategies and business plans



End of year report to Full Council

Equality Impact Relevance Check Form



The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required.

What is the proposal?	
Name of the proposal	New Annual Action Plan 2021-2022
Type of proposal (new or changed Strategy, policy, project, service or budget):	Annual Action Plan 2021-2022
Brief description of the proposal:	Revised Areas of Focus, Priority Projects and Area Chapters
Name of lead officer:	Peter Paddon/Anna-Maria Lenz

You should consider whether the proposal has the potential to negatively impact on citizens or staff in the following ways:

- Access to or participation in a service,
- Levels of representation in our workforce, or
- Reducing quality of life (i.e. health, education, standard of living)

A negative impact is any change that could be considered detrimental. If a negative impact is imposed on any citizens or staff with protected characteristics, the Council has a legal duty to undertake a full Equality Impact Assessment.

Could your proposal negatively impact citizens with protected characteristics? (This includes service users and the wider community)	NO
Could your proposal negatively impact staff with protected characteristics? (i.e. reduction in posts, changes to working hours or locations, changes in pay)	NO

Is a full Equality Impact Assessment required?	NO
If Yes, Please provide a brief description of where there may be negative impacts, and for whom. Then complete a full Equality Impact assessment Form	
If No, Please set out your justification for why not.	
In publishing the new 2021/22 Action Plan itself there are no negative impacts impacts. However, Equality impacts will need to be considered in full for each of the specific areas of focus and the priority projects by the relevant Communities of Practice and/or lead service or officer.	
Service Director / Manager sign-off and date	Peter Paddon 19/01/21
Equalities Officer sign-off and date	David Crisfield 21/01/2021



2021/22 Draft Budget and Medium Term Financial Plan Update

Executive Portfolio Holder: Councillor Peter Seib, Finance and Legal Services
Director: Nicola Hix, Support Services
Lead Officer: Jo Nacey, S151 Officer
Contact Details: jo.nacey@southsomerset.gov.uk (01935 462243)

Purpose of the Report

1. The purpose of this report is to set out the Draft Budget and proposed Council Tax for 2021/22 to enable Executive to recommend proposals to Full Council for approval. This report is based on the Medium Term Financial Plan (Revenue Budgets for 2021/22 to 2025/26) and also includes additions to the Capital Programme.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of February 2021.

Public Interest

3. This report sets out the proposed budget for South Somerset District Council for 2021/22 and the provisional budgets for the following four years. It also asks Members to approve capital schemes for funding in 2021/22.

Recommendations

4. That the District Executive:
 - a. Recommends that Full Council approves the Net Revenue Budget for 2021/22 of **£16,743,010** as set out in the Revenue Account Summary (paragraph 37) and in detail in Appendix A for the District Executive and four Area Committees, subject to any amendments;
 - b. Recommends to Full Council a 2021/22 Council Tax increase of 2.91%, increasing the annual Band D rate by £5 to £177.11. Full Council to note this new annual rate comprises £175.26 for SSDC services, raising £10,717,653; and £1.85 on behalf of the Somerset Rivers Authority, raising £113,133;
 - c. Recommends that Full Council approves the new capital programme as shown in Appendix D, with includes an additional funding request of £7.787m as detailed in paragraph 60;

Background

5. The General Fund Revenue Account is the Council's main fund and shows the income and expenditure relating to the provision of services which residents, visitors, and businesses all have access to, including planning; environmental services; car parks; certain housing functions; community services and; corporate services.
6. The Council directly charges individual consumers for some of its services through fees and charges, with the expenditure that remains mainly funded through a combination of sources including: local taxation, a proportion of the business rates collected, and also grants from Central Government such as Rural Services Delivery Grant, New Homes Bonus and other non-ring-fenced and specific grants/subsidies.
7. Each year the Council sets an annual budget which details the resources needed to meet its operational requirements. The annual budget is prepared within the context of priorities identified by Members as part of the Council's current corporate plan.
8. The District Executive and Scrutiny Committee have received update reports on the draft 2021/22 budget, Financial Strategy and Medium Term Financial Plan.

Financial Strategy

9. The Financial Strategy and Medium Term Financial Plan estimates for the period 2021/22 to 2025/25 were originally approved and noted on 6 August 2020 and then updated on 3 December 2020. The principal aim of the Strategy is to enable the Council to set a balanced budget each year without the need to cut services.
10. This has become even more pertinent when setting the 2021/22 budget in light of the ongoing pandemic. We have continued to strive to protect services whilst focusing on our communities including both residents and businesses, despite the significant financial pressures we have been under. Our sound financial position and resilience has enabled us to maintain our services; provide additional support and assistance to our communities; all without jeopardising our financial standing or our ability to provide our core services.
11. The key themes to the Strategy are:
 - a) Ensuring clear service priorities that clearly align with corporate strategy and plans;
 - b) Maximising operational efficiency and value for money through optimising benefits of the future operating model and exploring how new technologies can further improve efficiency;
 - c) Adopting robust financial control and reporting arrangements;



- d) Developing approaches to manage and reduce demand on services in partnership with Somerset councils and other service delivery organisations;
 - e) Investing further in property, energy and new services to generate additional income that can be reinvested to maintain and improve services to our community;
 - f) Increasing the income yield from financial investments as part of a prudent treasury management approach;
 - g) Taking a more commercial approach and increasing income yield by 5% per year;
 - h) Reducing reliance on Government grants such as New Homes Bonus for the funding of ongoing services;
 - i) Supporting and enabling economic and housing growth and regeneration to protect and enhance funding through local taxation and grant funding;
 - j) Focusing on long term financial resilience through robust financial planning and maintaining appropriate reserves to manage risk and meet future commitments.
12. The Financial Strategy agreed in December 2020 also sets out the approach to resourcing including Government grants, Council Tax and reserves.
13. Through the preparation of the 2021/22 estimates the Executive is able to propose a balanced budget for 2021/22 whilst maintaining services and making significant contributions to key priorities such as its major regeneration programmes. The updated MTFP shows a projected budget gap in subsequent years of the plan. The figures include all estimates for pay awards, pension costs, council tax, business rates, Government grant, and inflation.

The Local Government Finance Settlement 2021/22

14. On 19 December 2020 we received the Provisional Settlement. This was very late in the Budget Setting process but we were able to confirm that our core assumptions had been correct. We were also pleased to see that an additional grant had been added to the core funding, the Lower Tier Services Grant. This new grant for 2021/22 is unringfenced – allocated to councils with responsibilities for services such as homelessness, planning, recycling, refuse collection and leisure.
15. We await the publication of the Final Settlement in the coming weeks but we do not expect it to deviate from the Provisional Settlement allocations, which were as follows:

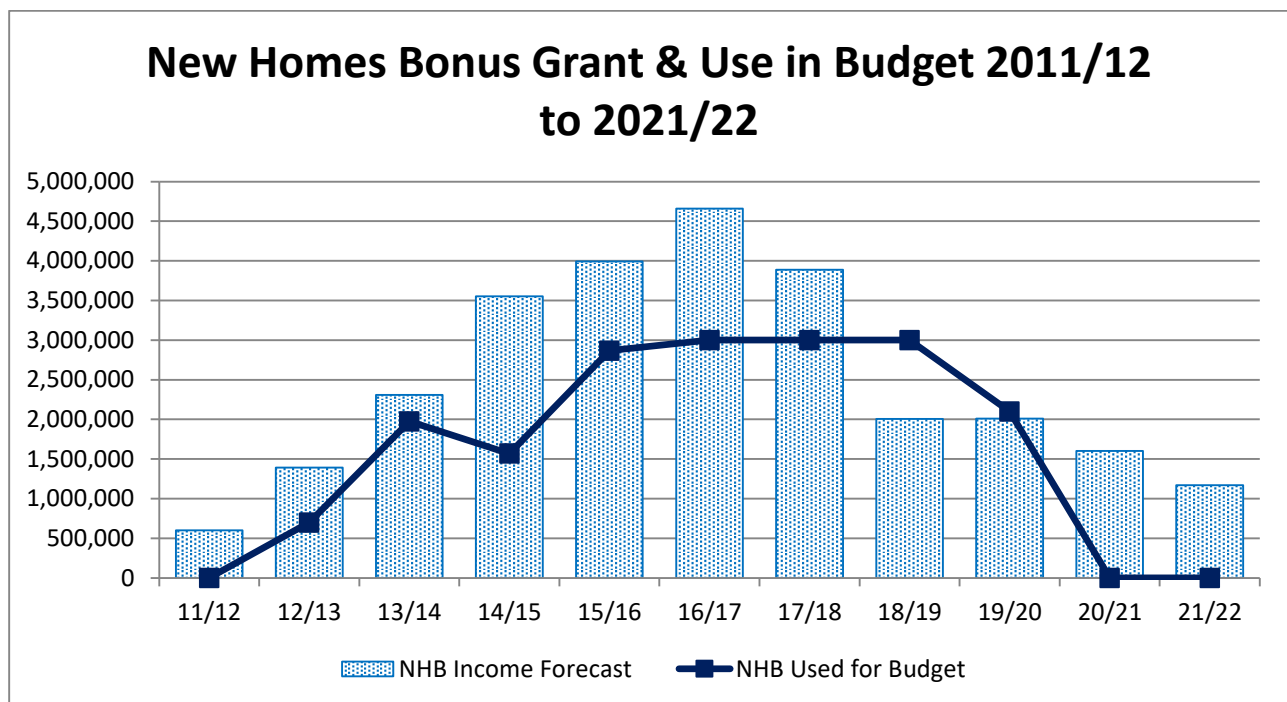
Funding Source	Provisional Settlement Allocation (£)
Rural Services Delivery Grant	174,496
New Homes Bonus	1,171,010
Lower Tier Services Grant (New Grant)	156,176
	1,501,682

New Homes Bonus

16. The New Homes Bonus (NHB) is a non-ringfenced grant that was devised to incentivise and reward housing growth. The grant is calculated by measuring annual housing growth numbers, with each year's growth previously attracting grant for a 4-year rolling period. Since 2017/18 the Government has applied a growth baseline which acts as a top-slice, with no NHB awarded on the first 0.4% of growth.
17. We have been aware for some time that the Government intends to discontinue the scheme and replace it with another mechanism which is intended to be more successful in incentivising house building growth. The new scheme has not been finalised and for the last two years we have been expecting an announcement about the Government's timetable. In the meantime, we have continued to receive New Homes Bonus payments, albeit on a pared back basis and not the 4 years' legacy payments which we had previously received.
18. Within the Provisional Settlement, the Government stated, *"we will invite views on how we can reform the scheme next year to ensure that it is focused where homes are needed the most and where councils are ambitious to get on and deliver them"*.
19. With the imminent removal of this funding source in its current guise, we have outlined within the Financial Strategy our intention to move away from using the grant as core funding. We are now taking the prudent view that there will be no payment of New Homes Bonus or equivalent in 2022/23 and the following table reflects this.
20. In the Provisional Settlement the NHB grant has been confirmed as £451,073 for 2021/22 award, and £719,937 as legacy payment, making a total expected income for 2021/22 of £1,171,010. The Council's budget approach for 2021/22 is to set aside funds from the grant in a MTFP Support Fund earmarked reserve to mitigate the impact of funding fluctuations.

Table & graph 1 – Summarises allocations of NHB and MTFP forecast from 2016/17 up to 2021/22.

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
2011/12	601.1					
2012/13	790.3					
2013/14	915.9	915.9				
2014/15	1,243.7	1,243.7				
2015/16	440.1	440.1	440.1			
2016/17	667.1	667.1	667.1	667.1		
2017/18		621.1	621.1	621.1	621.1	
2018/19			278.9	278.9	278.9	278.9
2019/20				441.1	441.1	441.1
2020/21					261.8	
2021/22						451.0
	4,658.2	3,887.9	2,007.2	2,008.2	1,602.9	1,171.0



Council Tax Rate

21. The Secretary of State has confirmed within the Provisional Settlement that Shire Districts are able to increase Council Tax by the greater of 2% or £5 (on a Band D) in 2021/22 without the need for a referendum. A £5 increase equates to a 2.91% increase in 2021/22.
22. The 2020/21 annual basic tax rate towards the cost of South Somerset District Council services, for the average Band D property, was £170.26, and the Council also included £1.85 in respect of the Somerset Rivers Authority (SRA), making the total Band D charge of £172.11.
23. The District Executive is asked to recommend to Full Council the option to increase Council Tax by 2.91% (£5 limit on a Band D property), and this is reflected in the draft budget figures for 2021/22. For the average Band D property this will set the annual tax rate at £177.11 or £3.41p per week.
24. The Somerset Rivers Authority (SRA) is still currently unable to raise its own precept, and there are no indications that this will change in the near future. In 2016/17 the Government amended Somerset Council Tax levels to a notional amount to allow each of the Somerset authorities to raise 1.25% (£1.85 per band D for SSDC) of interim funding for them.
25. This agreement will continue in 2021/22 with no uplift other than tax base growth and therefore the precept per Band D property will continue to be £1.85. This will raise £113,133 of funding from this Council in 2021/22, which is passed on to the SRA to contribute to the 20-Year Flood Action Plan.



South Somerset
District Council
Council Tax Income

26. The tax base for 2021/22 is 61,152.95 Band D Equivalents, an increase of 442.17 (0.7%) compared to 2020/21. The draft budget estimate for Council Tax income for SSDC is therefore 61,152.95 x £175.26 = £10,717,653. This represents an increase of £381,036 compared to the previous year. The estimate is calculated as follows:

	£
Council Tax Income Budget 2020/21	10,336,617
Increase due to change in Tax Base (Band D equivalents)	75,283
Increase due to proposed 2.91% increase in Tax Base	305,753
Estimated Council Tax Income 2021/22	10,717,653

27. As a billing authority, SSDC has to calculate a basic level of tax based on its own spending plans, to which is added the precepts from Somerset County Council, Devon and Somerset Fire Authority, Avon and Somerset Police Authority and any town/parish council.
28. The actual total of Council Tax for South Somerset residents will be calculated once all precepting authorities have notified SSDC of their proposals. The recommended total Council Tax will be submitted to Full Council on 25 February 2021 for consideration.

Estimates for Future Years Band D Council Tax

29. The current estimate within the Medium Term Financial Plan is that Council Tax levels will remain in line with expected Government increases of 1.99% for 2022/23 onwards. For financial planning purposes, finance officers expect the Government to assume local authorities will maximise their council tax opportunities (core funding) when assessing future finance settlements.

Business Rates Retention (Non-Domestic Rates)

30. Local authorities receive a significant proportion of their funding through the Business Rates Retention (BRR) system. The Council must set its business rates budget estimate by 31 January each year, and the Council has delegated responsibility for this to the S151 Officer because of the considerable time constraints in place. The Draft Budget includes the BRR estimate approved by the S151 Officer in January prior to competing this report.
31. We applied to continue in a Business Rates Pool with our district and county partners, and we have ratified that decision in January 2021. We are currently reviewing the terms of the agreement between the various councils and have pledged to look at the sharing of pooling gains in future years.
32. As we are no longer in a Pilot Scheme the distribution of Business Rates reverts to standard shares as follows:

BRR Standard Shares	2021/22 50% system
Districts	40%
County	9%
Fire Authority	1%
Government	50%

33. We are in the fourth year of the 2017 rating list and have more data to support the “Check, Challenge, Appeal” arrangements introduced by the Valuation Office in 2017. We would expect to have a more robust position to make an assessment of the appeal provision that we should hold. This assumption has, however, been made exponentially more difficult due to the impact of Covid-19. We have had to take a pragmatic view of how many businesses will appeal their business rates valuation due to a change in their circumstances and with the market as a whole. We have decided that our appeals provision needs increasing to protect us from this risk. We also hold the Business Rates Smoothing Reserve which provides a means of mitigating Business Rates volatility. Together, these mitigations give us a prudent stance.
34. This Budget report includes the 2021/22 business rates budget estimate (NNDR1). However, all the authorities within the Somerset Pool must complete their NNDR1 before an estimated pooling gain can be calculated. We have therefore, not included an estimate of this gain. We are, however, confident that a gain is achievable and likely but with the ongoing pandemic and the uncertainty surrounding the districts’ businesses it is prudent to take a cautious view and treat any gain as a windfall to help fund our ambitious regeneration programmes.
35. The table below shows total business rates income projected for 2021/22 is £5.825m, as summarised.

	2021/22 £'000
40% Standard share of net business rates income	-18,051
100% Renewable energy schemes business rates income	-466
S31 grant compensation for Government-funded reliefs	-2,504
Tariff payment	13,864
Levy cost	1,332
Safety net income	0
Net Retained Business Rates Funding	-5,825
Estimated Pooling Gain	0
Total BRR Funding Estimate	-5,825

2021/22 Budget and MTFP Update

36. The Medium Term Financial Plan (MTFP) summarises our estimates of costs and funding, and the impact of the Council’s plans for the medium to long-term. The MTFP for South Somerset summarised in this report covers a five-year period.



South Somerset District Council

The Plan links the resources required to deliver the Council Plan and the Council's strategies.

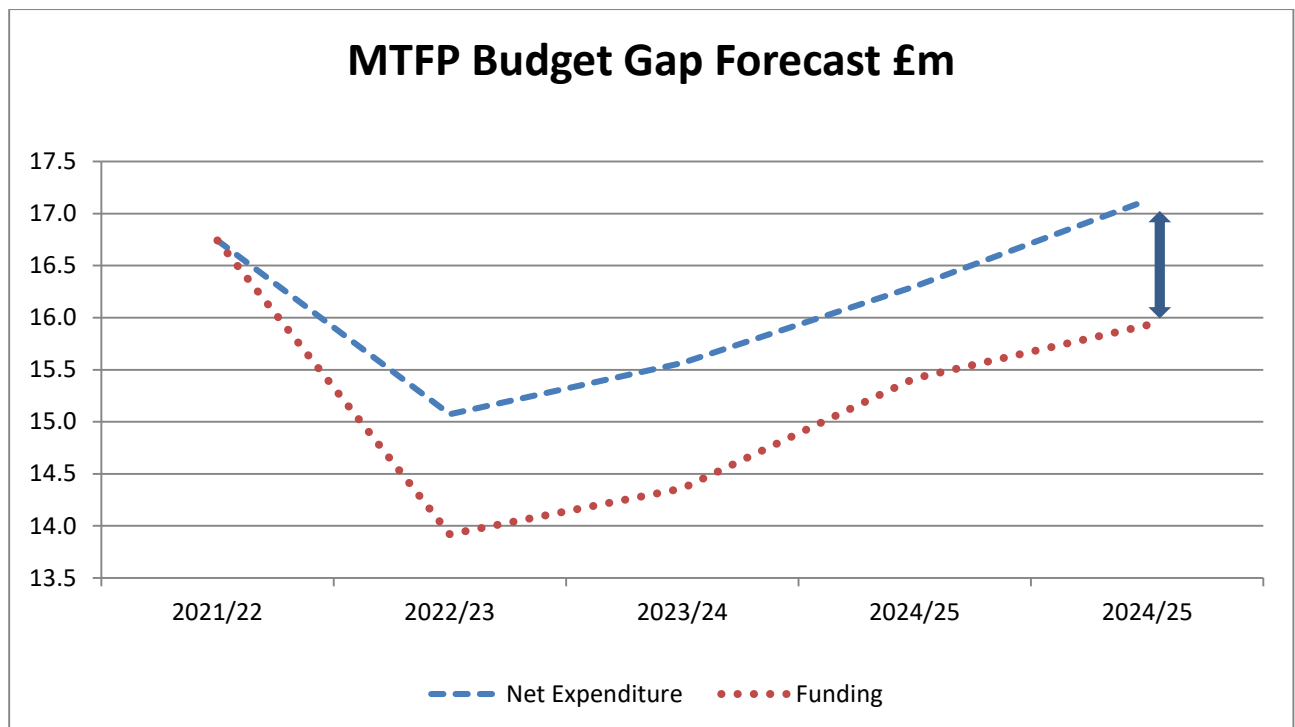
37. The table below summarises the Draft Budget for 2021/22 and MTFP projections for subsequent years (*NB. these figures are subject to roundings*):

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Base Budget B/F	15,207	16,743	15,071	15,565	16,299
Incremental Changes:					
Employment Cost Inflation	915	336	436	352	394
Inflation allowance on contracts	194	179	180	180	180
Unavoidable budget pressures	355	200	200	200	200
Planned savings	0	-96	-150	-58	-14
Investment Income & Revenue effects of Capital Programme	-990	-1,100	58	59	69
Other	1,063	-1,190	-230	0	0
Total Budget Requirement	16,743	15,071	15,565	16,299	17,128

(Negative figures = income / cost reductions, positive figures = cost increases / income reductions)

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Total Budget Requirement (per Table above)	16,743	15,071	15,565	16,299	17,128
Funded By:					
Revenue Support Grant	0	327	327	327	327
Rural Services Delivery Grant	-175	-175	-175	-175	-175
Lower Tier Services Grant (new 2021/22)	-156	0	0	0	0
New Homes Bonus Grant	-1,171	0	0	0	0
Business Rates Retention	-5,825	-3,818	-3,902	-3,986	-4,116
Collection Fund Surplus - Business Rates	8,886	546	546	0	0
Council Tax - SSDC	-10,831	-11,275	-11,633	-12,004	-12,385
Less: Council Tax Paid to SRA	113	115	117	118	120
Collection Fund Deficit - Council Tax	112	60	60	0	0
Sub-total: Funding	-9,046	-14,218	-14,659	-15,719	-16,229
Other Reserve Transfers					
MTFP Support Fund Reserve	425	0	0	0	0
BRR Volatility Reserve	-8,886	0	0	0	0
Other Earmarked Reserves	764	300	300	300	300
General Reserves	0	0	0	0	0
Sub-total: Reserves	-7,697	300	300	300	300
Total Funding	-16,743	-13,918	-14,359	-15,419	-15,929
Budget Gap / (-)Surplus	0	1,153	1,207	880	1,200
Budget Gap Increase on Prior Year		1,153	53	-327	320

38. A graph of the Budget Gap is shown below:



39. We continue to address the future budget gaps with a combination of sound management actions and a Commercial Strategy that provides opportunity to invest in purchases which give the Council much needed yield whilst still balancing the need to restrict risk.

40. With the approach we are taking and the cautious estimates we make in our budget forecasts we are confident that the future budget gaps can be addressed without the detriment of our core service provision. This is not however, a time to be complacent as the challenge for 2022/23 is currently a gap of £1.153m which is material.

Assumptions Made

41. Expenditure, income and funding estimates are based on a range of assumptions including:

	2021/22	2022/23	2023/24	Notes
Inflation	contractual obligations	contractual obligations	contractual obligations	Assumes average inflation 2%
Pay	2%	2%	2%	Assumes average annual pay award 2%; increments impact neutral.



	2021/22	2022/23	2023/24	Notes
Council Tax	2.91% per Band D	1.99% per Band D	1.99% per Band D	Assumes £5 per Band D in 21/22 (2.99%), then annual rises of less than 2%
Business Rates	50% BRR system	50% BRR system	50% BRR system	50% BRR system pending anticipated reform of the business rates funding system from April 2022.
Pensions	17.6% plus £1.411m lump sum	17.6% plus £1.462m lump sum	17.6% plus £1.515m lump sum	Assume employer's contributions increases as per actuarial valuation.
Revenue Support Grant	£0	-£327K	£-327K	Provisional settlement confirmed negative RSG will be offset in 21/22.
New Homes Bonus	-£1.2m grant	£0m grant	£0m grant	Based on provisional figures for 21/22 and no future year NHB or legacy payments going forward.

(Negative figures = income increases / cost reductions, positive figures = increased costs / income reductions)

Revenue Budget 2021/22

42. Appendix A provides the detailed budgets for the four Area Committees and the District Executive. Once approved by Full Council, these represent the financial plans that the Executive will manage under their delegated authority and monitor in accordance with the Financial Procedure Rules.

Savings

43. Savings plans are outlined in Appendix B. It is proposed that significant variations between planned and achieved savings are reported as part of the budget monitoring process.
44. A review of fees and charges has been undertaken to ensure that they are keeping pace with inflation and generate additional revenue to meet income generation targets. We have made a decision to remove the annual income increase target of £75k for 2021/22 in light of the current pandemic and the difficulties surrounding income generation. This target has been reinstated for 2022/23.
45. We have also delayed the savings targets for the countryside projects at the Yeovil Recreational Ground and Ninesprings. The work has been delayed on these projects and the savings have therefore been pushed back by one year.

Unavoidable Budget Pressures

46. Unavoidable budget pressures are detailed in Appendix C. The pressures identified for 2021/22 total £354.5k, which includes the removal of the external



Covid related pressures

47. It is apparent that the impact of the pandemic will not be contained within the 2020/21 budget period. To ensure the budget is on a robust setting the pressures shown below have been added to the 2021/22 pressures in the anticipation that they will be removed in 2022/23.

	£'000
Reduction in carparking income	459.0
Reduction in Octagon net income	456.9
Reduction in Westlands net income	304.0
Tourism	30.0
Yeovil Innovation Centre	30.0
Delayed saving in relation to Transformation	100.0
Total	1,379.9

Spending Priorities and Other Allocations

48. The 2021/22 budget also includes an allocation of funding of £40k for the provision of a Planning Ecologist in a 12-month post. This is deemed necessary due to the restrictions and challenges regarding the Levels and Moors planning requirements in relation to phosphates.

Earmarked Reserves

49. Earmarked Reserves are funds that have been approved for specific costs and contingencies but not yet spent. Examples can include things such as Government grants received in one year that will be used to fund projects or service costs in subsequent financial year(s). A periodic review of reserves is good practice.
50. The total earmarked reserves balance as at December 2020 was £40.9m. This included £18.2m of capital receipts together with an array of revenue reserves totalling £22.5m as detailed below.

Capital Reserves	Balance as at 31/12/2020 £'000	Anticipated Movement £000	Expected Balance as at 1/04/2021 £'000
Usable Capital Receipts	-18,247	0	-18,247
Internal Borrowing Reserve	-203	0	-203
Total	-18,450	0	-18,450



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Revenue Reserves	Balance as at 31/12/2020 £'000	Anticipated Movement £000	Expected Balance as at 1/04/2021 £'000
Capital Reserve	-1,096	0	-1,096
Cremator Replacement Capital Reserve	-549	0	-549
Internal Borrowing Repayments	-321	0	-321
Election Reserve	-174	0	-174
Sports Facilities Reserve	-41	0	-41
Yeovil Athletic Track Repairs Fund	-179	0	-179
Planning Delivery Reserve	-16	0	-16
Bristol to Weymouth Rail Reserve	-74	0	-74
Yeovil Refresh Reserve	-112	0	-112
IT Replacement Reserve	-10	0	-10
Insurance Fund	-50	0	-50
Transformation Reserve	-92	0	-92
Treasury Management Reserve	-600	-50	-650
Revenue Grants Reserve	-453	0	-453
Medium Term Financial Plan Support Fund	-3,277	-425	-3,702
Council Tax/Housing Benefits Reserve	-842	0	-842
Closed Churchyards Reserve	-15	0	-15
Health Inequalities	-31	0	-31
Deposit Guarantee Claims Reserve	-3	0	-3
Park Homes Replacement Reserve	-256	0	-256
Planning Obligations Admin Reserve	-30	0	-30
Artificial Grass Pitch Reserve	-146	0	-146
Business Support Scheme (Flooding)	-111	0	-111
Regeneration Fund	-3,203	0	-3,203
NNDR Volatility Reserve	-2,696	-100	-2,796
Ticket Levy Reserve	-92	0	-92
Waste Reserve	-100	0	-100
Community Housing Fund	-171	0	-171
Community Safety Reserve	-47	0	-47
Housing & Homelessness Reserve	-457	0	-457
Commercial Investment Risk Reserve	-6,300	-250	-6,550
Spatial Policy Reserve	-254	0	-254
YIC Maintenance Reserve	-40	0	-40
Climate Change Fund	-227	0	-227
Community Initiatives Reserve	-163	0	-163
Local Government Change Reserve	-199	0	-199
Community Resilience Reserve	-50	0	-50
Covid Recovery Reserve (NEW)	0	-464	-464
Total Usable Reserves	-22,479	-1,289	-23,768

(Negative Figures = income, Positive figures = costs)

NB. Contains roundings

General Fund Balances

51. General Fund Balances represent accumulated revenue surpluses. The table below shows the current position on the General Fund Balance from what is known to date. Members will be aware that we have seen significant cost pressures on our budgets and these are reflected in the projected overspend. This is in part offset by some of the Central Government Covid grant funding and the Income Compensation Claim. We are anticipating two future claims from the Compensation Scheme which will further mitigate the pressure.

	£'000
Balance at 1st April 2020	-5,099
Area & Economic Development Balances	115
2020/21 Carry Forwards	341
Commitments	252
Current Estimated overspend in 2020/21 (worst case call on reserves)	2,547
Support for 2020/21 Budget	883
COVID Grant Funding Balance	-1,485
Unallocated General Fund Balance at 31st December 2020	-2,446
Income Compensation Claim 2 (August to November)	-446
Unallocated General Fund Balance at 31st December 2020 (Including claim)	-2,892

Business Rates Surplus/Deficit and Volatility Reserve

52. Experience shows that Business Rates Retention (BRR) Funding can be volatile from one year to the next, and it is prudent to hold adequate funds in the Volatility Reserve to mitigate this risk and avoid a large unplanned reduction in funding for services. In addition, there are accounting timing differences for different parts of the BRR system, which we 'smooth out' through this reserve.

53. The current projected balance on the Volatility Reserve is c£2.796m. We seek to maintain this balance at a minimum of £2.5m each year and therefore the current level is sufficient although we are mindful that, as previously detailed, this is a volatile time for business rates receipts.

54. It is notable that for 2021/22 the Collection Fund deficits that relate to 2020/21 must be split over three years to smooth the impact on councils. This is a policy which has been introduced by Central Government in recognition of the impact of the pandemic. Members will therefore see the 2020/21 deficits on Council Tax receipts and Business Rates receipts split over the years 21/22; 22/23 and 23/24.

Covid Recovery Reserve

55. The 2021/22 Draft Budget includes an allocation of budget to a new COVID Recovery Reserve of £464,140. This allocation of funding will help the Council to



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implement its Recovery Plan in the aftermath of the pandemic, supporting our communities and re-building our local economy.

Capital Strategy

56. The Capital Strategy outlines how SSDC will utilise its capital resources to deliver the Council Plan and key strategies. SSDC held £18.2m in capital receipts at the end of the December 2020. However, the Authority has a considerable requirement for capital resources through its Commercial Investment Strategy.
57. Each capital bid received requesting funding in 2021/22 was reviewed to assess the source of funding that may be appropriate, such as:
 - The service paying for the asset - through internal loans, building up a replacement fund from revenue budgets, or similar;
 - Use of the New Homes Bonus – can we reduce reliance for the revenue budget, and direct funding towards infrastructure and regeneration investment;
 - Use capital reserves - for schemes that are true community benefit / social value schemes where there is no prospect of self-funding;
 - Investment properties – application of the commercial strategy as already agreed.
58. The Executive has delegated authority to approve the use of up to 5% of capital receipts in any one year. Approvals beyond this sum must be agreed through full Council.
59. SSDC will utilise its own internal cash wherever possible to maximise its treasury management efficiency and minimise costs in the short to medium term. However, the Treasury Management Strategy currently allows borrowing of up to £165m, reflecting plans for commercial investments and regeneration schemes. A request for this to be increased to £205m has been requested as part of the Capital Investment and Treasury Management Strategy report.

Capital Programme 2021/22 to 2024/25

60. Members are requested to approve capital bids totalling £7.787m for the years 21/22 and beyond. The request relating to 2021/22 is £3.092m. Full details of the revised Capital Programme are shown in Appendix D; new schemes are shown in bold and italics type, with previously approved schemes in ordinary type. A summary of recommended schemes is included at Appendix E. Attached at Appendix F are the Capital Investment Appraisal forms for all new schemes.

Funding the Capital Programme for 2021/22 - 2022/23

The table below shows how the 2021/22 Capital Programme will be financed: -

	2021/22 £'000	2022/23 £'000
Gross Capital Programme Spend	19,728	2,442
Gross Reserve Scheme Spend	7,482	51,364
Total Capital Programme to be Financed	27,210	53,806
Financed by:-		
Capital Grants, Contributions & Loan Repayments as detailed on Programme	4,979	2,662
Grants & Other Contributions in Reserves	38	0
Useable Capital Receipts / Borrowing	22,193	51,144
Total Financing	27,210	53,806

Robustness of the Budget and Adequacy of Reserves

61. The Local Government Act 2003 Section 25 includes a specific duty on the Chief Finance Officer (Section 151 Officer) to make a report to the Authority when it is considering its annual budget and council tax levels. The report must deal with the robustness of the estimates and the adequacy of the reserves included within the budget. (For the purpose of the Act 'reserves' includes 'general fund balances'.) The Act requires the Council to have regard to the report in making its decisions at the Council's budget and council tax setting meeting in respect of 2021/22.
62. Budget estimates for 2021/22 are assessments of spending and income made at a point in time, based on service needs and known expenditure patterns. The statement about the robustness of estimates cannot give a guaranteed assurance about the budget, but gives Members reasonable assurances that the budget has been based on the best available information and assumptions. It reflects commitments necessary to maintain service levels, and with demand-led budgets this inevitably entails a degree of judgement.
63. In order to meet the requirement of assessing the robustness of estimates the Section 151 Officer will consider and rely upon the key processes that have been put in place:
 - peer review by finance staff involved in preparing the standstill base-budget, i.e. the existing budget plus contractual inflation;
 - the use of in-year budget monitoring to re-align budgets in line with projected changes during 2020/2021;
 - a medium term planning process that highlights priority services;
 - a review of the corporate risk register;



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- a service review by the Cabinet, Senior Leadership Team and Budget Managers of detailed budget and proposed savings and their achievability; and
 - Finance staff providing advice throughout the process on robustness, including vacancy factors, increments, current demand, and income levels.
64. There has been a significant degree of scrutiny of the proposed budgets and savings by:
- The finance team – with several staff holding professional accountancy qualifications
 - Senior Leadership Team and Leadership group
 - Portfolio Holders
 - Scrutiny Committee
65. These examinations of the budgets have led to refinements and provide considerable assurance about the robustness of the estimates.
66. There remain some key risks within the budget and medium term forecasts that will be managed by officers and/or portfolio holders as summarised below:
- a) Service Income: The financial strategy includes targets for increased service income. Proposed budgets for 2021/22 have been increased to reflect updated fees and charges – in line with the financial strategy target assumptions – and estimates of demand for services. Whilst the assumptions result in prudent income forecasts there is a risk of income volatility. The General Reserves balance provides some contingency in case of in year reductions in income. [Director – Commercial Services and Income Generation]
 - b) Commercial Investment: The budget and medium term financial plan has been updated to reflect property acquisitions completed up to mid-January 2021. Future acquisitions when completed, in line with the agreed Commercial Strategy, will provide additional net income which will be added to budget estimates incrementally upon completion. As with any investment there is a risk of volatility, and the reserves strategy seeks to ensure adequate funds are held to mitigate this risk. [Director – Commercial Services and Income Generation]
 - c) Treasury Investments: In line with the Treasury Strategy we have marginally increased the proportion of cash reserves held in strategic investments that we intend to hold for the long term and increase the total investment income received each year. The balance of these investments now stands at £23.5m. The Treasury Strategy outlines our continued intention to hold and increase, where possible, strategic investments. As with any investment there is a risk of volatility. There is also a change in accounting regulations in relation to revaluation risk in the medium term for investments held, after a period of statutory override to 2021/22. It is proposed to set aside a proportion of



increased yield into a Treasury Investment Volatility contingency reserve each year to provide resilience for such impacts. [S151 Officer]

- d) **Borrowing:** The capital programme for services and commercial investment exceeded capital reserves during 2020/21, and thus required borrowing to support the priorities and ambitions of the Council's plans. Currently the capital borrowing requirement is being supported through short term loans from other Local Authorities. As capital expenditure increases the Council will need to raise increased funds through loans, and budget estimates incorporate the costs of borrowing based on projected PWLB interest rates, as a proxy. Financing will be managed in line with our treasury and capital strategies which follow the Prudential Code and good practice. [S151 Officer]
- e) **Inflation:** Cost estimates within the MTFP include assumptions for increases in pay, utilities, contracts and general prices for goods and service. The three largest elements are: (i) salaries, projected to increase by 2% per annum, (ii) pension deficit contributions as set by the actuary with fixed annual contributions, (iii) the waste services contract. Volatility in inflation costs could impact on service costs, and will require careful monitoring to inform future budget setting and in-year monitoring. The MTFP assumes an average 2% inflation increase year on year which is considered a reasonable long term estimate, slightly below short term economic forecasts but in line the Government's long term target. Inflation at 3% rather than 2% would add around £96k to budgeted costs, and a 1% change in staff pay estimates would cost around £139k. [S151 Officer / Budget Holders]
- f) **Housing Benefit Subsidy:** is administered on behalf of Central Government by SSDC and a grant reimburses expenditure incurred. Approximately £27m in benefit is paid out and the grant normally accounts for 100% of this, however adjustments reducing the grant are made for local authority errors. A contingency for unfunded errors is included within earmarked reserves. [S151 Officer]
- g) **Finance Settlement Funding:** The current MTFP reflects the announcements in the Provisional Settlement for 2021/22. There is significant uncertainty regarding the funding position for 2022/23 onwards, with the funding system due to be updated following the Spending Review, Fair Funding Review and Business Rates Retention reform – all due to be implemented from April 2022. [S151 Officer]
- h) **Business Rates Retention (BRR):** BRR Funding is based on the estimates complete in January each year. Estimates reflect anticipated growth, mandatory and discretionary discounts/reliefs and collection rates. Financial provisions are made for potential losses for appeals and other reductions, however experience shows that business rates funding can be volatile despite prudent estimates. There are also timing differences between financial years inherent in the required accounting arrangements. The Council seeks to mitigate the budget risk of reductions in funding by holding funds in a Business Rates Volatility Reserve. [S151 Officer]

- i) Business Rates Pooling: The County and four Districts in Somerset form the Somerset Business Rates Pool which commenced in 2018/19 and will continue in 2021/22. Pooling seeks to reduce the levy paid to Government on growth in business rates income above the funding baseline. The pool will distribute gains from levy savings in the form of a 'dividend' at the end of each financial year. Being in a pool increases risk with a lower safety net. In mitigation the Pool plans to cover individual authority safety net costs from pooling gains before any dividend is issued. However, there is no guarantee the gains will be sufficient to cover large scale losses. The risk is considered to be low in this respect, but will be carefully monitored. The proposed budget for 2021/22 does not include an estimate for a pooling gain. This is due to the uncertain economic climate we find ourselves in. We are anticipating a pooling gain but are taking the prudent approach that this should be taken as a "windfall" if it crystallises. It will be set aside to help fund our regeneration programmes. The nature of the Regeneration Programmes is such that schemes will take some time to plan and deliver, reducing the risk of needing the funding before it is received. [S151 Officer]
 - j) Covid-19: A continued downturn in the economy would impact on our key income streams including business rates. We have mitigated some of the ongoing risks to our income streams by reducing the anticipated income budgets in some of the areas such as car parking where we have seen the biggest impact. We are mindful that the assumptions we have made may still be exceeded if the pandemic continues and the recovery of our local economy is delayed. [S151 Officer]
67. General reserves remain above the required minimum balance, and the proposed budget for 2021/22 does not rely on general reserves to cover service costs. The Reserves balance is projected to remain above the recommended minimum, provided the financial strategy income targets are met on a timely basis.
68. Existing earmarked reserves have not been reviewed in detail this year. However, the draft budget includes proposed transfers to treasury and commercial risk management reserves to build financial resilience in these areas. There is also a transfer to a new Covid Recovery Reserve in 2021/22 to support the Council's Recovery Plan which was put forward during 2020/21.

S151 Officer Conclusion:

69. Overall, the process for the formulation of budgets, together with the level of challenge and sensitivity analysis undertaken provides a reasonable assurance of the robustness of the budget as presented. The Council has made good progress in meeting the savings targets within the Financial Strategy, largely as a result of the Commercial Strategy. The Council is able to set a balanced budget for 2021/22 including prudently boosting reserves for specific financial risks. The budget maintains services, maximises efficiencies and aims to respond to the current and future financial pressures. This has been particularly apparent in our response to the pandemic whereby we have redeployed staff to support our



communities through the administration of business grants; benefits; homelessness provision etc. This has only been possible because of our robust financial standing and our ability to divert funds and staff resource in times of crisis.

70. Despite the excellent progress towards meeting the savings requirement, the medium term outlook remains a concern with a Budget Gap rising from £1.153m in 2022/23 to an estimated £1.199m by 2025/26. The Financial Strategy outlines the need to deliver further income generation to address the residual gap. It is essential that the Senior Leadership Team and Councillors continue to drive forward this approach in order to secure long-term financial sustainability and avoid the need for other measures such as service cuts. It has been well publicised that CIPFA and the Government are closely monitoring the growth in commercial investment activity by local authorities. They have issued guidance and reiterated the principles of the Prudential Code in order to discourage reckless commercial activity. There has also been a seismic shift in the availability of Public Works Loans Board (PWL) borrowing which, for the most part, is now no longer readily available to authorities who have Commercial investments in their future capital programmes. We are fully aware of the ramifications of this shift and understand the concerns which have driven it. We have, however, shown that we have experienced, professional commercial staff and a robust approval process for our commercial investments which reduces our exposure to risk and sets us apart from those authorities who have been less prudent and have found themselves in financial difficulty due to their commercial investments. Although we have not used PWLB as a funding source in the past, we are aware that its removal as an option could increase our funding risk. We are therefore exploring other sources and means of funding to ensure we are maximising our returns whilst mitigating funding risk. It will be important to keep Members apprised of this work.
71. The level of reserves and balances have been reviewed in light of the risks outlined in this report and are currently predicted to remain at the required level.
72. We expected 2020/21 to be an important year for announcements in respect of local authority funding, and the impact of the Spending Review, Fair Funding Review and Business Rates funding reform. This has not happened due to the pressures on Central Government of Brexit and the pandemic. We expect these reviews to take place during 2021/22 and we will review and update our Financial Strategy accordingly when the details are known.

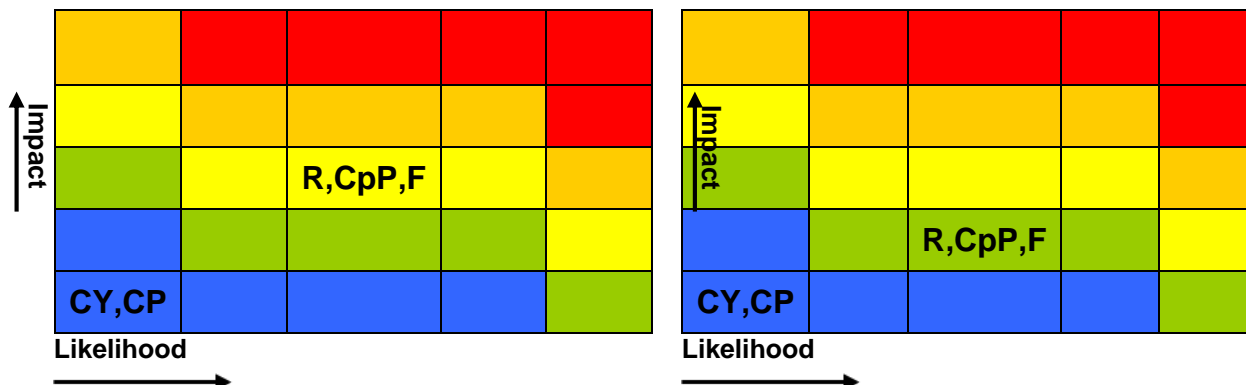
Financial Implications

73. This report contains financial implications throughout.

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	Orange = Major impact and major probability
Priorities	Yellow = Moderate impact and moderate probability
CP = Community Priorities	Green = Minor impact and minor probability
CY = Capacity	Blue = Insignificant impact and insignificant probability
F = Financial	

Council Plan Implications

74. The MTFs and MTFP incorporate costs, income and funding implications directly related to the delivery of the Council's aims and priorities. The Council Plan for 2021/22 is due to be presented to Council for approval in February at the same time as the final budget.

Carbon Emissions and Climate Change Implications

75. Not applicable within this report.

Equality and Diversity Implications

76. Not applicable within this report.

Privacy Impact Assessment

77. There are no specific privacy impacts in respect of this report. Individual budget changes will be assessed and salient comments included in budget update reports through the budget setting process.



Background Papers

78. The following reports may provide helpful background information in support of this report:

- 2021/22 Draft Budget and Medium Term Financial Plan Update (District Executive January 2021)
 - Financial Strategy 2020/21 (District Executive August 2020 and Dec 2020)
 - 2021/22 Draft Budget and Medium Term Financial Plan Update (District Executive Dec 2020)
 - 2020/21 Treasury Management Mid-Year Performance Report and Strategy Update (District Executive 19 November 2020)
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2021-22 Budget Detail

APPENDIX A

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
STRATEGIC MANAGEMENT												
Chief Executive : Alex Parmley												
MANAGEMENT BOARD	Expenditure	533,160	113,440	0	0	0	0	0	0	0	0	646,600
	Income	(17,500)	0	0	0	0	0	0	0	0	0	(17,500)
Portfolio Holder : Cllr Val Keitch	TOTAL	515,660	113,440	0	0	0	0	0	0	0	0	629,100
TRANSFORMATION	Expenditure	(150,000)	0	0	0	150,000	0	0	0	0	0	0
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Val Keitch	TOTAL	(150,000)	0	0	0	150,000	0	0	0	0	0	0
TOTAL STRATEGIC MANAGEMENT	Expenditure	383,160	113,440	0	0	150,000	0	0	0	0	0	646,600
	Income	(17,500)	0	0	0	0	0	0	0	0	0	(17,500)
	TOTAL	365,660	113,440	0	0	150,000	0	0	0	0	0	629,100
TOTAL CHIEF EXECUTIVE	Expenditure	383,160	113,440	0	0	150,000	0	0	0	0	0	646,600
	Income	(17,500)	0	0	0	0	0	0	0	0	0	(17,500)
	TOTAL	365,660	113,440	0	0	150,000	0	0	0	0	0	629,100
STRATEGY & COMMISSIONING												
Director: Netta Meadows												
STRATEGIC PLANNING												
Service Manager : Jan Gamon												
PROCUREMENT, CONTRACT & RISK MANAGEMENT	Expenditure	56,240	1,750	100	0	0	0	0	0	0	0	58,090
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Val Keitch	TOTAL	56,240	1,750	100	0	0	0	0	0	0	0	58,090
PLACE PLANNING	Expenditure	404,490	15,290	0	0	770	0	0	0	0	0	420,550
	Income	(98,180)	(8,950)	0	0	0	0	0	0	0	0	(107,130)
Portfolio Holder : Cllr Val Keitch	TOTAL	306,310	6,340	0	0	770	0	0	0	0	0	313,420
SPORT FACILITIES	Expenditure	481,490	0	900	0	0	0	0	0	0	0	482,390
	Income	(240,510)	0	0	0	0	0	0	0	0	0	(240,510)
Portfolio Holder : Cllr Val Keitch	TOTAL	240,980	0	900	0	0	0	0	0	0	0	241,880
CIVIL CONTINGENCIES & HEALTH & SAFETY	Expenditure	62,980	0	0	0	0	0	0	0	0	0	62,980
	Income	(6,110)	0	0	0	0	0	0	0	0	0	(6,110)

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
Portfolio Holder : Cllr Val Keitch	TOTAL	56,870	0	0	0	0	0	0	0	0	0	56,870
DEMOCRATIC SERVICES	Expenditure	667,300	570	0	0	0	0	0	0	0	0	667,870
	Income	(1,400)	0	0	0	0	0	0	0	0	0	(1,400)
Portfolio Holder : Cllr Peter Seib	TOTAL	665,900	570	0	0	0	0	0	0	0	0	666,470
ELECTIONS	Expenditure	211,430	310	0	0	0	0	0	0	0	0	211,740
	Income	(8,020)	0	0	0	0	0	0	0	0	0	(8,020)
Portfolio Holder : Cllr Peter Seib	TOTAL	203,410	310	0	0	0	0	0	0	0	0	203,720
PLANNING POLICY	Expenditure	770	0	0	0	(770)	0	0	0	0	0	0
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Val Keitch	TOTAL	770	0	0	0	(770)	0	0	0	0	0	0
VOLUNTARY, COMMUNITY & SOCIAL ENTERPRISE	Expenditure	284,260	310	0	0	0	0	0	0	0	(6,600)	277,970
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Val Keitch	TOTAL	284,260	310	0	0	0	0	0	0	0	(6,600)	277,970
TOTAL STRATEGIC PLANNING	Expenditure	2,168,960	18,230	1,000	0	0	0	0	0	0	(6,600)	2,181,590
	Income	(354,220)	(8,950)	0	0	0	0	0	0	0	0	(363,170)
	TOTAL	1,814,740	9,280	1,000	0	0	0	0	0	0	(6,600)	1,818,420
PERFORMANCE, PEOPLE & CHANGE												
Service Manager : Charlotte Jones												
PERFORMANCE, PEOPLE & CHANGE	Expenditure	498,450	(152,210)	0	0	0	0	0	0	0	0	346,240
	Income	(132,000)	122,700	0	0	0	0	0	0	0	0	(9,300)
Portfolio Holder : Cllr Val Keitch	TOTAL	366,450	(29,510)	0	0	0	0	0	0	0	0	336,940
TOTAL PERFORMANCE, PEOPLE & CHANGE	Expenditure	498,450	(152,210)	0	0	0	0	0	0	0	0	346,240
	Income	(132,000)	122,700	0	0	0	0	0	0	0	0	(9,300)
	TOTAL	366,450	(29,510)	0	0	0	0	0	0	0	0	336,940
COMMUNICATIONS, MARKETING & MEDIA												
Service Manager : Richard Birch												
COMMUNICATIONS	Expenditure	94,290	2,880	0	0	0	0	0	0	0	0	97,170
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Val Keitch	TOTAL	94,290	2,880	0	0	0	0	0	0	0	0	97,170
TOTAL COMMUNICATIONS, MARKETING & MEDIA	Expenditure	94,290	2,880	0	0	0	0	0	0	0	0	97,170
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	94,290	2,880	0	0	0	0	0	0	0	0	97,170

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
STRATEGY & COMMISSIONING - LEAD SPECIALISTS												
Service Manager : Netta Meadows												
STRATEGY & COMMISSIONING - LEAD SPECIALISTS	Expenditure	214,190	20	0	0	0	0	0	0	0	0	214,210
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Val Keitch	TOTAL	214,190	20	0	0	0	0	0	0	0	0	214,210
TOTAL STRATEGY & COMMISSIONING - LEAD SPECIALISTS	Expenditure	214,190	20	0	0	0	0	0	0	0	0	214,210
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	214,190	20	0	0	0	0	0	0	0	0	214,210
STRATEGY & COMMISSIONING - CASE OFFICERS												
Service Manager : Jan Gamon												
STRATEGY & COMMISSIONING - CASE OFFICERS	Expenditure	372,610	35,040	0	0	0	0	0	0	0	0	407,650
	Income	0	(34,290)	0	0	0	0	0	0	0	0	(34,290)
Portfolio Holder : Cllr Val Keitch	TOTAL	372,610	750	0	0	0	0	0	0	0	0	373,360
TOTAL STRATEGY & COMMISSIONING - CASE OFFICERS	Expenditure	372,610	35,040	0	0	0	0	0	0	0	0	407,650
	Income	0	(34,290)	0	0	0	0	0	0	0	0	(34,290)
	TOTAL	372,610	750	0	0	0	0	0	0	0	0	373,360
TOTAL STRATEGY & COMMISSIONING	Expenditure	3,348,500	(96,040)	1,000	0	0	0	0	0	0	(6,600)	3,246,860
	Income	(486,220)	79,460	0	0	0	0	0	0	0	0	(406,760)
	TOTAL	2,862,280	(16,580)	1,000	0	0	0	0	0	0	(6,600)	2,840,100
SUPPORT SERVICES												
Director: Netta Meadows												
SUPPORT SERVICES - CASE												
Service Manager : Sara Kelly												
SUPPORT SERVICES - CASE OFFICERS	Expenditure	917,140	29,720	0	0	0	0	0	0	0	0	946,860
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Peter Seib	TOTAL	917,140	29,720	0	0	0	0	0	0	0	0	946,860
SUPPORT SERVICES - CASE WORK	Expenditure	360,840	0	0	0	(50,000)	0	0	0	0	0	310,840
	Income	(55,470)	0	0	40,000	0	0	0	0	0	0	(15,470)
Portfolio Holder : Cllr Peter Seib	TOTAL	305,370	0	0	40,000	(50,000)	0	0	0	0	0	295,370
TOTAL SUPPORT SERVICES - CASE	Expenditure	1,277,980	29,720	0	0	(50,000)	0	0	0	0	0	1,257,700
	Income	(55,470)	0	0	40,000	0	0	0	0	0	0	(15,470)
	TOTAL	1,222,510	29,720	0	40,000	(50,000)	0	0	0	0	0	1,242,230

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
SUPPORT SERVICES - LEAD SPECIALISTS												
Service Manager : Netta Meadows												
SUPPORT SERVICES - LEAD SPECIALISTS	Expenditure	459,190	42,540	0	0	0	0	0	0	0	0	501,730
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Peter Seib	TOTAL	459,190	42,540	0	0	0	0	0	0	0	0	501,730
TOTAL SUPPORT SERVICES - LEAD SPECIALISTS	Expenditure	459,190	42,540	0	0	0	0	0	0	0	0	501,730
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	459,190	42,540	0	0	0	0	0	0	0	0	501,730
SUPPORT SERVICES - SPECIALISTS												
Service Manager : Lisa Davis												
SUPPORT SERVICES SPECIALISTS	Expenditure	1,043,600	216,370	0	0	0	0	0	0	0	0	1,259,970
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Peter Seib	TOTAL	1,043,600	216,370	0	0	0	0	0	0	0	0	1,259,970
TOTAL SUPPORT SERVICES - SPECIALISTS	Expenditure	1,043,600	216,370	0	0	0	0	0	0	0	0	1,259,970
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	1,043,600	216,370	0	0	0	0	0	0	0	0	1,259,970
SUPPORT SERVICES - FUNCTIONS												
Service Manager : Lisa Davis												
FINANCE CORPORATE COSTS	Expenditure	2,621,600	300,200	12,130	0	(100,000)	0	20,000	0	(31,710)	100,000	2,922,220
	Income	(2,177,240)	0	0	0	0	0	20,000	0	(520,730)	0	(2,677,970)
Portfolio Holder : Cllr Peter Seib	TOTAL	444,360	300,200	12,130	0	(100,000)	0	40,000	0	(552,440)	100,000	244,250
SUPPORT SERVICE FUNCTIONS	Expenditure	1,006,130	5,000	10,000	39,000	0	0	0	0	0	(235,000)	825,130
	Income	(121,850)	0	0	0	0	0	0	0	0	0	(121,850)
Portfolio Holder : Cllr Peter Seib	TOTAL	884,280	5,000	10,000	39,000	0	0	0	0	0	(235,000)	703,280
TOTAL SUPPORT SERVICE - FUNCTIONS	Expenditure	3,627,730	305,200	22,130	39,000	(100,000)	0	20,000	0	(31,710)	(135,000)	3,747,350
	Income	(2,299,090)	0	0	0	0	0	20,000	0	(520,730)	0	(2,799,820)
	TOTAL	1,328,640	305,200	22,130	39,000	(100,000)	0	40,000	0	(552,440)	(135,000)	947,530
TOTAL SUPPORT SERVICES	Expenditure	6,408,500	593,830	22,130	39,000	(150,000)	0	20,000	0	(31,710)	(135,000)	6,766,750
	Income	(2,354,560)	0	0	40,000	0	0	20,000	0	(520,730)	0	(2,815,290)
	TOTAL	4,053,940	593,830	22,130	79,000	(150,000)	0	40,000	0	(552,440)	(135,000)	3,951,460
TOTAL DIRECTOR OF STRATEGY & SUPPORT SERVICES	Expenditure	9,757,000	497,790	23,130	39,000	(150,000)	0	20,000	0	(31,710)	(141,600)	10,013,610

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
	Income	(2,840,780)	79,460	0	40,000	0	0	20,000	0	(520,730)	0	(3,222,050)
	TOTAL	6,916,220	577,250	23,130	79,000	(150,000)	0	40,000	0	(552,440)	(141,600)	6,791,560
COMMERCIAL SERVICES & INCOME GENERATION												
Director: Clare Pestell												
ENVIRONMENTAL SERVICES												
Service Manager: Chris Cooper												
STREETSCENE	Expenditure	3,290,840	58,940	1,400	0	(2,270)	0	0	0	0	0	3,348,910
	Income	(1,528,670)	(5,250)	0	0	(4,650)	0	0	0	0	0	(1,538,570)
Portfolio Holder : Cllr Sarah Dyke	TOTAL	1,762,170	53,690	1,400	0	(6,920)	0	0	0	0	0	1,810,340
WASTE & RECYCLING	Expenditure	6,638,560	0	164,300	21,300	(950)	0	0	0	0	0	6,823,210
	Income	(1,850,580)	0	0	0	950	0	0	0	0	0	(1,849,630)
Portfolio Holder : Cllr Sarah Dyke	TOTAL	4,787,980	0	164,300	21,300	0	0	0	0	0	0	4,973,580
TOTAL ENVIRONMENTAL SERVICES	Expenditure	9,929,400	58,940	165,700	21,300	(3,220)	0	0	0	0	0	10,172,120
	Income	(3,379,250)	(5,250)	0	0	(3,700)	0	0	0	0	0	(3,388,200)
	TOTAL	6,550,150	53,690	165,700	21,300	(6,920)	0	0	0	0	0	6,783,920
ARTS & ENTERTAINMENT												
Service Manager : Adam Burgan												
OCTAGON	Expenditure	2,143,120	4,550	1,800	0	0	0	0	0	0	0	2,149,470
	Income	(1,827,600)	0	0	0	0	0	0	0	0	456,900	(1,370,700)
Portfolio Holder : Cllr John Clark	TOTAL	315,520	4,550	1,800	0	0	0	0	0	0	456,900	778,770

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
WESTLANDS	Expenditure	1,351,340	5,680	0	0	0	0	0	0	0	0	1,357,020
	Income	(1,216,010)	0	0	0	0	0	0	0	0	304,000	(912,010)
Portfolio Holder : Cllr John Clark		TOTAL	135,330	5,680	0	0	0	0	0	0	304,000	445,010
TOTAL ARTS & ENTERTAINMENT		Expenditure	3,494,460	10,230	1,800	0	0	0	0	0	0	3,506,490
	Income	(3,043,610)	0	0	0	0	0	0	0	0	760,900	(2,282,710)
TOTAL		450,850	10,230	1,800	0	0	0	0	0	0	760,900	1,223,780
LEISURE, RECREATION & TOURISM												
Service Manager : Katy Menday												
COUNTRYSIDE	Expenditure	638,090	11,660	600	0	0	0	0	0	0	0	650,350
	Income	(305,610)	0	0	0	0	0	0	0	0	0	(305,610)
Portfolio Holder : Cllr Mike Best		TOTAL	332,480	11,660	600	0	0	0	0	0	0	344,740
YEOVIL RECREATION CENTRE	Expenditure	309,050	1,160	200	0	2,270	0	0	0	0	0	312,680
	Income	(127,090)	0	0	0	0	0	0	0	0	0	(127,090)
Portfolio Holder : Cllr Mike Best		TOTAL	181,960	1,160	200	0	2,270	0	0	0	0	185,590
TOURISM AND HERITAGE	Expenditure	262,420	3,280	0	0	0	0	0	0	0	0	265,700
	Income	(96,670)	0	0	0	0	0	0	0	0	30,000	(66,670)
Portfolio Holder : Cllr Mike Best		TOTAL	165,750	3,280	0	0	0	0	0	0	30,000	199,030
TOTAL LEISURE, RECREATION & TOURISM		Expenditure	1,209,560	16,100	800	0	2,270	0	0	0	0	1,228,730
	Income	(529,370)	0	0	0	0	0	0	0	0	30,000	(499,370)
TOTAL		680,190	16,100	800	0	2,270	0	0	0	0	30,000	729,360
INCOME & OPPORTUNITIES DEVELOPMENT												
Service Manager : James Divall												
INCOME & OPPORTUNITIES DEVELOPMENT	Expenditure	398,600	2,550	0	0	0	0	0	0	0	0	401,150
	Income	(529,490)	(16,930)	0	0	0	0	0	0	0	30,000	(516,420)
Portfolio Holder : Cllr John Clark		TOTAL	(130,890)	(14,380)	0	0	0	0	0	0	30,000	(115,270)
TOTAL INCOME & OPPORTUNITIES DEVELOPMENT		Expenditure	398,600	2,550	0	0	0	0	0	0	0	401,150
	Income	(529,490)	(16,930)	0	0	0	0	0	0	0	30,000	(516,420)
TOTAL		(130,890)	(14,380)	0	0	0	0	0	0	0	30,000	(115,270)
PROPERTY, LAND AND DEVELOPMENT												
Service Manager : Robert Orrett												
BIRCHFIELD	Expenditure	64,290	0	0	0	0	0	0	0	0	0	64,290
	Income	0	0	0	0	0	0	0	0	0	0	0

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
Portfolio Holder : Cllr Tony Lock	TOTAL	64,290	0	0	0	0	0	0	0	0	0	64,290
PROPERTY, LAND & DEVELOPMENT - CASE OFFICERS	Expenditure	284,810	7,450	0	0	0	0	0	0	0	0	292,260
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Tony Lock	TOTAL	284,810	7,450	0	0	0	0	0	0	0	0	292,260
LAND DRAINAGE	Expenditure	72,000	0	0	0	0	0	0	0	0	0	72,000
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Tony Lock	TOTAL	72,000	0	0	0	0	0	0	0	0	0	72,000
OPERATIONAL PROPERTIES	Expenditure	1,114,570	2,160	2,300	0	0	0	0	0	0	0	1,119,030
	Income	(547,520)	0	0	105,700	(3,200)	0	0	0	0	0	(445,020)
Portfolio Holder : Cllr Tony Lock	TOTAL	567,050	2,160	2,300	105,700	(3,200)	0	0	0	0	0	674,010
COMMERCIAL PROPERTY	Expenditure	108,010	0	0	0	0	0	0	0	0	0	108,010
	Income	(235,000)	0	0	0	0	0	0	0	0	0	(235,000)
Portfolio Holder : Cllr John Clark	TOTAL	(126,990)	0	0	0	0	0	0	0	0	0	(126,990)
PROPERTY, LAND & DEVELOPMENT - SPECIALISTS	Expenditure	141,990	2,290	0	0	0	0	0	0	0	0	144,280
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Tony Lock	TOTAL	141,990	2,290	0	0	0	0	0	0	0	0	144,280

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
COMMERCIAL INVESTMENTS	Expenditure	3,311,830	3,910	0	0	0	0	1,442,550	0	0	0	4,758,290
	Income	(5,252,140)	(3,910)	0	0	0	0	0	0	(1,919,870)	0	(7,175,920)
Portfolio Holder : Cllr John Clark	TOTAL	(1,940,310)	0	0	0	0	0	1,442,550	0	(1,919,870)	0	(2,417,630)
CAR PARKING	Expenditure	767,790	1,530	0	0	4,650	0	0	0	0	0	773,970
	Income	(1,955,670)	0	0	0	0	0	0	0	0	459,000	(1,496,670)
Portfolio Holder : Cllr John Clark	TOTAL	(1,187,880)	1,530	0	0	4,650	0	0	0	0	459,000	(722,700)
ENGINEERING & PROPERTY SERVICES	Expenditure	17,170	0	0	0	0	0	0	0	0	0	17,170
	Income	(11,910)	0	0	0	0	0	0	0	0	0	(11,910)
Portfolio Holder : Cllr Tony Lock	TOTAL	5,260	0	0	0	0	0	0	0	0	0	5,260
TOTAL PROPERTY, LAND & DEVELOPMENT	Expenditure	5,882,460	17,340	2,300	0	4,650	0	1,442,550	0	0	0	7,349,300
	Income	(8,002,240)	(3,910)	0	105,700	(3,200)	0	0	0	(1,919,870)	459,000	(9,364,520)
	TOTAL	(2,119,780)	13,430	2,300	105,700	1,450	0	1,442,550	0	(1,919,870)	459,000	(2,015,220)
TOTAL DIRECTOR OF COMMERCIAL SERVICES & INCOME GENERATION	Expenditure	20,914,480	105,160	170,600	21,300	3,700	0	1,442,550	0	0	0	22,657,790
	Income	(15,483,960)	(26,090)	0	105,700	(6,900)	0	0	0	(1,919,870)	1,279,900	(16,051,220)
	TOTAL	5,430,520	79,070	170,600	127,000	(3,200)	0	1,442,550	0	(1,919,870)	1,279,900	6,606,570

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
SERVICE DELIVERY												
Director: Martin Woods												
CUSTOMER CONNECT												
Service Manager : Sharon Jones												
CUSTOMER CONNECT	Expenditure	668,110	17,130	0	0	0	0	0	0	0	0	685,240
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Tony Lock	TOTAL	668,110	17,130	0	0	0	0	0	0	0	0	685,240
TOTAL CUSTOMER CONNECT	Expenditure	668,110	17,130	0	0	0	0	0	0	0	0	685,240
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	668,110	17,130	0	0	0	0	0	0	0	0	685,240
CASE TEAM												
Service Manager : Kirsty Larkins												
CASE TEAM	Expenditure	1,641,630	69,480	0	0	0	0	0	0	0	0	1,711,110
	Income	0	(38,780)	0	0	0	0	0	0	0	0	(38,780)
	TOTAL	1,641,630	30,700	0	0	0	0	0	0	0	0	1,672,330
TOTAL CASE TEAM	Expenditure	1,641,630	69,480	0	0	0	0	0	0	0	0	1,711,110
	Income	0	(38,780)	0	0	0	0	0	0	0	0	(38,780)
	TOTAL	1,641,630	30,700	0	0	0	0	0	0	0	0	1,672,330
SERVICE DELIVERY - LEAD SPECIALISTS												
Service Manager : Martin Woods												
SERVICE DELIVERY - LEAD SPECIALISTS	Expenditure	258,860	(5,190)	0	0	0	0	0	0	0	0	253,670
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	258,860	(5,190)	0	0	0	0	0	0	0	0	253,670
TOTAL SERVICE DELIVERY - LEAD SPECIALISTS	Expenditure	258,860	(5,190)	0	0	0	0	0	0	0	0	253,670
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	258,860	(5,190)	0	0	0	0	0	0	0	0	253,670

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
SERVICE DELIVERY - MANAGERS												
Service Manager : Martin Woods												
SERVICE DELIVERY - MANAGERS	Expenditure	252,970	2,400	0	0	0	0	0	0	0	0	255,370
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	252,970	2,400	0	0	0	0	0	0	0	0	255,370
TOTAL SERVICE DELIVERY - MANAGERS	Expenditure	252,970	2,400	0	0	0	0	0	0	0	0	255,370
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	252,970	2,400	0	0	0	0	0	0	0	0	255,370
LOCALITY												
Service Manager : Tim Cook												
AREA EAST	Expenditure	32,690	0	0	0	0	0	0	0	0	0	32,690
	Income	(4,510)	0	0	4,510	0	0	0	0	0	0	0
	TOTAL	28,180	0	0	4,510	0	0	0	0	0	0	32,690
Area Chairman : Cllr Henry Hobhouse												
AREA NORTH	Expenditure	15,960	0	0	0	0	0	0	0	0	0	15,960
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	15,960	0	0	0	0	0	0	0	0	0	15,960
Area Chairman : Cllr Adam Dance												
AREA SOUTH	Expenditure	70,490	21,870	0	0	0	0	0	0	0	0	92,360
	Income	(11,700)	(21,870)	0	0	3,200	0	0	0	0	0	(30,370)
	TOTAL	58,790	0	0	0	3,200	0	0	0	0	0	61,990
Area Chairman : Cllr Peter Gubbins												
AREA WEST	Expenditure	27,410	0	0	0	0	0	0	0	0	0	27,410
	Income	(3,510)	0	0	3,510	0	0	0	0	0	0	0
	TOTAL	23,900	0	0	3,510	0	0	0	0	0	0	27,410
Area Chairman : Cllr Jason Baker												
LOCALITY TEAM	Expenditure	573,730	(5,150)	0	0	0	0	0	0	0	0	568,580
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	573,730	(5,150)	0	0	0	0	0	0	0	0	568,580
PEST CONTROL	Expenditure	32,280	0	0	0	0	0	0	0	0	0	32,280
	Income	(30,300)	0	0	0	0	0	0	0	0	0	(30,300)
	TOTAL	1,980	0	0	0	0	0	0	0	0	0	1,980
Portfolio Holder : Mike Best												
PLAY, HEALTH & WELLBEING	Expenditure	137,970	0	0	0	(5,910)	0	0	0	0	0	132,060
	Income	(65,330)	0	0	0	5,910	0	0	0	0	0	(59,420)
	TOTAL	72,640	0	0	0	0	0	0	0	0	0	72,640
Portfolio Holder : Mike Best												
TOTAL LOCALITY	Expenditure	890,530	16,720	0	0	(5,910)	0	0	0	0	0	901,340

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
	Income	(115,350)	(21,870)	0	8,020	9,110	0	0	0	0	0	(120,090)
	TOTAL	775,180	(5,150)	0	8,020	3,200	0	0	0	0	0	781,250
REGENERATION												
Service Manager : Natalie Fortt / Mike Holmes												
REGENERATION	Expenditure	81,240	103,670	0	0	0	0	0	0	0	(81,240)	103,670
	Income	(19,640)	(103,670)	0	0	0	0	0	0	0	19,640	(103,670)
Portfolio Holder : Cllr John Clark	TOTAL	61,600	0	0	0	0	0	0	0	0	(61,600)	0
TOTAL REGENERATION	Expenditure	81,240	103,670	0	0	0	0	0	0	0	(81,240)	103,670
	Income	(19,640)	(103,670)	0	0	0	0	0	0	0	19,640	(103,670)
	TOTAL	61,600	0	0	0	0	0	0	0	0	(61,600)	0
SERVICE DELIVERY FUNCTIONS												
Service Manager : Nigel Marston												
ENFORCEMENT & COMPLIANCE	Expenditure	49,710	1,650	0	0	0	0	0	0	0	0	51,360
	Income	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	49,710	1,650	0	0	0	0	0	0	0	0	51,360
REVENUES & BENEFITS	Expenditure	469,760	2,570	0	0	0	0	0	0	0	0	472,330
	Income	(466,050)	0	0	0	0	0	0	0	0	0	(466,050)
Portfolio Holder : Cllr Mike Best	TOTAL	3,710	2,570	0	0	0	0	0	0	0	0	6,280
HOUSING BENEFIT SUBSIDY	Expenditure	28,747,550	0	0	0	(1,399,400)	0	0	0	0	0	27,348,150
	Income	(29,318,510)	0	0	0	1,399,400	0	0	0	0	0	(27,919,110)
Portfolio Holder : Cllr Mike Best	TOTAL	(570,960)	0	0	0	0	0	0	0	0	0	(570,960)
HOUSING STANDARDS	Expenditure	99,390	620	0	0	0	0	0	0	0	0	100,010
	Income	(67,450)	0	0	0	(11,000)	0	0	0	0	0	(78,450)
Portfolio Holder : Cllr Val Keitch	TOTAL	31,940	620	0	0	(11,000)	0	0	0	0	0	21,560
ENVIRONMENTAL HEALTH & COMMUNITY PROTECTION	Expenditure	369,410	(1,700)	0	0	11,000	0	0	0	0	0	378,710
	Income	(30,520)	0	0	0	0	0	0	0	0	0	(30,520)
Portfolio Holder : Cllr Mike Best	TOTAL	338,890	(1,700)	0	0	11,000	0	0	0	0	0	348,190
HOUSING	Expenditure	814,040	4,580	0	0	0	0	0	0	0	0	818,620
	Income	(176,520)	0	0	0	0	0	0	0	0	0	(176,520)
Portfolio Holder : Cllr Val Keitch	TOTAL	637,520	4,580	0	0	0	0	0	0	0	0	642,100
LICENSING	Expenditure	113,410	2,880	0	0	0	0	0	0	0	0	116,290
	Income	(325,930)	0	0	0	0	0	0	0	0	0	(325,930)

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
Portfolio Holder : Cllr John Clark	TOTAL	(212,520)	2,880	0	0	0	0	0	0	0	0	(209,640)
CARELINE	Expenditure	110,920	0	0	99,000	0	0	0	0	0	0	209,920
	Income	(423,850)	0	0	0	0	0	0	0	0	0	(423,850)
Portfolio Holder : Cllr Mike Best	TOTAL	(312,930)	0	0	99,000	0	0	0	0	0	0	(213,930)
ENFORCEMENT	Expenditure	31,440	0	0	25,000	0	0	0	0	0	0	56,440
	Income	(3,000)	0	0	0	0	0	0	0	0	0	(3,000)
Portfolio Holder : Cllr Sarah Dyke	TOTAL	28,440	0	0	25,000	0	0	0	0	0	0	53,440
LAND CHARGES	Expenditure	23,350	0	0	0	0	0	0	0	0	0	23,350
	Income	(411,370)	0	0	0	0	0	0	0	0	0	(411,370)
Portfolio Holder : Cllr John Clark	TOTAL	(388,020)	0	0	0	0	0	0	0	0	0	(388,020)
RIGHTS OF WAY	Expenditure	2,810	0	0	0	0	0	0	0	0	0	2,810
	Income	(16,500)	0	0	16,500	0	0	0	0	0	0	0
Portfolio Holder : Cllr Sarah Dyke	TOTAL	(13,690)	0	0	16,500	0	0	0	0	0	0	2,810
BUILDING CONTROL	Expenditure	458,530	260	0	0	0	0	0	0	0	0	458,790
	Income	(561,240)	0	0	0	0	0	0	0	0	0	(561,240)
Portfolio Holder : Cllr John Clark	TOTAL	(102,710)	260	0	0	0	0	0	0	0	0	(102,450)
DEVELOPMENT MANAGEMENT	Expenditure	629,210	91,330	0	0	0	0	0	0	0	40,000	760,540
	Income	(1,460,950)	0	0	0	0	0	0	0	0	0	(1,460,950)
Portfolio Holder : Cllr John Clark	TOTAL	(831,740)	91,330	0	0	0	0	0	0	0	40,000	(700,410)
ECONOMIC DEVELOPMENT	Expenditure	192,730	65,860	0	0	0	0	0	0	0	(54,000)	204,590
	Income	0	(63,030)	0	0	0	0	0	0	0	0	(63,030)
Portfolio Holder : Cllr John Clark	TOTAL	192,730	2,830	0	0	0	0	0	0	0	(54,000)	78,530
STREET NAMING AND NUMBERING	Expenditure	7,210	0	0	0	0	0	0	0	0	0	7,210
	Income	(24,180)	0	0	0	0	0	0	0	0	0	(24,180)
Portfolio Holder : Cllr John Clark	TOTAL	(16,970)	0	0	0	0	0	0	0	0	0	(16,970)
COMMUNITY SAFETY	Expenditure	3,000	0	0	0	0	0	0	0	0	0	3,000
	Income	0	0	0	0	0	0	0	0	0	0	0
Portfolio Holder : Cllr Mike Best	TOTAL	3,000	0	0	0	0	0	0	0	0	0	3,000
TOTAL SERVICE DELIVERY FUNCTIONS	Expenditure	32,122,470	168,050	0	124,000	(1,388,400)	0	0	0	0	(14,000)	31,012,120
	Income	(33,286,070)	(63,030)	0	16,500	1,388,400	0	0	0	0	0	(31,944,200)
	TOTAL	(1,163,600)	105,020	0	140,500	0	0	0	0	0	(14,000)	(932,080)
TOTAL DIRECTOR OF SERVICE DELIVERY	Expenditure	35,915,810	372,260	0	124,000	(1,394,310)	0	0	0	0	(95,240)	34,922,520
	Income	(33,421,060)	(227,350)	0	24,520	1,397,510	0	0	0	0	19,640	(32,206,740)

Service with Elements		20/21 Original Budget	Pay Inflation	General Inflation	Inescapables	Virements	Savings	Revenue Effects of Capital	Growth Bids	Investment Income	Approved One Off/Other	21/22 Original Budget
		£	£	£	£		£	£	£	£	£	£
	TOTAL	2,494,750	144,910	0	148,520	3,200	0	0	0	0	(75,600)	2,715,780
TOTAL SSDC	Expenditure	66,970,450	1,088,650	193,730	184,300	(1,390,610)	0	1,462,550	0	(31,710)	(236,840)	68,240,520
	Income	(51,763,300)	(173,980)	0	170,220	1,390,610	0	20,000	0	(2,440,600)	1,299,540	(51,497,510)
	TOTAL	15,207,150	914,670	193,730	354,520	0	0	1,482,550	0	(2,472,310)	1,062,700	16,743,010

Savings

Appendix B

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Income					
Sales, Fees and Charges - Future years target		-75.0			
Countryside - Ninesprings Centre - Sales increase per capital investment		-5.0	-4.0	-2.5	-2.5
Countryside - Yeovil Rec - Sales increase per capital investment		-16.0	-11.1	-10.3	-11.1
Parking income			-135.0	-45.0	
	0.0	-96.0	-150.1	-57.8	-13.6

Budget Pressures

	2021/22	2022/23	2023/24	2024/25	2025/26	
	£'000	£'000	£'000	£'000	£'000	
						Details
Allowance for other new inescapables	0.0	200.0	200.0	200.0	200.0	
Already Approved						
Waste additional properties	21.3	21.3	21.3	21.3	21.3	
Increase in Careline Contract	99.0					
New Unavoidables						
Increase in Kennelling Contract	25.00					Kennelling contract has increased, carry forward done into 2020/21 but need on going budget
Reduced Rights of Way Income	16.50					Only £4344 collected in 2019/20 and nothing in 2018/19, how do we get any income
Reduction in Churchfield Income due to Disposal	1.95					
Reduction in Churchfield Income due to Disposal	2.56					
Unachieved Letting Room Income at Lace Mills	3.51					
8x8 Omni-channel Cloud Based Telephony	39.00					£35,020 additional annual cost plus 5 additional lines needed
Rduction in Rental Income Brympton Way Offices	66.70					New pressure as Police vacating
Increase in Service Charge Income Brympton Way Offices	39.00					New pressure as Police vacating
Removal of income target for external printing	40.0					External printing no longer being undertaken during pandemic
Total Commitments	354.5	21.3	21.3	21.3	21.3	
Total Unavoidable Commitments Remaining	0.0	178.7	178.7	178.7	178.7	

Scheme	2020/21 Est Spend £000s	2021/22 Est Spend £000s	2022/23 Est Spend £000s	2023/24 Est Spend £000s	2024/25 Est Spend £000s	Project Officer	Project Sponsor
STRATEGIC MANAGEMENT							
Chief Executive - Alex Parmley							
Portfolio Holder - Cllr Val Keitch							
Transformation - IT Software	39					N Hix	A Parmley
Subtotal for Strategic Management	39	0	0	0	0		
COMMERCIAL SERVICES & INCOME GENERATION							
Director - Clare Pestell							
ARTS AND ENTERTAINMENT							
Service Manager - Adam Burgen							
Portfolio Holder - Cllr Mike Best							
Westlands Building Improvement Works	42	125	633			R Orrett	C Pestell
Upgrade Joanna France Building	27					K Menday	C Pestell
ENVIRONMENTAL SERVICES							
STREETSCENE							
Service Manager - Chris Cooper							
Portfolio Holder - Cllr Sarah Dyke							
Cushman UTV Full Cab & Snowblade	17					C Cooper	C Pestell
Ford Transit 350 L2 RWD	20					C Cooper	C Pestell
Fleetmaster Replacement		57				C Cooper	C Pestell
Access for all footpaths within various open Spaces		218				S Fox	C Pestell
LEISURE, RECREATION & TOURISM							
COUNTRYSIDE							
Service Manager - Katy Menday							
Portfolio Holder - Cllr Mike Best							
Riverside Park Planting Scheme		5	1			R Whites	K Menday
Ninesprings Café Extension	1					K Menday	C Pestell
Works to Chard Reservoir Dam & Outlets		18				K Menday	C Pestell
Installation of PV Panels on Ninesprings Café	2	8				K Menday	C Pestell
YEOVIL REC							
Service Manager - Katy Menday							
Portfolio Holder - Cllr Mike Best							
Yeovil Rec - J O'Donnell Pavilion upgrade	25	170				K Menday	C Pestell
Installation of PV Panels on J O'Donnell Pavilion	0	30				K Menday	C Pestell
Battery Storage or LED Bulbs at Yeovil Rec		10				K Menday	C Pestell
PROPERTY, LAND & DEVELOPMENT							
ENGINEERING AND PROPERTY SERVICES							
Service Manager - Robert Orrett							
Portfolio Holder - Cllr John Clark / Cllr Tony Lock							
Investment in Property - OPIUM Taunton	130					N Hix	C Pestell
Investment in Property - Fareham Energy Res Ltd Loan	1,320					N Hix	C Pestell
Investment in Property - OPIUM Fareham	9,253					N Hix	C Pestell
Investment in Property - Costa Coffee	20	680				B Fisher	C Pestell
Investment in Property - Trafalgar House, Taunton	23					B Fisher	C Pestell
Investment in Property - 27-29 Sherwood Road, Bromsgrove	218					B Fisher	C Pestell
Investment in Property - King William House	1					B Fisher	C Pestell
Yeovil Innovation Centre - 1st Floor Fit-Out	21					P Biggenden	C Pestell
Yeovil Innovation Centre - Car Park Extension	94					J Divall	C Pestell
Car Park Enhancements	0	28				I Case	C Pestell
New Car Parks	40	200				I Case	C Pestell
Electric Vehicle Charge Points	0					I Case	C Pestell
Car Park Improvement Works	0	310				I Case	C Pestell
West Hendford Car Park Crime Reduction Improvements		50				I Case	C Pestell
Enhancement to SSSC Bldgs	0	171				P Biggenden	C Pestell
Brympton Way Building Improvement Works	21	84				P Biggenden	C Pestell
Capital Works to Council Portfolio	0	132				R Orrett	C Pestell
Operational Buildings Improvement Works		165				R Orrett	C Pestell
Decarbonisation of Operational Buildings		400	800	800	800	R Orrett / V Dawson	C Pestell
Land Drainage Maintenance Improvements	0	25				I Case	C Pestell
District Wide CCTV Contribution to new system	25					I Case	C Pestell
Digital Upgrade of Yeovil Town Centre CCTV Cameras		65				I Case	C Pestell
Birchfield Leachate Pumping Station	30	15				I Case	C Pestell
Prigg Lane Garage Roof Renewal		10				D Bennett	C Pestell
Chard Business Park, Roadway Adoption		125				D Bennett	C Pestell
Access Easement, Stoke Sub Hamdon		20				D Bennett	C Pestell
Demolition of Public Conveniences, West Street, Crewkerne		20				R McElliott	C Pestell

Footbridge Assessment & Works		10	30			I Case	C Pestell
Rowan Way Embankment Landslip		50				I Case	C Pestell
Lufton Depot Surfacing and Drainage Works		85				I Case	C Pestell
DELETTI EV Charger Project	0	250				J Divall	N Meadows
Yeovil Crematorium 5 year plan	6					P Biggenden	C Pestell
Yeovil Crematorium Refurbishment	185	2,514	505			P Biggenden	C Pestell
Petters Way Refurbishment	28					P Biggenden	C Pestell
Total for Commercial Services & Income Generation	11,549	6,050	1,969	800	800		
SERVICE DELIVERY							
Director - Martin Woods							
SERVICE DELIVERY FUNCTIONS							
ENVIRONMENTAL HEALTH							
Service Manager - Helen Morris							
Portfolio Holder - Cllr Sarah Dyke							
Disabled Facilities Grants	1,239					V Dawson	N Meadows
Careline Product Development		20				J Divall	N Meadows
Empty Property Grants	73					V Dawson	N Meadows
Home Repairs Assistance	108					V Dawson	N Meadows
Home Repairs Assistance		60				V Dawson	N Meadows
HMO Grants	75					V Dawson	N Meadows
ECONOMIC DEVELOPMENT							
Service Manager - Helen Morris							
Portfolio Holder - Cllr John Clark							
Yeovil Innovation Centre Phase II	17					P Biggenden	C Pestell
Yeovil Small Business Centre Roof Renewal		65				D Bennett	C Pestell
HOUSING							
Service Manager - Helen Morris							
Portfolio Holder - Cllr Val Keitch							
Affordable Housing - North Street, Crewkerne			260			J Calvert	N Meadows
Affordable Housing - West End Close, South Petherton (Stonewater)	72					J Calvert	N Meadows
Affordable Housing - 4 Properties Chard Working Mens Club (Stonewater)		54				J Calvert	N Meadows
Affordable Housing - Refurbishment of SSDC owned property	53					J Calvert	N Meadows
Barnabus House	45					Alice Knight	N Meadows
LOCALITIES							
AREA NORTH							
Service Manager - Tim Cook							
Area Chairman - Cllr Adam Dance							
Support of Economic Vitality in Area North (Signage for marketing programme)	3					T Cook	N Meadows
Seavington Play Together Equipment	12					T Cook	N Meadows
Parochial Church Council of All Saints Church	35					T Cook	N Meadows
Hamdon Community Arts Project (HCAP)	13					T Cook	N Meadows
Curry Woods Conservation Trust	13					T Cook	N Meadows
Top-up to Area Capital - Area North		25				T Cook	N Meadows
AREA SOUTH							
Service Manager - Tim Cook							
Area Chairman - Cllr Peter Gubbins							
Yeovil to Ilchester Multi User Pathway-Feasibility	2					T Cook	N Meadows
Hardington Mandeville Hall	6					T Cook	N Meadows
West Coker Commemoration Fund (WCCF)	7					T Cook	N Meadows
Yeovil Refresh allocation	151					T Cook	N Meadows
Top-up to Area Capital - Area South		25				T Cook	N Meadows
AREA EAST							
Service Manager - Tim Cook							
Area Chairman - Cllr Henry Hobhouse							
Wincanton-Pedestrian/Cycle Link Common Lane	5					T Cook	N Meadows
Retail Support Initiative Schemes	1					T Cook	N Meadows
9 Seat Minibus for Community Transport	12					T Cook	N Meadows
Mudford Memorial Village Hall	4					T Cook	N Meadows
Charlton Memorial Playing Field Play Area	12					T Cook	N Meadows
Parish Infrastructure Fund	4					T Cook	N Meadows
Top-up to Area Capital - Area East		25				T Cook	N Meadows
AREA WEST							
Service Manager - Tim Cook							
Area Chairman - Cllr Jason Baker							
Chard Town Centre Gateway and Seating Area.	0	52				T Cook	N Meadows
Chaffcombe Village Hall	0					T Cook	N Meadows

Allowenshays Mains Water Ltd	13					T Cook	N Meadows
Ilminster Tennis & Bowling Club	13					T Cook	N Meadows
Broadway & Horton Cricket Club	5					T Cook	N Meadows
Horton Parish Council Playing Field Project	13					T Cook	N Meadows
Ilchester Hall, Chiselborough	13					T Cook	N Meadows
Top-up to Area Capital - Area West		25				T Cook	N Meadows
LOCALITY (PHW)							
Service Manager - Tim Cook							
Portfolio Holder - Cllr Mike Best							
Grants for Parishes with Play Area - Curry Rivel	2					S Barnes	N Meadows
Grants for Parishes with Play Area - Ilton	17					S Barnes	N Meadows
Grant for Youth Facilities	0	5				S Barnes	N Meadows
Wyndham Park Play Area Equipment	27	41				S Barnes	N Meadows
Jarman Way, Chard - Play Area Equipment	0	28				S Barnes	N Meadows
Snowden Park Play Area Equipment, Chard	0	3				S Barnes	N Meadows
Harbin Fields, Yeovil - Play Area Equipment	0	0				S Barnes	N Meadows
Montacute - Play Area Equipment	6					S Barnes	N Meadows
Ilminster Recreation Ground	0	44				S Barnes	N Meadows
Old Kelways Play Area, Langport	0		13			S Barnes	N Meadows
Flagship Play Area	6	25				S Barnes	N Meadows
Grant to Milborne Port Rec	100					S Barnes	N Meadows
Langport Memorial Ground New Changing Facilities	0	4				S Barnes	N Meadows
Grant to Donald Pither Memorial Ground						S Barnes	N Meadows
Renewal of Skate Park provision in Area South	0	210	130			R Parr	N Meadows
Huish Episcopi Swimming Pool	71					L Pincombe	N Meadows
Forton Playing Pitches, Chard	0	85				L Pincombe	N Meadows
Holyrood Sports Hall	3					L Pincombe	N Meadows
Ilminster Cricket Club	0	35				D Haines	N Meadows
Caryford Community Hall	0	21				D Haines	N Meadows
Sparkford Cricket Club	3					D Haines	N Meadows
South Petherton Cricket Club	0	5				D Haines	N Meadows
COMMUNITIES							
Service Manager - Tim Cook							
Portfolio Holder - Cllr Val Keitch							
Enhancements to Waterside Rd, Wincanton	3					T Cook	N Meadows
Subtotal for Service Delivery	2,253	857	403	0	0		
PLACE							
Director - Martin Woods							
REGENERATION							
Regeneration							
Service Manager - Natalie Fortt							
Portfolio Holders - Cllr Jason Baker, Cllr Peter Gubbins, Cllr Henry Hobhouse							
Chard Regeneration	8,305	5,956				N Fortt	M Woods
Yeovil Refresh	525	1,496				N Fortt	M Woods
Yeovil Town Centre Walking and Cycling Package		1,200				N Fortt	M Woods
Wincanton Regeneration	140	1,860				N Fortt	M Woods
Subtotal for Place	8,970	10,512	0	0	0		
STRATEGY & COMMISSIONING							
Director - Kirsty Larkins							
PERFORMANCE, PEOPLE & CHANGE							
Service Manager - Kirsty Larkins							
Learning & Development							
Portfolio Holder - Cllr Val Keitch							
Organisational Performance Management and Appraisal / Engagement System		40				B Hardy	K Larkins
STRATEGIC PLANNING							
Service Manager - Peter Paddon							
GOLDENSTONES							
Portfolio Holder - Cllr Mike Best							
Goldenstones 10 Yr Plan Changing Rm's Refurbishment	0	36				L Pincombe	N Meadows
Goldenstones Sports Centre - 10 Yr Maintenance Plan	0	415	25			L Pincombe	N Meadows
SPORT FACILITIES							
Portfolio Holder - Cllr Mike Best							
Wincanton Community Sports Centre 10 year plan	0	42				L Pincombe	J Gamon
Wincanton Sports Centre - 10 Year Maintenance Plan	0	431	45			L Pincombe	N Meadows
PLANNING/SPATIAL POLICY							
Portfolio Holder - Cllr Tony Lock							

Lyde Road Pedestrian & Cycle Way, Yeovil	0	250				N Fortt	L Pincombe
Lyde Road Strategic Cycleway		129				N Fortt	L Pincombe
Subtotal for Strategy & Commissioning	0	1,303	70	0	0		
SUPPORT SERVICES							
Director - Nicola Hix							
SUPPORT SERVICES FUNCTIONS							
FINANCIAL SERVICES							
Lead Specialist - Nicola Hix/Paul Matravers							
Portfolio Holder - Cllr Peter Seib							
Capital Salaries						N Hix	N Hix
Loan to Somerset Waste Partnership - Repayment (1)						N Hix	N Hix
Loan to Somerset Waste Partnership for Vehicles (2)	0	875				N Hix	N Hix
Loan to Somerset Waste Partnership - Repayment (2)						N Hix	N Hix
Loan to Hinton St George Shop - Repayment						N Hix	N Hix
Loan to Elleston						N Hix	N Hix
ICT SERVICES							
Lead Specialist - Toffer Beattie							
Portfolio Holder - Cllr Peter Seib							
E5 Upgrade	36	63				T Beattie	N Meadows
Firewalls & Security	19					T Beattie	N Meadows
RPA Pilot	54					T Beattie	N Meadows
Omni-Channel Telephony	10					T Beattie	N Meadows
Online Form Building Package (SX)		18				T Beattie	N Meadows
Meeting Room AV Upgrade		50				T Beattie	N Meadows
Subtotal for Support Services	119	1,006	0	0	0		
Total Gross Capital Programme							
	22,930	19,728	2,442	800	800		

RESERVE SCHEMES APPROVED IN PRINCIPLE							
Wyndham Park Community Facilities	0	400					
Market Towns Vision	0	345					
Investment in Land, Property & Renewables	0	0	50,099				
Gas Control System - Birchfield	0	440					
Affordable Housing - Unallocated	0	1,863					
Affordable Housing - Rural Contingency Fund	0	500					
Affordable Housing - Bought not Built Allocation	0	201					
Affordable Housing - Mortgage Rescue Contingency Fund	0	277					
Investment in Market Housing	0	731	1,200				
Disabled Facilities Grant	0	1,228		473			
ICT Replacement	0	36					
Digital Capital Reserve Programme		135	65			T Beattie	N Meadows
Transformation	0	22					
Contingency for Plant Failure	0	174					
Home Farm, Somerton	0	298					
Lufton 2000, Yeovil - All Phases	0	240					
Gypsy & Traveller Acquisition Fund	0	133					
Infrastructure & Park Homes Contingency	0	91					
Total Reserve Schemes Approved in Principle	0	7,114	51,364	473	0		

AREA RESERVE SCHEMES AWAITING ALLOCATION							
North		120					
South		123					
East		55					
West		69					
Total	0	368	0	0	0		

Capital Programme	22,930	19,728	2,442	800	800		
Contingent Liabilities and Reserve Schemes	0	7,482	51,364	473	0		
Total Programme to be Financed	22,930	27,210	53,806	1,273	800		

Summary of Recommended Schemes (with Interest)

APPENDIX E

Bid No.	Scheme Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 to 2030/31	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
SDDC IT Schemes								
2021-01	Online Form Building Package (SX)	18.00						18.00
2021-02	Meeting Room AV Upgrade	50.00						50.00
2021-18	Organisational Performance Management and Appraisal / Engagement System	40.00						40.00
2021-20	Fleetmaster Replacement	57.00						57.00
2021-22	Digital Capital Reserve Programme	135.00	65.00					200.00
		300.00	65.00	0.00	0.00		0.00	365.00
SDDC Council Portfolio Schemes								
2021-04	Prigg Lane Garage Roof Renewal	10.00						10.00
2021-05	Chard Business Park, Roadway Adoption	125.00						125.00
2021-06	Access Easement, Stoke Sub Hamdon	20.00						20.00
2021-07	Demolition of Public Conveniences, West Street, Crewkerne	20.00						20.00
2021-08	Footbridge Assessment & Works	10.00	30.00					40.00
2021-09	Rowan Way Embankment Landslip	50.00						50.00
2021-10	West Hensford Car Park Crime Reduction Improvements	50.00						50.00
2021-11	Lufton Depot Surfacing, Drainage Works & Security Improvements	85.00						85.00
2021-13	Yeovil Town Centre Walking and Cycling Package	1,200.00						1,200.00
2021-14	Lyde Road Strategic Cycleway	129.00						129.00
2021-15	Operational Buildings Improvement Works	165.00						165.00
2021-16	Decarbonisation of Operational Buildings	400.00	800.00	800.00	800.00	750.00	1,450.00	5,000.00
2021-17	Access for all footpaths within various open Spaces	218.00						218.00
2021-19	Yeovil Small Business Centre Roof Renewal	65.00						65.00
		2,547.00	830.00	800.00	800.00	750.00	1,450.00	7,177.00
Other Schemes								
2021-12	Digital Upgrade of Yeovil Town Centre CCTV Cameras	65.00						65.00
2021-21	Careline Product Development	20.00						20.00
No Ref	Private Sector Housing Grants	60.00						60.00
		145.00	0.00	0.00	0.00	0.00	0.00	145.00
Non-Spring								
	Area Committee Funding	100.00						100.00
		100.00	0.00	0.00	0.00	0.00	0.00	7,787.00
Total of All New Capital Bids		3,092.00	895.00	800.00	800.00	750.00	1,450.00	7,787.00

Lost interest at 2.0% 2021/22 £'000	Lost interest at 2.0% 2022/23 £'000	Lost interest at 2.0% 2023/24 £'000	Lost interest at 2.0% 2024/25 £'000	Lost interest at 2.0% 2025/26 £'000	Lost interest at 2.0% 2026/27 to 2030/31 £'000	Total loss of interest at 2.0% £'000
0.36						0.36
1.00						1.00
0.80						0.80
1.14						1.14
2.70	1.30					4.00
6.00	1.30	0.00	0.00	0.00	0.00	7.30
0.20						0.20
2.50						2.50
0.40						0.40
0.40						0.40
0.20	0.60					0.80
1.00						1.00
1.00						1.00
1.70						1.70
24.00						24.00
2.58						2.58
3.30						3.30
8.00	16.00	16.00	16.00	15.00	29.00	100.00
4.36						4.36
1.30						1.30
50.94	16.60	16.00	16.00	15.00	29.00	143.54
1.30						1.30
0.40						0.40
1.20						1.20
2.90	0.00	0.00	0.00	0.00	0.00	2.90
2.00						2.00
2.00	0.00	0.00	0.00	0.00	0.00	2.00
61.84	17.90	16.00	16.00	15.00	29.00	155.74



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-01

Capital Name: Online Form Building Package (SX)

Date Created 18/11/2020
Document Version: 1.1
Author: Toffer Beattie

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1 Purpose of Request

To procure a form building package for use across the council.

2 Objectives

Currently we use either Civica or Umbraco to build forms for our websites and portals. Both have limitations, and need a relatively high level of digital skills to use effectively. A commercially available e-form package has been identified that is considerably easier to use, is more flexible in its application and, since it is developed by the same company that we will be using to deploy Robotic Process Automation, will be fully compatible with this future capability.

3 Constraints and Decisions

There are no constraints, but the deployment of FX will enhance the development of our RPA capability.

Price: A budget of £18,000 is requested following soft market engagement. The vendor is giving us FOC access during the RPA Pilot to fully test capability.

4 Interfaces

This procurement would benefit the RPA pilot and would provide a valuable new tool for the council, but there are no critical dependencies or interfaces.

5 Measures of Success

- Improvement in quality of customer facing forms.
- Ease of creating new forms or amending existing forms.

6 Anticipated Benefits

- Improved customer satisfaction due to reduced applications turnaround time.
- Improved ability to amend existing forms due to factors such as changes in legislation.
- Increased speed of producing and amending forms – particularly useful for emergency applications (e.g. Covid).

7 Options Discounted

Do Nothing.

8 Key Information Summary

8.1	Expected Duration Of Work	
	Start Date:	TBD
	Other Key Milestones with Dates:	Full demonstration by supplier FY 20/21
	Expected Completion Date:	Q1 22/23

8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Lead Specialist ICT Specialist ICT Case Officers	TBD TBD TBD	Yes Yes Yes	
	Are there any impacts on property?	N/A		
	Are there any impacts on IT systems?	Yes, these have been factored into the bid.		
	Are there any environmental impacts?	NO		
	Have you appropriately considered all Equality issues?	Yes		
8.3	Risk Assessment			
	Risk	Steps taken to mitigate Risk		
	Unforeseen technical difficulties	Test deployments before acceptance.		
		Trial of the product prior to purchase.		
	Lack of capacity to create forms	Train and upskill business users as well as digital team		

9 Financial Investment

9.1	Total Costs and Funding					
		Funding Body		£' 000		
	SSDC Capital: -	District Executive Area Committees		18		
	Other Sources: - - Grants					
	Total Capital Cost			18		
9.2	Breakdown of main areas of cost					
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	FX EForms	18				
	Totals	18				

9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	List here						
	Totals						
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	0.36				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)			18	18	18	18
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		0.36	18	18	18	18
	Cumulative		0.36	18.36	36.36	54.36	72.36
9.5 Whole Life Costing							
	Estimated useful life of asset (years)	5+					
	Total Revenue Costs Year 1 to 5	72k					
	Annual Revenue Cost after year 5	18k					
	Total cost over whole life of asset	108k+					
9.6 VAT Implications							
	<i>What are the VAT implications of the scheme?</i>						
	<i>Is this a VAT exempt activity?</i>						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-02

Capital Name: Meeting Room AV Upgrade

Date Created 18/22/2020
Document Version: 1.1
Author: Deborah Russell

1 Purpose of Request

In light of the Covid19 Pandemic and associated new working practices there is a requirement to upgrade the Meeting Rooms and Council Chamber Audio Visual systems in Brympton Way to become compatible with new digital systems such as Microsoft Teams and Zoom etc.

2 Objectives

In the past meeting rooms in council offices have been used primarily in scenarios where all or most meeting attendees have been in the room. There has been relatively poor provision for the inclusion of remote participants who have generally joined by voice only and have not benefited from the interactive dimension of meetings. Similarly, public meetings (e.g. planning, DX, scrutiny etc) have been accessible only to those who have been able to attend in person. Post Covid this state of affairs will not be acceptable; we have become used to the freedom and flexibility that forced remote working has introduced us to; and continuing health security measures are likely to impact on how we use the workplace for some time to come. Going forward meeting rooms will have to be configured to enable collaboration with remote participants as much as they are to enable the physical meeting in one space.

To allow for the right virtual/physical mix the rooms in Brympton Way should include audio and video capability and maximise partnership working and allow internal and external attendees to video or teleconference as required. We need to upgrade the Audio Visual equipment in the Council Chamber to ensure compatibility with new digital applications being rolled out across the estate and to ensure agile/remote working and video conference works to an optimal level.

The ability to connect, charge devices, display presentations and documentation on screen, with robust audio facility and video and teleconference capability are required to ensure continuity of service and future proof the property for delivery of the digital strategy and meeting our strategic objectives.

3 Constraints and Decisions

Physical Infrastructure in the premises, power outlets, ports, network bandwidth and WiFi coverage.

4 Interfaces

Internal network, WiFi, Digital Desktop Applications (Teams, Skype, PowerPoint)
Property Management Team.

5 Measures of Success

- Secure agnostic solution that is accessible to majority of devices both internally and externally
- Interface with Microsoft Teams, Zoom, Skype for Business etc.

6 Anticipated Benefits

- More robust AV system.
- Better quality calls and VCs.
- Higher level of security.
- Enhanced Agile working experience.

7 Options Discounted

N/A

8 Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	TBD		
	Other Key Milestones with Dates:	TBD		
	Expected Completion Date:	TBD		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	1 Digital Infrastructure Specialist	TBD	Y	Y
	1 Supplier Relationship Manager	TBD	Y	Y
	1 Security Specialist	TBD	Y	Y
	1 Strategy and Architecture Specialist	TBD	Y	Y
	2 x Case Officers?	TBD	TBD	TBD
	Are there any impacts on property?	Requirement to ensure enough electrical infrastructure in place.		
	Are there any impacts on IT systems?	Systems need to be compatible with existing Digital application.		
	Are there any environmental impacts?	N/A.		
	Have you appropriately considered all Equality issues?	N/A.		
8.3	Risk Assessment			
	Risk	Steps taken to mitigate Risk		
	Risk Building infrastructure not in place to support changes	Site survey by 3rd party		
	Risk that system does not comply with Government Security model	Liaise with Security and Compliance to ensure solution remains fit for purpose		

9 Financial Investment

9.1	Total Costs and Funding		
		Funding Body	£' 000
	SSDC Capital: -	District Executive Area Committees	50
	Other Sources: - - Grants		
	Total Capital Cost		50

9.2 Breakdown of main areas of cost							
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	Display equipment	10					
	Audio equipment	10					
	Software to merge physical and virtual webcast	20					
	Charging	5					
	Connectivity	5					
	Totals	50					
9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	List here						
	Totals						
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	1				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		1				
	Cumulative		1				
9.5 Whole Life Costing							
	Estimated useful life of asset (years)			10			
	Total Revenue Costs Year 1 to 5						
	Annual Revenue Cost after year 5						
	Total cost over whole life of asset						
9.6 VAT Implications							
	<i>What are the VAT implications of the scheme?</i>						
	<i>Is this a VAT exempt activity?</i>						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-03

Capital Name: Private Sector Housing Grants

Date Created 19/11/20
Document Version: 1.1
Author: Vicki Dawson

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1 Purpose of Request

To seek funding of £60,000 to continue to provide Private Sector Housing Grants in 2020/21 across the district.

The provision of Private Sector Housing Grants has comprised part of the councils capital programme for many years and this bid is made in order to continue to fund this vital work. £60,000 is requested towards expenditure on Houses in Multiple Occupation (HMO) Grants. This is in line with funding for the last couple of years. Grants are provided under the provisions of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

Usually funding is also requested to support Home Repair Grants and Empty property grants. However due to the pandemic and a combination of being unable to visit along with additional duties taking priority, the allocation for the current year has not been spent and so this will be carried forward for the coming year. No additional funding is therefore requested for these grants.

2 Objectives

The aims in providing grant assistance are to help ensure decent housing standards across South Somerset, and to improve poor housing conditions in order to improve the health of local residents. This aligns directly with one of the priorities of the Somerset Housing Strategy 2019 – 2023 which is to achieve:

- A healthy living environment with secure and decent homes that fosters independent living within strong communities

This work also strongly supports the Council Plan 2020– 24 on both the theme for Places Where We Live and Environment. In particular the following areas of focus, which are:

- Match lifelong independent living with appropriate property solutions
- Implement the Environment Strategy action plan, in its aim of reducing carbon emissions across the district.

3 Constraints and Decisions

These grants have been provided for many years, and the infrastructure, resources and expertise to deliver them is in place. 2020-21 has continued to see demand in particular for HMO grants as more have required improvements as they fall into licensing requirements. Covid restrictions have caused some constraints since March but the team have worked out ways of remote surveying and limited contact to enable essential work to continue.

4 Interfaces

A change in legislation in Oct 2018 required increased numbers of HMO landlords to apply for a licence. Once a licence is granted, landlords must comply with the conditions of a licence. Officers are continuing to work with landlords to ensure properties are up to the requisite standard, and the ability to provide some grant aid has assisted this process. Further funding will ensure this support can continue and the standards of HMO's across the district will improve as a result.

The Councils Environment Strategy set out ambitious targets to reduce carbon emissions across the district by 2030. Helping in the provision of energy efficiency measures and thus reduction in use of fossil fuels will contribute to this target.

5 Measures of Success

Success will be measured by the number of properties improved as result of grant funding, and the amount spent of the funding awarded. It is difficult to state the number of expected improved properties as the level of grant varies depending on works required, however based on previous years we would expect around 20 HMOs to be improved.

6 Anticipated Benefits

Providing funding for Private Sector Housing Grants has been successful in helping deliver the Councils housing priorities and supporting the regulatory work of the private sector housing team over many years.

Houses in Multiple Occupation Grants (HMOs) - £60,000

HMOs provide an essential and affordable form of housing, often to young and immigrant communities. This tenure category is likely to see increasing demand as a result of pressures from the pandemic. It has traditionally been a tenure of housing that suffers poorer standards. HMO grants ensure basic safety and amenity standards are met. Any grant will only cover a proportion of the cost of any works required and thus act as an incentive to encourage landlords to bring properties in the sector up to a decent standard. It can be argued that as landlords are businessmen, they should pay all the costs of upgrading their HMOs themselves. However, in South Somerset we have always found that by providing small HMO grants landlords are encouraged to come forward and bring their properties up to standard. Offering these grants does not undermine the regulation of these properties and enforcement action will continue be taken wherever necessary.

7 Options Discounted

There is no other option to source funding for these grants. They are not mandatory, but have been provided for many years to deliver the priorities of the council and support the work of the Somerset Strategic Housing Partnership. Regulation of the private rented sector would still continue, however, improvement of HMOS would not be supported.

8 Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:			
	Expected Completion Date:	March 2022		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Lead Specialist Environment Specialist EH Case officer service delivery	Split between all the officers 2.0 FTE	Y Y Y	N/A N/A N/A
	Are there any impacts on property?	N/A		
	Are there any impacts on IT systems?	N/A		

	Are there any environmental impacts?	Many of the grant works will serve to improve energy efficiency and hence reduce energy usage. Where possible environmentally aware contractors will be used.
	Have you appropriately considered all Equality issues?	Poor quality accommodation particularly in relation to shared HMO properties can significantly impact on those from protected characteristic groups Improving substandard housing will improve conditions for all, but especially for the most vulnerable

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	The only real risk associated with this area of expenditure is that the building contractors fail to finish the work on time and the funding allocated is not spent as planned. This has been a problem in the past.	All schemes are closely monitored to try and ensure that this does not happen.

9 Financial Investment

9.1	Total Costs and Funding					
		Funding Body			£' 000	
	SSDC Capital: -	District Executive Area Committees			60	
	Other Sources: - - Grants					
	Total Capital Cost				60	
9.2	Breakdown of main areas of cost					
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	HMO Grants	60				
	Totals	60				
9.3	External funds to be received					
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
	N/A		0			
	Totals		0			

9.4		Revenue Implications of Capital scheme					
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	3.6				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		3.6				
	Cumulative		3.6				
9.5		Whole Life Costing					
	Estimated useful life of asset (years)	N/A					
	Total Revenue Costs Year 1 to 5	N/A					
	Annual Revenue Cost after year 5	N/A					
	Total cost over whole life of asset	N/A					
9.6		VAT Implications					
	Based on the current information provided to us, the VAT is recoverable on this project as the future activity is non business.						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-04

Capital Name: Prigg Lane, Garage Roof Renewal

Date Created 02/10/2020
Document Version: 1.0
Author: Dan Bennett

1 Purpose of Request

SSDC own nine lock up garages at Prigg Lane, South Petherton. The garages are let at a sub market rent reflecting their poor general condition. This report seeks approval to re-roof seven of the garages, following a successful pilot project to refurbish two of the garages last year.

2 Objectives

For SSDC to bring the condition of the garages up to a level that will allow a market rent to be charged and the void garages to be re-let.

3 Constraints and Decisions

There are no further decisions or planning consents required for this work. The trial project re roofed two garages last year that had been empty for a significant period of time. The improvement in the general condition of the garages allowed a higher rent to be charged without question.

4 Interfaces

There are no interfaces with other SSDC projects.

5 Measures of Success

- 1) Completion of the work to a good standard.
- 2) Securing lettings on the void garages.
- 3) Allowing the existing tenants to transition to a higher rent level.

6 Anticipated Benefits

The main benefit will be the reduction of liabilities for SSDC. The existing roofs are covered with an asbestos containing material supported on rotten timber joists. An unexpected collapse of the roof could lead to a significant liability for asbestos removal and compensation for damage to tenant’s vehicles.

7 Options Discounted

Option a) – ignore situation
 Option b) – demolish garages
 Option a) was discounted for reasons of liability and reputational risk, option b) was discounted because a demand exists for garages in this location, and the letting of the garages financially outperforms other uses of the site.

8 Key Information Summary

8.1	Expected Duration Of Work	
	Start Date:	April 2021
	Other Key Milestones with Dates:	n/a
	Expected Completion Date:	May 2021

8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available?	Agreement of Officer?
	Dan Bennett	20	Y	Y
	Are there any impacts on property?	The project can be resourced from within the property team. The project enhances part of the property portfolio, whilst minimising future liabilities.		
	Are there any impacts on IT systems?	No		
	Are there any environmental impacts?	The project would remove a known carcinogen from the garages and replace with a safer alternative. All asbestos disposal would be through licenced contractors.		
	Have you appropriately considered all Equality issues?	None identified		
8.3	Risk Assessment			
	Risk	Steps taken to mitigate Risk		
	This is a straightforward project that will entail a) a survey, b) a specification of works, c) a tender or competitive quotation exercise	The project will be managed by an experienced project manager from start to finish		

9 Financial Investment

9.1	Total Costs and Funding					
		Funding Body		£' 000		
	SSDC Capital: -	District Executive Area Committees		10		
	Other Sources: - - Grants					
	Total Capital Cost			10		
9.2	Breakdown of main areas of cost					
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Building work	10				
	Totals	10				

9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals						
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	0.2				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		0.2				
	Cumulative		0.2				
9.5 Whole Life Costing							
	Estimated useful life of asset (years)	30 years					
	Total Revenue Costs Year 1 to 5	N/A					
	Annual Revenue Cost after year 5	N/A					
	Total cost over whole life of asset	N/A					
9.6 VAT Implications							
	<i>What are the VAT implications of the scheme?</i>						
	<i>Is this a VAT exempt activity?</i>						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-05

Capital Name: Chard Business Park, Roadway Adoption

Date Created 01/10/2020
Document Version: 1.1
Author: Dan Bennett

1 Purpose of Request

SSDC have an historic obligation at Chard Business Park to construct a roadway and have it adopted by County Council. The roadway was constructed in the early 1990's, but the adoption process was not completed. The roadway gives access to farmland, which now has planning consent for 300 new homes. The S106 agreement contains provisions to have this roadway adopted and the land-owner is now reverting to SSDC to discharge this obligation. Additional works have also been identified on adjacent SSDC owned roads regarding defective street lighting. This has been an unresolved issue for some years and is logical to tie into the same scheme of works.

2 Objectives

For SSDC to bring the roadway up to an adoptable standard and complete the legal process of adoption in a timely manner. To renew the defective street lighting on adjacent SSDC owned roadway.

3 Constraints and Decisions

DX approved the funding to undertake the required survey and investigation works to the roadway at their September meeting. When costs are established DX will be presented with a paper recommending that the expenditure is made. This is likely to be early in the New Year.

4 Interfaces

There are no interfaces with other SSDC projects, however the timings of the delivery will need to be defined within the S106 agreement covering the development.

5 Measures of Success

The completion of the adoption process and the acceptance of the roadway by County Council will be the measure of success. There are also several outstanding complaints regarding the defective street lighting elsewhere on the business park. Our policy to date has been to remove defective street lights, however this has now created a situation where the lack of lighting is generating complaints.

6 Anticipated Benefits

There are few benefits to SSDC from completing this historic obligation, however once the works are complete and the adoption is agreed by County Council we will no longer be responsible for the future maintenance liabilities of the roadway. The replacement of lighting elsewhere on the estate will also remove an ongoing liability to SSDC. We have the opportunity to specify a low energy type of lighting here, potentially reducing future energy use.

7 Options Discounted

Option a) – ignore situation
 Option b) – challenge the historic obligation
 Both these options were discounted on the grounds of reputational risk and excessive legal costs.

8 Key Information Summary

8.1	Expected Duration Of Work	
	Start Date:	April 2021

Other Key Milestones with Dates:	n/a
Expected Completion Date:	May 2021

8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available?	Agreement of Officer?
	Dan Bennett	100	Y/N	Y/N
	Are there any impacts on property?	The only impact on the property team will be the officer time to deliver the project. There are enough other projects being delivered by officers in Chard to ensure that this project can be accommodated around them.		
	Are there any impacts on IT systems?	No		
	Are there any environmental impacts?	There are limited environment impacts identified from the project		
	Have you appropriately considered all Equality issues?	No equality issues identified		

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	<p>The significant risk here is around the non-completion of the project and the potential enforcement of the terms of the obligation through legal channels.</p> <p>The works will be put to competitive tender.</p>	<p>The project is being managed by an experienced project manager.</p> <p>The tender process should ensure that we pay a market rate for the works.</p>

9 Financial Investment

9.1	Total Costs and Funding		
		Funding Body	£' 000
	SSDC Capital: -	District Executive Area Committees	125
	Other Sources: - - Grants		
	Total Capital Cost		125

9.2 Breakdown of main areas of cost							
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	Roadway Adoption	125					
	Totals	125					
9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	List here		0				
	Totals		0				
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	2.5				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		2.5				
	Cumulative		2.5				
9.5 Whole Life Costing							
	Estimated useful life of asset (years)	Asset will be transferred to SCC on completion, with the exception of the new street lighting on adjoining streets that will remain with SSDC. The specification of a long life, low maintenance product should provide a minimum 25 year working life.					
	Total Revenue Costs Year 1 to 5						
	Annual Revenue Cost after year 5						
	Total cost over whole life of asset						

9.6	VAT Implications
	<i>What are the VAT implications of the scheme?</i> <i>Is this a VAT exempt activity?</i>



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-06

Capital Name: Access Easement, Stoke Sub Hamdon

Date Created 02/10/2020
Document Version: 1.0
Author: Dan Bennett

1 Purpose of Request

The Property Team have identified a site in Stoke Sub Hamdon that could support a single detached dwelling. A planning application has been submitted and a favourable result is expected shortly. This report seeks capital funding to unlock an access easement over 3rd party land to the development site.

2 Objectives

For SSDC to bring the development plot to the market with an access easement already in place.

3 Constraints and Decisions

The site has constrained access. This is currently achieved through an SSDC public car park, which is unsuitable for a dwelling. An alternative access can be achieved over land owned by Yarlinton Housing Group.

4 Interfaces

There are no interfaces with other SSDC projects.

5 Measures of Success

The grant of planning consent, the grant of an access easement and the ultimate sale of the site. The costs expended in obtaining the easement will be recovered through the sale of the site.

6 Anticipated Benefits

The site is currently unmaintained and subject to occasional fly tipping. Clearing the site of the accumulated fly tipping and overgrowth cost in the region of £3000. In addition to the reduction of ongoing liabilities the site has the potential to generate a capital receipt in the region of £80,000.

7 Options Discounted

Option a) – attempt planning with an access through a public car park, which would likely result in a planning refusal

Option b) – leave the site as waste ground and accept the ongoing liability.

Both options discounted as they did not represent any improvement on the status quo.

8 Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:	n/a		
	Expected Completion Date:	September 2021		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available?	Agreement of Officer?
	Dan Bennett	25	Y	Y

	Are there any impacts on property?	The only impact on the property team will be the officer time to deliver the project. The loss of the land from the portfolio both reduces the ongoing liability and generates a capital receipt. The land is non-strategic/non-operational.
	Are there any impacts on IT systems?	No
	Are there any environmental impacts?	There are limited environment impacts identified from the project
	Have you appropriately considered all Equality issues?	No equality issues identified
8.3 Risk Assessment		
	Risk	Steps taken to mitigate Risk
	Failing to secure an access easement would render the site inaccessible and adversely affect the market value	An early dialogue was opened with Yarlington Housing Group to ensure that an access easement was likely to be granted.

9 Financial Investment

9.1 Total Costs and Funding							
			Funding Body			£' 000	
	SSDC Capital: -		District Executive Area Committees			20	
	Other Sources: - - Grants						
	Total Capital Cost					20	
9.2 Breakdown of main areas of cost							
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	Access Easement	20					
	Totals	20					
9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals						

9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	0.4				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		0.4				
	Cumulative		0.4				
9.5 Whole Life Costing							
	Estimated useful life of asset (years)	Asset will be sold on open market on completion of easement					
	Total Revenue Costs Year 1 to 5						
	Annual Revenue Cost after year 5						
	Total cost over whole life of asset						
9.6 VAT Implications							
	<p><i>What are the VAT implications of the scheme?</i></p> <p><i>Is this a VAT exempt activity?</i></p>						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-07

Capital Name: Demolition of toilets, West Street, Crewkerne

Date Created 20/11/20
Document Version: 1.1
Author: Rebecca McElliott

Page 93

1 Purpose of Request

SSDC own a former public convenience in West Street car park, Crewkerne. The facilities were closed in 2005. Crewkerne Town Council leased the building from SSDC for £950 per annum between 2007 and 2018. The building has been vacant since 2018. The purpose of the request is for funding to demolish the building and create three additional car parking spaces in the car park.

2 Objectives

The objectives are to demolish a building that is an ongoing maintenance liability and create additional car parking spaces that will produce an income. The building is not held for any strategic purposes, does not produce an income, is an ongoing liability and does not meet the commercial strategy target net initial yield of 7%. In line with the commercial strategy, this project forms part of the rationalisation of the property portfolio.

3 Constraints and Decisions

Shortage of officer time would provide a constraint to the project in terms of timescales. Unable to find a contractor to carry out the work. No impact on other projects as it will require minimal officer time.

4 Interfaces

None.

5 Measures of Success

Demolition of building and increased income from car park due to increase in spaces.

6 Anticipated Benefits

Reduce expenditure on maintenance and security. Efficiency saving on staff time to manage the property. Increase in car park income through the creation of additional spaces. Value for money will be achieved by obtaining three quotes for the work to demolish building and create additional parking spaces.

7 Options Discounted

Consideration was given to re-letting the building or disposal by sale. Discounted because building is in poor condition, different levels internally, significant investment required to re-let. Disposal would create a need to provide an easement over SSDC car park to a third party which is undesirable.

8 Key Information Summary

8.1	Expected Duration Of Work	
	Start Date:	May 2021
	Other Key Milestones with Dates:	N/A
	Expected Completion Date:	

8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Property specialist	8	Y	Y
	Are there any impacts on property?	Yes – overseeing the project. Instructing demolition contractor and contractor to create additional car parking spaces.		
	Are there any impacts on IT systems?	No		
	Are there any environmental impacts?	No		
	Have you appropriately considered all Equality issues?	N/A		
8.3	Risk Assessment			
	Risk	Steps taken to mitigate Risk		
	No member support	Members consulted and no objections received		
	Unable to find a contractor to carry out the work	Three quotes requested prior to project commencing – two received and awaiting one more		

9 Financial Investment

9.1	Total Costs and Funding					
		Funding Body			£' 000	
	SSDC Capital: -	District Executive Area Committees			20	
	Other Sources: - - Grants					
	Total Capital Cost				20	
9.2	Breakdown of main areas of cost					
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Demolition of building and making good – creation of car parking spaces	20				
	Totals	20				

9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals	No					
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	0.4				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		0.2				
	Cumulative		0.2				
9.5 Whole Life Costing							
	Estimated useful life of asset (years)			N/A			
	Total Revenue Costs Year 1 to 5						
	Annual Revenue Cost after year 5						
	Total cost over whole life of asset			N/A			
9.6 VAT Implications							
	<p><i>What are the VAT implications of the scheme?</i></p> <p><i>Is this a VAT exempt activity?</i></p>						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-08
Capital Name: Footbridge Assessment & Works

Date Created 20/11/2020
Document Version: 1.1
Author: Robert Orrett / Ian Case

1. Purpose of Request

A number of bridges across the district that fall under SSDC ownership. These are mostly timber structures but the large ones have steel beams. The first stage would be to appoint consultant engineers to carry out a structural assessment for each bridge and identify a planned renewal programme and budget.

2. Objectives

The project objectives link to the Council Plan 2020-24 as follows:-

Protecting Core Services:

Deliver a high quality, effective and timely service to our customers and communities.

Healthy, Self-reliant Communities:

Enable quality, cultural, leisure and sport activities.

3. Constraints and Decisions

Risks of bridge assets depreciating to unacceptable extent; impact of unscheduled reactive renewals and repairs; Access limitations.

4. Interfaces

None.

5. Measures of Success

Avoiding interruptions to use of bridges and spaces. Planned programme of maintenance and repair.

6. Anticipated Benefits

Optimum economic life for bridges. Uninterrupted access for use and safe crossing of watercourses.

7. Options Discounted

No action.

8. Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:			
	Expected Completion Date:	March 2023		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Specialist – Asset Management	30	Y	Y
	Case Officer	10	Y	Y

Are there any impacts on property?	Some operational disruption.
Are there any impacts on IT systems?	None
Are there any environmental impacts?	None believed at this stage.
Have you appropriately considered all Equality issues?	Access restrictions could cause an Equality issue.

8.3 Risk Assessment	
Risk	Steps taken to mitigate Risk
The usual procurement risks would apply.	Ensure specialist engineers are procured together with an appropriately experienced contractor with experienced officers carrying out design and feasibility checks.

9 Financial Investment

9.1 Total Costs and Funding		
	Funding Body	£' 000
SSDC Capital: -	District Executive	40
Other Sources: - - Grants		
Total Capital Cost		40

9.2 Breakdown of main areas of cost					
	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
SSDCs share of project	10	30			
Totals	10	30			

9.3 External funds to be received						
	Secured?	2021/22	2022/23	2023/24	2024/25	2025/26
	Y/N	£'000	£'000	£'000	£'000	£'000
Not Applicable						
Totals						

9.4		Revenue Implications of Capital scheme					
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	0.2	0.6			
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)		5	5	5	5	5
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		5.2	5.6			
	Cumulative		5.2	10.8	15.8	20.8	25.8

9.5		Whole Life Costing	
	Estimated useful life of asset (years)	30 years	
	Total Revenue Costs Year 1 to 5	A budget needs to be allocated for inspection / maintenance costs – Say £5k per annum	
	Annual Revenue Cost after year 5	As above	
	Total cost over whole life of asset	£150k	

9.6		VAT Implications	
	<i>What are the VAT implications of the scheme?</i>		
	<i>Is this a VAT exempt activity?</i>		



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-09
Capital Name: Rowan Way – Embankment Landslip

Date Created 20/11/2020
Document Version: 1.1
Author: Robert Orrett / Ian Case

1. Purpose of Request

A section of steep embankment on SSDC open space land has slipped down to impinge into the fence and garden of the adjoining residential property in Rowan Way, Yeovil. Assessments are in hand to scope the structural design and evaluate drainage implications. This needs to be followed by implementation of remedial works to restore stability to the bank.

2. Objectives

The project objectives link to the Council Plan 2020-24 as follows:-

Protecting Core Services:

Deliver a high quality, effective and timely service to our customers and communities.

3. Constraints and Decisions

Continued impact on the resident and risk of further land slips. Significantly constrained site, preventing use of conventional plant for this type of operation restricting design and construction options.

4. Interfaces

None.

5. Measures of Success

Project carried out with minimal disruption in a much restricted working environment.

6. Anticipated Benefits

Stability of this section of the embankment preventing further collapses.

7. Options Discounted

No action.

8. Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:			
	Expected Completion Date:	September 2021		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Specialist – Asset Management	30	Y	Y
	Case Officer	10	Y	Y
	Are there any impacts on property?	Some operational disruption.		
	Are there any impacts on IT systems?	None		

	Are there any environmental impacts?	Potentially as the area of open space is a designated area. However, we have carried out an ecological study and are aware of any constraints.
	Have you appropriately considered all Equality issues?	Yes - None

8.3 Risk Assessment		
	Risk	Steps taken to mitigate Risk
	This project addresses the local collapse behind 80 Rowan Way. The steep embankment is behind numerous properties. At this stage the full design is not known but is thought to consist of one realistic option in the use of gabion baskets. If this is not suitable then other options with significant cost options would need to be considered. . The usual procurement risks would apply.	Ensure specialist engineers are procured together with an appropriately experienced contractor with experienced officers carrying out design and feasibility checks. A site inspection has not revealed any other evidence of slippage and it looks to be a localised area.

9 Financial Investment

9.1 Total Costs and Funding			
		Funding Body	£' 000
	SSDC Capital: -	District Executive	50
	Other Sources: - - Grants		
	Total Capital Cost		50

9.2 Breakdown of main areas of cost						
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	SSDCs share of project	50				
	Totals	50				

9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals						

9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	1.0				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		1.0				
	Cumulative		1.0				

9.5 Whole Life Costing	
Estimated useful life of asset (years)	50 years
Total Revenue Costs Year 1 to 5	None
Annual Revenue Cost after year 5	None
Total cost over whole life of asset	

9.6 VAT Implications	
	<p><i>What are the VAT implications of the scheme?</i></p> <p><i>Is this a VAT exempt activity?</i></p>



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No:	2021-10
Capital Name:	West Hendford Car Park – Crime Reduction Improvements
Date Created	20/11/2020
Document Version:	1.1
Author:	Robert Orrett / Ian Case

1. Purpose of Request

This car park is an underground car park that we lease from Tesco since 1993 under a 125-year term. The car park has for years now suffered from the effects of anti-social behaviour degradation.

We are currently using the existing capital funding (2020/21) to provide a better underground car park environment by painting the surfaces, providing replacement lighting and measures to prevent the infestation of pigeons.

In recent months, the seriousness of the criminal activity has increased and we have met with the Police and other stakeholders. As a result, there is a need for further improvements to seal off the many openings whilst still maintaining as much natural light as possible and to provide improved and monitored CCTV camera system.

Because of the seriousness of the activity, the Police would like us to implement these measures to secure the site as soon as possible and therefore there may be some match funding available for the 'sealing off'. However, there is the issue of timing as if this bid was successful, the funding would only be available in April 2021. If this could be brought forward into this year to coincide with the other works it would be beneficial to the community and potentially our car park income.

It is also considered appropriate to monitor the new CCTV cameras which will have revenue implications for the CCTV budget.

2. Objectives

The project objectives link to the Council Plan 2020-24 as follows:-

Protecting Core Services:

Deliver a high quality, effective and timely service to our customers and communities.

Investigate emerging technologies and their potential for improving our performance.

Healthy, Self-reliant Communities:

Work with partners to keep, and help our residents feel safe in their homes and communities.

Priority Project 3 – to continue the refresh of Yeovil Town Centre

Install improved lighting in West Hendford.

3. Constraints and Decisions

The car park is leased from Tesco who own the structure, therefore we will need to be comfortable of the terms to protect any investment in the car park. Engagement with Yeovil Refresh team also required.

The car park will need to be closed for some of these works so a 'one hit' approach would be beneficial.

4. Interfaces

None

5. Measures of Success

Reduction of criminal activity resulting in increase in car park usage and improved customer experience.

6. Anticipated Benefits

Better managed car park, reduced anti-social behaviour and criminal activity leading to increased usage and better customer experience in this important town centre car park.

7. Options Discounted

No action.

8. Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021 (or sooner if possible?)		
	Other Key Milestones with Dates:			
	Expected Completion Date:	September 2021		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Specialist – Asset Management	45	Y	Y
	Case Officer	15	Y	Y
	Are there any impacts on property?	Some operation disruption.		
	Are there any impacts on IT systems?	None.		
	Are there any environmental impacts?	Yes, removal of pigeon infestation.		
	Have you appropriately considered all Equality issues?	Yes		

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	There are no outside partners other than contractors and potentially Sedgemoor who would monitor the CCTV. The usual procurement risks would apply.	Ensure a specialist and established supplier is procured with experienced officers carrying out design and feasibility checks.

9 Financial Investment

9.1 Total Costs and Funding							
		Funding Body			£' 000		
	SSDC Capital: -	District Executive Area Committees?			50		
	Other Sources: - - Grants	Possibility of up to £15k match funding from One Team funds dependent upon timing					
	Total Capital Cost				50		
9.2 Breakdown of main areas of cost							
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	SSDCs share of project	50					
	Totals	50					
9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	<i>Not Applicable</i>						
	Totals						
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	1				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)			9	9	9	9
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		1				
	Cumulative		1	10	19	28	37

9.5	Whole Life Costing	
	Estimated useful life of asset (years)	25 years
	Total Revenue Costs Year 1 to 5	Say 3 cameras monitored at £3k per camera = £9k per annum
	Annual Revenue Cost after year 5	As above plus inflation rises.
	Total cost over whole life of asset	£225k
9.6	VAT Implications	
	<p><i>What are the VAT implications of the scheme?</i></p> <p><i>Is this a VAT exempt activity?</i></p>	



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-11
Capital Name: Lufton Depot –
Surfacing, Drainage Works & Security
Improvements

Date Created 20/11/2020
Document Version: 1.1
Author: Robert Orrett / Ian Case

1. Purpose of Request

Lufton Depot is an operational depot subject to HGV traffic including tight turning movements to manoeuvre around the yard. Over the years the HRA surfacing has deteriorated to the extent that a significant area requires resurfacing. This uneven surface is becoming a H&S trip hazard at times and also when puddles freeze over.

There is also an amount of work need to the rear parking area again to create a safe parking environment for staff and operational vehicle parking.

The site is very flat and there are a number of drainage problems including the aging slot drainage running along the front of the building. These drains are not suitable for the use the area gets due to the length and lack of fall and are therefore prone to blocking. This causes problems with drainage but also ongoing maintenance issues. It is proposed to replace these with heavy duty drainage channels with inbuilt fall.

The current CCTV system installed in 2009 and upgraded in 2014 reaches the end of the current hire agreement in February 2021. Since 2014 under this agreement we have spent just under £50k and at the end of this term we do not own the equipment. There is additional monitoring and maintenance costs of around £3k per annum. There is an offer withy the existing supplier to upgrade the system under an another hire agreement which would amount to similar costs over the next 6.5 years and would tie us in again to this system as it is not open protocol. The alternative would be to purchase an open protocol system outright and including the required extra cameras and upgrades a budget cost for this is £20k. This would save some £30k over the 6 years and we would own the equipment. It would also mean that we could change our supplier should we desire to do so.

2. Objectives

The project objectives link to the Council Plan 2020-24 as follows:-

Protecting Core Services:

Deliver a high quality, effective and timely service to our customers and communities.

3. Constraints and Decisions

The depot is operational involving our own direct Environment services but also the Waste Partnership and now the Police as tenants. Therefore, there are constraints around working hours effectively meaning that some of the works would need to be carried out at weekends.

4. Interfaces

Tenants - Waste Partnership operation (Suez) & Police.

5. Measures of Success

Safe working environment for the operations carried out at the depot. Increased security for staff and equipment.

6. Anticipated Benefits

Maintenance of existing surfaces eliminated / reduced

7. Options Discounted

No action.

8. Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:			
	Expected Completion Date:	March 2022		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Specialist – Asset Management	35	Y	Y
	Case Officer	25	Y	Y
	Are there any impacts on property?	Some operational disruption.		
	Are there any impacts on IT systems?	None		
	Are there any environmental impacts?	None believed at this stage.		
	Have you appropriately considered all Equality issues?	Yes		

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	The usual procurement risks would apply.	Experienced officers carrying out design and feasibility checks.

9 Financial Investment

9.1	Total Costs and Funding		
		Funding Body	£' 000
	SSDC Capital: -	District Executive	85
	Other Sources: - - Grants		
	Total Capital Cost		85

9.2	Breakdown of main areas of cost						
			2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	SSDCs share of project (surfacing)		45				
	Drainage works		20				
	CCTV – new cameras and upgrades to external cameras and system		20				
	Totals		85				
9.3	External funds to be received						
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals						
9.4	Revenue Implications of Capital scheme						
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	1.7				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		1.7				
	Cumulative		1.7				
9.5	Whole Life Costing						
	Estimated useful life of asset (years)	15 years					
	Total Revenue Costs Year 1 to 5	As existing for maintenance and monitoring CCTV system.					
	Annual Revenue Cost after year 5	As above					
	Total cost over whole life of asset						

9.6	VAT Implications
	<i>What are the VAT implications of the scheme?</i> <i>Is this a VAT exempt activity?</i>



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-12
Capital Name: Digital Upgrade of Yeovil Town Centre CCTV Cameras

Date Created 20/11/2020
Document Version: 1.1
Author: Robert Orrett / Ian Case

1. Purpose of Request

Sedgemoor District Council (SDC) under a Service Level Agreement (SLA) monitor the CCTV cameras that we own in Yeovil town centre and have done so for many years.

The supplier who provide their recording and VMS (Video Management System) platform have voluntarily closed their business at the start of this year (Tekton).

All of the towns monitored by SDC are affected, including Yeovil and Taunton.

The successful bid of 2020/21 in the sum of £25k will be spent towards the end of the year as Sedgemoor are currently engaged in a tender exercise for the new system.

Since this bid we have experienced significant faults with the aging existing system and to keep as many cameras operating as possible we have by necessity upgraded 5 cameras to digital in order to free up DVR space. Some of the existing cameras are approaching 15/20 years old.

This request is to upgrade the remaining 24 cameras and include supplementing with extra cameras if appropriate to the network.

It will also include for installing an extra camera in an area known for crime issues to provide additional coverage.

2. Objectives

The project objectives link to the Council Plan 2020-24 as follows:-

Protecting Core Services:

Deliver a high quality, effective and timely service to our customers and communities.

Investigate emerging technologies and their potential for improving our performance.

Healthy, Self-reliant Communities:

Work with partners to keep, and help our residents feel safe in their homes and communities.

3. Constraints and Decisions

Persistent reduction in image quality. Reduced reliability and unscheduled revenue spend on ad hoc camera replacement producing a mix of different cameras and corresponding inconsistency in image quality for reliable crime reduction and enforcement purposes.

The system currently housed in Petters House so obviously we would need to retain as an operational property or incur moving costs for the system.

4. Interfaces

None.

5. Measures of Success

Uninterrupted service. Operating costs

A modern system planned and procured to be compatible with the new VMS system.

6. Anticipated Benefits

An up to date, reliable and consistent camera system able to provide clear images at varying light levels aiding enforcement and crime reduction.

7. Options Discounted

No action.

8. Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:			
	Expected Completion Date:	March 2022		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Specialist – Asset Management	30	Y	Y
	Case Officer	20	Y	Y
	Are there any impacts on property?	Some operation disruption.		
	Are there any impacts on IT systems?	None directly as the VMS system is not run by SSDC.		
	Are there any environmental impacts?	No.		
	Have you appropriately considered all Equality issues?	Existing system and is a replacement of existing monitoring system.		

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	There are no outside partners other than contractors and Sedgemoor DC who monitor the cameras and operate the CCTV VMS. The usual procurement risks would apply.	Ensure a specialist and established supplier is procured with experienced officers carrying out design and feasibility checks.

9 Financial Investment

9.1 Total Costs and Funding		Funding Body		£' 000			
	SSDC Capital: -	District Executive Area Committees		65			
	Other Sources: - - Grants	We could look to request a contribution from YTC					
	Total Capital Cost			65			
9.2 Breakdown of main areas of cost		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	SSDCs share of project to upgrade	60					
	Installation of new camera	5					
	Totals	65					
9.3 External funds to be received		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	<i>Not Applicable</i>						
	Totals						
9.4 Revenue Implications of Capital scheme		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	1.3				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)			3	3	3	3
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		1.3				
	Cumulative		1.3	4.3	7.3	10.3	13.3

9.5	Whole Life Costing	
	Estimated useful life of asset (years)	15 years
	Total Revenue Costs Year 1 to 5	There will be an additional revenue cost of circa £3k per annum for the extra camera Not anticipated to be extra other than inflation rises.
	Annual Revenue Cost after year 5	As above.
	Total cost over whole life of asset	£45k
9.6	VAT Implications	
	<p><i>What are the VAT implications of the scheme?</i></p> <p><i>Is this a VAT exempt activity?</i></p>	



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No:	2021-13
Capital Name:	Yeovil Town Centre Walking and Cycling Package
Date Created	20/11/2020
Document Version:	1.1
Author:	Natalie Fortt

1 Purpose of Request

To seek funding to deliver the Yeovil Town Centre Cycling and Walking Package. The Regeneration Programme Manager will continue to seek other funding opportunities with the aim of reducing this capital request or indeed replacing it altogether. However, at this time the details of the proposed government cycling infrastructure funds are unknown, so the full cost of the scheme has been included in this bid.

The improvements to cycling and walking within the town centre are part of the adopted Town Centre Transport Package, which is intended for incorporation into the emerging SSDC Local Plan 2020 -2040. We also anticipate this becoming part of the SCC Local Transport Plan in due course. The Town Centre Cycling and Walking Package is an element of the draft Local Cycling and Walking Plan (LCWIP) for Yeovil. The work also has positive implications for our Environment Strategy and our commitment to healthy communities.

Yeovil town centre suffers from a lack of connectivity which is created by the A30 Reckleford/Queensway cutting the town centre from the remainder of the settlement. This has meant that existing cycle ways and footways are severed from the town centre creating a reliance on motorised vehicles to access the town centre. This is a major contributory factor in the town centre being designated an Air Quality Management Area. Cycling rates remain low in Yeovil due to these factors and limited infrastructure to enable its resolution.

2 Objectives

The proposal would extend existing cycle ways into the town centre combined with the creation of new on road cycle lanes and off road segregated cycling and walking routes, including:

- Hendford off carriageway shared cycle and walking route approximate length 450 metres. Main route access to town centre from the South. This route crosses a number of side street junctions.
- Addlewell Lane on carriageway cycleway 150 metres. Alternate route into town centre access to South Street.
- Stars lane on carriageway Cycleway 250 metres. Road is bus route single carriageway, narrows at entrance to South Street. NB plan in place to reverse flow of Street at entrance to Stars lane car park through South Street.
- Widen existing cycleway station road and upgrade crossing to Toucan. This would create an upgraded junction for pedestrians and cyclists.
- Creation of adopted route between Pen Mill Mainline Railway Station and Town centre approximately 1 kilometre. This will require upgrade of existing pathway to meet adopted standards for shared walking/cycling route. This will include drainage, lighting and surfacing work.
- Creation of two new cycle storage areas linked to e- bike provision at SSDC owned Stars Lane and South Street Market car parks.

The main objectives of the project are to encourage a modal shift from car journeys to walking and cycling and to improve access to the town centre. The project is included in our Environment Strategy under the Travel and Transport section and will also assist our Air Quality Plan.

The project links to the Environment Key Area of Focus in the Council Plan. In particular, our response to the climate emergency. In South Somerset, 42% of our carbon emissions emanate from transport, compared with 33% from Domestic activities and 25% from industrial. Therefore, encouraging more sustainable modes of transport is vital if we are to dramatically reduce our carbon emissions.

The project also links to the Economy Key Area of Focus, in particular the aim to regenerate our Town Centres and High Streets. In fact, it is a key part of Priority Project 3 - Continue the Refresh of Yeovil Town Centre.

3 Constraints and Decisions

The lack of available officer time is a likely constraint. However, part of the budget has been allocated to paying for Project Management support in order to mitigate this. There is still the possibility the lack of SCC Officer time could affect the timescale for delivery.

The overall project and therefore each of the components is split into three phases and these are priced within the attached document. The phases are:

- Phase 1 – Preliminary Design
- Phase 2 – Detailed Design
- Phase 3 – Tender and Award (delivery phase)

There will be a gateway decision making process at end phases 1 and 2, using the existing Regeneration Governance Structure. At the end of phase one a decision will need to be taken as to whether to go ahead with the project or put it on hold. This means the council could progress some and not others. Hendford and Addlewell Lane have the most issues in terms of land take so will be the most time intensive in detailed design and delivery phases.

Commitment into phase 2 will not only incur design costs but will mean the listed tasks allocated to SSDC needing to be tackled. These are significant in terms of activity and time commitments. At the close of phase 2 there will be a gating point as to whether to go ahead. A decision will also be required on the procurement process, as the council could potentially use our new construction framework, issue an open tender process or utilise existing SCC arrangements via their standing contract.

4 Interfaces

There are interdependencies between this project and the Public Realm projects included within the Yeovil Refresh. The council intend to deliver high quality permanent infrastructure improvements to tackle all of the factors that impact the way the town centre is utilised. This bid focuses on the delivery of the Cycling and Walking Infrastructure, however, the combination of both projects will fundamentally transform how the town centre is used in the future.

5 Measures of Success

Phase reports will be provided for Yeovil Refresh Board to make appropriate decisions. Build phase will be judged as delivery of the scheme against agreed design.

The bid is associated with the creation of a Local Walking Cycling Infrastructure Plan LCWIP. This will include cycling rates and plans to increase them. This bid will contribute to the plan to increase rates.

6 Anticipated Benefits

The project will deliver key milestones within Council Plan Priority Project 3:

- Design the town centre walking & cycling interventions identified in LCWIP/Access strategy
- Commence construction of walking network
- Commence construction of cycling network

The project will also help achieve the actions identified in the Environment Strategy.

Additional tree planting could be used to encourage and enhance the user-experience through the provision of shade from urban heat-glare, safe-segregation and slowing down of traffic using the 'parallax effect', this will also have an impact on the reduction of air pollution.

VFM will be analysed through the design process against DfT standards, this is a core element of delivery of such schemes.

7 Options Discounted

As part of the Yeovil Refresh work a number of options have been considered to expand the Cycling and Walking network as part of the wider holistic transport strategy. The proposed package is the outcome of that work so we have already discounted a number of other concepts and ideas. The only other option is to not undertake the project which would undermine the wider approach to regeneration of Yeovil. This do nothing option has been discounted as it would not promote sustainable transport, reduce carbon emissions or produce benefits enhancing connectivity in the town.

8 Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	Nov 2020		
	Other Key Milestones with Dates:	Phase 1 Gateway Decision – March 2021 Phase 2 Detailed Design – March 2021 Phase 2 Gateway Decision – Sep 2021 Phase 3, Implementation and Contract Prep – end of Sep 2021 Construction – January 2022		
	Expected Completion Date:	January 2023		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Yeovil Refresh Project Manager	262	Y	Y
	Regeneration Programme Manager	20	Y	Y
	Legal Specialist	148	Y	Not yet, brief being developed
	Case Support	222	Y, funded through the budget	Y
	Are there any impacts on property?	No direct impact on property although some schemes adjoin SSDC owned land so there may be indirect impacts.		

Are there any impacts on IT systems?	The project would have no impact on IT systems.
Are there any environmental impacts?	The project would have a positive impact on the environment and is detailed in our Environment Strategy. The project will provide significant improvements to the cycleway infrastructure in Yeovil and create an opportunity for positive modal changes. Minimal-dig permeable surfacing will be used in the vicinity of our most valuable trees, in order to avoid causing damage to their health.
Have you appropriately considered all Equality issues?	These are broadly considered but each section of the proposed cycle ways/walkways will be subject to legislative requirements. This includes detailed EIA at the appropriate point in the design process.

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	<p>There is a risk that the construction costs will be higher than expected.</p> <p>Lack of available staff time.</p> <p>Change in legal specifications for Cycletracks Schemes may require land acquisitions</p> <p>Damage to natural environment</p>	<p>Undertake a robust procurement process and not financially commit to the project until all costs are finalised.</p> <p>Project management time has been included in the project budget.</p> <p>These changes are recent so will be incorporated in the designs.</p> <p>Option appraisals to be carried out on designs. Sufficient and early consultation with land owners.</p> <p>Address through design consultation with specialists and use of appropriate construction methods for example minimal dig surfacing.</p>

9 Financial Investment

9.1	Total Costs and Funding		
		Funding Body	£' 000
	SSDC Capital: -	This request	1,200
	Other Sources: - - Grants	Yeovil Refresh	200
	Total Capital Cost		1,400

9.2 Breakdown of main areas of cost							
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	Designs						
	Phase 1	60					
	Phase 2	90					
	Phase 3	50					
	Construction of Cycling and Walking Package	1,100					
	Two Cycle Storage Facilities	20					
	SCC Project Management	55					
	SSDC Project Management	25					
	Totals	1,400					
9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals	0					
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	24				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		24				
	Cumulative		24				
9.5 Whole Life Costing							
	Estimated useful life of asset (years)						
	Total Revenue Costs Year 1 to 5						
	Annual Revenue Cost after year 5					Created assets will be owned and maintained by SCC.	
	Total cost over whole life of asset						

9.6	VAT Implications
	<p><i>What are the VAT implications of the scheme?</i></p> <p>Based on the current information provided to us, the VAT is recoverable on this project.</p> <p><i>Is this a VAT exempt activity?</i> No</p>



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No:	2021-14
Capital Name:	Lyde Road Strategic Cycleway
Date Created	20/11/2020
Document Version:	1.1
Author:	Natalie Fortt

1 Purpose of Request

To seek funding to enable the creation of three sections the Lyde Road Cycleway in Yeovil. There is currently £250K of capital set aside for the cycleway (sections A-C). However, a further £279K is required to be able to complete the indicative funding package for these three sections and that shortfall forms the basis of this bid. A further bid for the remaining £279K has been submitted to the Active Travel Tranche 2 fund but the outcome of this bid is currently unknown.

The Eastern area of Yeovil is poorly served by the cycling network with patchy provision that does not provide direct or connected routes. Significant housing allocations have been made into this area through the local plan, with planning consent having been granted to a number of these schemes in 2020. This will increase the need for appropriate infrastructure provision into the area.

The area around Pen Mill Mainline Railway Station consists of narrow residential streets which means that road space is limited for cyclists and space would be needed to provide designated cycle ways. Additionally, there are no routes which provide direct access to the range of residential streets, schools and commercial areas which are located in this part of the town. This limited access and lack of clear, cohesive routes reduces the likelihood of cycling and walking being the chosen mode of transport.

2 Objectives

The proposal would deliver sections A, B and C of the route:

- Section A at the southern extremity travels through tight residential streets so will require reallocation of road space in that section.
- Section B provides new tiger crossing and access to an off-road multi-use segregated path which will link to section C.
- Section C travels fully off road providing safe routes for walker and cyclists to access the eastern residential areas of the town.

The main objective of which is to encourage a modal shift from car journeys to walking and cycling. The project is included in our Environment Strategy and will also assist our Air Quality Plan.

The project links to the Environment Key Area of Focus in the Council Plan. In particular, our response to the climate emergency. In South Somerset, 42% of our carbon emissions emanate from transport, compared with 33% from Domestic activities and 25% from industrial. Therefore, encouraging more sustainable modes of transport is vital if we are to dramatically reduce our carbon emissions.

In 2019 and 2020 work has been undertaken on the draft Local Cycling and Walking Infrastructure Plan (LCWIP) with the route being clearly identified as a solution to this area of the town. The route is intended for incorporation into the emerging SSDC local plan 2020 -2040. We also anticipate this becoming part of the SCC Local Transport Plan (LTP) in due course. This will include sections D & E which will complete the link to Mudford Road providing a strategic route which provides access to the eastern area of the town.

3 Constraints and Decisions

The lack of available officer time is a likely constraint. Aside from the capital funds time is needed to run consultation processes in line with the relevant legislation. Legal support is also required for land transfers. However, part of the budget has been allocated to paying for Project Management support in order to mitigate this. There is still the possibility the lack of SCC Officer time could affect the timescale for delivery.

SCC are facilitating the delivery of the cycleway but the project is being led by SSDC utilising existing SCC contracts with WSP, their highways technical advisors.

4 Interfaces

The project supports the aims of many other projects such as increasing access to the town centre and access to the country park but there are no interdependencies, the project can be completed in isolation.

Sections A & B are essential to the whole scheme, if these sections are not delivered then they put at risk the £550,000 planning obligation due from the NE SUE developer to complete the remaining sections D & E.

5 Measures of Success

Success will be measured by the delivery of a well-used on and off carriageway cycle route and an uplift in walking and cycling journeys in the eastern end of Yeovil.

The project has been a long standing aspiration of the council and the allocation of this funding would enable the delivery of the capital project that has been on the capital forward plan for some time.

6 Anticipated Benefits

The project feasibility was carried out in previous financial years. This phase finalises design and will lead to delivery of this new segregated Cycleway.

The project will give wider community benefits as it will increase access to the train station, supermarkets and employment sites. It will also help SSDC achieve the actions identified in the Environment Strategy, in particular, reducing air pollution and specifically NOx emissions, by enabling people to cycle and walk more safely and join up the railway station with safe cycle and walking routes.

The current e-scooter trial had hoped to connect to the Pen Mill Station but the road was viewed as being unsafe for e-scooting and cycling, so provision of a cycleway would assist in the use of e-vehicles as well as traditional bikes.

7 Options Discounted

The only other option is to not undertake the project. This has been discounted as it would do nothing to promote sustainable transport or reduce carbon emissions.

8 Key Information Summary

8.1	Expected Duration Of Work	
	Start Date:	March 2021
	Other Key Milestones with Dates:	Completion of Designs – December 2020 Road Safety Audit 3 – Feb 2021 Build Task Order – April 2021 Construction – July 2021 Complete – October 2021
	Expected Completion Date:	March 2022

8.2 Estimate of Officer Time Required: -				
Officer's Name		Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
Yeovil Refresh Project Manager		131	Y	Y
Regeneration Programme Manager		10	Y	Y
Legal Specialist		37	Y	Y
Are there any impacts on property?		The delivery of the scheme will require the transfer of land to enable the widening of an existing footway.		
Are there any impacts on IT systems?		The project would have no impact on IT systems.		
Are there any environmental impacts?		The project would have a positive impact on the environment, as residents would have the necessary infrastructure to access employment sites, supermarkets, train station and other attractions using bikes rather than the car. The project will fundamentally change the network in this area of the town and create an opportunity for positive modal changes.		
Have you appropriately considered all Equality issues?		Do not consider there to be any equality impacts of the scheme. The Cycleway will comply with all legislative requirements.		
8.3 Risk Assessment				
Risk		Steps taken to mitigate Risk		
There is a risk that the construction costs will be higher than expected.		Undertake a robust procurement process and not financially commit to the project until all costs are finalised. This will be in partnership with SCC.		
Lack of available staff time.		Project management time has been included in the project budget.		
Statutory Consultation Required, this could result in design changes and additional costs		We will carry out consultation in accordance with legislation but we have already tested our design against LTN120, which is the new government guidance on cycle ways.		

9 Financial Investment

9.1 Total Costs and Funding							
		Funding Body			£' 000		
	SSDC Capital: -	Approved in Capital Programme			250		
		2021/22 Capital Bid			129		
	Other Sources: - - Grants	Active Travel funding			150		
	Total Capital Cost				529		
9.2 Breakdown of main areas of cost							
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	Designs	45					
	Construction	450					
	SCC Project Management	25					
	SSDC Project Management	9					
	Totals	529					
9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals						
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	2.58				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		2.58				
	Cumulative		2.58				

9.5	Whole Life Costing	
	Estimated useful life of asset (years)	30+
	Total Revenue Costs Year 1 to 5	N/A
	Annual Revenue Cost after year 5	Created asset will be owned and maintained by SCC.
	Total cost over whole life of asset	
9.6	VAT Implications	
	<p><i>What are the VAT implications of the scheme?</i></p> <p>Based on the current information provided to us, the VAT is recoverable on this project.</p> <p><i>Is this a VAT exempt activity?</i> No</p>	



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No:	2021-15
Capital Name:	Operational Buildings Improvement Works
Date Created	30/09/2020
Document Version:	V1.0
Author:	Robert Orrett

1. Purpose of Request

a) Brympton Way – Chamber new external lobby

The Chambers cafeteria space is a significant facility for internal meetings, welfare and staff meals. Occupation during colder periods is adversely impacted by introduction of cold external area from extended opening phases of the external access door. The proposal is to design and construct (subject to planning) a permanent external lobby which will continue to allow access from the adjacent parking but largely mitigate the heat loss and draughts.

b) Multiple buildings – access to solar panels

The Council invested a number of years ago in PV Solar panels on five of its buildings. Performance of the panels is impaired by the panels becoming progressively more dirty. Access for cleaning is not possible in several locations without provision of access arrangements. The proposal is to make alterations to provide permanent solution to this for regular cleaning.

c) Wincanton Sports Centre – alarm panel

The main alarm system for Wincanton Sports Centre is a dated installation which is no longer supported by the manufacturer. The working life of the system has been extended by use of second-hand spares but this will not allow much further operational use. Cost of parts is increased by needing to source them in this way. Replacement will also update the system to current standards for electronic addressable panels. This is an essential part of managing the building safely.

2. Objectives

The project objectives link to the Council Plan 2016-21 as follows:-

Protecting Core Services:

Provide high quality cost effective services and transform customer services through technology.

Commercial management – required to meet our commitment to tenants at the property.

3. Constraints and Decisions

- a) Reduced utilisation, due to unacceptable draughts and low temperatures, of this significant area which could play a more important role in post-COVID working when collaborative workspaces are expected. Also, wasted energy on excess heating.
- b) Reducing performance in electricity generation costs, deprivation of opportunity for regular cleaning and periodic substantial costs of temporary access.
- c) The fire panel is critical to management of the building and the safety of all occupiers and users.

4. Interfaces**5. Measures of Success**

No lost days of building use. Costs of property management. Units of electricity generated and cost savings. Contribution to carbon reduction.

6 Anticipated Benefits

- a) Reduced heating costs and utility consumption. Improved working and welfare environment.
- b) Improved performance in electricity generation measures. Reduced future costs of access for cleaning. Contribution proportion to energy conservation delivery.
- c) Continued uninterrupted use and occupation of Wincanton Leisure Centre. Demonstrable safety of building occupiers and visitors.

7 Options Discounted

No action, periodic temporary access spend with reduced frequency of cleaning.

8 Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:			
	Expected Completion Date:	March 2022		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Specialist – Asset Management	60	Y	Y
	Case Officer	40	Y	Y
	Are there any impacts on property?	Some operational disruption from (a) and noise from works from (a) and (b)		
	Are there any impacts on IT systems?	No		
	Are there any environmental impacts?	Improved energy conservation from (a) and (b)		
	Have you appropriately considered all Equality issues?	Yes and there are none.		

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	There are no outside partners other than contractors and the usual procurement risks would apply.	Ensure a specialist and established supplier is procured with experienced officers carrying out design and feasibility checks.

9 Financial Investment

9.1	Total Costs and Funding		
		Funding Body	£' 000
	SSDC Capital: -	District Executive Area Committees	165
	Other Sources: - - Grants		
	Total Capital Cost		165

9.2	Breakdown of main areas of cost					
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	a) Brympton Way – Chamber new external lobby	100				
	b) Multiple buildings – access to solar panels	40				
	c) Wincanton Sports Centre – alarm panel	25				
	Totals	165				

9.3	External funds to be received						
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	<i>Not Applicable</i>						
	Totals						

9.4	Revenue Implications of Capital scheme						
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	3.3				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						

	Revenue Income						
	Total Revenue Expenditure / (Net saving)	3.3					
	Cumulative	3.3					
9.5	Whole Life Costing						
	Estimated useful life of asset (years)	20 years					
	Total Revenue Costs Year 1 to 5	No extra					
	Annual Revenue Cost after year 5	No extra					
	Total cost over whole life of asset	N/A					
9.6	VAT Implications						
	<p><i>What are the VAT implications of the scheme?</i></p> <p><i>Is this a VAT exempt activity?</i></p>						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-16

Capital Name: Decarbonisation of Operational Buildings

Date Created 30/09/2020
Document Version: V1.0
Author: Robert Orrett

1. Purpose of Request

The South Somerset Environment Strategy was formally adopted and approved by Councillors of South Somerset District Council in October 2019. The strategy sets out both the immediate actions and long-term goals for the district achieve a significant reduction in SSDC's carbon emissions. It promotes the development and adoption of a sustainable environment, economy and communities within South Somerset and helps to develop a strategy that will achieve a significant reduction in SSDC's carbon emissions.

As part of its vision to be a leading Council in developing and adopting a Green Agenda to promote sustainable environment, economy and communities, SSDC is aiming to reduce the greenhouse gas (GHG) emissions of its operations. A significant proportion of its current GHG emissions is within its built estate and the focus of this project is on the technical aspects of reducing emissions from this source through the review of the ten buildings that form this project. The council aims to be carbon neutral across council operations and land holdings by 2030 at the latest, but ideally by 2023.

SSDC engaged with ENGIE to conduct energy audits/surveys on a selection of ten buildings to determine their pathway to net zero carbon. ENGIE carried out site visits and desktop analysis to analyse the potential for energy efficiency measures, conversion of traditional fossil fuel assets to low carbon solutions, green power generation and carbon offsetting.

This request is an outline request to seek allocation of the broad level of capital spend over a number of years estimated to be needed to implement a range of projects across all major operational buildings to progress to a stage where they can be operated as carbon neutral. The estimated overall cost required is £5m and the programme period proposed is 2021-28. The budget, programme and detail will all need to be developed as the programme progresses so revisions will be submitted during the programme period. 2028 has been adopted as end of programme period to allow buffer period recognising circumstances may arise which cause delays and also the aim of improving on the absolute time deadline.

The initial stages will include:

- Establishment of programme structure and plan.
- Procurement review to advise on preferred options for appointment of consultants, contractors and suppliers.
- Review of funding options.
- Initial procurement of consultants.
- Design of initial packages of work.
- Procurement of contractors and suppliers and tendering of projects
- Delivery of initial packages of work

The amount of capital allocated to year 1 is itself an estimate intended to allow material progress but recognising that the pre-delivery stages will require a number of months to conclude.

The summary schedule from the Engie report is appended to this request. It should be noted that Goldenstones and Wincanton Leisure Centres were kept out of scope for that study. But they will require work and the costs may be larger on each of those than any other individual building.

2. Objectives

The project objectives link to the Council Plan 2016-21 as follows:-

Environment:

Implement the Environment Strategy action plan.

3. Constraints and Decisions

10 operational buildings shown on the schedule were reviewed. For SSDC, from the baseline 2019-20, scope 1, 2 and 3 emissions were 832 tCO₂e. (Tonnes of carbon dioxide equivalent). This would be higher if Goldenstones and Wincanton are included.

4. Interfaces**5. Measures of Success**

Reduction in tCO₂e. Percentage progress towards carbon neutrality.

6. Anticipated Benefits

Progressive reduction in tCO₂e. Greater efficiency of energy utilisation. Reduced utility costs.

7. Options Discounted

No action. Other options discussed in ENGIE report but a range of options need to be adopted in order to progress towards overall objective, periodic temporary access spend with reduced frequency of cleaning.

8. Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:			
	Expected Completion Date:	March 2028		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Specialist – Asset Management	Not estimated	Y	Y
	Case Officer	Not estimated	Y	Y
		This is a major programme. The Environment Strategy recognises that additional costs will be incurred. In general, the programme cannot be delivered through establishment staff resources and will require redeployment and recruitment.		
	Are there any impacts on property?	Some operational disruption while individual packages are delivered as this will generally be during working hours.		

	Are there any impacts on IT systems?	There are likely to be IT interfaces and additional requirements. These will be considered during design phases.
	Are there any environmental impacts?	Improved energy conservation from reduction in carbon dioxide equivalent and reduction in utility consumption.
	Have you appropriately considered all Equality issues?	Yes and there are none.

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	There will be outside partners including consultants, contractors, and suppliers; the usual procurement risks would apply.	The procurement options will be properly reviewed and monitored.

9. Financial Investment

9.1	Total Costs and Funding		
		Funding Body	£' 000
	SSDC Capital: -	District Executive	5,000
	Other Sources: - - Grants		
	Total Capital Cost		5,000

9.2	Breakdown of main areas of cost					
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Estimated total	400	800	800	800	750
	Totals	400	800	800	800	750

9.3	External funds to be received						
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	To be developed						
	Totals						

9.4		Revenue Implications of Capital scheme					
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	8	16	16	16	15
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		8	16	16	16	15
	Cumulative		8	24	40	56	71
9.5		Whole Life Costing					
	Estimated useful life of asset (years)	20 years					
	Total Revenue Costs Year 1 to 5	No extra					
	Annual Revenue Cost after year 5	No extra					
	Total cost over whole life of asset	N/A					
9.6		VAT Implications					
	<i>What are the VAT implications of the scheme?</i>						
	<i>Is this a VAT exempt activity?</i>						

Total tCO2e		918.9										
Site	ECM Description	ECM category	Assumed year	Estimated natural gas saving (kWh)	Estimated electricity saving (kWh)	Estimated cost	Estimated net saving	Simple payback	Total tCO2 / year	NPV	Marginal abatement cost (£/tCO2e)	
Brympton Way Offices (N)	Behaviour Management	Energy Efficiency: Behavi	2021	5,693	6,759	£4,497.00	£1,086.33	4.1	3.3	£6,053.72	-121.6	
Brympton Way Offices (N)	Biomass	Green Thermal	2020	236,262	0	£220,000.00	£118.82	24.2	49.1	£218,846.01	297.2	
Brympton Way Offices (N)	Cavity Wall Insulation	Energy Efficiency: Buildin	2024	42,698	0	£44,970.00	£806.99	55.7	8.9	£37,132.29	279.1	
Brympton Way Offices (N)	Chiller Replacement	Energy Efficiency: Heatin	2028	0	27,157	£50,000.00	£3,932.33	12.7	8.6	£11,808.20	91.7	
Brympton Way Offices (N)	EC Fans	Energy Efficiency: Heatin	2024	0	49,660	£53,600.00	£6,430.77	8.3	15.7	£8,857.22	-37.6	
Brympton Way Offices (N)	Lighting	Energy Efficiency: Lightin	2021	0	63,032	£25,029.16	£9,127.00	2.4	19.9	£63,614.58	-212.9	
Brympton Way Offices (N)	Lighting Controls	Energy Efficiency: Lightin	2021	0	9,104	£6,750.00	£1,318.28	5.1	2.9	£6,053.49	-140.3	
Brympton Way Offices (N)	PC Shutdown	Energy Efficiency: Small F	2021	0	130,508	£252,780.00	£18,897.56	13.4	41.2	£69,242.21	111.9	
Brympton Way Offices (N)	Solar PV Car Ports + EV O	Green Power	2023	0	123,876	£286,674.00	£19,429.35	14.8	39.1	£188,702.65	-321.4	
Brympton Way Offices (Yeovil) Total				284,653	410,096	£944,300.16	£61,147.43	15.4	188.7			
Holyrood Lace Mill (Char Disposal)		Disposal	2022							36.0		
Holyrood Lace Mill (Char) Total				0	0	£0.00	£0.00			36.0		
JOD Pavilion (Yeovil)	Behaviour Management	Energy Efficiency: Behavi	2021	1,924	734	£820.10	£156.68	5.2	0.6	£701.57	-74.0	
JOD Pavilion (Yeovil)	GSHP's	Conversion	2025	94,292	-15,087	£24,472.00	£1,031.73	23.7	14.8	£14,451.59	65.0	
JOD Pavilion (Yeovil)	Lighting	Energy Efficiency: Lightin	2023	0	7,913	£5,815.34	£1,671.31	3.5	2.5	£10,416.88	-277.7	
JOD Pavilion (Yeovil)	Roof mounted Solar PV	Green Power	2026	0	36,179	£32,185.54	£3,356.47	13.0	11.4	£413.32	-2.4	
JOD Pavilion (Yeovil)	Solar PV Car Ports	Green Power	2027	0	14,861	£115,944.00	£6,965.83	16.6	4.7	£48,290.12	685.6	
JOD Pavilion (Yeovil) Total				96,216	44,601	£179,236.98	£13,182.02	13.6	34.1			
Lufton Depot (Yeovil)	ASHP's	Conversion	2024	0	43,450	£220,000.00	£7,278.99	30.2	13.7	£149,304.64	725.0	
Lufton Depot (Yeovil)	Behaviour Management	Energy Efficiency: Behavi	2021	0	3,495	£1,498.00	£474.54	3.2	1.1	£3,110.90	-187.8	
Lufton Depot (Yeovil)	HVAC upgrades	Energy Efficiency: Heatin	2024	0	-200	£6,000.00	£15.15	396.1	0.2	£5,852.89	1,612.6	
Lufton Depot (Yeovil)	Lighting	Energy Efficiency: Lightin	2022	0	21,583	£10,336.00	£3,374.22	3.1	6.8	£22,435.23	-219.3	
Lufton Depot (Yeovil)	Lighting Controls	Energy Efficiency: Lightin	2022	0	2,642	£2,550.00	£358.69	7.1	0.8	£933.70	-74.6	
Lufton Depot (Yeovil)	Roof Insulation	Energy Efficiency: Buildin	2022	0	19,879	£10,722.00	£2,698.90	4.0	6.3	£15,490.38	-164.4	
Lufton Depot (Yeovil)	Roof mounted Solar PV	Green Power	2024	0	57,770	£52,594.00	£7,985.14	6.6	18.3	£24,959.71	-91.2	
Lufton Depot (Yeovil)	Solar PV Car Ports	Green Power	2028	0	18,020	£27,167.00	£2,571.49	10.6	5.7	£2,192.09	25.7	
Lufton Depot (Yeovil) Total				0	166,640	£330,867.00	£24,757.12	13.4	53.0			
Octagon Theatre (Yeovil)	ASHP's	Conversion	2025	128,995	-29,485	£50,000.00	£1,791.67	27.9	18.1	£32,598.85	119.8	
Octagon Theatre (Yeovil)	Behaviour Management	Energy Efficiency: Behavi	2021	3,449	4,662	£2,369.80	£722.35	3.3	2.1	£4,645.88	-147.8	
Octagon Theatre (Yeovil)	Cavity Wall Insulation	Energy Efficiency: Buildin	2025	22,764	0	£23,698.00	£430.24	55.1	4.7	£19,519.44	275.2	
Octagon Theatre (Yeovil)	Lighting	Energy Efficiency: Lightin	2022	0	24,493	£9,259.39	£3,895.99	2.4	7.7	£28,579.44	-246.2	
Octagon Theatre (Yeovil)	Lighting Controls	Energy Efficiency: Lightin	2022	0	2,415	£1,650.00	£342.04	4.8	0.8	£1,671.97	-146.1	
Octagon Theatre (Yeovil)	Roof Insulation	Energy Efficiency: Buildin	2023	17,245	0	£3,000.00	£325.94	9.2	3.6	£165.57	-3.1	
Octagon Theatre (Yeovil)	Roof mounted Solar PV	Green Power	2027	0	32,114	£27,290.54	£4,333.54	6.3	10.1	£14,797.85	-97.2	
Octagon Theatre (Yeovil) Total				172,453	34,200	£117,267.73	£11,841.76	9.9	47.2			
Petters House (Yeovil)	Behaviour Management	Energy Efficiency: Behavi	2021	0	1,223	£1,137.00	£173.67	6.5	0.4	£549.74	-94.9	
Petters House (Yeovil)	GSHP's	Conversion	2027	0	30,734	£49,528.00	£4,699.26	10.5	9.7	£3,887.61	26.7	
Petters House (Yeovil)	Lighting	Energy Efficiency: Lightin	2022	0	14,316	£11,199.01	£2,452.05	4.6	4.5	£12,615.86	-185.9	
Petters House (Yeovil)	Lighting Controls	Energy Efficiency: Lightin	2022	0	1,622	£2,400.00	£230.45	10.4	0.5	£161.79	21.0	
Petters House (Yeovil)	Roof mounted Solar PV	Green Power	2028	0	25,605	£25,596.40	£3,435.72	7.5	8.1	£7,772.13	-64.0	
Petters House (Yeovil)	Solar PV Car Ports + EV O	Green Power	2029	0	3,571	£260,645.80	£16,985.63	15.3	1.1	£95,677.10	5,652.3	
Petters House (Yeovil) Total				0	77,071	£350,506.21	£27,976.78	12.5	24.4			
Westlands Entertainment	ASHP's	Conversion	2020	319,667	-47,010	£258,000.00	£5,035.18	51.2	51.6	£209,097.07	270.4	
Westlands Entertainment	Behaviour Management	Energy Efficiency: Behavi	2021	0	6,052	£2,861.00	£719.09	4.0	3.1	£4,123.02	-87.5	
Westlands Entertainment	Cavity Wall Insulation	Energy Efficiency: Buildin	2025	79,585	0	£28,610.00	£1,023.15	28.0	11.0	£18,672.94	112.9	
Westlands Entertainment	Glazing	Energy Efficiency: Buildin	2027	67,647	0	£23,000.00	£1,132.47	20.3	12.2	£12,001.16	65.6	
Westlands Entertainment	HVAC upgrades	Energy Efficiency: Heatin	2023	63,668	2,582	£33,143.00	£1,581.13	21.0	14.0	£17,786.66	84.4	
Westlands Entertainment	Lighting	Energy Efficiency: Lightin	2023	0	3,643	£3,073.15	£682.07	4.5	1.2	£3,551.25	-205.7	
Westlands Entertainment	Roof mounted Solar PV	Green Power	2022	0	121,140	£91,371.40	£8,945.14	9.0	38.3	£4,493.99	7.8	
Westlands Entertainment	Solar PV Car Ports	Green Power	2021	0	76,288	£114,405.32	£8,190.66	11.0	24.1	£34,855.57	96.4	
Westlands Entertainment Venue Total				530,568	162,695	£554,463.87	£27,308.89	20.3	155.5			
Yeovil Country Park Cent	Behaviour Management	Energy Efficiency: Behavi	2021	0	872	£1,000.00	£121.66	8.2	0.3	£181.59	-43.9	
Yeovil Country Park Cent	Roof mounted Solar PV	Green Power	2024	0	8,820	£9,229.00	£1,080.13	8.5	2.8	£1,261.45	-30.2	
Yeovil Country Park Cent	Solar PV Car Ports	Green Power	2025	0	17,799	£42,260.00	£2,294.88	18.4	5.6	£19,971.55	236.7	
Yeovil Country Park Centre Total				0	27,491	£52,489.00	£3,496.67	15.0	8.7			
Yeovil Crematorium Exc	Behaviour Management	Energy Efficiency: Behavi	2021	1,592	1,543	£530.00	£265.78	2.0	0.8	£2,051.34	-167.1	
Yeovil Crematorium Exc	Lighting	Energy Efficiency: Lightin	2023	0	2,455	£3,058.00	£590.96	5.2	0.8	£2,681.55	-230.5	
Yeovil Crematorium Exc	Solar PV Car Ports	Green Power	2029	0	13,376	£21,000.00	£2,098.96	10.0	4.2	£614.37	9.7	
Yeovil Crematorium Exc Crematoriums Total				1,592	17,374	£24,588.00	£2,955.70	8.3	5.8			
Yeovil Innovation Centre	Lighting	Energy Efficiency: Lightin	2021	0	65,009	£18,134.62	£10,322.05	1.8	20.5	£82,115.72	-266.5	
Yeovil Innovation Centre	Lighting Controls	Energy Efficiency: Lightin	2021	0	8,141	£4,350.00	£1,159.72	3.8	2.6	£6,913.52	-179.2	
Yeovil Innovation Centre	Behaviour Management	Energy Efficiency: Behavi	2021	4,888	2,197	£3,839.00	£405.41	9.5	1.7	£98.47	-3.8	
Yeovil Innovation Centre	Cavity Wall Insulation	Energy Efficiency: Buildin	2025	36,658	0	£38,390.00	£692.83	55.4	7.6	£31,661.02	277.1	
Yeovil Innovation Centre	ASHP's	Conversion	2023	202,840	-40,568	£110,000.00	£3,508.57	31.4	29.3	£75,923.85	172.6	
Yeovil Innovation Centre	Wind	Green Power	2022	0	84,029	£193,000.00	£11,086.32	17.4	21.5	£85,326.92	264.9	
Yeovil Innovation Centre	Roof mounted Solar PV	Green Power	2024	0	64,214	£115,114.00	£11,855.52	9.7	20.3	£29.72	-0.1	
Yeovil Innovation Centre	Solar PV Car Ports + EV O	Green Power	2026	0	0	£99,338.00	£12,868.80	7.7	0.0	£25,646.99	0.0	
Yeovil Innovation Centre (Yeovil) Total				244,386	183,022	£482,827.62	£39,030.43	12.4	103.5			
Grand Total				1,329,868	1,123,190	£3,036,546.57	£211,696.80	14.3	656.9			



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-17

Capital Name: Access for All footpaths within Various Open Spaces

Date Created 13/10/2020
Document Version: 1.0
Author: Stephen Fox

1. Purpose of Request

To seek funding to undertake the installation of –

- A selection of ‘Access for All’ compliant hard surfaced footpaths within various open spaces across the district in order to improve pedestrian routes, green travel and healthy opportunities for all user groups.
- Seating / resting facilities at various locations in association with these new footpaths
- Screening and shading landscape planting
- A range of adult outdoor gym equipment as previously agreed

At the following locations

- **Bracey Road – Martock**
- **Larkhill Road / Lawrence way – Yeovil**
- **Milford Park – Yeovil (site for the outdoor Gym equipment)**
- **Hollands Walk – Yeovil**

Many of our older Open Spaces were traditionally designed simply as large green areas for informal activities and as such, little thought was given to the wider range of uses these spaces could provide nor how users would access or move through them. Subsequently many of these sites have now developed well established unsurfaced historical pedestrian routes across them that require surfacing to enable safe transit some of which are now established primary walk to school routes.

Following an accessibility assessment of our key Open Spaces (as part of the evidence gathering for the Open Space Strategy) it was identified that many of our key Open Spaces were in need of improvement to meet current access legislation, increase their usability or to meet current user expectations and uses.

All of these sites are situated within the urban environment and serve a significant function for the local community; certain groups, however, within the community find it difficult, or are unable to use these facilities.

These improvements form part of our Open Spaces Strategy action plan which has been designed to address help this detrimental shortfall in provision, and to safeguard the usage of these Open Spaces for future generations.

Funding

There are no internal funding streams available within existing budgets that can fund this work.

Site by site detail

Bracey Road – Martock

This is a very large open space situated within an area of dense housing; the site currently contains a wide variety of play and youth facilities including a small kick-about area; the whole site is heavily used by residents for a wide variety of activities; play, dog walking, informal sports and quiet contemplation. Currently there is only a poorly designed hoggin type short path leading to the edge of the open space, there are no internal paths leading or

linking any of the facilities. All users are limited in their ability to access the site during inclement weather and areas of the site are inaccessible for long periods during the autumn and winter period. The access for those users with mobility issues is particularly difficult or practically impossible.

The desire is to install a hard surface path from the roadside; around the open space with linking spurs to relevant facilities, supplemented with resting areas and some shade tree planting, thereby providing a facility than can be accessed throughout the year for all.

Larkhill / Lawrence Way – Yeovil

This is a primary walk to school route for Preston academy and Primary schools, it runs between two newish built housing estates and is on a significant slope, the lower part is hard surfaced but the main sloped area is not and we wish to hard surface the main slope area to stop water erosion and provide a safe a nonslip walk way for users. We would also look to future proof this path by installing suitable trunking which could be used to retro fit lighting cables should it be deemed necessary.

Milford Park – Yeovil

This is a strategic open space centrally situated within a densely populated part of Yeovil, it currently has a wide range of features including a heavily used community hall, MUGA and play and youth facilities. The site is on a primary 'walk to school' route for both Milford and Bucklers Mead Academies; we were successful in securing funding previously to hard surface the linking paths from the south of the site but there is currently no path leading from Allingham road to Chelston avenue which is the primary walking route across the open space, consequently users have to walk around the site when the weather is inclement or throughout the Autumn – Spring period.

This hard surfaced footpath would also allow users to access a largely underused area of Milford Park, previously it was also agreed that funding would be allocated for outdoor adult gym equipment and we are as part of this application seeking a contribution for a selection of equipment which will be positioned around this circuitous path, along with seating and areas of shade planting. We would also future proof this path by installing suitable trunking which could be used to retro fit lighting or other electrical dependent equipment.

Hollands Walk – Yeovil

This is the area to the front of Yeovil College and currently has a path on either side, however students and visitors traverse across the site and in inclement weather need to walk around the site we wish to install a linking path across the site.

The project will be initially managed / organised by the Specialist Horticulture officer and Horticulture Case officer with contractor management and supervision undertaken by the landscaping team leader.

There is currently sufficient resource to undertake this project.

2. Objectives

The key objectives of this project are; and link to the following SSDC strategies or aims.

- Ensure that key SSDC Open Spaces are 'Access for All' compliant
 - SSDC Council Plan (Environment & Healthy self-reliant Communities)

- Emerging Public Open Space Strategy (Objective 1 & 2)
- Environment strategy (Travel & Transport)
- Increase the effective usability of these key Open Spaces and its impact on the health benefits for its users
 - SSDC Council Plan (Environment & Healthy self-reliant Communities themes)
 - Open Space Strategy (Objective 1&4)
 - Environment strategy (Travel & Transport)
- React in a responsible manner to changes in user demands and demographics
 - SSDC Council Plan (Environment & Healthy self-reliant Communities themes)
 - Open Space Strategy (Objective 1&4)
- Improve the infrastructure of the park and to address current deficiencies
 - SSDC Council Plan (Environment & Healthy self-reliant Communities themes)
 - Open Space Strategy (Objective 1&4)
- Prolong' the seasonable usability of these Open Spaces.
 - SSDC Council Plan (Environment & Healthy self-reliant Communities themes)
 - Open Space Strategy (Objective 1&4)
- Remove health & safety issues (slips and trip hazards on soft surfaces)
 - SSDC Council Plan (Environment & Healthy self-reliant Communities themes)
 - Open Space Strategy (Objective 1&4)

3. Constraints and Decisions

If it is decided not to fund this project it is possible that the reputation of the council could be damaged due to certain groups of users being unable to access our facilities in line with current legislation, or claims for slips, trips and falls could be received which could lead to financial loss.

4. Interfaces

There are no interfaces required.

5. Measures of Success

Success will be measured by means of a site accessibility and risk assessment upon completion of the works, by the removal of potential slips and trip hazards and an increase in user benefits and usage of the sites.

6. Anticipated Benefits

Whilst there are no obvious financial benefits or immediate savings to SSDC; other than potential insurance claims from possible slips, trips or falls, the installation of these features will provide the following significant benefits to SSDC and our communities:

- A compliance with the Equalities Act 2010 and Building Regs BS:3800 part M - Exterior environment
- A significant improvement in access & usability of the parks and facilities
- A removal of potential health & safety risk (slips and trip hazards)
- A significant improvement in opportunities for users to undertake activities which will have health benefits for them either through walking, green travel or fitness.

Should this capitol project be successful it will be the third application as part of our Open Spaces Strategy Action plan programme where we have been able to identify sites that require significant improvement to ensure compliance with current legislation and for the benefit of the local community.

These previous applications have been undertaken using either internal staff or external contractors to ensure the project has been cost effective and efficient and have proven to be well regarded and heavily used by residents.

7 Options Discounted

None.

8 Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:			
	Expected Completion Date:	September 2021		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Specialist Horticultural Officer	40	Yes	Yes
	Horticultural Case Officer	40	Yes	Yes
	Environment services Operations manager	10	Yes	Yes
	Team leader – landscaping & small works	30	Yes	Yes
	Are there any impacts on property?	No		

	Are there any impacts on IT systems?	No
	Are there any environmental impacts?	Potential use of recyclable materials for final footpath surfaces
	Have you appropriately considered all Equality issues?	Yes

8.3	Risk Assessment	
	Risk	Steps taken to mitigate Risk
	Cost increases on raw materials hence increase in quotation prices	Quotations are fixed in price for 30 days; regularly updated quotations and required tender submissions are sourced to ensure the best price is achieved
	Physical implementation of project, risk to public safety	Full risk assessment to be undertaken prior to commencement of works. SSDC Environment services staff will manage contractor and ensure compliance at all stages. Specialist Horticulture Officer is CDM qualified.
	Project is not delivered or is delayed due to outside/contractual issues.	All works will be undertaken are to be programmed in accordingly and with contracts in place with relevant contractors.

9 Financial Investment

9.1	Total Costs and Funding					
		Funding Body	£' 000			
	SSDC Capital: -	District Executive Area Committees	218			
	Other Sources: - - Grants					
	Total Capital Cost		218			
9.2	Breakdown of main areas of cost					
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Bracey Road	49				
	Larkhill / Lawrence way	45				
	Milford Park	85				
	Hollands Walk	39				
	Totals	218				

9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals						
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	4.36				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		4.36				
	Cumulative		4.36				
9.5 Whole Life Costing							
	Estimated useful life of asset (years)	25+ years					
	Total Revenue Costs Year 1 to 5						
	Annual Revenue Cost after year 5						
	Total cost over whole life of asset						
9.6 VAT Implications							
	<i>What are the VAT implications of the scheme?</i>						
	<i>Is this a VAT exempt activity?</i>						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No:	2021-18
Capital Name:	Organisational Performance Management and Appraisal / Engagement System
Date Created	02/10/20
Document Version:	1.0
Author:	Cath Temple / Brian Hardy

1 Purpose of Request

Organisational Performance Management System:

Investment in an integrated performance management system with cascade of targets and KPI development and reporting owned directly by directorates and teams. Allows tailored reporting and narratives, and creation of bespoke reports designed to address specific audiences. To replace current PowerPoint reporting structure. Potentially delivered through Civica platform

- Employee Appraisal & Engagement: Allows for timely and consistent interaction with all employee's, including the ability to manage meaningful and comprehensive feedback. Features include: one to one check-ins; end-to-end digital engagement for organisational agility and resilience; 360 degree appraisals and reviews (with real time feedback); personal development plans (PDP'd) and mapping of achievements and skills.

2 Objectives

The key objectives are:

- Measure the desired results and outcomes of our key services, activities and projects.
- Provide an evidence base for service improvement,
- Enable better decision making and efficient use of our resources.
- Allow drill down into performance data and support uptake of ownership of performance
- Potential move to real time reporting on system generated metrics
- Promote timely and consistent interaction between managers and staff
- Provide meaningful and comprehensive feedback to staff at all levels
- Manage all aspects of 360 degree appraisals and reviews
- Provide a management dashboard for individual and team scheduled tasks
- Generate appraisal reports to improve clarity regarding personal performance & role specific expectations
- Allow for regular PDP's to develop within an accessible resource

Utilising a performance management system linked to data sources will enable us to monitor measure and improve our services more effectively and efficiently.

3 Constraints and Decisions

Implementation of an integrated system would impact all (reported) areas in terms of:

- Corporate Priorities and targets
- Departmental work plans and target
- Definition of Deliverables & KPI's
- Data structure and quality
- System integration
- Regularity of reporting
- Inter alia
- Role profiles – grade related responsibilities / expectations

Annual review of KPI set for SSDC would lead to requirement for ongoing review of system integration

4 Interfaces

- System interfaces need to be considered, as the corporate reporting reflects many and varied systems and processes across many functions.
- The landscape mapping and associated improvements planned through the digital strategy would need consideration and close working with Digital Team.
- Dialogue is ongoing to understand this roadmap.

5 Measures of Success

- Availability of “real-time” performance data would enable each area to monitor, measure, report upon and improve their levels of service in a more dynamic manner (more relevant to high transaction volume, dynamic data e.g. customer connect).
- Staff appraisal would be held in `real time` and available to managers & Directors in a dynamic and accessible format.
- Staff appraisal & PDP information will be seen as transparent & held in greater regard at all levels.
- Data and analysis is readily available to all parties.

6 Anticipated Benefits

- Implementation of the system will enable teams to monitor and measure their performance thereby allowing them to report on performance measures, e.g. KPIs for the performance report in real time that may allow interventions to save money, avoid risk of costs or increase revenues, (deliverable of the Protecting Core Services Community of Practice).
- There will be additional time savings (process efficiency equating to financial savings) with data extracts being automatically uploaded to a performance reporting system rather than current manual interventions.
- Some KPI's related to DWP & MHCLG are required by legislation, so availability and accuracy of data is merited.
- Availability of real time reporting for members will also build understanding and confidence in data and performance. This should provide clarity for stakeholders and reduce time spend at Scrutiny & District Executive challenging data.
- Appraisal and performance reporting regularly scheduled to include monthly & quarterly reviews.
- Real-time feedback will allow for dynamic management intervention, which will lead to improved staff performance.
- Customisable 360 Appraisals & Reviews will allow for professional development at all levels and a greater sense of employee`s having a voice.
- Development objectives & PDP`s can be set and regularly reviewed to the process to become more impactful.

7 Options Discounted

- A number of potential systems are under review (emperform, Performance Pro, Staff Circle, Clear Company, 365.) – This work is ongoing.
- Existing Microsoft platforms under review with Lewis Walsh of the Digital Team, currently this isn't an option due to the early implementation stages of these products.
- Civica: Standard reporting functionality assessed Q2 2019, which did not meet requirements. However, Civica were open to developing at cost.

8 Key Information Summary

8.1	Expected Duration Of Work	
	Start Date:	Review of required functionality
	Other Key Milestones with Dates:	New KPI suite Agreed and implemented 1/4/21

	Expected Completion Date:	<p>Development of specification and sourcing of provider – End Q3 2020</p> <p>Development – Q4 2020 – Q1 2021.</p> <p>Phased migration to new reporting platform Q2-Q3 2021.</p> <p>Dates subject to agreement based on capacity of Digital Team</p>		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Performance Specialist	8 weeks capacity reserved to support project to vendor onboarding. Jan-Feb 2021.	Y	Y
	L&D Specialist	2 weeks capacity to define requirements, and support rollout of system	Y	Y
	Digital Team: Architecture, SRM, Technical, Analyst etc	??	?	Not yet
	Are there any impacts on property?	None		
	Are there any impacts on IT systems?	Yes: Impacts to be confirmed by Digital Team		
	Are there any environmental impacts?	Yes: No more paper reports. Also supports move to management in virtual environment, and reduction in travel.		
	Have you appropriately considered all Equality issues?	Further investigation needed to ensure system is available to use by all staff		
8.3	Risk Assessment			
	Risk	Steps taken to mitigate Risk		
	New system doesn't integrate fully with existing systems.	Full system specification received, integration and implementation fully planned.		
	Digital Team not resourced to assist with integration and implementation.	As above		
	In-Business Teams not resourced to assist with implementation.	Resource and communication planning. Phased integration and cutover with sensitivity to business peaks and troughs		
	Ensure new system is secure in terms of DPA2018.	Undertake DPIA ahead of agreement		

9 Financial Investment

9.1 Total Costs and Funding							
			Funding Body		£' 000		
	SSDC Capital: -		District Executive		40		
	Other Sources: - - Grants						
	Total Capital Cost				40		
9.2 Breakdown of main areas of cost							
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	All areas/teams across SSDC manually reporting performance		40				
	Totals		40				
9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals						
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%		0.8				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		0.8				
	Cumulative		0.8				
9.5 Whole Life Costing							
	Estimated useful life of asset (years)			10			
	Total Revenue Costs Year 1 to 5						
	Annual Revenue Cost after year 5						
	Total cost over whole life of asset						

9.6	VAT Implications
	<i>What are the VAT implications of the scheme?</i> <i>Is this a VAT exempt activity?</i>



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-19

Capital Name: Yeovil Small Business Centre – Roof renewal

Date Created 02/10/2020
Document Version: 1.1
Author: Dan Bennett

1 Purpose of Request

SSDC own and operate the premises known as the Yeovil Small Business Centre. The centre provides up to 18 small office and commercial spaces in a B1 planning use class. The premises are let commercially to a variety of tenants. The buildings require a level of investment to allow the retention of the existing tenants and to attract new tenants as the units become vacant. The key areas requiring investment are the roof and the external doors, both of which are now failing and creating issues that cannot be resolved with minor repairs.

2 Objectives

For SSDC to renew the defective areas of the roof & integral valley gutters to resolve all leaks into the building. Also to renew the rotten timber external doors and windows to maintain a satisfactory level of security at the premises. The roof works consist of the replacement of a failed valley gutter over the western building. When the roof is made accessible during the works a detailed inspection will be undertaken and a further capital bid could be raised for additional works to the eastern building in a future budget year.

3 Constraints and Decisions

There are no further decisions or planning consents required for this work.

4 Interfaces

There are no interfaces with other SSDC projects.

5 Measures of Success

- 1) Completion of the work to a good standard.
- 2) Maintaining an up to date facility that allows swift re letting of any void units.
- 3) Retaining existing tenants.
- 4) Resolving ongoing complaints regarding leaks and door condition.
- 5) Introducing a more energy efficient roofing system and external doors, in line with our commitment to the climate emergency.

6 Anticipated Benefits

The main benefit will be the reduction of future liabilities for SSDC. The existing timber doors and windows can be replaced with a low maintenance alternative. The new roof can be insulated to current standards reducing building energy consumption. The roof is currently leaking and causing internal damage to the building, the rectification of which has been included in the capital bid figures below.

7 Options Discounted

- Option a) – ignore situation, lose tenants or reduce rents.
 Option b) – relocate tenants, no other SSDC premises available.
 Option a) was discounted for reasons of liability and reputational risk, option b) was discounted as it did not resolve the issue with this building.

8 Key Information Summary

8.1	Expected Duration Of Work	
	Start Date:	May 2021
	Other Key Milestones with Dates:	n/a
	Expected Completion Date:	October 2021

8.2	Estimate of Officer Time Required: -			
	Officer's Name Dan Bennett	Estimate of Officer hrs	Officer available?	Agreement of Officer?
	Dan Bennett	40	Y/N	Y/N
	Are there any impacts on property?	The project can be resourced from within the property team. The project enhances part of the property portfolio, whilst minimising future liabilities.		
	Are there any impacts on IT systems?	No		
	Are there any environmental impacts?	The project would replace existing building elements with more energy efficient products, reducing energy consumption within the building.		
	Have you appropriately considered all Equality issues?	None identified		
8.3	Risk Assessment			
	Risk	Steps taken to mitigate Risk		
	This is a straightforward project that will entail a) a survey, b) a specification of works, c) a tender or competitive quotation exercise	The project will be managed by an experienced project manager from start to finish		

9 Financial Investment

9.1	Total Costs and Funding					
		Funding Body	£' 000			
	SSDC Capital: -	SSDC	65			
	Other Sources: - - Grants					
	Total Capital Cost		65			
9.2	Breakdown of main areas of cost					
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Building work	65				
	Totals	65				

9.3 External funds to be received							
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A		0				
	Totals		0				
9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	1.3				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget:						
	Gutter Clearance		0.15	0.15	0.15	0.15	0.15
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		1.45	0.15	0.15	0.15	0.15
	Cumulative		1.45	1.60	1.75	1.90	2.05
9.5 Whole Life Costing							
	Estimated useful life of asset (years)	25 years/doors 20 years/roof					
	Total Revenue Costs Year 1 to 5	Doors/£0 Roof/£750 (gutter clearance)					
	Annual Revenue Cost after year 5	Doors/£0 Roof £200/per annum (say £800 gutter clearance every 5 years)					
	Total cost over whole life of asset	Doors/£0 Roof/£3,000					
9.6 VAT Implications							
	<i>What are the VAT implications of the scheme?</i>						
	<i>Is this a VAT exempt activity?</i>						



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-20

Capital Name: Fleetmaster Upgrade

Date Created 10/11/2020
Document Version: 1.0
Author: Chris Cooper

1 Purpose of Request

To upgrade the Fleetmaster System which is essential in ensuring that SSDC 'O' licence fleet information is secure and available if required by the Traffic Commissioner. We have used this system for over 20 years and is now outdated. The system is a single point of failure as all fleet information is stored in this one place. The information was supported by the system provider, however, they no longer promote this platform and there is only one individual within the company who understands how this system works.

The project is to replace this outdated system with an up to date fleet management system and associated hardware to enable users of the system to engage with it whilst on operational duties.

At this time the costs indicated are estimates as we haven't yet sought prices for the potential options and requirements.

2 Objectives

- To ensure the critical 'O' licence requirements are met and all current and historical fleet related information is available if requested by the Traffic Commissioner in order to keep the fleet legally compliant and secure. Therefore ensuring the continuity of SSDC fleet operations.
- To improve efficiency by preventing double inputting of data through moving to digital technology that automatically joins all sources of information together for finance, the fleet, workshops, stores and drivers.
- To remove the need for double entry of financial information between different systems.
- To enable us to record and report on carbon emissions and measure fleet changes that may result in progress towards the environmental targets set in SSDC strategies.
- To remove the current risks: single point of failure and one person in the organisation who understands how the system works.

3 Constraints and Decisions

We do need the support of our Finance, IT and Digital Strategy team to work with us to ensure this project is successful as it is so vital to not only the fleet within our service but to SSDC as a whole.

4 Interfaces

It is intended that the fleet management system connects directly with several processes that SSDC currently have, to move to digitalisation. The ideal is to input information once into the financial system preventing double entry of invoices – both purchase ledger and sales ledger and transference of our fuel system. We also intend to connect the stores ordering system through the Portal directly to the stores issuing part of the new system. In going digital with in-cab technology this would then allow SSDC 360 to provide our staff with their job tickets and enable the removal of several paper based systems for recording daily user checks on their vehicle, defects, timesheets etc.

5 Measures of Success

This section should define how success will be measured. For example, if a piece of software is being purchased, this could be tested against the specification as a measure of quality.

6 Anticipated Benefits

- Reliable and accessible storage of fleet data including, vehicle maintenance inspections, servicing, repair and history of the fleet, ensuring compliance with fleet transport legislation.
- Removal of double entry as new system will link to current SSDC financial systems making efficiency savings in time and the removal of possible inaccuracies.
- The digital transference of paper based systems – e.g. Daily user checks and defect reporting.
- Provision of accurate real-time data to improve time and management of the fleet, vehicle workshops, stores, fuel provision, administration staff and the drivers themselves.
- More secure and accountable reporting systems.
- Improved stock control.
- Improved recharging to customers through continual work flow data using digital technology.
- Being a hosted web based system it removes the requirement for SSDC's I.t. teams' input, as it will provide secure access through a simple internet browser for users, whilst meeting UK data management standards.
- The new system will enable far more accurate information to be provided and reports produced that may have a significant impact on carbon management programmes for SSDC.

7 Options Discounted

One option would be to do nothing, due to the importance of the function, and discontinuation of the supported Fleetmaster system, we have discounted this as an option.

Our options are as we see them:

- Upgrading the existing Fleetmaster system provided by Asset Works with their subsequent platform called FleetFocus M5 or adding functionality to the existing service using Asset Works Touch Screen module.
- Changing the system completely to a different provider for an alternative product that meets our needs.

We realise that either system will have to interact with Cedar to achieve the outcomes listed above.

We are currently investigating the alternatives on the market to ensure that we identify the most appropriate alternative.

Should we decide not to upgrade this system and continue with Fleetmaster, we continue to work in an inefficient manner with a critical risk of services failure should the Fleetmaster system fail. It is no longer supported to a satisfactory level and does not allow a more efficient and effective way of working that meets the future needs of our business and does not comply with the digital strategy.

8 Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	April 2021		
	Other Key Milestones with Dates:	Identify potential suppliers Tender for submissions Either: Upgrade of system through current provider, Or: Install and transfer historical data onto replacement system Testing and snagging		
	Expected Completion Date:	February 2022		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Case Officer – Finance & Admin	150	Y	Y
	Case Officer – Environmental Services Support	100	Y	Y
	Team Leader – Support	74	Y	Y
	Specialist – Fleet	74	Y	Y
	I.T. Specialist	150	Y	NA
	Case Officer – Digital Services	TBC	?	?
	Finance – Specialist	TBC	?	?
	Are there any impacts on property?	None		
	Finance	Crucial interfaces - E5 (Cedar) & Fleet system Input from finance to ensure all requirements are met and agreed between all parties.		
	Are there any impacts on IT systems?	This fits with the digitalisation process that is being implemented throughout the council to remove double handling, enable agile working and remove reliance on paper based systems. Oversee the project providing us with essential knowledge and advice to ensure successful outcome		
	Are there any environmental impacts?	Only improvements - going digital enables less paper and better reporting will provide data for efficiencies in vehicle use therefore impacting our carbon management for SSDC		
	Have you appropriately considered all Equality issues?	We have considered all equality issues and none have been identified		

8.3 Risk Assessment	
Risk	Steps taken to mitigate Risk
Loss of vital data.	Two systems to run in tandem until all testing carried out. Ensure frequent backing up of data is practiced – currently automatically done. Input of an IT specialist would reduce the risk of data loss.
Systems not compatible	Ensure everyone involved understands the requirements regular updates and feedback on progress (including Finance) This would be written into any agreements and assurance from companies involved prior to purchase of any system would be sought.

9 Financial Investment

9.1 Total Costs and Funding - Estimated		Funding Body	£' 000				
SSDC Capital: -		District Executive Area Committees	57				
Other Sources: - - Grants		None					
Total Capital Cost			57				
9.2 Breakdown of main areas of cost - Estimated		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
Up-grade of Fleetmaster System		27					
Purchase of mobile devices for vehicles		30					
Totals		57					
9.3 External funds to be received		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
List here		none	N/A				
Totals							

9.4 Revenue Implications of Capital scheme							
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	1.14				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)	KH605	10	15	15	25	25
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		11.14	15	15	25	25
	Cumulative		11.14	26.14	41.14	66.14	91.14
9.5 Whole Life Costing							
	Estimated useful life of asset (years)	15+					
	Total Revenue Costs Year 1 to 5	£90k					
	Annual Revenue Cost after year 5	£25k a year					
	Total cost over whole life of asset	£340k					
9.6 VAT Implications							
	<i>What are the VAT implications of the scheme?</i>						
	<i>Is this a VAT exempt activity?</i>						

Other Useful Information

We are seeking the financial backing to replace a desperately out of date and inefficient Fleet Management System which we rely on as a business. We have identified this as our biggest critical business risk and the need to upgrade is long overdue and needed.

Should the system fail, we could be non-compliant in our duties as O licence operators and open to serious actions from the traffic commissioner's office – this could result in a prohibition notice being served if not addressed. This also means revocation should we fail to operate within it terms. Full details of the Goods Vehicle Operators Licence can be provided on request.

We are currently investigating the various options available on the market.

The bid also includes the necessary hardware/software to enable our operational teams to carry out their duties and essential work digitally, removing timely and inefficient paperwork systems, filing systems and once again, the double handling of data across various departments of the service.



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-21

Capital Name: Careline Product Development

Date Created 03/10/2020
Document Version: 1.0
Author: James Divall / Tim Cook

1 Purpose of Request

To improve the overall customer experience and level of service as well as meet the Careline services target of 5% yield under the SSDC Commercial Strategy; some changes are needed to the service. These changes (as found in attached Careline Business plan 2021-22) include adapting operational structure as well as implementing some new financial controls and new resources to support the service.

Analysis of the current model has identified a lack of resource and new product lines for proactive development to make sure that we are competitive within the industry. Therefore, a different and wider commercial approach is required in order not to lose the hard working good reputation of this service. SSDC knows that there is a demand for our Careline service, it meets a number of our corporate SSDC objectives and that the 'Careline offer' needs to be developed further with an additional resource established with a more focussed approach to development and growth.

Amongst other developments, the Careline Service needs to invest in new product lines, updated technology and unique selling points to provide the competitive edge we need in the market and to turn the tide in creating a greater income generation. Something that is much needed with decreasing customers and increasing costs to the service.

An increased cost last year includes our 24-hour control centre, which responds to calls for help and support, is contracted to Sedgemoor District Council. Our contract with Sedgemoor's runs from 2015-2020 (extended for a year in 2020 with an additional increase in our fee of £99,000 (a total contract of £133,937)) and is closely monitored to ensure that the highest standards are achieved and that all our clients receive the best possible response, 24 hours a day, 365 days a year.

The capital bid aims to address the development need of the service above, by creating a £20,000 development budget so we can purchase new modern product lines to include within the revitalised business offer. The new tech can be purchased, stored, test and introduced into the Careline product list in turn helping to improve the service quality and support increased income generation.

2 Objectives

The key objective is to improve the service and meet the 5% yield improvements in the 2021-22 budget. How the improved service meets the corporate SSDC objectives can be found below:

Housing: *To enable housing communities to meet the existing and future needs of residents and employers we will work to:*

- Match lifelong independent living with appropriate property solutions.

Healthy, self-reliant Communities: *To enable communities which are cohesive, sustainable and enjoy a high quality of life we will:*

- Work with partners to keep our residents safe and help them to feel safe in their local area.
- Work with partners to reduce the impact of social isolation and create a feeling of community.

Protecting core services: *To ensure a modern, efficient and effective council that delivers for its communities, we will:*

- Take a more commercial approach to become self-sufficient financially.
- Become a leader in its field, delivering high quality and effective services to its customers and communities.

3 Constraints and Decisions

Constraints:

- Budget management / budget / increased costs (linked to Sedgemoor Contract for call centre support)
- Comms centre capacity (Sedgemoor costs)

- Out of date products

Decisions:

- Unity authority – cross District / County
- Closer collaboration between Sedgemoor and Deane Helpline – Changes to systems.

4 Interfaces

- Website / social media
- As above – System changes as a result of comms centre collaboration.

5 Measures of Success

- Current product list vs competitor analysis (what has our competition got – how can we get the advantage?)
- 5% yield – income targets / efficiency / fees and charges review
- Increase to installations in new properties (to include those without landlines).

6 Anticipated Benefits

Mobile devices with up to date software will enable on site updates of PNC database. This will reduce the time needed in the office and increase the number of demonstrations/installations that can be carried out in a day from two to three.

The main benefits of capital investment are mainly focused on maintaining and improving market share and improving our offer to customers.

The purchase of smart hub technology will open up a new market to Careline. We are currently unable to deliver to many new build properties as existing technology requires a telephone landline. Smart hub technology is connected via Wi-Fi and operates with a SIM card in the same way as a mobile phone.

We have worked with our supplier (Tunstall) to test one unit and to work out a pricing structure. The unit will be more expensive as it requires a £40 per year fee for the SIM.

We receive a lot of interest from existing customers in GPS solutions which will enable a response to a fall or incident outside of the home. This has become more relevant as people want and need regular exercise which is a concern for those prone to falls or ill health.

7 Options Discounted

- Continue as we are – use same equipment, try to promote the service but struggling against competitors.
- Wait and see what the wider unity offer could look like – be led by the others Districts and Public Health Commissioners.

8 Key Information Summary

8.1	Expected Duration Of Work	
	Start Date:	March 2021
	Other Key Milestones with Dates:	
	Expected Completion Date:	March 2022

8.2 Estimate of Officer Time Required: -				
Officer's Name		Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
All officers job titles listed here (not names). If an officer outside your department is required please obtain their comment in the 'Comment by other services' boxes below.		20 hrs LO (Careline)	Yes	Yes
		74 hrs LO on promoting Careline and new offer via partnerships.	Yes	Yes
		10 hrs S&C specialist (Comms)	Yes	Yes
Are there any impacts on property?		N/A		
Are there any impacts on IT systems?		Purchase and set up of new mobile devices. – To be agreed by Digital Team.		
Are there any environmental impacts?		No, however as seen in the Careline Business Plan appendices, the Locality service who run Careline are looking to trail e-vans as part of the fleet delivering this service		
Have you appropriately considered all Equality issues?		Considered to open Careline service to more people so impact will be positive.		
8.3 Risk Assessment				
Risk		Steps taken to mitigate Risk		
Investment not having to effect on business plan proposals		The investment helps us develop our offer, trial new technology on the market and future proof the organisation. All things that will help develop the Careline service.		
Further change in technology		Aim is to keep on top of tech on the market and trial the new options with our customers before committing to new tech.		
Unity authority progression		Whatever the outcome the service will be needed and an improved service will only help the unity to continue BAU.		

9 Financial Investment

9.1 Total Costs and Funding			
		Funding Body	£' 000
SSDC Capital: -		District Executive Area Committees	20

	Other Sources: - - Grants						
	Total Capital Cost						20
9.2	Breakdown of main areas of cost						
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
	Portable/mobile data capable laptops x4	3					
	New tech – Details below	17					
	Totals	20					
9.3	External funds to be received						
		Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	N/A						
	Totals						
9.4	Revenue Implications of Capital scheme						
		Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
	Loss of interest @ 2.0%	FT922	0.4				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		0.4				
	Cumulative		0.4				
9.5	Whole Life Costing						
	Estimated useful life of asset (years)	5-10					
	Total Revenue Costs Year 1 to 5						
	Annual Revenue Cost after year 5						
	Total cost over whole life of asset						

9.6	VAT Implications
	<p><i>What are the VAT implications of the scheme?</i></p> <p>Based on the current information provided to us, the VAT is recoverable on this project as the future activity would be either Zero Rated or Standard Rated.</p> <p><i>Is this a VAT exempt activity?</i></p> <p>No</p>

Equipment investment identified as part of the capital bid:

- Small portable/mobile data capable laptops x4 with PC connect software & unit connectors & PNC software [replacement kit]
- Smart hubs [new to Careline]
- Extension speakers [new to Careline]
- Vibby fall detectors
- Smoke detectors
- Telecare items [some new to Careline]
- Unit refurbishment items [replacement chargers & leads]

Marketing & Communications

- Improvements to the Careline Website development
- Corporate display board and event marketing material



South Somerset District Council

South Somerset District Council Request for Capital

Capital Request No: 2021-22

Capital Name: Digital Capital Reserve Programme 2021-23

Date Created 19/11/2020
Document Version: 1.0
Author: Deborah Russell

1. Purpose of Request

To give the Council the ability to respond to changing ITC requirements in a timely and responsive way by maintaining and extending the IT Capital Reserve for a further 2 years.

2. Objectives

Following on from Transformation, South Somerset District Council (SSDC) adopted a new Digital Strategy. Fundamental to the strategy was developing the ability to deliver rapid and effective business change, often by leveraging the market.

This capital programme covers a number of deliverables all of which involve the enhancement of systems and infrastructure before they become unreliable and expensive to maintain. These initiatives are required to enable the business to deliver better working practices across the organisation. This will include the ability to provide more robust agile working by improving the virtual desktop capability, whilst assuring security across all platforms, especially in response to recent COVID restrictions and security breaches highlighted by other organisations.

In order to ensure full resilience and 'always on' functionality, investment in our Disaster Recovery capability will be required to ensure it can maintain continuity of service.

In order to deliver this strategy there are a number of initiatives that need to be undertaken to drive forward beneficial change. The Digital Team have identified a new 2+ Year Capital Programme which is presented in this bid that would deliver against the following Corporate themes:

- Working with partners to improve services, efficiencies, resilience and influence.
- Embracing innovation and improved technology to improve customer service and access.
- Empowering a confident, flexible workforce.

3. Constraints and Decisions

The capital programme involves technology with which the in-house team are familiar and generally able to deploy/support as a part of their normal activities, however there are occasions where working outside of normal hours or consultancy is required. This will be handled on a project-by-project basis.

Disruption to staff is always kept to a minimum but project time periods may on occasions be influenced by peaks in demand such as end of year activities.

This is a programme of renewals and though in some cases the renewal process will yield improved functionality, the programme is not specifically about new projects for which a separate appraisal process will be followed.

4. Interfaces

Dealing with any technical interfaces will be managed on a project by project basis.

5. Measures of Success

Within the capital programme we will always strive for efficiencies such as combining technologies if we can, leveraging existing 3rd party agreements to ensure value for money and also delaying the project if there are technical and economic advantages.

Success will be measured on an individual project basis with key success factors being, but not limited to:

- Reduces the risk that digital technology will fail and service cannot be quickly restored in line with a formal support agreement(s)
- Underpins the Council Plan by providing the core systems and equipment that enable service delivery
- Will give the Digital team the opportunity to adopt improved technologies that enable further efficiencies in terms of licencing, carbon and flexible working.

6 Anticipated Benefits

All technologies are replaced and updated with the most appropriate technology at the time which should be scalable and allow capacity for future growth. Although impossible to quantify in advance this does inevitably drive down costs as the fact that the proposed capital programme is £159,000 cheaper than the previous one demonstrates.

The Digital landscape on which the Council depends to provide services would be up to date and under appropriate support and maintenance agreements in line with the businesses & security needs and core requirements.

7 Options Discounted

Do Nothing.

8 Key Information Summary

8.1	Expected Duration Of Work			
	Start Date:	1 st April 2021.		
	Other Key Milestones with Dates:			
	Expected Completion Date:	March 2023		
8.2	Estimate of Officer Time Required: -			
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Officers will be allocated on a project by project basis.	N/A	Y	Y
	Are there any impacts on property?	N/A		
	Are there any impacts on IT systems?	An IT submission.		
	Are there any environmental impacts?	Try to use environmentally aware suppliers. Aim to reduce energy consumption. Ensure that they keep in line with all environmental legislation.		
	Have you appropriately considered all Equality issues?	N/A		

8.3 Risk Assessment	
Risk	Steps taken to mitigate Risk
A generic risk is that the technology or a supplier could change within the lifetime of this bid to such an extent that the original estimate is no longer representative either in terms of the delivered technology or the cost of the project.	<p>The risk has to be accepted, however it would be mitigated, if not fully addressed by</p> <ul style="list-style-type: none"> Sourcing a service from well know suppliers with a stable business model a supplementary report to management board with appropriate options

9 Financial Investment

9.1 Total Costs and Funding		Funding Body	£' 000			
SSDC Capital: -		District Executive Area Committees	200			
Other Sources: - - Grants						
Total Capital Cost			200			
9.2 Breakdown of main areas of cost						
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Device Standardisation/Refresh		30				
Security upgrade		15	15			
Upgrade Disaster Recovery (DR) Capability		40	20			
Modern Workplace Enhancements		50	30			
Totals		135	65			
9.3 External funds to be received						
	Secured? Y/N	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
N/A						
Totals						
9.4 Revenue Implications of Capital scheme						
	Cost Centre	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Loss of interest @ 2.0%	FT922	4				

(Savings in expenditure)						
Revenue Costs by Individual Budget: (List)						
Revenue Income						
Total Revenue Expenditure / (Net saving)	4					
Cumulative	4					

9.5	Whole Life Costing	
	Estimated useful life of asset (years)	The assets within this capital programme will all have a life expectancy of at least five years.
	Total Revenue Costs Year 1 to 5	Revenue costs are already accounted for within the Digital Services revenue budget.
	Annual Revenue Cost after year 5	<ul style="list-style-type: none"> The revenue costs would be consistent throughout the 5-year plan. Any savings released by each project would be returned by way of the annual budget savings assessment. The cost after year 5 will continue because Digital Services will not allow the authority's infrastructure to be unsupported. <p>Where it is technically, financially and logistically practical Digital Services may extend the lifespan of certain infrastructure</p>
	Total cost over whole life of asset	
9.6	VAT Implications	
	<p><i>What are the VAT implications of the scheme?</i></p> <p><i>Is this a VAT exempt activity?</i></p>	



Capital, Investment and Treasury Strategies 2021/22 to 2023/24

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
Director: Nicola Hix, Support Services
S151 Officer: Jo Nacey, Section 151 Officer
Lead Officer: Paul Matravers, Lead Specialist, Finance
Contact Details: Paul.Matravers@southsomerset.gov.uk or 01935 462275

Purpose of the Report

1. The purpose of this report is to inform Members of the recommended strategy in relation to capital expenditure and financing, investments and treasury management activities.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 4th February 2021.

Public Interest

3. In line with regulatory guidance, annually the Council is required to produce a Capital Strategy, an Investment Strategy and a Treasury Management Strategy. The report provides a holistic view of the Council's capital, investment and borrowing requirements meeting the requirements of statutory guidance.

Recommendations

4. That the District Executive:
 - a. reviews and recommends that Full Council approves the Capital Strategy, Investment Strategy and the Treasury Management Strategy 2021/22 to 2023/24;
 - b. reviews and recommends the proposed borrowing and investment limits included in the Capital Strategy;
 - c. notes the Minimum Revenue Provision statement for 2021/22.
 - d. notes the feedback from Audit Committee Members in respect of the Treasury Management Strategy 2021/22.

Background

5. In line with regulatory guidance, annually the Council is required to produce a Capital Strategy, an Investment Strategy and a Treasury Management Strategy.
6. The strategy is reviewed and updated to take account of any legislative changes required and to provide updated estimates, and actual financial information where available.
7. As per the terms of reference, the Audit Committee is required to review the draft Treasury Management Strategy. Due to the COVID-19 pandemic the January 2021 Audit Committee meeting is not being held formally. However a report and the strategy will be sent to each Member of the Audit Committee to review and to raise questions to the report author.
8. Due to timescales, the feedback from the Audit Committee will not be known when the District Executive meeting agenda is published but a verbal update on the feedback received from Committee members will be provided at the District Executive meeting.
9. It should be noted that the terms of reference for Audit Committee in respect of Treasury Management is to:

‘provide a scrutiny role in Treasury Management matters including regular monitoring of treasury activity and practices. The Committee will also review and recommend the Annual Treasury Management Strategy Statement and Investment Strategy, MRP Strategy, and Prudential Indicators.’
10. Audit Committee Members will be requested to review and comment on the draft Treasury Management Strategy. Additionally the Committee will be requested to provide feedback on the entire strategy document including any suggestions for improvement.
11. The remainder of this report provides an overview of the information included in each element of the attached strategy document.

Capital Strategy

- Provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services.
- Includes an overview of how the associated risk is managed, the implications for future financial sustainability and information on how stewardship, value for money, prudence, sustainability and affordability will be secured.
- Sets out the long-term context in which both capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

Investment Strategy

- Focuses on two types of investments which are:
 - Investments made to support local public services by lending to or buying shares in other organisations, known as **service investments**.
 - Investments made to earn investment income known as **commercial investments**
- Provides detailed information on the policies and procedures that the Council has in place to address the fundamental concepts that are associated with each investment type, which are risk, security and liquidity.
- Deals with the concept of proportionality and the Council's reliance on investment income to fund services in the immediate and long-term and the concept of 'borrowing in advance of need' on which a statement of the Council's position is required.
- Provides information on the capacity, skills and culture, with a disclosure requirement included on the steps taken to ensure that elected Members and officers involved in the investment decision making process have appropriate capacity, skills and information.
- Information on the corporate governance arrangements and the investment indicators that ensure elected Members and the public are able to assess the Council's total risk exposure as a result of its investment decisions.

Treasury Strategy Statement

- Includes summary commentary on the wider economic picture and interest rate forecasts (provided by Arlingclose – Treasury Advisor).
- The current and forecast position of the Council's borrowing requirement and investments.
- Details of the proposed borrowing strategy including the objectives of the strategy and information on the approved sources of long-term and short-term borrowing.
- Information on the treasury investment strategy and counterparty types, the cash limits and the time limits applicable per counterparty.
- Proposed Treasury Management indicators which measure and manage exposure to treasury management risk.



Minimum Revenue Provision (MRP) Statement

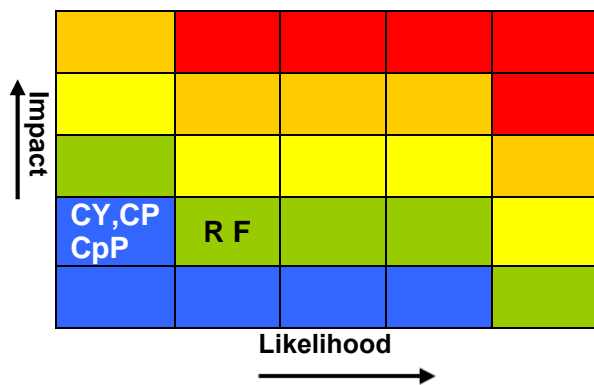
- The MRP statement includes details on voluntary overpayments of MRP which is not included in the current MRP policy. Voluntary overpayments can be made in a financial year with the impact of the overpayment being a reduction in the charge to revenue in future years.
- The statement provides information on the process of determining if an MRP overpayment can be made in a particular year. This has not occurred in recent years.

Financial Implications

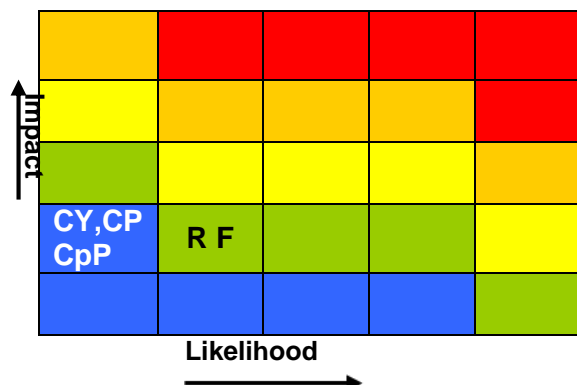
- The proposed capital and investment strategies align with the 2021/22 Capital Programme and the updated Medium Term Financial Plan, those reports seek to establish approval of spending and funding requirements to meet the Council's priorities. This report establishes the borrowing and investment limits that are considered to be prudent and affordable in meeting those plans.
- There are no additional financial implications in reviewing the attached treasury management strategy.

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	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

Council Plan Implications

14. The proposed capital, investment and treasury management strategies align with the 2021/22 Capital Programme and the updated Medium Term Financial Plan which is closely linked to the Council Plan. The strategies establish the borrowing and investment limits that are considered to be prudent and affordable and directly contribute to maintaining financial resilience which will enable the council to continue to fund its priorities for the local community.

Carbon Emissions and Climate Change Implications

15. There are no implications in approving this report.

Equality and Diversity Implications

16. There are no implications in approving this report

Privacy Impact Assessment

17. There is no personal information included in this report.

Background Papers

18. The background papers relevant to the report are:
 - CIPFA Treasury Management Code of Practice
 - CIPFA Prudential Code
 - Treasury Management Practices
 - CIPFA Prudential Code (revised December 2018)
 - Statutory guidance on Local Government Investments (revised February 2018)
-



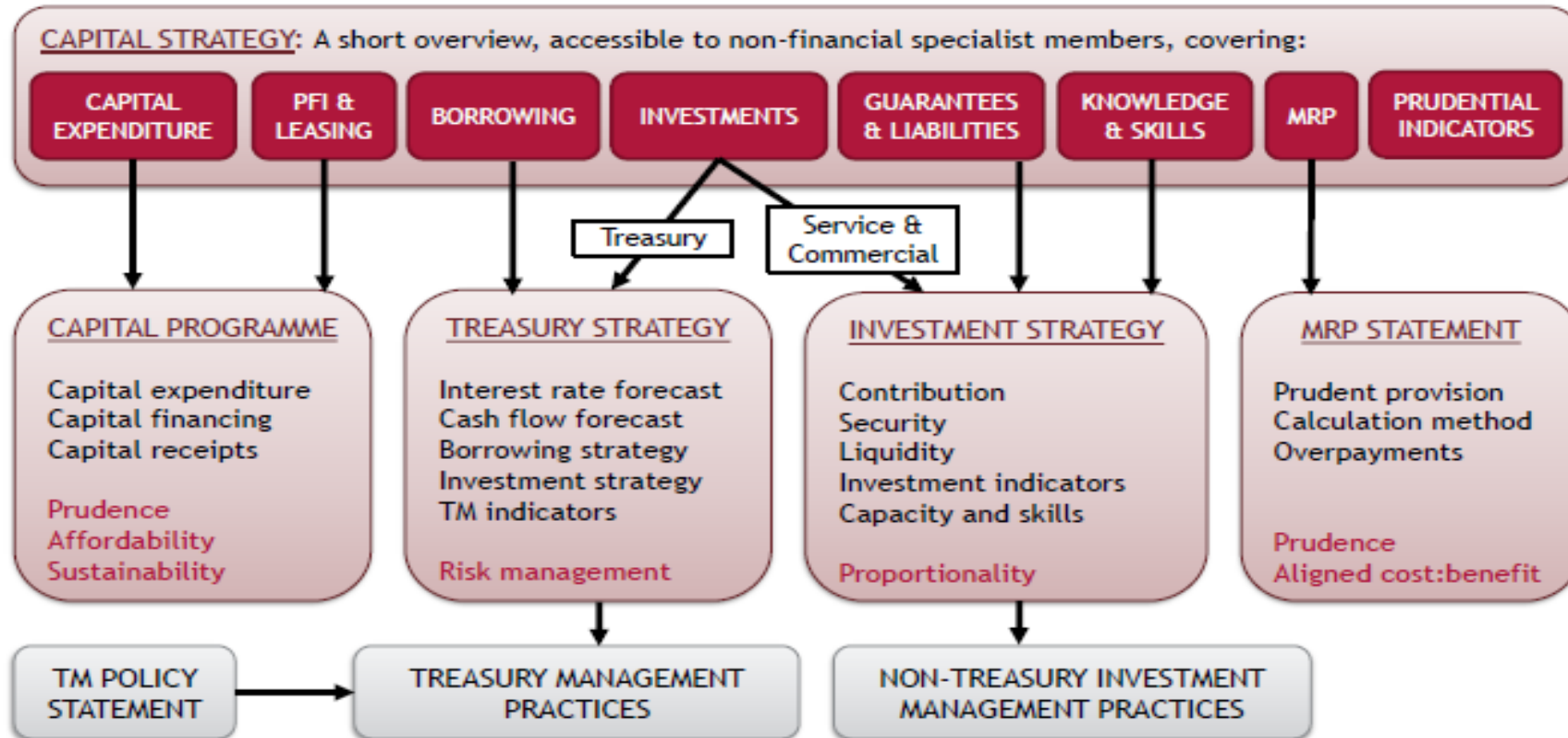
South Somerset
District Council

Capital, Investment and Treasury Strategies
2021/22 to 2023/24

Capital Strategy

1 Introduction

- 1.1 This Strategy sets out South Somerset District Council's approach to capital investment and sets out the long-term context in which both capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 1.2 It provides an overview of how the associated risk is managed, the implications for future financial sustainability and information on how stewardship, value for money, prudence, sustainability and affordability will be secured.
- 1.3 The investment and treasury management strategies are fundamentally linked to the capital strategy and are therefore included here to provide a holistic view of capital, investment and borrowing requirements.
- 1.4 The flowchart below provides information on the requirements and the contents of the various strategies that are required on an annual basis, and how the strategies are inter-related.



2 Capital Expenditure

Capital Expenditure Estimates

- 2.1 Capital expenditure is incurred where the Council spends money on constructing or acquiring assets such as land and buildings, vehicles, plant and equipment, which will be used for more than one year, as well as larger scale maintenance works that maintain or enhance the Councils existing assets. In local government capital expenditure can also include spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure. For example, assets costing below £10,000 are not capitalised and are charged as revenue expenditure in the year. This discretion is reflected in the Council's accounting policies which are set out within the Statement of Accounts each year.
- 2.2 In 2021/22, the Council is planning capital expenditure of £61.3m as summarised below:

Table 1: Prudential Indicator: Actual and Estimates of Capital Expenditure

	2019/20 Actual £k	2020/21 Projection £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k
General Fund services	6,426	5,594	5,455	3,000	3,000
Capital investments	59,056	25,930	55,870	18,039	3,300
TOTAL	65,482	31,524	61,325	21,039	6,300

- 2.3 The Council's capital investment focusses on the following main areas:

- Investment in new and existing operational assets and issuing capital grants to support the delivery of its services and strategic priorities. This includes schemes such as regeneration and infrastructure projects, grants for accessibility adaptations and equipment to support independent living.

- Investment to grow and balance the Council's commercial investment income portfolio, as set out in the investment strategy. This may include direct property freehold or long-leasehold acquisition, as well as shareholdings and loans to third parties and subsidiaries.

Capital Programme

- 2.4 The Capital Programme represents the Council's commitment to continue to invest in its operational asset portfolio and wider investment to support housing, economy and place-shaping priorities. It is reviewed annually and approved through the budget setting process, taking into account the availability of capital resources and the financing cost implications on the revenue budget.
- 2.5 New capital schemes and projects are usually added to the Programme as part of the annual process, however the Council's governance arrangements allow for new schemes and projects to be added or removed from the programme during the year subject to appropriate approvals.
- 2.6 Service managers have submitted bids to include projects in the Council's capital programme. Bids are collated by Finance who calculate the financing cost (which can be nil if the project is fully externally financed). The Strategic Leadership Team appraises all bids based on a comparison of service priorities against financing costs and makes recommendations to District Executive. The proposed capital programme is then presented to District Executive in January and to Council in February each year.
- 2.7 The proposed capital programme includes investment of £61.3m in 2021/22, with indicative further investment of £27.3m in the subsequent two years to 2023/24. The details of this investment is included in the General Fund 2021/22 Budget Estimates reports.

Asset Management

- 2.8 To ensure that capital assets continue to be of long-term use, the Council has an asset management plan, which is incorporated in the Council's Commercial Strategy and an Asset Disposal and Community Asset Transfer Policy.

- 2.9 This Asset Disposal and Community Asset Transfer Policy provides a transparent, robust and strategic framework to enable Asset Disposal and Community Asset Transfer decisions to be made, together with a clear process for both SSDC and community organisations to progress with transfers/disposals, with long term sustainable benefits both to the Council and the community.
- 2.10 The Disposals element of the policy refers to Council owned assets that are sold on the open market for a financial consideration or otherwise transferred out of Council ownership. The aim is to enable SSDC to retain only sound assets that support the effective and efficient delivery of services, achieve corporate priorities or produce a healthy financial return each year in accordance with the Commercial Land and Property Strategy.
- 2.11 When a capital asset is identified as surplus to requirements or an enabler for others to deliver council priorities, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2022/23. Repayments of capital grants, loans and investments also generate capital receipts. The Council estimates it will receive £2.45 million of capital receipts in the 2021/22 financial year.

Table 2: Capital receipts in £ millions

	2019/20 Actual £k	2020/21 Projection £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k
Asset sales	37	0	15	430	0
Loans repaid	1,922	2,569	2,433	3,070	3,399
TOTAL	1,959	2,569	2,448	3,500	3,399

3 Capital Financing

- 3.1 The Council's capital investment falls within the scope of the CIPFA Prudential Code for Capital Finance in Local Authorities (the 'Prudential Code'), to which the Council must give due regard. The Code was last updated in 2017. Under the Prudential Code the Council has discretion over the funding of capital expenditure and the freedom to determine the level of borrowing it undertakes to deliver the Capital Programme.

3.2 All capital expenditure must be financed, and there are range of potential funding sources the Council may use including its own resources or externally:

- Capital receipts from asset disposals and loan repayments
- Capital grants e.g. from Government or other local authorities
- Contributions from others e.g. Section 106 (S106) and Community Infrastructure Levy (CIL)
- Revenue Contributions to Capital e.g. from the Revenue Budget or Revenue Reserves
- Debt financing e.g. borrowing, capital market bonds, leasing

Capital Financing Plan

3.3 The planned financing of the capital expenditure in Table 1 above is as follows:

Table 3: Capital Financing Plan

	2019/20 Actual £k		2020/21 Budget £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k	Totals 2020/21- 2023/24 £k
External Sources:							
Grants and general contributions	1,330		1,629	275	2,835	917	5,656
S106	264		267	1	18	17	303
CIL	0		0	0	0	0	0
Sub-total – External	1,594		1,896	276	2,853	934	5,959
Own Resources:							
Capital receipts & Reserves	7,019		5,804	7,735	1,344	0	14,883
Sub-total - Own	7,019		5,804	7,735	1,344	0	14,883
Debt:							
Loans (Internal & External)	56,869		23,825	53,315	13,842	2,366	169,321
Leases							
Sub-total - Debt	56,869		23,825	53,315	13,842	2,366	169,321
Total	65,482		31,525	61,326	18,039	3,300	204,222

- 3.4 The allocation of resources may vary over time, for example, where additional income is achieved through asset sales or obtaining external funding. The plan is therefore dynamic, and is overseen by the Council's S151 Officer to optimise financing arrangements on an ongoing basis. The estimates will not commit the Council to particular methods of financing. The S151 Officer will determine the actual financing of capital expenditure incurred at the end of the financial year.
- 3.5 The implications of financing capital expenditure from borrowing is that the expenditure is not funded immediately but charged to the revenue budget over a number of years. The Council may defer the timing of external borrowing on a short to medium term by using temporary cash resources held in reserves and balances. This practice, which is referred to as 'internal borrowing', does not reduce the magnitude of borrowing required or the level of funds held in reserves and balances; the funds are merely being utilised in the short term until they are required for their intended purpose. The timing of external borrowing and the balance of external / internal borrowing is determined by market conditions and the Council's cash flow position. Officers manage this position on a day to day basis in line with the overall Treasury Management Strategy.
- 3.6 Debt is only a temporary source of finance, since loans and leases must be repaid and this is, therefore, replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, capital receipts may be used to replace debt finance.

Capital Financing Requirement

- 3.7 The Council's cumulative amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. Based on the above figures for expenditure and financing the Council's estimated CFR is as follows:

Table 4: Prudential Indicator – Actual and Estimated Capital Financing Requirement

	2019/20 Actual £k	2020/21 Estimate £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k
CFR Balance b/f	39,320	95,582	118,610	171,108	184,113
Expenditure financed by debt	65,482	31,525	61,326	18,039	3,300
MRP	-520	-797	-817	-837	-847
Capital receipts used to replace debt	-7,370	-5,804	-7,735	-1,344	0
Grants & Contributions	-1,330	-1,896	-276	-2,853	-933
Total CFR	95,582	118,610	171,108	184,113	185,633

- 3.8 The chart shows that the Council’s proposed capital strategy and capital investment plans are expected to increase the overall indebtedness position of the next 5 years. It is important to ensure such plans are affordable and the Council can meet the costs of this debt over the short and long term.

Grants and Contributions

- 3.9 The Council will seek to access external funding towards its capital investment plans where funds are available and our schemes are within scope. Examples of grants may include Government schemes such Housing Infrastructure Fund, Future High Streets Fund and so on. We also receive contributions from other bodies such as developers in the form of S106 planning obligations contributions and Community Infrastructure Levy (see below). It is often the case that the Council will need to put some of its own resources towards a scheme in order to attract the external funding. However, this can be effective in leveraging in funds to enable larger infrastructure investments to progress and mitigate marginal viability schemes.

S106 Contributions

- 3.10 S106 contributions are received in respect of certain obligations that have been agreed through planning approvals. Contributions that are in respect of district council services within SSDC are paid to the Council, there are usually restrictions on the nature of costs that S106 monies can fund. Expenditure on items such as public art, play areas and equipment and

affordable housing provision are examples service expenditure that S106 contributions can fund. S106 contributions can be used to fund both revenue and capital expenditure and are allocated to the relevant capital and revenue budget accordingly.

- 3.11 All S106 funds over £10,000 will be included if appropriate in the capital programme once received and included within a quarterly monitoring statement for reporting to District Executive.

Community Infrastructure Levy (CIL)

- 3.12 The Council operates an approved CIL policy, with the levy payable on development in certain areas within the District. CIL is recognised as capital income and therefore provides resources to contribute to eligible infrastructure investment such as transport/roads, education, town centre regeneration and flood alleviation schemes. 15% (or 25% with an adopted Neighbourhood Plan) of CIL income is passed to town or parish councils, and 5% is allocated to fund administration costs.

- 3.13 Table 5: Estimated CIL Retained Income (Net of town/parish share and administration costs)

	2019/20 Actual £k	2020/21 Estimate £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k
Net CIL Income	321	872	1,100	1,300	1,500

4 Treasury Management and Borrowing Strategy

- 4.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 4.2 The Council held £79.50m of external borrowing on 1 April 2020 (£19.5m at 1 April 2019) and treasury investments totalling £35.25m (£30.73m at 1 April 2019).

- 4.3 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting and the Council, therefore, seeks to strike a balance between cheaper short-term loans (currently available at around 0.10%) and long term fixed rate loans where the future cost is known but higher (currently 1.5%-2.5%).
- 4.4 Councils do not borrow for specific assets and cannot use local authority assets as security. Borrowing is undertaken to meet the capital financing requirement (less any short term use of temporary cash balances).

HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)

- 4.5 A common source of borrowing for local authorities is the HM Treasury, through the Debt Management Office, which took over the responsibilities of the previous Public Works Loans Board (although the term PWLB is still commonly used). There are a number of advantages to using the HM Treasury's PWLB lending facility as a source of borrowing, such as
- Funds can be accessed quickly – usually within 2-3 days of notice
 - It is simple to arrange with limited time and effort required
 - The Council does not require a credit rating
 - Borrowing is not linked to any specific asset, but can provide the resources need to meet the overall capital financing requirement.
- 4.6 The HM Treasury's PWLB lending facility currently offers a discounted 'certainty rate' at 0.2% below its standard rates, triggered by the Council completing an annual return to Government. It also offers a discounted 'infrastructure rate' which is 0.4% below its standard rate, which is subject to a competitive bidding process.
- 4.7 In October 2019, in response to the Treasury's concern about growing total debt balances for local government, the PWLB lending facility's standard and certainty rates were increased by 1% without notice. In March 2020 the Government launched a consultation on revised lending terms and guidance to implement this reform.
- 4.8 The aim of this consultation was to develop a proportionate and equitable way to prevent local authorities from using PWLB loans to buy commercial assets primarily for yield, without impeding their ability to pursue service delivery, housing, and regeneration under the prudential regime.

- 4.9 Following this consultation, the Government published revised lending terms for the PWLB and guidance to support Local Authorities to determine if a proposed project is an appropriate use of PWLB loans. The new terms apply to all loans arranged after the 26 November 2020.
- 4.10 The revised guidance states that authorities that purchase investment assets primarily for yield will be restricted from borrowing PWLB loans in the financial year the purchase takes place. Guidance is high level, rather than a set of strict definitions, due to the diversity and complexity of local government finance. It deliberately avoids providing precise answers, leaving the onus on Section 151 officers, or equivalents, to categorise borrowing activity and certify the authority is not planning purchase investment assets primarily for yield over the next three years.
- 4.11 The full response to the consultation document (Public Works Loans Board: Future Lending Terms) can be accessed at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940281/Response_to_consultation_Public_Works_Loan_Board_future_lending_terms_1.pdf
- 4.12 As a consequence, the Council is continuing to work on identifying alternative sources of long term finance such as issuing bonds to the capital markets (typically pension funds and insurance companies).

Total Debt Position

- 4.13 Projected levels of the Council's total outstanding debt are shown below, compared with the CFR (as detailed above). Statutory guidance is that actual debt should remain below the CFR, except in the short-term. As can be seen from the table the Council expects to comply with this in the medium term.

Table 6: Prudential Indicator – Gross Debt and the CFR

	2019/20 Actual £k	2020/21 Budget £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k
Debt	79,500	103,113	158,983	172,826	176,126
CFR	95,581	118,608	171,106	184,112	185,632

Liability Benchmark

- 4.14 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £30m at each year-end. This benchmark is estimated to be £74.2m and is forecast to rise to £164.3m over the next five years.

Table 7: Actual Borrowing and the Liability Benchmark

	2019/20 Actual £k	2020/21 Budget £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k
Outstanding borrowing	79,500	103,113	158,983	172,826	176,126
Liability Benchmark	74,242	87,268	149,766	162,772	164,292

5 Affordable Borrowing Limit

- 5.1 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach this limit. The Operational Boundary has been calculated based on the forecast CFR plus a tolerance for variations in spending plans during the year and possible volatility in availability of internal and external resources.

Table 8: Prudential Indicators – Authorised Limit and Operational Boundary for external debt

	2019/20 Actual £k	2020/21 Budget £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k
Operational Boundary:					
Borrowing	79,500	120,000	170,000	180,000	190,000
Leases	51	15,000	20,000	20,000	20,000
Total Operational Boundary	79,551	135,000	190,000	200,000	210,000
Authorised Limit:					
Borrowing	124,000	140,000	180,000	195,000	205,000
Leases	1,000	20,000	25,000	25,000	25,000
Total Authorised Limit	125,000	165,000	205,000	220,000	230,000

5.2 Further details of existing borrowing can be found in the Treasury Management Strategy Statement.

6 Treasury Investment Strategy

6.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

6.2 The Council's policy on treasury investments is to prioritise security and liquidity over yield, therefore to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high quality banks to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

6.3 As part of the Council's financial strategy, the aim is to maintain the balance within the investment portfolio with the objective being to sustain, but also grow, the net income available through treasury management to fund services, whilst maintaining

a prudent balance between security, liquidity and yield. Subject to long term cash flow forecasts, it is anticipated that funds held in longer term investments will be maintained at current levels.

- 6.4 Longer term investments may expose a proportion of funds to a higher risk of capital value volatility, this volatility is mitigated by holding a risk-assessed minimum balance of funds in a Treasury Risk Reserve. The balance of funds in this specific reserve is reviewed annually and a decision taken by the S151 Officer on the required transfer to or from the reserve made based on the current and projected performance of the longer term investments. The assessment of adequate general reserves also incorporates an element of risk to investment income assumptions.

Table 9: Treasury Management Investments

	2019/20 Actual £k	2020/21 Budget £k	2021/22 Estimate £k	2022/23 Estimate £k	2023/24 Estimate £k
Near-term investments	8,000	3,000	2,000	2,000	2,000
Long-term investments	27,250	30,000	30,000	30,000	30,000
Total	35,250	33,000	32,000	32,000	32,000

- 6.5 Further details of existing treasury investments can be found in the Treasury Management Strategy below.
- 6.6 The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- 6.7 Decisions on treasury management and borrowing are made daily and are, therefore, delegated to the S151 Officer and Finance staff who must act in line with the Treasury Management Strategy approved by Full Council. Reports on treasury management activities are presented to the Audit Committee at mid-year and at year-end.

7 Investment for Service Purposes

- 7.1 The Council can make service investments; service investments can be in the form of a loan to an organisation or the purchase of shares in organisations. The purpose of service investments is to support local public services and to stimulate local economic growth.

- 7.2 In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.
- 7.3 Decisions on service investments are presented to Strategic Leadership Team, which includes the Section 151 Officer. Investments must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.
- 7.4 Further details on service investments are contained in the Investment Strategy.

8 Commercial Investment Activities

- 8.1 The commercial property investment portfolio is an integral part of the Council's medium term financial plan and contributes towards the overall income generation target that is needed to mitigate the significant reduction in government funding, enable the Council to maintain and improve services and service standards, and meet our priorities and objectives. The Commercial Strategy details the Council's approach to commercialisation. One of the aims of the strategy is to align with and support the Council Plan and ensure that the Council is the partner of choice for the community and commercial sectors by demonstrating its commercial awareness and effective delivery of services.
- 8.2 The value of the property held for investment purposes was £71.97m as at 31 March 2020 (£26.1m at 31 March 2019) and is anticipated to be £81.27m at 31 March 2021, the target average return on properties held for investment purposes is 7% on all new investments. The target net rate of return is a minimum of 2.5% to 3% after accounting and financing provisions (i.e. paying interest, making provision for repayment of the capital sum and following contribution to reserves to offset risk).
- 8.3 With financial return being the main objective, and as with investments for service purposes, the Council accepts a higher risk on commercial investment than with treasury investments. It has a robust risk assessment process in place which includes assessing the risk of loss before entering into and whilst holding service investments.
- 8.4 This increased risk is balanced with an efficient and proportional regard to governance, policy, management, processes and systems to ensure robust decision-making, performance and success of new commercial enterprises, contracts and partnerships. All of which will continue to evolve and be refined over time to ensure that the Council adheres to its statutory responsibilities and that public money continues to be appropriately invested, used and accounted for.

- 8.5 In considering investment opportunities, a predetermined set of assessment criteria for each proposed investment is used and a business case is completed to ensure transparency, due diligence, governance and consistency to aid achievement of the investment objectives.
- 8.6 In order that commercial investments remain proportionate to the size of the authority, these are subject to an overall maximum investment limit of £150m.
- 8.7 If the returns on investments are not maintained at the required levels contingency plans to continue to provide services are in place. The contingency plan includes holding adequate general reserves and a specific investment risk reserves such as the Treasury Risk Reserve and the Investment Property Risk Reserve.
- 8.8 Decisions on commercial investments are made in line with the criteria and limits approved by council in the 2021/22 investment strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.
- 8.9 Further details on commercial investments and limits are included in the investment strategy.

9 Liabilities

- 9.1 In addition to capital debt as detailed above the Council is committed to making future payments to cover its pension deficit, which was valued at £79.93m on 1 April 2020. This balance is due to be paid over a 20-year period, and the deficit and annual contributions are revalued every three years. It has also set aside funds to cover provisions for probable costs. The Council is also at risk of having to pay for contingent liabilities but has not put aside any money because payment is contingent on, as yet, unknown events occurring which may crystallise possible amounts due.
- 9.2 Decisions on incurring new discretionary liabilities are taken by senior managers and service managers in consultation with the S151 Officer. The risk of liabilities crystallising and requiring payment is monitored by the finance team and reported to the S151 officer.
- 9.3 Further details on liabilities and guarantees can be found in the 2019/20 Statements of Accounts.

10 Revenue Budget Implications

- 10.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans/leases and capital debt repayment provisions are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 10: Prudential Indicator – Proportion of financing costs to net revenue stream

	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2022/23 Estimate
Financing Costs (£m)	(0.978)	(1.403)	0.307	0.415	0.539
Proportion of net revenue stream	(5.98%)	(7.54%)	1.84%	2.75%	3.46%

- 10.2 Financing costs for 2021/22 and subsequent years includes an increase due to a change in the accounting for leases.

- 10.3 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The S151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable.
- 10.4 All capital investment must be sustainable in the long term through revenue support by the Council or its partners. All capital investment decisions consider the revenue implications both in terms of servicing the finance and running costs of the new assets. The impact of the revenue implications is a significant factor in determining approval of projects. The use of capital resources has been fully taken into account in the production of the Council's Medium Term Financial Plan.

11 Knowledge and Skills

- 11.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the S151 Officer is a qualified accountant, and the Director of Commercial Services and Income Generation is highly experienced in the commercial property field. There are several other professionally qualified Finance Specialists within the Council's finance function and the Council pays for staff to study towards relevant professional qualifications including CIPFA. All officers involved in the treasury and investment management function have access to relevant technical guidance and training to enable them to acquire and maintain the appropriate level of expertise, knowledge and skills to undertake the duties and responsibilities allocated to them.
- 11.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers, and utilises services of property consultants who provide a diligent assessment of the market and assists in preparing a bid, acting as the sounding board for the in house Investment Surveyor. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 11.3 Those charged with governance (Members of the Audit Governance and the District Executive) recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. The S151 Officer will ensure that elected Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Investment Strategy

12 Introduction

12.1 The Council invests funds that it holds for three broad purposes:

- i) because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- ii) to support local public services by lending to or buying shares in other organisations (**service investments**), and
- iii) to earn investment income (known as **commercial investments** where this is the main purpose)

12.2 This investment strategy meets the requirements of statutory guidance issued by the Government in January 2018, and focuses on the second and third of these categories.

13 Treasury Management Investments

13.1 The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and Central Government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £30m and £60m during the 2021/22 financial year.

13.2 The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

13.3 Full details of the Council's policies and its plan for 2021/22 for treasury management investments are covered in the treasury management strategy later in this document.

14 Service Investments – Loans

14.1 The Council lends money to local businesses, local charities, other local authority partnerships, and local residents to support local public services and priorities, and stimulate local economic growth. Currently the Council has loans invested with:

- Hinton St George Shop
- Somerset Waste Partnership – for waste vehicles, with added benefit of keeping waste contract costs down
- Opium Power Limited
- Elleston Business Services Limited

Risk Management – Service investment Loans

14.2 The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to minimise this risk and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 11: Loans for Service Purposes

Category of borrower	Actual as at 31/03/2020			2021/22 Approved Limit £k
	Balance Owing £k	Loss Allowance £k	Net Figure In Accounts £k	
Local Businesses	149	0	149	200
Local Authorities	4,921	0	4,921	7,500
Joint Operations	13,289	0	13,289	35,000
Community (Small) Loans	0	0	0	1,000
Employees	27	0	27	100
Total	18,386	0	18,386	43,800

- 14.3 Accounting standards require the Council to set aside a loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Councils statement of accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 14.4 No loss allowance is set aside for the current loans made for service purposes. In the case of the loan to the local business and the loan to the joint operation, the Council has a charge over the asset. The asset values are currently higher than the value of the balance owing on the respective loans, therefore no loss allowance is currently required. Assets are revalued in line with the accounting policies and the loss allowance will be revised if asset value reduces to a level below the balance outstanding on the loan.
- 14.5 The Council assesses the risk of loss before entering into and whilst holding service loans by working up a robust business case and applying due diligence to all requests for service loans, and proportionate monitoring of credit risk of borrowers. For example, with loans to key businesses the Council's finance specialist team (qualified accountants) will review financial statements and service officers will maintain communication with the borrower in order that emerging risks are identified promptly. The Council will use credit rating information where available, and will use external specialist advisors if appropriate.

15 Service Investments – Shares

- 15.1 The Council does not currently hold any direct investment in the shares of subsidiaries, its suppliers or local businesses. As part of the Council's commercialisation agenda, the Council may explore opportunities to establish wholly-owned or partly-owned trading companies. In any such case, appropriate business cases, due diligence, risk assessment and governance proposals will be developed for consideration of Full Council. In addition, relevant provisions would be added to the Investment Strategy including the expected contribution to the Council's strategies and priorities, and the security and liquidity of investments.

16 Commercial Investments – Property

- 16.1 The Council invests in a diverse investment property portfolio both locally and nationally with the intention of generating surplus income that will be spent on local public services delivered within the district. This is an essential response to

significant reductions in government funding over recent years, in order to meet service delivery objectives and the place making role of the Council, and avoid service cuts. The Council plans to increase its investment by up to £70m over the next 2 years.

- 16.2 The Council holds a number of assets that were initially acquired for service purposes such as benefitting the local economy but have since been reclassified as investment properties. These are now established and the main purpose for holding the assets is for rental income. The following table summarises the investment properties as at 1 April 2020. This table includes historically held investment properties as well as investments made as part of the Commercial Strategy up to 1 April 2020.

Table 12: Property held for investment purposes

Sector	Value in accounts	
	31 st March 2020 £k	31st March 2021 £k
Offices	25,600	To be confirmed following the audit of the 2020/21 accounts
Retail	12,265	
Industrial	22,310	
Small Business Units	5,220	
Historic Buildings	310	
Nursery	75	
Commercial	6,070	
Garages	73	
Warehouse	50	
Totals	71,973	

- 16.3 The Council has a number of potential property purchases that have been approved by the Investment Assessment Group, but are not yet completed. Work is progressing and it is anticipated that c£12.5m will be spent on investment property purchases in the remaining part of this financial year. As part of the aims of our Commercial Strategy, the Council is continuing to look for investment opportunities that align with its objectives in terms of risk, return and affordability and that also fit with the wider aims of the Council.
- 16.4 The total value of property held for investment purposes as at 31 December 2020 is £72.5m. The value in the accounts in respect of these purchases, and the properties held at 1 April 2021, is not known at the stage as the gains and losses on properties are undertaken as part of the closure of accounts.
- 16.5 In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. The Council also recognises that asset values may increase and decrease over time due to market volatility, and takes a long term perspective with the assumption that capital values are likely to hold or grow over the life of the asset.
- 16.6 *Where value in accounts is at or above purchase cost:* A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2020/21 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.
- Or
- 16.7 *Where value in accounts is below purchase cost:* The fair value of the Council's investment property portfolio is no longer sufficient to provide security against loss, and the Council is therefore taking mitigating actions to protect the capital invested. These actions include: planning to hold the assets for the long term; maintaining assets to appropriate quality; mitigating risk of realised losses through maintaining adequate funds in an Investment Risk Reserve, and reducing capital borrowing through its MRP policy.
- 16.8 The Council assesses the risk of loss before entering into and whilst holding property investments by undertaking appropriate due diligence including full valuation surveys and operating an asset management plan. The Council also considers strength of local market conditions to give confidence on future re-letting and also considers possible alternative uses if appropriate, and actively monitors the portfolio to ensure tenant obligations for maintaining assets are fulfilled.

- 16.9 Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council actively manages cash flow through its treasury management arrangements and plans to under-borrow against its CFR so that it can temporarily borrow at short notice if required.
- 16.10 The Council's asset disposal policy includes the approved process for asset disposal and performance indicators (property management indicators) which provide the information on the performance of each property. The performance indicators provide information on assets which are not yielding the level of return required by the Commercial Strategy.
- 16.11 The Council uses industry standard software, to track the performance of its investment portfolio. The software is capable of monitoring running yields asset by asset and across the portfolio, and adopting multiple scenarios. By continually reviewing the market, the tenant covenant and unexpired lease term of each property, the Council is able to find the optimum time to dispose of assets.

17 Other Categories of Investment

- 17.1 Special Purpose Vehicles - The Council has setup a special purpose vehicle (SSDC Opium Power Ltd) which has successfully delivered two renewable energy projects, a third project was recently approved and is in the early stages of development. The Council's is continuing its journey into ownership and development of renewable energy which will provide essential support to the National Grid for balancing power demand and storing renewable energy. The company is 50:50 owned between the Council and Opium Power Limited, with the Council providing a secured term loan facility to the SPV. A repayment schedule for both projects has been agreed with the SPV as part of the loan conditions.
- 17.2 Renewable energy investments – This type of investment not only assist with the Council's income generation needs and contributes towards the objectives of the commercial strategy, they also meet the Council Plan commitment to promote the use of green technology. Renewable energy measures and investments are continually sought to ensure that the Council's existing and future energy costs and requirements on our own operational property are considered.
- 17.3 Community Benefit - Other investments that do not meet the internal rate of return target, but do provide some financial return and also bring collective benefit to the community in accordance with the wider Corporate Plan objectives are considered with a different form of assessment criteria but similar decision making process. The primary objective may

not be to generate income but to deliver a service of community benefit i.e. economic development, jobs, health, welfare, leisure, housing need etc.

- 17.4 Regeneration Schemes - Major investment in Regeneration Schemes are planned or are in progress, such as the Chard Regeneration Scheme and the Yeovil Refresh, and these are projects with their own strategies and plans for delivery, but they link to the Commercial Strategy objectives in the longer term and the same principles apply in executing these projects.
- 17.5 Therefore, the council will progress, consider and assess Regeneration proposals, using an investment based approach that seeks to create viable regeneration schemes that not only pay for themselves but generate a return on the investment over the longer term where possible. Regeneration delivers both tangible commercial and community objectives resulting in income generation for the wider district in the medium to long-term, as well as directly to the Council through business rates or council tax, for example.

18 Financial Guarantees

- 18.1 Although not strictly counted as investments, since no money has exchanged hands yet, financial guarantees carry similar risks to the Council and are included here for completeness.
- 18.2 The Council had the following guarantees on 1 April 2020, as reported in the Council's Statement of Accounts for 2019/20:
- Environmental risk in the Birchfield Park - £311k
 - South West Audit Partnership Limited Pension Liability - £149k
 - Mama Bears Nursery Pension Liability - £36k

19 Proportionality

- 19.1 The Council currently has a low dependency on investment property income, but with increased investment the Council plans to become dependent on income generating investment activity to achieve a balanced revenue budget. Table 16 below shows the extent to which the expenditure planned to meet the service delivery objectives and place making role

of the Council is dependent on achieving the expected net income from investments over the lifecycle of the Medium Term Financial Plan.

- 19.2 Should it fail to achieve the expected net income, the Council’s contingency plans for continuing to provide these services including holding adequate funds in an earmarked Investment Risk Reserve as well as carrying adequate General Reserves. Budget estimates are also set using prudent assumptions about net income from the portfolio including an allowance for voids / non-collection.

Table 13: Proportionality of Investments

	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Gross Service Expenditure	72,396,325	70,756,720	69,117,320	62,216,900	64,255,910
Investment Income					
- Treasury Investments	2,892,755	3,500,220	1,945,560	1,984,250	1,908,320
- Commercial Investments	4,275,000	5,024,590	6,944,460	10,103,210	10,201,710
Total Investment Income	7,167,755	8,524,810	8,890,020	12,087,460	12,110,030
Proportion	9.90%	12.05%	12.86%	19.43%	18.85%

- 19.3 Investment income shown in the above table is the gross income included in the budget estimates, disregarding asset management and capital financing costs.

20 Borrowing In Advance of Need

- 20.1 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council has chosen not to follow this guidance and plans to borrow for this purpose because generating investment income is now essential to respond to the large scale reductions in grant funding from Government. The Council (and its predecessors) has already sought to mitigate this reduction through service cost reductions, combining into a single workforce followed by the creation of the single new council entity, and driving further efficiency by transforming how we work and effectively managing demand for services. Increasing income is also part of the strategy to mitigate the significant funding reductions.

21 Capacity, Skills and Culture

- 21.1 The Council have enterprising staff, partners and Members, their skills and ideas need to be clearly and effectively communicated and harnessed to help achieve our Commercial Strategy. The Council have invested in staff training to enhance staff and Member skills and raise the level of commercial expertise across the Council. Staff training is a continuing priority in this area with continuing professional development being an integral part of this.
- 21.2 The Council has recruited a highly experienced commercial director and qualified property specialists, which ensures that the necessary skills and knowledge are in place to achieve the aims of the Commercial Strategy and ensures that the risks involved in commercial investments are fully understood.
- 21.3 Officers involved in the investment making decision process are governed by internal procedures and processes and external statutory guidance in the form of the CIPFA Treasury Management Code and MHCLG Investment guidance. Internally limits are set in the annual Treasury Management Strategy Statement and the overriding Treasury Management Practices. The Council team dealing with investment assessments and management are professionally qualified and experienced in their field of property, finance and legal, with access to training as required. Specialist advice will also be bought in for non-traditional property investments as required.
- 21.4 Members on the Investment Assessment Group will have access to relevant commercial property training for example as provided by the LGA or CIPFA as well as being advised by professional specialists.

- 21.5 Reporting to Members on a regular basis on the performance on current investments, and on potential new investments is an integral part of the Commercial Strategy, the continual reporting ensures that elected Members have the information needed to assess the risks and rewards that are associated in this area.
- 21.6 In considering investment opportunities, a predetermined set of assessment criteria for each proposed investment is used and a business case is completed to ensure transparency, due diligence, governance and consistency to aid achievement of the investment objectives.
- 21.7 Officers who are tasked with negotiating commercial deals have been provided with the necessary training and information and are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
- Briefings and guidance provided to, and discussed with the senior leadership team and officers involved in commercial deals.
 - There is a requirement for continuing professional development for qualified professionals who are part of the decision making process for commercial deals.

21.8 The Council has robust governance arrangements in place, the Commercial Strategy (2017-2021) includes comprehensive governance processes and procedures which ensure that all capital investments are scrutinised and are subject to a number steps before the capital investment is authorised:

- The strategy sets out the approved budget for the financial years that the strategy covers, the authority to manage the budget of either borrowings or reserves is delegated to the S151 officer in consultation with the Investment Assessment Group.
- An Investment Assessment Group (IAG) is in place which undertakes due diligence, reports on performance and recommends investments to acquire, or assets to dispose of, to the CEO that meet required criteria set out in the Commercial Strategy
- The IAG comprises of suitable experienced and skilled individuals, namely the Property, Land and Development Manager, Director of Commercial Services & Income Generation, S151 Officer, Monitoring Officer, and Portfolio Holder.
- Details of the level of delegated authority for individual investment / acquisition approvals is included in the strategy. The delegated authority level being £10 Million for any single transaction to the Chief Executive Officer in consultation with the Leader.
- A predetermined set of assessment criteria for each proposed investment project is used.
- A business case is completed in each case to ensure transparency, due diligence, governance and consistency to aid achievement of the Commercial Strategy and the Corporate Plan objectives.
- Where the criteria are met, there is a schedule of delegation agreed that enables positive decisions to be made that respect market requirements for swift action and confidentiality.
- If a unanimous recommendation to proceed is made by the IAG, the proposal will be recommended to the Chief Executive Officer for a final decision in consultation with the Council Leader.
- There is regular performance monitoring to demonstrate how investments are performing over time, and to enable portfolio review to take place to maximise benefit over time.

22 Investment Indicators

22.1 The Council has set the following quantitative indicators to allow elected measures and the public to assess the Council's total risk exposure as a result of its investment decisions.

Total investment exposure:

22.2 This indicator shows the Council's total exposure to potential investment losses. It includes amounts the Council is contractually committed to lend but have yet to draw down and guarantees the Council has issued.

Table 14: Total Investment Exposure

	Actual 1/4/2020 £k	Forecast 31/3/2021 £k	Forecast 31/3/2022 £k	Forecast 31/3/2023 £k
Treasury Management Investments – Strategic Funds	23,250	30,000	30,000	30,000
Treasury Management Investments – Other	12,120	3,000	2,000	2,000
Service Investments – Loans	5,070	4,925	4,800	4,175
Commercial Investment – Property	71,970	72,235	118,400	118,400
Other investments – SPV	13,157	30,406	31,600	31,600
Total Investments	125,567	140,566	186,800	186,175
Guarantees Issued on Pension Liabilities	496	496	496	496
Total Commitments and Guarantees	496	496	496	496
Total Exposure	126,063	141,062	187,296	186,671

How investments are funded:

22.3 Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, it is difficult to comply with this guidance. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of need.

Table 15: Investments funded by Borrowing

	Actual 1/4/2020 £k	Forecast 31/3/2021 £k	Forecast 31/3/2022 £k	Forecast 31/3/2023 £k
Treasury Management Investments	0	0	0	0
Service Investments – Loans	4,125	4,653	4,669	4,669
Commercial Investment – Property	71,970	72,235	118,400	118,400
Other investments - SPV	13,157	30,406	31,600	31,600
Total Funded by Borrowing	89,252	107,294	154,669	154,669

Rate of return received:

22.4 This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 16: Investment Net Rate of Return

	Actual 1/4/2020	Forecast 31/3/2021	Forecast 31/3/2022	Forecast 31/3/2023
Treasury Management Investments	3.58%	2.10%	2.00%	2.00%
Service Investments – Loans	2.64%	2.72%	2.72%	2.72%
Commercial Investment – Property	3.06%	3.50%		
Other investments - SPV	5.00%	6.00%	6.00%	6.00%
Total All Investments	3.57%	3.58%	3.56%	3.56%

Other investment indicators:

22.5 The Government’s investment guidance suggests authorities should consider a range of other quantitative indicators to show risks and opportunities in respect of investment and borrowing. The table below summarises indicators proposed for this Council.

Table 17: Other investment indicators

	Actual 1/4/2020	Forecast 31/3/2021	Forecast 31/3/2022	Forecast 31/3/2023
Commercial Income to Net Service Expenditure	26.14%	27.20%	41.48%	67.04%
Investment cover ratio	3.16	3.87	4.84	6.47
Loan to value ratio	75.86	67.98	74.64	74.80

- 22.6 Commercial Income to Net Service Expenditure: Indicates dependence on commercial income to deliver core services.
- 22.7 Investment cover ratio: The total net income from commercial property investment compared to the interest expense relating to investment properties funded by borrowing.
- 22.8 Loan to value ratio: The amount of debt compared to the total assets value on the Council's balance sheet.

Treasury Management Strategy

23 Introduction

- 23.1 Treasury management is the management of the Council's cash flows, borrowing and investments and the associated risks. The Council has borrowed and invested substantial sums of money and is, therefore, exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are, therefore, central to the Council's prudent financial management.
- 23.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 23.3 Investments held for service purposes and for commercial income generation are considered in the Investment Strategy above.

24 External Context

- 24.1 The treasury strategy appropriately considers the wider economic picture. The Council's treasury advisor – Arlingclose – has provided a summary commentary on this wider context and their own interest rate forecasts, which is provided in Appendix A.

25 Local Context

25.1 On 31st December 2020, the Council had external borrowing of £67.5m and £27.4m of treasury investments. These balances are summarised below.

Table 18: Existing Debt and Investment Position

	1/4/2020 Balance £k	31/12/2020 Balance £k
External Borrowing:		
Local Authorities	-79,500	-67,500
Total External Borrowing	-79,500	-67,500
Treasury Investments:		
Covered bonds (secured)	2,000	2,000
Term Deposits (Other LA's & Banks)	8,000	0
Money Market Funds & Business Reserve	2,000	1,925
Property & Pooled funds	23,250	23,500
Total Treasury Investments	35,250	27,425
Net Debt(-)/Investment	-44,250	-40,075

25.2 Forecast changes in these sums are shown in the balance sheet analysis in Table 19 below.

Table 19: Balance Sheet Summary and Forecast

	1/4/2020 Actual £k	31/3/2021 Estimate £k	31/3/2022 Estimate £k	31/3/2023 Estimate £k	31/3/2024 Estimate £k
Capital Financing Requirement	95,582	118,608	171,106	184,112	185,632
Less: External Borrowing	-79,500	-102,113	-144,483	-158,326	-161,626
Less: Other debt liabilities (leases)	-51	-1,000	-14,500	-14,500	-14,500
Internal Borrowing	16,031	15,495	12,123	11,286	9,506
Less: Usable reserves	-48,550	-48,550	-48,550	-48,550	-48,550
Less: Working capital surplus (-) / deficit	-2,800	-2,800	-2,800	-2,800	-2,800
Treasury Investments / New Borrowing (-)	35,319	35,855	39,227	40,064	41,844

- 25.3 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investments. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 25.4 The Council has an increasing CFR due to the planned spending within the capital programme including expected investment property acquisitions and significant expenditure on regeneration schemes. The trend of increased expenditure indicates it will be required to borrow up to £186m over the forecast period.
- 25.5 The financing approach agreed in the governance for the regeneration programmes is quite elastic meaning the CFR could grow further in line with supported business cases, however a 'worst case' position in terms of potential up front borrowing has been taken into account in setting the required borrowing limit.
- 25.6 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 20 shows that the Council expects to comply with this recommendation over the medium term.

Liability benchmark:

- 25.7 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 19 above, but that cash and investment balances are kept to a minimum level of £30m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 20: Liability benchmark

	1/4/2020 Actual £k	31/3/2021 Estimate £k	31/3/2022 Estimate £k	31/3/2023 Estimate £k	31/3/2024 Estimate £k
Total CFR	95,582	118,608	171,106	184,112	185,632
Less: Usable reserves	-48,550	-48,550	-48,550	-48,550	-48,550
Less: Working capital	-2,800	-2,800	-2,800	-2,800	-2,800
Plus: Minimum investments	30,000	30,000	30,000	30,000	30,000
Liability benchmark	14,232	37,258	89,856	102,762	104,282

Borrowing Strategy

- 25.8 The Council currently holds £67.50m of loans (as at 31 December 2020), compared to £79.50m on 1 April 2020, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 20 shows that the Council expects to borrow up to £145m in 2021/22. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £205m.
- 25.9 The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 25.10 Given the significant cuts to public expenditure and in particular local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short term to either use internal resources, or to borrow short term loans instead.

- 25.11 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2021/22 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 25.12 Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period (although forward loan interest rates will usually factor in an allowance for interest rate risk during the intervening period).
- 25.13 Additionally, the Council may borrow further short term loans to cover unplanned cash flow shortages.
- 25.14 The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - Any institution approved for investments (see below)
 - Any other bank or building society authorised to operate in the UK
 - Any other UK public sector body
 - UK public and private pension funds (except Somerset County Pension Fund)
 - Capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 25.15 Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- Leasing
 - Hire purchase
 - Private finance initiative
 - Sale and leaseback

25.16 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lend the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons:

- borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason
- there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

25.17 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

25.18 **Debt rescheduling:** The HM Treasury's PWLB lending facility allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

26 Treasury Investment Strategy

26.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £26m and £46m, and similar levels are expected to be maintained in the forthcoming year.

26.2 The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

- 26.3 The COVID-19 pandemic has increased the risk that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 26.4 Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to continue to diversify into more secure and/or higher yielding asset classes during 2021/22. The Council has increased its strategic (long-term) investments from £23.25m at the start of the financial year to an estimated £24.50m by the 31 March 2020. The COVID-19 pandemic has resulted in uncertainty in cashflow and therefore the increase in strategic investments to the level planned at the start of 2020/21 (£27.50m) has not been possible. This diversification will represent a continuation of the strategy adopted in earlier years.
- 26.5 The Council will continue to monitor the risk and returns on its strategic (long-term) investments and will work closely with its treasury advisors ensuring that strategic investments continue to be an appropriate option for the Council.
- 26.6 A proportion of the Council's surplus cash is currently invested in short-term unsecured bank deposits, money market funds and other local authorities.
- 26.7 Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's 'business model' for managing them. The Council aims to achieve value for money from its internally managed treasury investments by a business model of collecting the contractual cash flows and, therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

26.8 The Council may invest its surplus funds with any of the counterparty types in table 21 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 21: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3 m 5 years	£6 m 20 years	£6 m 50 years	£3 m 20 years	£3 m 20 years
AA+	£3 m 5 years	£6 m 10 years	£6 m 25 years	£3 m 10 years	£3 m 10 years
AA	£3 m 4 years	£6 m 5 years	£6 m 15 years	£3 m 5 years	£3 m 10 years
AA-	£3 m 3 years	£6 m 4 years	£6 m 10 years	£3 m 4 years	£3 m 10 years
A+	£3 m 2 years	£6 m 3 years	£3 m 5 years	£3 m 3 years	£3 m 5 years
A	£3 m 13 months	£6 m 2 years	£3 m 5 years	£3m 2 years	£3 m 5 years
A-	£3 m 6 months	£6 m 13 months	£3 m 5 years	£3 m 13 months	£3 m 5 years
None	n/a	n/a	£6 m 25 years*	n/a	£3 m 5 years
Money market funds, Strategic pooled funds and real estate investment trusts		£10m (nominal value) per fund or trust			

This table must be read in conjunction with the notes below

- 26.9 **Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 26.10 **Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 26.11 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 26.12 **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £2m per company as part of a diversified pool in order to spread the risk widely.
- 26.13 **Registered providers (unsecured):** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 26.14 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 26.15 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own

and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

26.16 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

26.17 **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £200,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

26.18 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty

26.19 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

- 26.20 **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 26.21 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment Limits

- 26.22 The Council's revenue reserves available to cover investment losses are forecast to be £3m on 31 March 2021. In order that no more than 20% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 22: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£10m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£20m per group
Any group of pooled funds under the same management	£20m per manager
Negotiable instruments held in a broker's nominee account	£30m per broker
Foreign countries	£12m per country
Registered providers and registered social landlords	£8m in total
Unsecured investments with building societies	£8m in total
Loans to unrated corporates	£4m in total
Money market funds	£20m in total
Real estate investment trusts	£10m in total

26.23 **Liquidity management:** The Council uses an in-house spreadsheet based cash flow forecasting model to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

26.24 The Council will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

27 Treasury Management Indicators

27.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

Security

27.2 The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating	5.0

Liquidity

27.3 The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£10m

Interest Rate Exposures

- 27.4 This indicator is set to control the Council's exposure to interest rate risk. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£200,000
Upper limit on one-year revenue impact of a 1% fall in interest rates	£150,000

Maturity Structure of Borrowing

- 27.5 This indicator is set to control the Council's exposure to refinancing risk. The limits set for each category within this indicator is wide since the indicator is only to cover the risk of replacement loans being unavailable, not interest rate risk. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	100%
12 months and within 24 months	100%	100%
24 months and within 5 years	100%	100%
5 years and within 10 years	100%	100%
10 years and above	100%	100%

Principal Sums Invested For Periods Longer Than a Year

- 27.6 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2021/22	2022/23	2023/24
Limit on principal invested beyond year end	£30m	£25m	£25m

28 Related Matters

- 28.1 **Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 28.2 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 28.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 28.4 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

28.5 Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the S151 Officer believes this to be the most appropriate status.

29 Financial Implications

29.1 The budget for investment income and debt interest in 2021/22 is summarised as follows:

Table 23: Interest Income and Costs Budget Estimates

	2021/22 Investment Income £k	2021/22 Average Interest Rate %	2021/22 Interest Costs £k	2021/22 Average Interest Rate %	2021/22 Net Income or Costs £k
Total	-1,946	2.10%	1,436	1.00%	-510

29.2 If actual levels of investments and borrowing, or actual interest rates differ from those forecast, performance against budget will be correspondingly different. Significant variances will be identified in budget monitoring reports to the Senior Leadership Team and the District Executive.

30 Other Options Considered

30.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The S151 Officer, having consulted the Portfolio Holder for Finance believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

External Context – Commentary by Arlingclose (January 2021)

Economic background: The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak.

Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

The US economy contracted at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

Credit outlook: After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely to remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

Arlingclose Economic & Interest Rate Forecast January 2021

Underlying assumptions:

- The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.
- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.
- Brexit will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out.

- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

A summary of the forecast rates is included on the next page.

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Official Bank Rate													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
3-month money market r.													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
1yr money market rate													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	0.15	0.15	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Downside risk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
5yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.20	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
10yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.25	0.30	0.35	0.35	0.40	0.40	0.45	0.45	0.50	0.55	0.55	0.55	0.60
Downside risk	0.50	0.50	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
20yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.90	0.90
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
50yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Minimum Revenue Provision (MRP) Statement

1 Policy Statement

- 1.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.
- 1.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits.
- 1.3 The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
- 1.4 For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with the former regulations that applied on 31st March 2008, incorporating an "Adjustment A" of £9,113k.
- 1.5 For capital expenditure on operational assets incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset by either of the following methods:
 - a) In equal instalments
 - b) Using an annuity basis
- 1.6 For freehold land, MRP will be applied over 50 years, except where there is a structure on the land which the Council considers to have a life of more than 50 years where in such cases the longer life may also be applied to the land.

- 1.7 For capital expenditure not related to council assets but which has been capitalised by regulation or direction (e.g. capital grants to third parties) will be charged in equal instalments over a period of up to 25 years.
- 1.8 For assets acquired by leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 1.9 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.
- 1.10 For investment properties, MRP will be calculated over a period of no more than 50 years, and MRP may be calculated by either of the following methods:
 - a) In equal instalments
 - b) Using an annuity basis
 - c) Weighted to reflect projected net income cash flows over the expected life of investment (up to 50 years)
- 1.11 MRP will be charged from the start of the financial year after the expenditure is incurred, meaning capital expenditure incurred during 2021/22 will not be subject to a MRP charge until 2022/23.

2 Capital Financing Requirement and MRP Estimates

- 2.1 Based on the Council's latest estimate of its capital financing requirement (CFR) on 31 March 2021, the budget estimate for MRP has been set as follows:

Capital Financing Requirement and MRP	31/03/2021 Estimated CFR £k	2021/22 Estimated MRP £k
Capital Expenditure before 1 April 2008	9,113	0
Unsupported Capital Expenditure since 31 March 2008	109,495	817
Voluntary overpayment or use of prior year overpayments	0	0
Total	118,608	817

3 MRP Overpayments

- 3.1 Overpayments: In earlier years, the Council has made no voluntary overpayments of MRP that are available to reduce the revenue charges in later years. It is not planned to make an overpayment in 2021/22, however the S151 Officer may determine such an overpayment during the year and report this through the Outturn Report.



2020/21 Revenue Budget Monitoring Report for the Period Ending 31st December 2020

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
Director: Nicola Hix, Support Services
S151 Officer: Jo Nacey, Section 151 Officer
Lead Officer: Paul Matravers, Lead Specialist, Finance
Contact Details: Paul.Matravers@southsomerset.gov.uk or 01935 462275

Purpose of the Report

1. The purpose of this report is to provide Members with the current projection of the forecast spending and income (“outturn”) against the Council’s approved Revenue Budget for the financial year, and to explain projected variations against budget.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 4th February 2021.

Public Interest

3. This report gives an early forecast revenue financial position and budgetary variations of the Council for the financial year 2020/21, as at 31st December 2020. It also incorporates the impact Covid-19 has had on Council finances. Maintaining the financial health and resilience of the organisation is important in ensuring the ongoing delivery of priority services in our community.

Recommendations

4. That the District Executive:
 - a. notes the 2020/21 forecast financial position of the Council;
 - b. notes the predicted variance to approved Directorate Budgets as detailed in paragraphs 10 and 12;
 - c. notes the budget virements made under delegated authority as detailed in Appendix B;
 - d. approves the budget virements included in paragraph 16, Table 4;
 - e. notes the transfers made to and from reserves outlined in paragraph 30 Table 6, the Area Reserves as detailed in Appendix C, and the Corporate Reserves as detailed in Appendix D.



Background

5. The 2020/21 original budget was approved by Council in February 2020. This represents the financial plans that the Executive manages under their delegated authority and in accordance with the Financial Procedure Rules. All of the Council's income and expenditure has a responsible budget holder.
6. This is the third report for the year, which is completed at the end of Quarter 3 (1st October to 31st December 2020). The projected position should be regarded as a reasonable indication of possible differences between actual and budgeted spend and income for the year. Experience shows that the position at the end of the year can vary, sometimes significantly even without COVID-19, from early forecasts with time for management to take corrective action and manage risks and opportunities before the end of the financial year. Our demand-led services are particularly difficult to forecast, but we use trend analysis to make these areas as accurate as possible.
7. We are continually monitoring the effect of COVID-19 on the Council's finances, and it is important to recognise there are still a number of assumptions at this stage and it is very hard to judge the full impact on 2020/21 budget as further Government measures could also affect this. The budget monitoring report was previously adapted to include information which would have been reported previously in the 'Update Report on the Impact of Covid-19 on the Council' report presented to Executive. Incorporating this report allows Members to see the full picture in one report for the financial year 2020/21.
8. NB. It is important to emphasise that the returns which we have made to the Ministry of Housing, Communities and Local Government (MHCLG) and which have been reported in our Covid-19 updates, have been gross, as instructed in their guidance. What we present here is the figures following the mitigation i.e. after we have implemented management actions and other mitigations such as furlough payments.

Summary of the Current Revenue Financial Position and Forecast Outturn

9. Managers have forecast expenditure and income for the year in order that the expected outturn and the projected variances are identified and reported. This was particularly critical for those services affected by COVID-19. Appendix A to this report sets out the position as at the end of quarter 3 and details the forecast outturn for 2020/21.
10. The Council has received 5 tranches of funding from Central Government so far. Tranche 1 was ringfenced grant has been utilised in full to provide Council Tax reductions for those in receipt of CTS therefore is excluded from the revenue budget. The remaining unringfenced grants are shown in table 1.



Table 1 – COVID Funding

	£	£
Central Government COVID Funding		
Tranche 2 - Covid Response 1 (New Burdens)	64,586	
Tranche 3 - Covid Response 2 (New Burdens)	1,672,767	
Tranche 4 - Covid Response 3 (New Burdens)	266,968	
Tranche 5 - Covid Response 4 (New Burdens)	453,983	
Total Unringfenced Grant		2,458,304

11. Appendix A shows there is currently a net forecast overspend of £2.550m (16.37%) for 2020/21. Of the unringfenced funding shown above, £816,330 has been distributed across the revenue budgets for expenditure directly incurred as a result of COVID-19 up until the end of November 2020. An additional £156,570 has been allocated to cover COVID-19 related capital expenditure up to the end of November 2020. The remaining £1,485,400 remains unallocated at present to allow for, further COVID direct expenditure and also pending the outcome of potential income to be received from the Central Government Income Compensation Scheme. Allocating the remaining grant will reduce the potential overspend to £1.062m (6.82%) for 2020/21.
12. We have now submitted two returns to MHCLG under the ‘Income Compensation Scheme’. As previously reported, the Scheme requires councils to cover the first 5% of the income loss, based on budget and then the Government will reimburse 75p in the pound thereafter of the net loss (after underspends in expenditure is deducted). Hence, the Council will need to subsume another 25p in the pound of the net loss. The total claim for 1st April to 30th November 2020 showed a claim of £784k made to Central Government, of which we have now received £471K of this in relation to Qtr 1. This claim does not include the loss on all of our income streams as areas such as Treasury income and Commercial Investment Income are excluded.
13. Table 2 below details the services with major variances forecast for 2020/21 as predicted at 31st December 2020.

(see following page)

Table 2 – Major Variances (+/- £50,000)

Directorate	Service	Forecast Variance £'000	Explanation of variance
Strategic Management	Non Pay Transformation	100	Shortfall in identifying savings during 2020/21 due to Covid19 budget pressures
Commercial Services and Income Generation	Arts and Entertainment	117	The ongoing restrictions has meant that income and expenditure trends are significantly different from the norm, this has resulted in large projected variances on both income and expenditure budgets. The service has been successful with applications to the Cultural Recovery Grant scheme and other schemes, the grants received has reduced the shortfall of income which is a result of the venues being closed. In addition, savings on employment budgets have been made due to staff being redeployed and non-recruitment to vacant posts. Work is continuing to limit the impact that the venue closure has on the expenditure and income budgets.
	Streetscene	-60	Income is currently exceeding budget, with surpluses in Horticulture, Plant Nursery and Street Cleansing, this is due to additional commuted sums and grant monies.
	Waste / Recycling	706	SSDC's share of Somerset Waste Partnership's budget variance in relation to costs of, kerbside collections, recycling sites and recycle more. This figure also relates to a delay in the roll-out of the Recycle More programme.
	Income / Opportunity Development (YIC)	111	Anticipated that there will be a shortfall of income against budget due to tenants vacating, income from room hire is also less than anticipated due to restrictions in place. These variances are partially offset by expected underspends on utilities and maintenance budgets
	Countryside	-126	Expenditure lower than forecast due to redeployments. Significant extra grant income secured in respect of the Heritage Fund project and a further amount received from the Cultural Recovery Fund. Ninesprings Café income higher than anticipated in the quarter but current restrictions will impact on this going forward
	Property Services - Case Team	-62	Underspend on employment budgets due to vacant posts.
	Operational Properties	-60	Underspends on expenditure budgets associated with public offices and other operational buildings

Directorate	Service	Forecast Variance £'000	Explanation of variance
	Car Parking	950	Income projected to be less than the budget due to the current restrictions. The loss is partially offset by savings on various expenditure budgets.
Service Delivery	Building Control	250	The forecast year end variance is based on the service having to run with agency staffing due to difficulties in recruitment. Income affected by COVID-19 lockdown with continued uncertainty along with material supply issues on site.
	Development Control	322	The additional cost of agency staff to support the planning service and a reduction in planning fees received will result in a year end overspend
	Revenues and Benefits	681	No court cost income due to suspension of Magistrate hearings and the need to increase the bad debt provision for outstanding costs from previous years.
	Localities	-60	Underspend due to staff vacancies but being utilised across over areas of Service Delivery
	Service Delivery Lead Specialists	50	Budget variance due mainly to agency cover in the role of Lead Specialist – Planning.
	Service Delivery Managers	92	Budget variance due to the Planning improvement project, increased project manager costs, full time people Manager and cover arrangements for people re-tasked into these roles.
	Support Services	Finance Corporate Costs	-528
Support Services Functions		150	The variance to date is partially due to payments in advance in respect of IT expenditure. There has been an increase in OH and counselling, which is representative of wellbeing issues across the Council. There is a shortfall in income from legal fees and costs recovered.

(Negative figures = underspend / surplus income, positive figures = overspend / income shortfall)

14. COVID-19 has had a significant impact on the Council finances and it is important that we can quantify this and mitigate where possible to ensure we remain on a robust, sustainable financial footing. Managers in the affected areas are continually monitoring income and expenditure trends together with their Finance Specialist. A large amount of work has done to apply for savings and cut costs where possible to bring spending and income in line with the approved budgets. It has already been recognised this will not be possible in all areas.



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15. The approved base budget as at 1st April 2020 was £15.207m for 2020/21, which was increased to £15.553m to include £340.7k budget carried forward from the previous financial year.

Table 3 – Net Budget Reconciliation

	£'000
Approved base budget as at April 2020	15,207
2020/21 Carry forwards	340
Area West Reserve Funding for Blackdown Hills AONB Connections Project	6
Revised Budget as at 31st December 2020	15,553

Budget Virements

16. Under the Financial Procedure Rules, providing that the S151 Officer has been notified in advance, Directors/Managers may authorise any virements for an individual cost centre within their responsibility. Directors and Managers can authorise virements, up to a maximum of £50,000, 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 £50,000 per virement. All virements outside of the criteria set out above require the approval of District Executive, there are no such virements this quarter.

Table 4 – Virements over £50,000

Amount £	From	To	Details
63,380	Other income & Expenditure	Wellbeing Hub	Funding of redeployment of staff to Wellbeing hub from Covid19 Grant (April to August)
142,770	Other income & Expenditure	Wellbeing Hub & Customer Connect	Funding of redeployment of staff to Wellbeing hub and Customer Connect from Covid19 Grant (April to September)
90,850	Other income & Expenditure	Various	Allocation of Covid19 Grant for associated spend (October)
87,010	Other income & Expenditure	Various	Allocation of Covid19 Grant for associated spend (November)
69,310	Other income & Expenditure	Various	Allocation of Covid19 Grant for associated spend (November)
344,820	Various	Information System	Transfer of IT budgets to Information Systems as per Digital Strategy
484,910	Information Systems	Support Services Specialist Team	Savings target & salary adjustment as per Digital Strategy
54,390	Various	Information Systems	Transfer of IT budgets to Information Systems as per Digital Strategy

Delivery of Savings

17. As part of effective financial planning and control it is important to monitor the delivery of savings planned within the approved budget. The table below details the major savings (savings over £25,000) that were agreed and the expected achievement of those savings at year-end. The table only highlights projected shortfalls and does not identify where targets may be exceeded.

Table 5 – 2020/21 Budgeted Major Savings (over £25,000)

Description	Income/ Saving Target £'000	Forecast Saving at Year-End £'000	Shortfall £'000
Transformation – Non pay (Additional savings identified outside of the business case agreed by Council)	150.0	50.0	100.0
Sales, Fees and Charges - Arts	5.0	0	5.0
Sales, Fees and Charges - Licensing	6.0	0	6.0
Sales, Fees and Charges - Horticulture/ Street Scene	20.0	20.0	0
Sales, Fees and Charges - Waste	40.0	0	40
Sales, Fees and Charges - Countryside	4.0	0	4.0
Increase in rental income	66.7	0	66.7
Increase in service charges	39.0	0	39.0
Total Major Savings	330.7	70.0	260.7

(Negative figures = shortfall)

18. Table 5 shows that a significant element of the major savings target for 2020/21 may not be achieved. The projected shortfall on its own is not material to the overall financial performance for the year, especially given COVID-19 and it is anticipated that the impact of the shortfall will have to be managed within the overall budget total.

Council Tax Support and Council Tax

19. The Council Tax Support Scheme (CTS) provides for discounted tax charges to households with lower incomes. The Authority has set an estimate for 2020/21 of £9.397m within the Council Tax Base for annual CTS discounts. A total of £9.772m has been allocated as at the 31st December 2020. The cost of the 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 (SSDC shares is C14.4% for 2020/21).

20. As part of the response to Covid-19, the Government provided local authorities with a council tax hardship fund to support economically vulnerable people and households in their local area. This grant is to compensate billing authorities for the council tax foregone in 2020/21 due to additional council tax reliefs provided to recipients of working age local tax support schemes during the Covid-19 emergency. SSDC received £1.156m from this hardship fund. This grant related to 2020/21 only. A total of £1.042m has been awarded as at 31st December 2020.

21. The Hardship Scheme is in place for extreme circumstances with a budget of £30,000 for the year. By the end of Quarter 3, SSDC had received 61 requests for hardship relief of which 48 were successful. The amount awarded to the end of quarter 3 was £13,608.
22. The in-year collection rate for Council Tax is 81.55% for 2020/21 compared to 82.90% for quarter 3 last year. At the end of quarter 3, we had reduced the total of £9.334m outstanding debt relating to previous years by £1.614m.
23. It is necessary to make a one off provision for outstanding court costs incurred in previous financial years of approximately £460k. This is shown as a revenue cost in appendix A.

Non Domestic Rates

24. The in-year collection rate for Non Domestic Rates is 77.87% for 2020/21 compared to 80.82% for quarter 3 last year. The downturn in collection is due to the impact of Covid19 on the local economy. At the end of quarter 3, we had reduced the total of £3.696m outstanding debt relating to previous years by £812k.
25. Non Domestic Rates income that we collect is distributed between Central Government, SSDC, the County Council, and the Fire and Rescue Authority under the Business Rates Retention funding system. Following the ending of the one year BRR pilot arrangements for 2019/20, this now reverts to the standard shares for 2020/21 (Gov 50%, SSDC 40%, SCC 9%, Fire 1%).

Council Tax Reforms

26. Members agreed at District Executive in February 2019 to increase the Empty Home Premium on empty properties to the maximum percentage, as detailed in the legislation. From the 1st April 2019 for dwellings that have been empty for more than two years, a premium of 100% of the charge will be added (this previously was 50%). From the 1st April 2020, a premium of 200% of the charge will be added for dwellings that have been empty for more than 5 years. Further changes will come into effect from 1st April 2021.
27. At the end of December 2020, there were 147 long-term empty properties (unfurnished and unoccupied for 2 years or more). At the same point last year, there were 133 properties. Of the current 147, 63 have been empty for more than 5 years and are subject to the increased premium of 200%.

Discretionary Housing Payments (DHP)

28. The Government DHP funding allocation for 2020/21 has increased to £315,793. In addition to this the Council is permitted to spend up to £473,689 of its own money on DHP awards, although no budget has been set for this discretion. By the end of Quarter 3, we had processed 352 DHP applications, 307 of which were successful with a total award value of £194,310. A further £22,334 is committed



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up to the end of this financial year. The total sum paid and committed (£216,644) represents 68.60% of the Government DHP grant.

29. Universal Credit recipients have their housing cost support paid directly by DWP, however they are still able to apply to SSDC for a DHP and the number of Universal Credit recipients in the district is increasing each month. Universal credit related DHP's are included in the figures in the above paragraph.

Reserves & Balances

30. Reserves are amounts that have been set aside from annual revenue budgets to meet specific known events that will happen in the future. Details of the reserves held within the Areas are provided in Appendix C. The complete list of specific Corporate Reserves and the current balance on each one is provided at Appendix D. The Appendix shows all movements of each one that has been actioned under the authority delegated in the Financial Procedure Rules.

31. Transfers out of specific reserves that require reporting to District Executive for noting are as follows:

Table 6 – Reserves Movements

Reserve	Balance at 01/10/2020 £'000	Transfers £'000	Balance at 31/12/2020 £'000	Reason for Transfer
Capital				
Usable Capital Receipts	-18,245	-2	-18,247	Payment of Housing pooling payment and receipt of repaid grants
Revenue				
Capital Reserve	-1,092	-4	-1,096	Receipt of photovoltaic incomer
Bristol to Weymouth Rail Reserve	-75	1	-74	Funding of in year revenue expenditure for a website and equipment
Transformation Reserve	-101	9	-92	Funding of Ignite transformation access work
Council Tax/Housing Benefits Reserve	-805	-37	-842	Funding for transitional resources (£75k) less revenues new burdens grant received and balance of CTS Hardship Grant (£112k) transferred to reserve.
Regeneration Fund	-3,265	62	-3,203	Funding of regeneration scheme salary costs
Ticket Levy Reserve	-85	-7	-92	Ticket levies to reserve movements
Housing & Homelessness Reserve	-420	-37	-457	Receipt of Government Grants



Reserve	Balance at 01/10/2020 £'000	Transfers £'000	Balance at 31/12/2020 £'000	Reason for Transfer
Spatial Policy Reserve	-305	51	-254	Local planning initiatives funded from government grants received in prior years
Climate Change Fund	-294	67	-227	Funding of climate change projects and staff costs
Community Resilience Reserve	0	-50	-50	Government new burdens grants allocated to future community resilience projects

(Negative figures = income, positive figures = costs)

General Fund Balance

32. The General Fund Reserve 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.

Table 7 - General Fund Balance

	£'000
Balance at 1 st April 2020	-5,099
Area & Economic Development Balances	115
2020/21 Carry Forwards	341
Commitments	252
Current Estimated overspend in 2020/21 (worse case call on reserves)	2,547
Support for 2020/21 Budget	883
COVID Grant Funding Balance	-1,485
Unallocated General Fund Balance at 31st December 2020	-2,446
Income Compensation Claim 2 (August to November)	-446
Unallocated General Fund Balance at 31st December 2020 (Incl claim)	-2,892

(Negative figures = income, positive figures = costs)

33. The current assessment of minimum balance requirement is £2.8m. It is advisable to continue to hold a balance above this minimum to provide headroom and flexibility to manage risk and avoid falling below recommended levels. Current balances as at 30th September do not meet this requirement and it will be necessary to allocate certain earmarked reserves (such as the Commercial Investment Risk Reserve) to mitigate some of the overspend and return the General Fund Balance to an appropriate level.

Financial Implications

34. As part of monitoring, an assessment of risk has been made. This review of balances and reserves has shown that the Council currently has sufficient balances to cover major areas of financial risk.

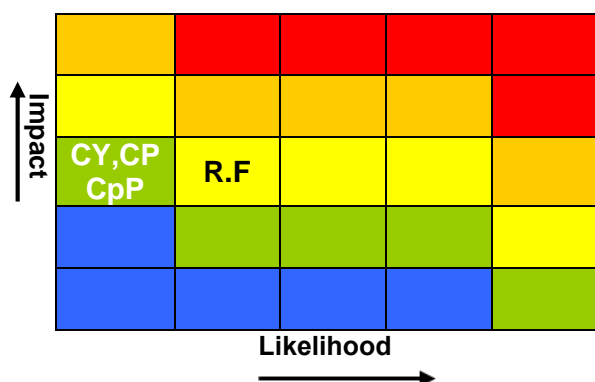
35. Details of the current key risks are listed in the table below with an update from the responsible officer.

Table 8 - Risks

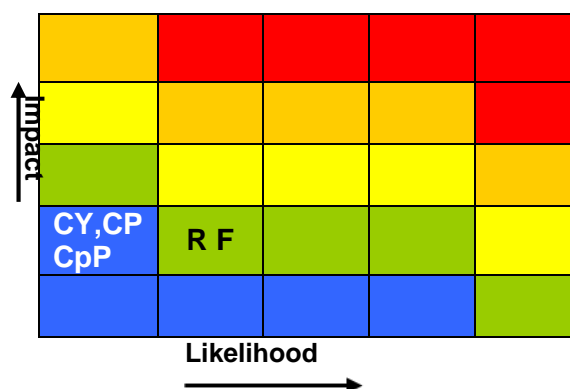
Current Risk	Responsible Officer	Officer's Update
Interest Rates	S151 Officer	Interest rates remain low with the possibility of being cut to zero or even going into negative territory. Low interest rates reduce the cost of borrowing with the adverse impact being the return on investments will be lower. Continual monitoring of investments and borrowing is being undertaken to ensure returns are maximised whilst taking account of risk.
Business Rate Income	Director-Service Delivery	The collection rate is down by 2.95% compared to the previous year's quarter 3. Paragraph 24 provides information for this decrease. This is a volatile measure affected by the timing of summonses and payments made by large businesses.
The Council Tax Support Scheme	Director-Service Delivery	The original budget of £9.397m together with the £1.156m Hardship Grant from Government gives an overall budget of £10.553m. A total of £1.042m has been awarded as at 31 st December 2020. If costs exceed the assumption in the Council Tax Base this recovery risks a deficit in the Collection Fund to be paid in subsequent years in proportion to precept totals.
Housing Benefit Subsidy	Director-Service Delivery	Current predictions are for the housing benefit subsidy to be on budget at the year-end but the outcome will not be confirmed until the subsidy claim is externally audited in autumn 2021.
The UKs Exit from the EU	S151 Officer	We still do not yet know the impact in the medium to long term. If consumer confidence reduces there may be a further impact on SSSDC's income streams such as planning, licensing, theatre income, and car parking, although this is considered a low risk at this stage. Financing / treasury costs and income may also be affected.
Covid-19	S151 Officer	We continue to monitor the effects of the pandemic on our service provision and budget. We continue to work with our Local Authority counterparts to lobby for adequate funding from Central Government to mitigate our increased costs and offset relevant areas of our income. We have adequate reserves to offset these pressures but we are mindful that we also have ambitious plans for regeneration which rely on significant funding in order to progress.

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	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

Council Plan Implications

36. The budget is closely linked to the Council Plan, and maintaining financial resilience and effective resource planning is important to enable the Council to continue to fund its priorities for the local community.

Carbon Emissions and Climate Change Implications

37. There are no implications currently in approving this report.

Equality and Diversity Implications

38. When the budget was set any growth or savings made included an assessment of the impact on equalities as part of that exercise.

Privacy Impact Assessment

39. There is no personal information included in this report.

Background Papers

40. Budget Setting reports to Full Council in February 2020

2020-21 Budget Detail

Service with Elements		Year to date			Outturn Forecast			Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		Budget to 31st December £	Actual to 31st December £	Variance to 31st December £	Annual Budget £	Expected Total by Year End £	Variance expected 31/03/21 £	
STRATEGIC MANAGEMENT								
Chief Executive : Alex Parmley								
Service Manager: Alex Parmley								
MANAGEMENT BOARD (DMB)	Expenditure	635,515	1,009,946	374,431	768,680	848,680	80,000	<i>Current variance largely due to Stronger Somerset costs which will be shared by the other districts imminently, as well increased salary costs of additional temporary director post</i>
	Income	(234,445)	(221,316)	13,129	(238,820)	(238,820)	0	
Portfolio Holder: Clr Val Keitch	TOTAL	401,070	788,630	387,560	529,860	609,860	80,000	
Service Manager: Toffer Beattie								
TRANSFORMATION (DMT)	Expenditure	(105,900)	(264,075)	(158,175)	(143,400)	(43,400)	100,000	<i>Part of the variance is due to a 2019/20 year end accrual for pension strain costs that are paid over a three period but accounted for in previous years. The remainder is likely to non pay savings that are unlikely to all be identified during 2020/21 - £50K of it in relation to postage savings has since been moved.</i>
	Income	(6,600)	(6,595)	5	(6,600)	(6,600)	0	
Portfolio Holder: Clr Val Keitch	TOTAL	(112,500)	(270,670)	(158,170)	(150,000)	(50,000)	100,000	
TOTAL STRATEGIC MANAGEMENT	Expenditure	529,615	745,871	216,256	625,280	805,280	180,000	
	Income	(241,045)	(227,911)	13,134	(245,420)	(245,420)	0	
	TOTAL	288,570	517,960	229,390	379,860	559,860	180,000	
TOTAL CHIEF EXECUTIVE	Expenditure	529,615	745,871	216,256	625,280	805,280	180,000	
	Income	(241,045)	(227,911)	13,134	(245,420)	(245,420)	0	
	TOTAL	288,570	517,960	229,390	379,860	559,860	180,000	
COMMERCIAL SERVICES & INCOME GENERATION								
Director: Clare Pestell								
Arts & Entertainment								
Service Manager: Adam Burgan								
OCTAGON (GOC)	Expenditure	1,795,033	626,811	(1,168,222)	2,338,940	1,206,700	(1,132,240)	<i>The ongoing restrictions has meant that income and expenditure trends are significantly different from the norm, this has resulted in large projected variances on both income and expenditure budgets. The service has been successful with applications to the Cultural Recovery Grant scheme and other schemes, the grants received has reduced the shortfall of income which is a result of the venues being closed. In addition, savings on employment budgets have been made due to staff being redeployed and non-recruitment to vacant posts. Work is continuing to limit the impact that the venue closure has on the expenditure and income budgets.</i>
	Income	(1,370,900)	(820,100)	550,800	(1,827,600)	(612,940)	1,214,660	
Portfolio Holder: Clr Mike Best	TOTAL	424,133	(193,289)	(617,422)	511,340	593,760	82,420	
WESTLANDS (GWL)	Expenditure	982,268	347,536	(634,732)	1,382,490	475,680	(906,810)	
	Income	(845,020)	(326,579)	518,441	(1,216,410)	(275,240)	941,170	
Portfolio Holder: Clr Mike Best	TOTAL	137,248	20,957	(116,291)	166,080	200,440	34,360	
TOTAL ARTS & ENTERTAINMENT	Expenditure	2,777,301	974,347	(1,802,954)	3,721,430	1,682,380	(2,039,050)	
	Income	(2,215,920)	(1,146,679)	1,069,241	(3,044,010)	(888,180)	2,155,830	
	TOTAL	561,381	(172,332)	(733,713)	677,420	794,200	116,780	
Environmental Services								
Service Manager: Chris Cooper								
STREETSCENE (KHT)	Expenditure	2,457,035	2,539,373	82,338	3,303,040	3,343,040	40,000	<i>There are some overspends currently showing against premises and transport costs within Horticulture and Street Cleansing. Although this position should improve by year end, it is likely that there will be overspend.</i>
	Income	(898,284)	(1,132,974)	(234,690)	(1,533,320)	(1,633,320)	(100,000)	
Portfolio Holder: Clr Sarah Dyke	TOTAL	1,558,751	1,406,399	(152,352)	1,769,720	1,709,720	(60,000)	

Service with Elements		Year to date			Outturn Forecast			Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		Budget to 31st December £	Actual to 31st December £	Variance to 31st December £	Annual Budget £	Expected Total by Year End £	Variance expected 31/03/21 £	
WASTE & RECYCLING (KWT)	Expenditure	4,974,330	4,973,408	(922)	6,637,610	7,343,610	706,000	SSDC's share of Somerset Waste Partnership's budget variance in relation to costs of kerbside collection, kerbside collections, recycling sites and recycle more. It has been agreed that two months worth of Garden Waste Collection income will be transferred into 2021/22. This adjustment leaves an income shortfall in the current year.
	Income	(1,607,035)	(1,541,945)	65,090	(1,849,630)	(1,784,630)	65,000	
Portfolio Holder: Cllr Sarah Dyke	TOTAL	3,367,295	3,431,463	64,168	4,787,980	5,558,980	771,000	
TOTAL ENVIRONMENTAL SERVICES	Expenditure	7,431,365	7,512,781	81,416	9,940,650	10,686,650	746,000	
	Income	(2,505,319)	(2,674,919)	(169,600)	(3,382,950)	(3,417,950)	(35,000)	
	TOTAL	4,926,046	4,837,862	(88,184)	6,557,700	7,268,700	711,000	
Income / Opportunity Development								
Service Manager: James Divall/ Justine Parton								
INCOME/ OPPORTUNITY DEVELOPMENT (IOD)	Expenditure	307,575	215,019	(92,556)	399,200	313,400	(85,800)	It is anticipated that there will be a shortfall of income against budget due to tenants vacating, income from room hire is also less than anticipated due to restrictions in place. These variances are partially offset by expected underspends on utilities and maintenance budgets
Yeovil Innovation Centre	Income	(500,392)	(352,699)	147,693	(529,490)	(332,370)	197,120	
Portfolio Holder: Cllr John Clark	TOTAL	(192,817)	(137,680)	55,137	(130,290)	(18,970)	111,320	
TOTAL INCOME/ OPPORTUNITY DEVELOPMENT	Expenditure	307,575	215,019	(92,556)	399,200	313,400	(85,800)	
	Income	(500,392)	(352,699)	147,693	(529,490)	(332,370)	197,120	
	TOTAL	(192,817)	(137,680)	55,137	(130,290)	(18,970)	111,320	
Leisure, Recreation & Tourism								
Service Manager: Katy Menday								
COUNTRYSIDE (GCT)	Expenditure	553,457	468,685	(84,772)	681,530	650,000	(31,530)	Expenditure lower than forecast due to redeployments. New grant funded staff at Ham Hill now in post and therefore progress against site works being made which increase expenditure. Additional expenditure has been incurred on the required Covid secure works at various sites. Significant extra grant income secured in respect of the Heritage Fund project and a further amount received from the Cultural Recovery Fund which is funding additional temporary posts and project works. Ninesprings Café income higher than anticipated in the quarter but current restrictions will impact on this going forward. It is expected that a carry forward request will be required in respect of grant income if Covid restrictions impact on the ability to deliver the works before year end
	Income	(236,925)	(395,406)	(158,481)	(305,610)	(400,000)	(94,390)	
Portfolio Holder: Cllr Mike Best	TOTAL	316,532	73,279	(243,253)	375,920	250,000	(125,920)	
YEOVIL RECREATION CENTRE (GSP)	Expenditure	214,990	195,988	(19,002)	313,710	315,000	1,290	Expenditure less than anticipated due to the site being closed at various points in the year. Staff redeployed to Covid response work at the Hub so salary expenditure also less than budget. Additional maintenance costs being incurred. Income is expected to be less than the budget due to restrictions in place. This is expected to continue until year end. Service expenditure will be kept to a minimum to reduce the impact on budgets whilst keeping the site maintained and safe.
	Income	(106,582)	(84,935)	21,647	(127,090)	(90,000)	37,090	
Portfolio Holder: Cllr Mike Best	TOTAL	108,408	111,053	2,645	186,620	225,000	38,380	
TOURISM & HERITAGE (GTR)	Expenditure	196,250	133,039	(63,211)	266,510	220,000	(46,510)	Expenditure incurred is less than expected again due to the enforced closure of sites. Income generation by Heritage service severely impacted by restrictions. The closure of TIC's has also meant no income has been received for a large part of the financial year. As with all Leisure, Recreation and Tourism services, spend is being monitored and kept to a minimum whilst ensuring sites are safe and maintained.
	Income	(65,652)	(25,789)	39,863	(96,670)	(30,000)	66,670	
Portfolio Holder: Cllr Mike Best	TOTAL	130,598	107,250	(23,348)	169,840	190,000	20,160	
TOTAL LEISURE, RECREATION & TOURISM	Expenditure	964,697	797,712	(166,985)	1,261,750	1,185,000	(76,750)	
	Income	(409,159)	(506,130)	(96,971)	(529,370)	(520,000)	9,370	
	TOTAL	555,538	291,582	(263,956)	732,380	665,000	(67,380)	
Property, Land & Development								
Service Manager: Robert Orrett								
BIRCHFIELD (CIBF)	Expenditure	43,135	43,816	681	64,290	64,290	0	Expect to be on budget overall
	Income	0	0	0	0	0	0	
Portfolio Holder: Cllr Tony Lock	TOTAL	43,135	43,816	681	64,290	64,290	0	
PROP LAND & DEV- CASE OFFICER (CICO)	Expenditure	213,608	159,904	(53,704)	284,810	224,810	(60,000)	Savings linked to vacancies. Return to Establishment cost next year. One-off funding from grant aided work
	Income	0	(2,144)	(2,144)	0	(2,150)	(2,150)	
Portfolio Holder: Cllr Tony Lock	TOTAL	213,608	157,760	(55,848)	284,810	222,660	(62,150)	

Service with Elements		Year to date			Outturn Forecast			Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		Budget to 31st December	Actual to 31st December	Variance to 31st December	Annual Budget	Expected Total by Year End	Variance expected 31/03/21	
		£	£	£	£	£	£	
LAND DRAINAGE (CILD)	Expenditure	54,000	30,971	(23,029)	72,000	43,500	(28,500)	Expect £25k savings on repair spend and £2k overspend on internal grounds charges
	Income	0	0	0	0	0	0	
Portfolio Holder: Cllr Tony Lock	TOTAL	54,000	30,971	(23,029)	72,000	43,500	(28,500)	
OPERATIONAL PROPERTIES (CIOP)	Expenditure	911,631	807,284	(104,347)	1,131,610	992,870	(138,740)	Canteen saving £34k after redundancy costs; Pub Con savings £15 on R&M and others offset by higher cleaning costs; £10k overspend on CCTV contractors; £100k on Public Offices across range of costs due to low use, cartaker vacancy with offset from NNDR overspend. Canteen income loss £78k after Govt grants;
	Income	(415,747)	(305,396)	110,351	(564,550)	(486,060)	78,490	
Portfolio Holder: Cllr Tony Lock	TOTAL	495,884	501,888	6,004	567,060	506,810	(60,250)	
COMMERCIAL PROPERTIES (CIPR)	Expenditure	85,272	88,261	2,989	108,010	118,010	10,000	£4k overspend on Housing to Rent due to higher R&M and extra utilities costs; £12k NNDR overspend on Commercial Properties, £8k R&M saving and minor variations £4k additional rent for Housing to Rent; £15k rent shortfall linked to COVID-19
	Income	(189,539)	(204,509)	(14,970)	(235,000)	(224,000)	11,000	
Portfolio Holder: Cllr John Clark	TOTAL	(104,267)	(116,248)	(11,981)	(126,990)	(105,990)	21,000	
PROP, LAND & DEV - SPECIALISTS (CISP)	Expenditure	106,493	77,148	(29,345)	141,990	112,650	(29,340)	Saving due to one vacancy carried but allowed for potential interim before year end. Return to establishment level next year
	Income	0	0	0	0	0	0	
Portfolio Holder: Cllr Tony Lock	TOTAL	106,493	77,148	(29,345)	141,990	112,650	(29,340)	
COMMERCIAL INVESTMENTS (KCM)	Expenditure	2,552,032	2,493,368	(58,664)	3,378,140	3,378,140	0	<i>Small variances across nominals covered by underspend on Project Expenditure.</i> <i>Current variance due to profiling of budget v actual timing of rent received. Estimated shortfall of income in line with monthly returns to MHCLG.</i>
	Income	(4,053,135)	(4,259,331)	(206,196)	(5,317,140)	(5,317,140)	0	
Portfolio Holder: Cllr John Clark	TOTAL	(1,501,103)	(1,765,963)	(264,860)	(1,939,000)	(1,939,000)	0	
CAR PARKING (KCP)	Expenditure	612,942	452,139	(160,803)	771,360	721,360	(50,000)	£23k overspend on NNDR; £15k saving on R&M; £6k saving on consultant fees and minor overspends on several areas. £44k saving on salaries and wages due to vacancies £1m net loss of revenue linked to COVID-19 reflecting £222k Government grant thus far.
	Income	(1,471,134)	(930,120)	541,014	(1,955,670)	(955,670)	1,000,000	
Portfolio Holder: Cllr Tony Lock	TOTAL	(858,192)	(477,981)	380,211	(1,184,310)	(234,310)	950,000	
ENGINEERING SERVICES (KEN)	Expenditure	12,878	1,622	(11,256)	17,170	11,170	(6,000)	Savings on detail expenditure Reduction in rents and wayleave income
	Income	(4,545)	(7,598)	(3,053)	(11,910)	(7,910)	4,000	
Portfolio Holder: Cllr Tony Lock	TOTAL	8,333	(5,976)	(14,309)	5,260	3,260	(2,000)	
TOTAL PROPERTY, LAND & DEVELOPMENT	Expenditure	4,591,991	4,154,513	(437,478)	5,969,380	5,666,800	(302,580)	
	Income	(6,134,100)	(5,709,098)	425,002	(8,084,270)	(6,992,930)	1,091,340	
	TOTAL	(1,542,109)	(1,554,585)	(12,476)	(2,114,890)	(1,326,130)	788,760	
TOTAL COMMERCIAL SERVICES & INCOME GENERATION	Expenditure	16,072,929	13,654,372	(2,418,557)	21,292,410	19,534,230	(1,758,180)	
	Income	(11,764,890)	(10,389,525)	1,375,365	(15,570,090)	(12,151,430)	3,418,660	
	TOTAL	4,308,039	3,264,847	(1,043,192)	5,722,320	7,382,800	1,660,480	

SERVICE DELIVERY

Director: Netta Meadows

Customer Connect Team

Service Manager: Marie Collins

CUSTOMER CONNECT TEAM (PCR)	Expenditure	525,385	440,001	(85,384)	704,270	629,270	(75,000)	Currently recruiting for 4 positions. Held recruitment earlier in year pending the new 8x8 phone system. Additional service recharge income
	Income	(19,390)	(30,860)	(11,470)	(19,390)	(30,860)	(11,470)	
Portfolio Holder: Cllr Tony Lock	TOTAL	505,995	409,141	(96,854)	684,880	598,410	(86,470)	
TOTAL CUSTOMER FOCUSED TEAM	Expenditure	525,385	440,001	(85,384)	704,270	629,270	(75,000)	
	Income	(19,390)	(30,860)	(11,470)	(19,390)	(30,860)	(11,470)	
	TOTAL	505,995	409,141	(96,854)	684,880	598,410	(86,470)	

Case Team

Service Manager: Sam Wenden de Lira

CASE TEAM (DCT)	Expenditure	1,519,235	1,452,546	(66,689)	2,013,350	1,973,350	(40,000)	There is a vacant recovery post to be filled. Other reasons which contribute to the variance in expenditure, is several interim posts which have not been backfilled, or staff vacating a role which in then filled at a lower spine point. I would still expect there to be an underspend of around 40k in expenditure. In line with expectations
	Income	(255,070)	(254,967)	103	(255,070)	(255,070)	0	
	TOTAL	1,264,165	1,197,579	(66,586)	1,758,280	1,718,280	(40,000)	
TOTAL CASE TEAM	Expenditure	1,519,235	1,452,546	(66,689)	2,013,350	1,973,350	(40,000)	

Service with Elements		Year to date			Outturn Forecast			Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		Budget to 31st December	Actual to 31st December	Variance to 31st December	Annual Budget	Expected Total by Year End	Variance expected 31/03/21	
		£	£	£	£	£	£	
	Income	(255,070)	(254,967)	103	(255,070)	(255,070)	0	
	TOTAL	1,264,165	1,197,579	(66,586)	1,758,280	1,718,280	(40,000)	
Service Delivery Functions								
Service Manager: Helen Morris								
ENFORCEMENT & COMPLIANCE (DEC)	Expenditure	37,283	37,664	381	49,710	49,710	0	Predicted spend is on target.
	Income	0	0	0	0	0	0	
	TOTAL	37,283	37,664	381	49,710	49,710	0	
	Portfolio Holder: Cllr Tony Lock							
REVENUES & BENEFITS (FBN)	Expenditure	1,647,207	1,597,074	(50,133)	1,758,980	1,729,980	(29,000)	Underspend due to reduced electronic bank charges and salary costs
	Income	(1,596,505)	(1,431,667)	164,838	(1,881,160)	(1,171,160)	710,000	No court cost income due to suspension of Magistrate hearings and the need to increase the bad debt provision for outstanding costs from previous years
	TOTAL	50,702	165,407	114,705	(122,180)	558,820	681,000	
	Portfolio Holder: Cllr Peter Seib							
HOUSING BENEFIT SUBSIDY (FHB)	Expenditure	20,511,113	20,373,268	(137,845)	27,348,150	27,348,150	0	
	Income	(21,030,250)	(21,083,232)	(52,982)	(27,919,110)	(27,919,110)	0	
	TOTAL	(519,137)	(709,964)	(190,827)	(570,960)	(570,960)	0	
	Portfolio Holder: Cllr Peter Seib							
HOUSING STANDARDS (HCP)	Expenditure	74,255	68,668	(5,587)	98,990	98,990	0	There is an underspend on housing standards budget - largely combination of less travel and activity due to covid restrictions
	Income	(61,587)	(55,552)	6,035	(78,450)	(78,450)	0	Income on Home Aid budget significantly down due to covid restrictions and inability to progress DFGs for large periods of the year.
	TOTAL	12,668	13,116	448	20,540	20,540	0	Overall budget likely to balance and underspend off-setting lack of income.
	Portfolio Holder: Cllr Val Keitch							
ENV HEALTH & COMM PROTECTION (HEH)	Expenditure	284,430	250,482	(33,948)	379,240	354,240	(25,000)	Mostly underspend on salaries due to lq term vacancies
	Income	(34,858)	(58,555)	(23,697)	(37,980)	(37,980)	0	This is mainly £25k from SCC to support test and trace work. Likely to be largely spent by year end.
	TOTAL	249,572	191,927	(57,645)	341,260	316,260	(25,000)	
	Portfolio Holder: Cllr Mike Best							
HOUSING (HHL)	Expenditure	2,104,007	2,016,593	(87,414)	2,577,350	2,577,350	0	Additional spend due to COVID 19 related work, to be funded from COVID grants, expect to be on target for year end.
	Income	(1,513,370)	(1,404,409)	108,961	(1,563,500)	(1,563,500)	0	
	TOTAL	590,637	612,184	21,547	1,013,850	1,013,850	0	
	Portfolio Holder: Cllr Val Keitch							
HOUSING (HLC)	Expenditure	86,190	80,828	(5,362)	113,300	113,300	0	Income is down due to reduced number of event licences being issued due to COVID 19, anticipated shortfall of income mitigated by income compensation claim to MHCLG.
	Income	(295,946)	(210,327)	85,619	(350,430)	(350,430)	0	
	TOTAL	(209,756)	(129,499)	80,257	(237,130)	(237,130)	0	
	Portfolio Holder: Cllr Tony Lock							
WAREHOUSE (HWL)	Expenditure	168,190	129,078	(39,112)	211,090	211,090	0	Current variance due to delayed invoice, no concerns for this quarter.
	Income	(402,658)	(404,591)	(1,933)	(423,850)	(423,850)	0	
	TOTAL	(234,468)	(275,513)	(41,045)	(212,760)	(212,760)	0	
	Portfolio Holder: Cllr Mike Best							
ENFORCEMENT (KET)	Expenditure	40,184	28,408	(11,776)	56,440	46,440	(10,000)	Underspend due to reduced activity as a result of covid restrictions including stray dogs
	Income	(2,250)	0	2,250	(3,000)	(3,000)	0	
	TOTAL	37,934	28,408	(9,526)	53,440	43,440	(10,000)	
	Portfolio Holder: Cllr Sarah Dyke							
LAND CHARGES (LLC)	Expenditure	17,228	15,752	(1,476)	22,970	22,970	0	During the first few months of the financial year, in the first covid lockdown, there was a great reduction in land charges requests. We have then seen a large increase in requests largely due to the reduced stamp duty rates. This is due to end on 31st March 2021. As we are back in a national lockdown, I would expect to see the increased demand reduce back down as house sales reduce again. If demand does reduce again then I would expect an overspend higher than the current 5k. You will appreciate predicting the current demand is difficult. I would expect this to be no higher than 20k overspend due to income being below budget
	Income	(322,800)	(316,269)	6,531	(430,400)	(410,400)	20,000	
	TOTAL	(305,572)	(300,517)	5,055	(407,430)	(387,430)	20,000	
	Portfolio Holder: Cllr Tony Lock							
RIGHTS OF WAY (LRW)	Expenditure	2,107	4,418	2,311	2,810	4,410	1,600	Slight overspend on advertising - some may still be recovered through passing on costs to customer
	Income	(12,375)	(2,669)	9,706	(16,500)	(2,670)	13,830	Income target unrealistic on this budget is due to be revised for next year
	TOTAL	(10,268)	1,749	12,017	(13,690)	1,740	15,430	
	Portfolio Holder: Cllr Sarah Dyke							
BUILDING CONTROL (RBC)	Expenditure	222,670	317,863	95,193	459,300	634,300	175,000	Continued use of agency staff, (impending partnership restricting ability to recruit) due to Covid a large number of historic applications have re surfaced & require resource (Payment was received a number of years ago)
	Income	(305,397)	(253,895)	51,502	(561,240)	(486,240)	75,000	Income affected by continuing Covid 19 lockdowns with uncertainty around material supply issues on site.
	TOTAL	(82,727)	63,968	146,695	(101,940)	148,060	250,000	
	Portfolio Holder: Cllr Tony Lock							
DEVELOPMENT MANAGEMENT (RDC)	Expenditure	564,608	832,095	267,487	752,780	1,002,780	250,000	Agency staff to support planning service
	Income	(1,106,912)	(1,052,512)	54,400	(1,472,150)	(1,400,150)	72,000	Reduction in planning fees received
	TOTAL	(542,304)	(220,417)	321,887	(719,370)	(397,370)	322,000	
	Portfolio Holder: Cllr Tony Lock							
ECONOMIC DEVELOPMENT (RED)	Expenditure	353,597	408,616	55,019	396,280	396,000	(280)	Due to C19 expenditure to be reclaimed. No significant variation expected.
	Income	(61,260)	(141,230)	(79,970)	(61,260)	(61,260)	0	
	TOTAL	292,337	267,386	(24,951)	335,020	334,740	(280)	
	Portfolio Holder: Cllr John Clark							

Service with Elements		Year to date			Outturn Forecast			Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		Budget to 31st December	Actual to 31st December	Variance to 31st December	Annual Budget	Expected Total by Year End	Variance expected 31/03/21	
		£	£	£	£	£	£	
STREET NAMING & NUMBERING (SSN)	Expenditure	5,407	2,770	(2,637)	7,210	7,210	0	No concerns on target for end of the year.
	Income	(23,670)	(24,048)	(378)	(31,560)	(31,560)	0	
Portfolio Holder: Cllr John Clark	TOTAL	(18,263)	(21,278)	(3,015)	(24,350)	(24,350)	0	
COMMUNITY SAFETY (TCS)	Expenditure	2,250	9,517	7,267	13,000	13,000	0	
	Income	(10,000)	(10,000)	0	(10,000)	(10,000)	0	
Portfolio Holder: Cllr Mike Best	TOTAL	(7,750)	(483)	7,267	3,000	3,000	0	
TOTAL SERVICE DELIVERY FUNCTIONS	Expenditure	26,120,726	26,173,094	52,368	34,247,600	34,609,920	362,320	
	Income	(26,779,838)	(26,448,956)	330,882	(34,840,590)	(33,949,760)	890,830	
	TOTAL	(659,112)	(275,862)	383,250	(592,990)	660,160	1,253,150	
Localities								
Service Manager: Tim Cook								
AREA EAST (DAE)	Expenditure	27,588	24,267	(3,321)	35,260	35,260	0	Will be spent by year end. Income will not be achieved due to sale of Churchfields. Likely overspend due to income and redundancy costs linked to sale of Churchfields
	Income	(4,202)	(819)	3,383	(5,330)	(820)	4,510	
Chairman: Cllr Henry Hobhouse	TOTAL	23,386	23,448	62	29,930	34,440	4,510	
AREA NORTH (DAN)	Expenditure	17,550	11,626	(5,924)	19,790	19,790	0	Grant budget to be spent by the end of year.
	Income	0	0	0	0	0	0	
Chairman: Cllr Adam Dance	TOTAL	17,550	11,626	(5,924)	19,790	19,790	0	
AREA SOUTH (DAS)	Expenditure	84,883	28,059	(56,824)	107,260	107,260	0	Significant underspend in grants, a carry forward request will be made at year end
	Income	(27,475)	(23,988)	3,487	(29,600)	(29,600)	0	
Chairman: Cllr Peter Gubbins	TOTAL	57,408	4,071	(53,337)	77,660	77,660	0	
AREA WEST (DAW)	Expenditure	28,058	18,000	(10,058)	33,410	33,410	0	Grant budget to be allocated and spent by the end of the year. Building related Income will not be achieved.
	Income	(2,633)	0	2,633	(3,510)	0	3,510	
Chairman: Cllr Jason Baker	TOTAL	25,425	18,000	(7,425)	29,900	33,410	3,510	
LOCALITY TEAM (DLT)	Expenditure	432,088	379,185	(52,903)	575,520	515,520	(60,000)	Underspend due to vacancies
	Income	0	(75,940)	(75,940)	0	0	0	
	TOTAL	432,088	303,245	(128,843)	575,520	515,520	(60,000)	
WASTE CONTROL (DCP)	Expenditure	24,210	12,163	(12,047)	32,280	22,280	(10,000)	Underspend mainly in transport related costs due to reduced activity. Business affected by Covid. Income from private work still due.
	Income	(22,725)	(8,982)	13,743	(30,300)	(15,300)	15,000	
Portfolio Holder: Cllr Sarah Dyke	TOTAL	1,485	3,181	1,696	1,980	6,980	5,000	
WELLBEING, HEALTH & WELLBEING (PHW)	Expenditure	193,682	116,196	(77,486)	226,310	191,350	(34,960)	Underspend in Healthy Lifestyles and Sports Development due to reduced activity as a result of restrictions. Predicted underspend at the end of year.
	Income	(129,035)	(131,021)	(1,986)	(153,970)	(142,440)	11,530	
Portfolio Holder: Cllr Mike Best	TOTAL	64,647	(14,825)	(79,472)	72,340	48,910	(23,430)	
TOTAL LOCALITIES	Expenditure	808,059	589,496	(218,563)	1,029,830	924,870	(104,960)	
	Income	(186,070)	(240,750)	(54,680)	(222,710)	(188,160)	34,550	
	TOTAL	621,989	348,746	(273,243)	807,120	736,710	(70,410)	
Regeneration								
Service Manager: Martin Woods/Natalie Fortt								
REGENERATION (RGE)	Expenditure	60,930	211,426	150,496	81,240	81,240	0	The funds will be drawn down from the three project budgets at the end of year to cover the expenditure against these codes, so the budget will balance at year end.
	Income	(14,730)	0	14,730	(19,640)	(19,640)	0	
Portfolio Holder: Cllr John Clark	TOTAL	46,200	211,426	165,226	61,600	61,600	0	
TOTAL REGENERATION	Expenditure	60,930	211,426	150,496	81,240	81,240	0	
	Income	(14,730)	0	14,730	(19,640)	(19,640)	0	
	TOTAL	46,200	211,426	165,226	61,600	61,600	0	
Service Delivery Specialists								
Service Manager: Helen Morris								
SERV DELIVERY LEAD SPECIALISTS (DLS)	Expenditure	195,445	237,575	42,130	260,160	310,160	50,000	Budget variance due mainly to agency cover in the role of Lead Specialist – Planning.
	Income	0	0	0	0	0	0	
	TOTAL	195,445	237,575	42,130	260,160	310,160	50,000	
TOTAL SERVICE DELIVERY SPECIALISTS	Expenditure	195,445	237,575	42,130	260,160	310,160	50,000	
	Income	0	0	0	0	0	0	
	TOTAL	195,445	237,575	42,130	260,160	310,160	50,000	
Service Delivery Team Managers								
Service Manager: Netta Meadows								

Service with Elements		Year to date			Outturn Forecast			Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		Budget to 31st December	Actual to 31st December	Variance to 31st December	Annual Budget	Expected Total by Year End	Variance expected 31/03/21	
		£	£	£	£	£	£	
SERVICE DELIVERY - MANAGERS (DTM)	Expenditure	192,318	259,316	66,998	255,560	347,560	92,000	Budget variance due to the Planning Improvement Project, increased Project Manager costs, Full time People Manager, and cover arrangements for people re-tasked into these roles.
	Income	0	0	0	0	0	0	
	TOTAL	192,318	259,316	66,998	255,560	347,560	92,000	
TOTAL SERVICE DELIVERY TEAM MANAGERS	Expenditure	192,318	259,316	66,998	255,560	347,560	92,000	
	Income	0	0	0	0	0	0	
	TOTAL	192,318	259,316	66,998	255,560	347,560	92,000	
TOTAL SERVICE DELIVERY	Expenditure	29,422,098	29,363,454	(58,644)	38,592,010	38,876,370	284,360	
	Income	(27,255,098)	(26,975,533)	279,565	(35,357,400)	(34,443,490)	913,910	
	TOTAL	2,167,000	2,387,921	220,921	3,234,610	4,432,880	1,198,270	
STRATEGY & COMMISSIONING								
Director: Kirsty Larkins								
Strategy & Comm Case								
Service Manager: Peter Paddon								
STRATEGY & COMM CASE OFFICERS (SCC)	Expenditure	266,158	259,909	(6,249)	359,310	359,000	(310)	No significant variance expected at year end.
	Income	0	0	0	0	0	0	
	TOTAL	266,158	259,909	(6,249)	359,310	359,000	(310)	
TOTAL STRATEGY & COMM CASE	Expenditure	266,158	259,909	(6,249)	359,310	359,000	(310)	
	Income	0	0	0	0	0	0	
	TOTAL	266,158	259,909	(6,249)	359,310	359,000	(310)	
Comms, Marketing & Media								
Service Manager: Richard Birch								
COMMUNICATIONS (CCM)	Expenditure	70,718	65,852	(4,866)	94,290	94,290	0	No significant variance expected at year end.
	Income	0	0	0	0	0	0	
	TOTAL	70,718	65,852	(4,866)	94,290	94,290	0	
	Portfolio Holder: Cllr Val Keitch							
TOTAL COMMS, MARKETING & MEDIA	Expenditure	70,718	65,852	(4,866)	94,290	94,290	0	
	Income	0	0	0	0	0	0	
	TOTAL	70,718	65,852	(4,866)	94,290	94,290	0	
Performance, People & Change								
Service Manager: Kirsty Larkins								
PERFORMANCE PEOPLE & CHANGE (CPL)	Expenditure	390,862	206,990	(183,872)	507,780	500,000	(7,780)	Current underspend on Learning & Development and Graduate schemes, so possible opportunity to carry over.
	Income	(107,950)	(188,571)	(80,621)	(140,950)	(140,950)	0	
	TOTAL	282,912	18,419	(264,493)	366,830	359,050	(7,780)	
	Portfolio Holder: Cllr Val Keitch							
TOTAL PERFORMANCE, PEOPLE & CHANGE	Expenditure	390,862	206,990	(183,872)	507,780	500,000	(7,780)	
	Income	(107,950)	(188,571)	(80,621)	(140,950)	(140,950)	0	
	TOTAL	282,912	18,419	(264,493)	366,830	359,050	(7,780)	
Strategic Planning								
Service Manager: Peter Paddon								
PROCUREMENT, CONTRACT & RISK (CPR)	Expenditure	42,180	51,939	9,759	56,240	71,240	15,000	Additional expenditure on salaries
	Income	0	0	0	0	0	0	
	TOTAL	42,180	51,939	9,759	56,240	71,240	15,000	
	Portfolio Holder: Cllr Peter Seib							
PLACE PLANNING (CPS)	Expenditure	396,710	410,327	13,617	518,350	518,000	(350)	No significant variation expected at year end.
	Income	(184,185)	(160,148)	(24,037)	(208,730)	(208,730)	0	
	TOTAL	212,525	250,179	37,654	309,620	309,270	(350)	
	Portfolio Holder: Cllr Val Keitch							
CONTRACTED SPORTS FACILITIES (GSF)	Expenditure	361,305	539,687	178,382	481,490	481,000	(490)	Supporting leisure contractor through Covid but no significant variation expected at year end as hoping to be compensated by grant income.
	Income	(180,382)	(67,525)	112,857	(240,510)	(240,510)	0	
	TOTAL	180,923	472,162	291,239	240,980	240,490	(490)	
	Portfolio Holder: Cllr Mike Best							
CIVIL CONTINGENCIES AND H&S (HCC)	Expenditure	47,455	39,202	(8,253)	63,200	63,000	(200)	No significant variation expected at year end.
	Income	(4,860)	(744)	4,116	(6,110)	(6,110)	0	
	TOTAL	42,595	38,458	(4,137)	57,090	56,890	(200)	
	Portfolio Holder: Cllr Val Keitch							
PLANNING POLICY (RPP)	Expenditure	0	0	0	0	0	0	No variance
	Income	0	0	0	0	0	0	
	TOTAL	0	0	0	0	0	0	
	Portfolio Holder: Cllr Val Keitch							
VOLUNTARY, COMM & SOCIAL ENT (SVCSE)	Expenditure	272,243	258,886	(13,357)	284,260	284,000	(260)	No significant variance expected at year end.
	Income	0	0	0	0	0	0	

Service with Elements		Year to date			Outturn Forecast			Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		Budget to 31st December	Actual to 31st December	Variance to 31st December	Annual Budget	Expected Total by Year End	Variance expected 31/03/21	
		£	£	£	£	£	£	
Portfolio Holder: Cllr Val Keitch	TOTAL	272,243	258,886	(13,357)	284,260	284,000	(260)	
DEMOCRATIC SERVICES (RLD)	Expenditure	519,887	476,190	(43,697)	684,740	640,000	(44,740)	Underspend due to Covid 19 on Member training and expense activity.
	Income	(1,050)	0	1,050	(1,400)	(1,400)	0	
Portfolio Holder: Cllr Peter Seib	TOTAL	518,837	476,190	(42,647)	683,340	638,600	(44,740)	
ELECTIONS (RLE)	Expenditure	128,257	122,934	(5,323)	205,380	205,000	(380)	No significant variation expected at year end.
	Income	(17,515)	87,833	105,348	(19,520)	(19,520)	0	
Portfolio Holder: Cllr Peter Seib	TOTAL	110,742	210,767	100,025	185,860	185,480	(380)	
TOTAL STRATEGIC PLANNING	Expenditure	1,768,037	1,899,165	131,128	2,293,660	2,262,240	(31,420)	
	Income	(387,992)	(140,584)	247,408	(476,270)	(476,270)	0	
	TOTAL	1,380,045	1,758,581	378,536	1,817,390	1,785,970	(31,420)	
Strategy & Comm Specialists								
Service Manager: Kirsty Larkins								
STRGY & COMM LEAD SPECIALISTS (SCLS)	Expenditure	161,942	120,250	(41,692)	215,490	175,490	(40,000)	There is an underspend in salary costs due to secondments and in year vacancies. A carry forward request will be made to support staffing requirements going forward.
	Income	0	0	0	0	0	0	
	TOTAL	161,942	120,250	(41,692)	215,490	175,490	(40,000)	
TOTAL STRATEGY & COMM SPECIALISTS	Expenditure	161,942	120,250	(41,692)	215,490	175,490	(40,000)	
	Income	0	0	0	0	0	0	
	TOTAL	161,942	120,250	(41,692)	215,490	175,490	(40,000)	
TOTAL STRATEGY & COMMISSIONING	Expenditure	2,657,717	2,552,166	(105,551)	3,470,530	3,391,020	(79,510)	
	Income	(495,942)	(329,155)	166,787	(617,220)	(617,220)	0	
	TOTAL	2,161,775	2,223,011	61,236	2,853,310	2,773,800	(79,510)	
SUPPORT SERVICES								
Director: Nicola Hix								
Support Services Case								
Service Manager: Sara Kelly / Amanda Kotvics								
SUPPORT SERVICES CASE OFFICERS (RCO)	Expenditure	717,396	686,786	(30,610)	955,206	940,206	(15,000)	Mid year vacancies and a temp reduction in hours for wellbeing reasons lead to predicted underspend for year end
	Income	(32,430)	(32,430)	0	(32,430)	(32,430)	0	
Portfolio Holder: Cllr Peter Seib / Cllr Tony Lock	TOTAL	684,966	654,356	(30,610)	922,776	907,776	(15,000)	
SUPPORT SERVICES CASE WORK (RXC)	Expenditure	132,665	58,394	(74,271)	173,500	110,500	(63,000)	£50k to be taken from underspends in postage, printing and stationary towards non pay transformation savings Unachievable income target due to new ways of working. Budget to be correct for 21/22
	Income	(41,603)	(10,619)	30,984	(55,470)	(12,000)	43,470	
Portfolio Holder: Cllr Peter Seib / Cllr Tony Lock	TOTAL	91,062	47,775	(43,287)	118,030	98,500	(19,530)	
TOTAL SUPPORT SERVICES CASE	Expenditure	850,061	745,180	(104,881)	1,128,706	1,050,706	(78,000)	
	Income	(74,033)	(43,049)	30,984	(87,900)	(44,430)	43,470	
	TOTAL	776,028	702,131	(73,897)	1,040,806	1,006,276	(34,530)	
Support Services Functions								
Service Manager: Nicola Hix								
FINANCE CORPORATE COSTS (RFC)	Expenditure	2,266,305	1,917,079	(349,226)	2,778,170	3,949,560	1,171,390	Underspend anticipated on insurance budgets offset by interest payable on external borrowing. Budgets to be amended in 2021/22. Current variance due to COVID Grant funding being included here which is pending distribution out to various cost centres as spend and income losses arise. Additional income anticipated in respect of non treasury investments
	Income	(1,855,832)	(3,885,959)	(2,030,127)	(3,302,210)	(5,001,390)	(1,699,180)	
Portfolio Holder: Cllr Peter Seib	TOTAL	410,473	(1,968,880)	(2,379,353)	(524,040)	(1,051,830)	(527,790)	
SUPPORT SERVICE FUNCTIONS (RSF)	Expenditure	998,956	1,438,776	439,820	1,200,300	1,350,300	150,000	The variance to date is partially due to payments in advance in respect of IT expenditure. There has been an increase in OH and counselling, which is representative of wellbeing issues across the Council. There is a shortfall in income from legal fees and costs recovered.
	Income	(88,580)	(31,711)	56,869	(121,850)	(121,850)	0	
Portfolio Holder: Cllr Peter Seib / Cllr Tony Lock	TOTAL	910,376	1,407,065	496,689	1,078,450	1,228,450	150,000	
TOTAL SUPPORT SERVICES FUNCTIONS	Expenditure	3,265,261	3,355,855	90,594	3,978,470	5,299,860	1,321,390	
	Income	(1,944,412)	(3,917,670)	(1,973,258)	(3,424,060)	(5,123,240)	(1,699,180)	
	TOTAL	1,320,849	(561,815)	(1,882,664)	554,410	176,620	(377,790)	
Support Services Specialists								
Service Manager: Nicola Hix								

Service with Elements		Year to date			Outturn Forecast			Budget Holders' Comments on Variances to Profiled Budgets & Outturn <i>Accountants' Comments in Italics</i>
		Budget to 31st December	Actual to 31st December	Variance to 31st December	Annual Budget	Expected Total by Year End	Variance expected 31/03/21	
		£	£	£	£	£	£	
SUPPORT SERV LEAD SPECIALISTS (RLS)	Expenditure	363,920	346,227	(17,693)	484,070	484,070	0	No variance anticipated at year end.
	Income	0	0	0	0	0	0	
Portfolio Holder: <i>Cllr Peter Seib / Cllr Tony Lock</i>	TOTAL	363,920	346,227	(17,693)	484,070	484,070	0	
	Service Manager: Nicola Hix							
SUPPORT SERVICES SPECIALISTS (RSS)	Expenditure	963,547	953,107	(10,440)	1,284,434	1,284,434	0	No variance anticipated at year end.
	Income	0	0	0	0	0	0	
Portfolio Holder: <i>Cllr Peter Seib / Cllr Tony Lock</i>	TOTAL	963,547	953,107	(10,440)	1,284,434	1,284,434	0	
TOTAL SUPPORTSERVICES SPECIALISTS	Expenditure	1,327,467	1,299,334	(28,133)	1,768,504	1,768,504	0	
	Income	0	0	0	0	0	0	
	TOTAL	1,327,467	1,299,334	(28,133)	1,768,504	1,768,504	0	
TOTAL SUPPORT SERVICES	Expenditure	5,442,789	5,400,369	(42,420)	6,875,680	8,119,070	1,243,390	
	Income	(2,018,445)	(3,960,719)	(1,942,274)	(3,511,960)	(5,167,670)	(1,655,710)	
	TOTAL	3,424,344	1,439,650	(1,984,694)	3,363,720	2,951,400	(412,320)	
TOTAL SSDC	Expenditure	54,125,148	51,716,232	(2,408,916)	70,855,910	70,725,970	(129,940)	
	Income	(41,775,420)	(41,882,843)	(107,423)	(55,302,090)	(52,625,230)	2,676,860	
	TOTAL	12,349,728	9,833,389	(2,516,339)	15,553,820	18,100,740	2,546,920	

Appendix B

The following virements should be noted:

Value £	From	To	Description
1,670	Customer Connect	Support Services Case Officers	Funding for Mailroom staff
13,100	Treasury Management Service	Case Team	Transition funding for fixed term post
6,000	Area West Reserve	Area Development	Funding for Blackdown Hills AONB Somerset Connections Project
3,520	Learning & Development	Various	Allocation of training budget
8,470	Revenues & Benefits	Service Delivery Case Officers and Revenues & Benefits Reserve	Transfer of Accuracy Award to fund staffing
3,150	Landcharges	Service Delivery Case Officer	Additional transition funding for Landcharges post
21,360	Learning and Development	Support Services Case Team	Funding of Specialist People post
5,980	Other Income & Expenditure	Service Delivery Case Team	Funding of redeployment of staff from Covid19 Grant
4,150	Other Income & Expenditure	Service Delivery Case Team & Customer Connect	Funding of redeployment of staff from Covid19 Grant
5,900	Other Income & Expenditure	Service Delivery Case Team & Customer Connect	Funding of redeployment of Staff from Covid19 Grant
35,130	Development Control	Various	Balance of Transition Funding to Development Control
400	Youth Arts and Play	Homelessness	Funding for Christmas Toys for hostels
12,430	Other Income & Expenditure	Various	Allocation of Covid19 Grant for redeployment of Staff - October
2,060	Other Income & Expenditure	Customer Connect	Funding of redeployment of staff from COVID19 Grant
24,640	Various	Information Systems	Transfer of IT budgets to Information Systems as per Digital Strategy

Appendix C

AREA RESERVES Quarter 3 2020/21

Allocation of Reserves	Approval Date	Approved Allocation £	Balance 2020/21 £	Transfer from Reserves during 2020/21 £
Area East				
Balance B/fwd 1st April 2020			-49,190	
Wincanton Retail Support Initiative	Jul-14	10,000	10,000	
Active Travel Scheme	Dec-20	25,730	25,730	
Wincanton to Bruton Active Travel	Dec-20	10,000	10,000	
Totals			45,730	0
Balance of reserve				-49,190
Unallocated Balance 31st December 2020			-3,460	
Area North				
Balance B/fwd 1st April 2020			-23,900	
Progressing affordable rural housing schemes	Mar-09	15,000	10,000	
Ham Hill National Heritage Lottery (NHLF) Project	Sep-20	5,000	5,000	
Totals			15,000	0
Balance of reserve				-23,900
Unallocated Balance 31st December 2020			-8,900	
Area West				
Balance B/fwd 1st April 2020			-46,220	
Blackdown Hills AONB Somerset Connections Project	Sep-20	6,000	6,000	6,000
Totals			6,000	6,000
Balance of reserve				-40,220
Unallocated Balance 31st December 2020			-40,220	

(Negative Figures = income, Positive figures = costs)

(Area South has no reserve remaining)

Summary of Usable Reserves

Appendix D

The following table shows the current balance on each usable reserve and the movements since 1 April 2020:

Capital Reserves	Balance as at 01/10/2020	Movement	Balance as at 31/12/2020
	£'000	£'000	£'000
Usable Capital Receipts	-18,245	-2	-18,247
Internal Borrowing Reserve	-203		-203
Total	-18,448	-2	-18,450
Revenue Reserves	Balance as at 01/10/2020	Movement	Balance as at 31/12/2020
	£'000	£'000	£'000
Capital Reserve	-1,092	-4	-1,096
Cremator Replacement Capital Reserve	-549		-549
Internal Borrowing Repayments	-321		-321
Election Reserve	-174		-174
Sports Facilities Reserve	-41		-41
Yeovil Athletic Track Repairs Fund	-179		-179
Planning Delivery Reserve	-16		-16
Bristol to Weymouth Rail Reserve	-75	1	-74
Yeovil Refresh Reserve	-112		-112
IT Replacement Reserve	-10		-10
Insurance Fund	-50		-50
Transformation Reserve	-101	9	-92
Treasury Management Reserve	-600		-600
Revenue Grants Reserve	-453		-453
Medium Term Financial Plan Support Fund	-3,277		-3,277
Council Tax/Housing Benefits Reserve	-805	-37	-842
Closed Churchyards Reserve	-15		-15
Health Inequalities	-31		-31
Deposit Guarantee Claims Reserve	-3		-3
Park Homes Replacement Reserve	-256		-256
Planning Obligations Admin Reserve	-30		-30
Artificial Grass Pitch Reserve	-146		-146
Business Support Scheme (Flooding)	-111		-111
Regeneration Fund	-3,265	62	-3,203
NNDR Volatility Reserve	-2,696		-2,696
Ticket Levy Reserve	-85	-7	-92
Waste Reserve	-100		-100
Community Housing Fund	-171		-171
Community Safety Reserve	-47		-47
Housing & Homelessness Reserve	-420	-37	-457
Commercial Investment Risk Reserve	-6,300		-6,300
Spatial Policy Reserve	-305	51	-254
YIC Maintenance Reserve	-40		-40
Climate Change Fund	-294	67	-227
Community Initiatives Reserve	-163		-163
Local Government Change Reserve	-199		-199
Community Resilience Reserve	0	-50	-50
Total Usable Reserves	-22,534	55	-22,479

(Negative Figures = income, Positive figures = costs)

The list above excludes unusable reserves. These are the Capital Adjustment Account, Revaluation Reserve, Available for Sale Reserve, Financial Instrument Adjustment Account, Pensions Reserve and Collection Fund Adjustment Account.

2020/21 Capital Budget Monitoring Report for the Period Ending 31st December 2020

Executive Portfolio Holder:	Peter Seib, Finance and Legal Services
Director:	Nicola Hix, Support Services
Section 151 Officer:	Jo Nacey, Section 151 Officer
Lead Officer:	Ross Eaton, Finance Specialist
Contact Details:	ross.eaton@southsomerset.gov.uk or (01935) 462274

Purpose of the Report

1. The purpose of this report is to provide Members with an in-year projection in 2020/21 of the forecast spending (“outturn”) against the Council’s approved Capital Programme Budget, and to explain projected variations against individual projects and the Programme as a whole.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of February 2021.

Public Interest

3. This report gives an update on the forecast capital financial position and budgetary variations for the financial year 2020/21, as at 31st December 2020. Maintaining effective control over capital spending within approved budgets helps to ensure capital investment is affordable and meets agreed priorities.

Recommendations

4. That the District Executive:
 - a. Note the content of the report;
 - b. Approve the revised Capital Programme spend profile as detailed in paragraph 7, Table 1.
 - c. Approve that the projects listed on Appendix B remain in the capital programme.

Background

5. Full Council approved the original Capital Programme in February 2020. Monitoring of the agreed programme has been delegated to District Executive.

Capital Programme

6. The revised gross Capital Programme for this financial year and beyond is attached in Appendix A. The forecast spend for 2020/21 has been revised up from **£16.428 million** to **£22.930 million** as shown in Table 1 below. Additional information is included to show the various sources of planned funding for the programme, shown on Table 2.

Table 1 – Revised Gross Capital Programme Q3 2020/21 – 2024/25

	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	Total £'000
Capital Programme for Quarter 2 of 2020/21	16,428	13,965	689	0	0	31,082
Projects approved since 1st Oct 20:						
Affordable Housing - Barnabus House	45	0	0	0	0	45
S106 projects approved since 1st Oct 20						
Grants for Parishes with Play Area - Ilton	17	0	0	0	0	17
Projects moved to Reserve List:						
Transformation	-4	0	0	0	0	-4
Allocations from the reserve list:						
Investment in Land, Property & Renewables Reserve (for 3 x assets)	9,328	680	0	0	0	10,008
E5 Upgrade – ICT Replacement Reserve	69	0	0	0	0	69
RPA Pilot – ICT Replacement Reserve	54	0	0	0	0	54
Projects agreed at Area Committee:						
Area East - 9 Seat Minibus for Community Transport	12	0	0	0	0	12
Area East - Mudford Memorial Village Hall	4	0	0	0	0	4
Area East - Charlton Memorial Playing Field Play Area	12	0	0	0	0	12
Area West - Chard Town Centre Gateway and Seating Area	0	29	0	0	0	29
Area West - Horton Parish Council Playing Field Project	13	0	0	0	0	13

	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	Total £'000
Area West - Ilchester Hall, Chiselborough	13	0	0	0	0	13
Re-profiling of forecast spending between financial years	-3,060	2,137	923	0	0	0
Revised Gross Capital Programme for 2020/21 at 31st December 2020	22,930	16,811	1,612	0	0	41,353

(negative figures = income/reduction in budget, positive figures = costs)

7. As Table 1 shows the total planned capital investment in the approved programme 2020/21 to 2024/25 has increased from **£31.082 million** to **£41.353 million**. This is primarily due to Investment in Land, Property & Renewables.
8. The detail of the Capital Programme, showing all the projects included in the approved budget is shown in Appendix A.
9. £156,570 has been allocated to cover COVID related capital expenditure up to the end of December 2020 from the Central Government COVID funding grants received so far.

Table 2 – Capital Programme Sources of Funding 2020/21 – 2024/25

	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	Total £'000
External Grants & Contributions - Assets	72	278	1	0	0	351
External Grants & Contributions – REFCUS*	1,657	0	0	0	0	1,657
Capital Receipts	2,712	8,340	1,611	0	0	12,663
Capital Fund Earmarked Reserve	165	2,237	0	0	0	2,402
Internal Borrowing Reserve	37	0	0	0	0	37
Borrowing	18,287	5,956	0	0	0	24,243
Total Capital Programme Financing	22,930	16,811	1,612	0	0	41,353

*REFCUS = Revenue Expenditure Financed from Capital Under Statute. This is for costs of a capital nature that do not create assets for the Council e.g. capital grants to the other entities.

Progress on various schemes

10. Progress on individual schemes is attached on Appendix A, including responsible officer comments on the forecast spending profile between financial years and performance against targets.
11. Within the current financial year **£17.972 million** has been spent up to the end of Q3, of the total of **£22.930 million** projected for the year. The most significant areas of spend so far this year include:
- £10.703m on Commercial loans.
 - £5.455m on Regeneration schemes.
 - £799k on Disabled Facility and Home Repair grants.
 - £246k on Investment Properties.
 - £188k on the Yeovil Crematorium Refurbishment.
 - £148k on Affordable Housing projects.
 - £87k on Sports facilities and play areas.
 - £78k on Yeovil Innovation Centre car park extension.
 - £71k on Area capital programmes.
12. Schemes which are expected to be delayed this year and are more than £50,000 and have slipped to 2021/22 in Q3 are shown on Table 3:

Table 3 – Capital Projects over £50k delayed into 2021/22

Project	Date Funding Approved	Slippage to 2021/22 £'000	Reason for Delay
E5 Upgrade	Feb 19	63	Covid restrictions and staff availability.
Yeovil Refresh	Jan 19	800	The Westminster Street works have been delayed due to Covid.
Affordable Housing - 4 Properties Chard Working Mens Club	May 17	54	There were some Covid related delays early in 2020/21, but the scheme is now progressing well with completion set for September 2021.
Loan to Somerset Waste Partnership for Vehicles (2)	Feb 17	311	Roll out has been delayed due to Covid-19.
New Car Parks	Feb 08	200	There have been delays with obtaining planning consent and

			also releasing the legal covenant.
Enhancement to SSDC Bldgs	Feb 16	155	Further expenditure to be deferred until 21/22 due to Covid restrictions.
Westlands Building Improvement Works	Feb 20	358	Spending currently on hold.
Brympton Way Building Improvement Works	Feb 20	84	Further expenditure to be deferred until 21/22 due to Covid restrictions.
Forton Playing Pitches, Chard	S106	85	It was hoped that completion would have taken place by the end of Q4 but the legal positions have proved difficult to reach an agreement on.
Goldenstones Sports Centre - 10 Yr Maintenance Plan	Mar 17	310	Has not been spent due to Property team capacity. Maintenance will pass to the new leisure operator from April 2021 whereupon this capital will be fully utilised.
Wincanton Sports Centre - 10 Year Maintenance Plan	Feb 19	306	Has not been spent due to Property team capacity. Maintenance will pass to the new leisure operator from April 2021 whereupon this capital will be fully utilised.

(the figures shown above are included in the slippage figure at the bottom of the table in paragraph 6)

Capital Programme & Reserves

13. The total capital reserve schemes approved in principle currently has a forecast gross spend of **£41.353 million** over the period 2021/22 to 2024/25, with a further **£0.753 million** gross spend across the Area Capital Programme over the period 2021/22 to 2024/25. Detail of these reserve schemes can be found on page 4 of Appendix A.
14. The total current Capital Programme, Area Capital Programme and Reserve Schemes allocates a total gross spend of some **£100.875 million** to various schemes over the next five years. This includes approved funding commitments of **£58.769 million** currently held in the “reserve schemes” list pending individual projects moving into the operational programme, including for example investment properties, regeneration schemes, affordable housing schemes. Further details are shown on Appendix A, and summarised below in Table 4.

Table 4 – Capital Programme and Reserve Schemes for 2020/21 - 2024/25

	£'000
Capital Programme (as detailed in paragraph 7)	41,353
Area Capital Programme	753
Reserve Schemes	58,769
Total Programme to be Financed	100,875

Projects agreed at or before August 2016

15. Schemes that were agreed before August 2016 that have not yet completed are detailed on Appendix B. Appendix B also incorporates responsible officer comments on the reason for the delay, and the risks of not retaining the funding.

Section 106 (S106) Deposits by Developers

16. S106 agreements are legal agreements between local authorities and developers that are linked to a planning permission. The total balance held at 31st December 2020 is **£4,141,790**. This is purely a whole district South Somerset District Council financial summary, more detail on S106's is given to Area Committees on an annual basis.
17. There has been one S106 project added to the Q3 2020/21 capital programme, as detailed in table 1 of this report; £17,000 for 'Grants for Parishes with Play Areas – Ilton'.

Community Infrastructure Levy (CIL)

18. Community Infrastructure Levy (CIL) is a tax on new developments designed to pay for infrastructure that supports growth. For SSDC this has been defined as: transport, defences, schools, hospital and other health and social care facilities. This definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, district heating schemes and police stations and other community safety facilities.
19. This flexibility gives local areas the opportunity to choose what infrastructure they need in order to deliver their Local Plan. Parish and Town Councils will receive 15% of all CIL received within their administrative boundary. This rises to 25% if the town or parish has made a 'Neighborhood Plan'.
20. SSDC also receive a 5% administration fee to fund the CIL case officer post. Table 5 below shows the amounts received and balance held on 31st December 2020.

Table 5 – Community Infrastructure Levy (CIL) balance held on 31st December 2020

	£'000
CIL Deposits	803
Less 15% / 25% to Parishes	-125
Less 5% Administration Fee	-40
Balance of CIL held by SSDC	638

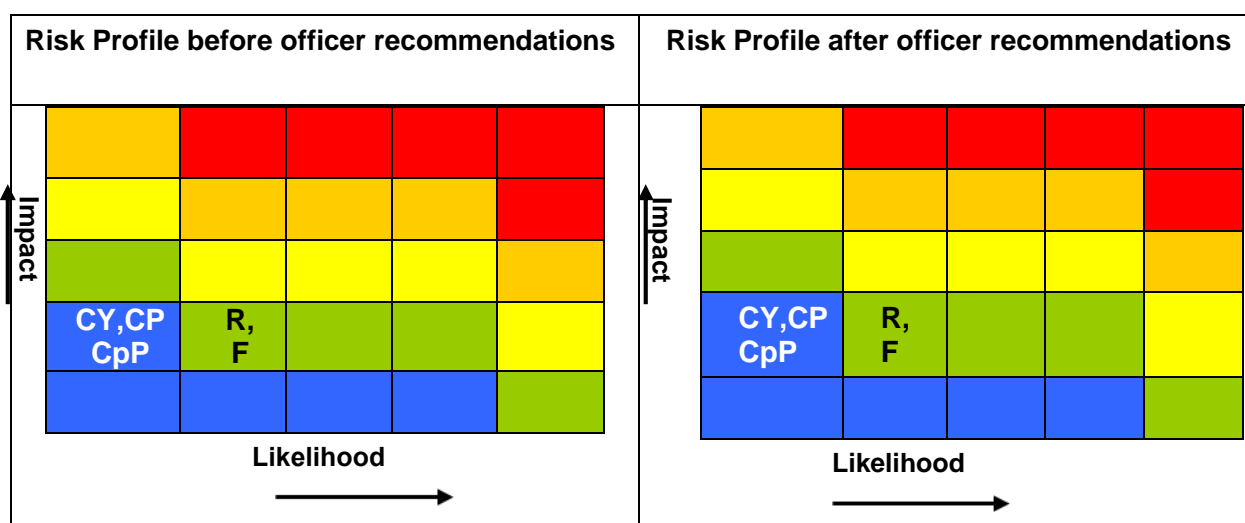
Wessex Home Improvement Loans (WHIL)

21. WHIL works in partnership with the Council to provide finance to homeowners for essential maintenance and improvement works to their property. Loans are increasingly replacing grants allowing the Council to re-circulate funds.
22. The District Executive previously agreed a loan (outside the original policy) for Wessex Home Improvement Loans (Wessex Resolutions CIC) to provide a loan of £200,000 to Somerset Care and Repair Ltd at a 4.5% fixed interest rate, with capital and interest being repayable over 15 years. This loan will contribute towards completing the conversion of the Milford Inn, Yeovil into six flats, and to enable the building of three housing units in the grounds. All of the £200,000 has now been drawn-down and the conversion of Milford Inn has now been finished.
23. The Council has £672,988 of capital invested with WHIL. As at the end of December 2020 there was £497,789 on the loan book and £175,199 as available capital.

Financial Implications

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

Risk Matrix



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

Council Plan Implications

25. The budget is closely linked to the Council Plan and any capital bids are scored accordingly.

Carbon Emissions and Climate Change Implications

26. There are no specific implications in these proposals.

Equality and Diversity Implications

27. There are no specific implications in these proposals.

Privacy Impact Assessment

28. There is no personal information included within this report.

Background Papers

29. Capital Programme Budget report to Council in February 2020.

CAPITAL PROGRAMME GROSS EXPENDITURE 2020/21 - 2024/25

Scheme	Original Approval Date	Current Approved Budget £000s	Spend in Previous Years £000s	2020/21 Estimated Spend £000s	2020/21 Actual Spend to 30 June 2020 £000s	2020/21 Projected Further Spend £000s	Future Years Estimated Spend £000s	Total Forecast Project Spend £000s	Forecast Underspend (-) / Overspend £000s	Forecast Underspend (-) / Overspend %	Project Officer	Comments
STRATEGIC MANAGEMENT												
Chief Executive - Alex Parmley												
Portfolio Holder - Cllr Val Keitch												
Transformation	Mar-16	2,728	2,689	39	39	0	0	2,728	0	0%	N Hix	Remaining spend largely related to final transitional resources. Close budget monitoring will continue by the future state board and the updates provided to DX. Spend expected to be under remaining Transformation reserve funding.
Subtotal for Strategic Management		2,728	2,689	39	39	0	0	2,728	0			
COMMERCIAL SERVICES & INCOME GENERATION												
Director - Clare Pestell												
ARTS AND ENTERTAINMENT												
Service Manager - Adam Burgen												
Portfolio Holder - Cllr Mike Best												
Westland Entertainment Venue Loan	Oct-15	0	0	0	0	0	0	0	0	0%	N Hix	Internal loan repayments being made in line with original agreement.
Westlands Building Improvement Works	Feb-20	800	0	42	42	0	758	800	0	0%	R Orrett	£125k spend in Q1-2 of 21/22. All other spend on hold
Upgrade Joanna France Building	Feb-16	27	0	27	0	27	0	27	0	0%	K Munday	Lease nearing completion and final stages of work to be arranged by Club. Works to take place in Q4 20/21 to be completed before start of the athletics season.
ENVIRONMENTAL SERVICES												
STREETSCENE												
Service Manager - Chris Cooper												
Portfolio Holder - Cllr Sarah Dyke												
Comman UTV Full Cab & Snowblade	Aug-20	17	0	17	17	-0	0	17	0	0%	C Cooper	Vehicle now purchased. Internally funded.
Ford Transit 350 L2 RWD	Aug-20	20	0	20	20	-0	0	20	0	0%	C Cooper	Vehicle now purchased. Internally funded.
CULTURE, RECREATION & TOURISM												
COUNTRYSIDE												
Service Manager - Katy Munday												
Portfolio Holder - Cllr Mike Best												
Yeovil Riverside Park Planting Scheme	Jan-00	23	17	0	0	0	6	23	0	0%	R Whites	Covid-19 has postponed previous spending plans until Spring/Summer 2021.
Ninesprings Café Extension	Feb-19	3	2	1	0	1	0	3	0	0%	K Munday	Scheme postponed and funding moved to J O'Donnell upgrade project.
Works to Chard Reservoir Dam & Outlets	Feb-20	18	0	0	0	0	18	18	0	0%	K Munday	Contractors appointed to start works but unable to start due to lockdowns. Work now delayed into 21/22.
Installation of PV Panels on Ninesprings Café	Feb-20	10	0	2	2	0	8	10	0	0%	K Munday	Awaiting outcome of Decarbonisation bid to assess energy saving measures across entire SSDC portfolio. Works will commence in Spring 2021 in line with wider SDC programme.
YEovil REC												
Service Manager - Katy Munday												
Portfolio Holder - Cllr Mike Best												
Yeovil Rec - J O'Donnell Pavilion upgrade	Feb-19	200	5	25	7	18	170	200	0	0%	K Munday	Project has anticipated start date of Feb 2021, to be completed in two phases with opening expected mid-June 2021. Extra grant income secured and being drawn down January and Feb 2021.
Installation of PV Panels on J O'Donnell Pavilion	Feb-20	30	0	0	0	0	30	30	0	0%	K Munday	Linked to Yeovil Rec Pavilion upgrade delivery timescales. Will take place during main construction phase.
Battery Storage or LED Bulbs at Yeovil Rec	Feb-20	10	0	0	0	0	10	10	0	0%	K Munday	
PROPERTY, LAND & DEVELOPMENT												
ENGINEERING AND PROPERTY SERVICES												
Service Manager - Robert Orrett												
Portfolio Holder - Cllr John Clark												
Commercial Loan	Jul-17	25,220	14,517	10,703	10,703	0	0	25,220	0	0%	N Hix	Loans made in line with agreed loan schedules – progress on individual projects linked to these reported within quarterly Investment Asset update reports to Executive.
Investment in Land, Property & Renewables	Oct-19	74,681	73,739	262	246	16	680	74,681	0	0%	B Fisher	Property purchases, renovations and constructions continuing as planned.
Yeovil Innovation Centre - 1st Floor Fit-Out	May-19	320	299	21	0	21	0	320	0	0%	P Bigginden	Remaining budget should be spent by end of Q4 20/21.
Yeovil Innovation Centre - Car Park Extension	Feb-20	94	0	94	78	16	0	94	0	0%	J Divall	Costs are fully expected to be spent in 20/21.
Car Park Enhancements	Feb-17	235	207	0	0	0	28	235	0	0%	I Case	Further expenditure to be deferred until 21/22.
New Car Parks	Feb-08	810	570	40	23	17	200	810	0	0%	I Case	Costs are fully expected to be spent in Q1 21/22.
Electric Vehicle Charge Points	Jan-19	90	90	0	0	0	0	90	0	0%	I Case	Works complete and grant funding from Highways England received.
Car Park Improvement Works	Feb-20	310	0	0	0	0	310	310	0	0%	I Case	Further expenditure to be deferred until 21/22.
Enhancement to SDC Bldgs	Feb-16	559	388	0	0	0	171	559	0	0%	P Bigginden	Further expenditure to be deferred until 21/22
Brympton Way Building Improvement Works	Feb-20	105	0	21	21	-0	84	105	0	0%	P Bigginden	Further expenditure to be deferred until 21/22

Capital Works to Council Portfolio	Feb-19	139	7	0	0	0	132	139	0	0%	R Orrett	Further expenditure to be deferred until 21/22.
Land Drainage Maintenance Improvements	Feb-20	25	0	0	0	0	25	25	0	0%	I Case	This will be pushed into 21/22 as the work needs to be done in dryer months.
District Wide CCTV Contribution to new system	Feb-20	25	0	25	0	25	0	25	0	0%	I Case	SDCs tender likely to be received in Q3 20/21 so anticipate the spend being complete in 20/21.
Birchfield Leachate Pumping Station	Feb-20	45	0	30	0	30	15	45	0	0%	I Case	Once the waiver is agreed then £30k will be spent 20/21. The remainder in 21/22.
DELETTI EV Charger Project	Jul-20	250	0	0	0	0	250	250	0	0%	I Divall	SSDC have put forward 25 sites for installations out to tender. All installations to be completed by December 2021 at the latest.
Yeovil Crematorium 5 year plan	Feb-16	686	680	6	3	3	0	686	0	0%	P Biggenden	Remaining budget expected to be spent by end of Q4 20/21.
Confidential Scheme	Jul-17	4,100	896	185	185	-0	3,019	4,100	0	0%	P Biggenden	Main project to start March/April 2020
Petters Way Refurbishment	Jun-18	250	222	28	2	26	0	250	0	0%	P Biggenden	Further expenditure on hold at present time.
Subtotal for Commercial Services & Income Generation		109,102	91,639	11,549	11,350	199	5,914	109,102	0			
SERVICE DELIVERY												
Director - Martin Woods												
SERVICE DELIVERY FUNCTIONS												
ENVIRONMENTAL HEALTH												
Service Manager - Helen Morris												
Portfolio Holder - Cllr Sarah Dyke												
Disabled Facilities Grants	Apr-19	13,733	12,494	1,239	769	470	0	13,733	0	0%	V Dawson	Expenditure still down on target due to COVID restrictions. Additional resource was put in place to try and increase capacity to process DFGs however further COVID restrictions will cause an underspend.
Empty Property Grants	May-19	1,324	1,251	73	0	73	0	1,324	0	0%	V Dawson	Expenditure is still below target due to COVID restrictions so an underspend predicted. Unable to yet release much resource to this area of work so activity still low. Revised grant policy due to DX in March should allow better use of this allocation in 21/22.
Home Repairs Assistance	Jun-19	1,482	1,374	108	12	96	0	1,482	0	0%	V Dawson	
HMO Grants	Jul-19	781	706	75	18	57	0	781	0	0%	V Dawson	
ECONOMIC DEVELOPMENT												
Service Manager - Helen Morris												
Portfolio Holder - Cllr John Clark												
Yeovil Innovation Centre Phase II	Feb-16	1,747	1,730	17	2	15	0	1,747	0	0%	P Biggenden	Remaining budget to be spent by end of Q4 20/21.
HOUSING												
Service Manager - Helen Morris												
Portfolio Holder - Cllr Val Keitch												
Affordable Housing - North Street, Crewkerne	Sep-16	1,040	780	0	0	0	260	1,040	0	0%	J Calvert	Drainage issues now rectified - Phase 2 due to complete April 2023
Affordable Housing - West End Close, South Petherton (Stonewater)	Nov-17	290	218	72	73	-1	0	290	0	0%	J Calvert	Finished Phase 1. Balance returned to reserves.
Affordable Housing - 4 Properties Chard Working Mens Club (Stonewater)	May-17	216	162	0	0	0	54	216	0	0%	J Calvert	Scheme now progressing well with completion set for Sept 2021.
Affordable Housing - Refurbishment of SSDC owned property	Mar-19	53	0	53	53	0	0	53	0	0%	J Calvert	Completed. Unspent funds returned to reserve.
Barnabus House	Dec-20	45	0	45	23	23	0	45	0	0%	Alice Knight	Works fully funded through MHCLG grant. Final grant payment and works due to complete Q4 20/21.
LOCALITIES												
AREA NORTH												
Service Manager - Tim Cook												
Area Chairman - Cllr Adam Dance												
Area North Committee Allocation		92	17	75	60	16	0	92	0	0%	T Cook	Updates reported to Area Committee.
AREA SOUTH												
Service Manager - Tim Cook												
Area Chairman - Cllr Peter Gubbins												
Area South Committee Allocation		166	0	166	6	160	0	166	0	0%	T Cook	Updates reported to Area Committee.
AREA EAST												
Service Manager - Tim Cook												
Area Chairman - Cllr Henry Hobhouse												
Area East Committee Allocation		42	5	37	0	37	0	42	0	0%	T Cook	Updates reported to Area Committee.
AREA WEST												
Service Manager - Tim Cook												
Area Chairman - Cllr Jason Baker												
Area West Committee Allocation		107	0	55	5	50	52	107	0	0%	T Cook	Updates reported to Area Committee.
LOCALITY (PHW)												
Service Manager - Tim Cook												
Portfolio Holder - Cllr Mike Best												
Grants for Parishes with Play Area - Curry Rivel	S106	22	20	2	2	-0	0	22	0	0%	S Barnes	Project complete.
Grants for Parishes with Play Area - Ilton	S106	17	0	17	17	0	0	17	0	0%	S Barnes	Project complete.
Grant for Youth Facilities	Qtr 3 14/15	5	0	0	0	0	5	5	0	0%	S Barnes	Broadway and Horton exploring project options.
Wyndham Park Play Area Equipment	S106	147	79	27	27	0	41	147	0	0%	S Barnes	Play Area climbing frame installed and being used. Other play equipment will be sourced following a public consultation.
Jarman Way, Chard - Play Area Equipment	S106	42	14	0	0	0	28	42	0	0%	S Barnes	Ongoing tender and consultation work being undertaken.

Snowden Park Play Area Equipment, Chard	S106	69	66	0	0	0	3	69	-3	-4%	S Barnes	Project complete.
Harbin Fields, Yeovil - Play Area Equipment	S106	44	44	0	0	0	0	44	0	0%	S Barnes	Project complete. Remaining budget has been transferred to Wyndham Park.
Montacute - Play Area Equipment	S106	6	0	6	6	0	0	6	0	0%	S Barnes	Project complete.
Ilminster Recreation Ground	S106	44	0	0	0	0	44	44	0	0%	S Barnes	Work started and ongoing with a completion date of Summer 2021
Old Kelways Play Area, Langport	S106	54	41	0	0	0	13	54	0	0%	S Barnes	Project ongoing.
Flagship Play Area	Feb-18	142	111	6	6	-0	25	142	0	0%	S Barnes	Work to 2 more towers to start in Feb 2021 and be completed by Spring 2021.
Grant to Milborne Port Rec	Mar-14	136	36	100	1	99	0	136	0	0%	S Barnes	Project in planning stage.
Langport Memorial Ground New Changing Facilities	S106	7	3	0	0	0	4	7	0	0%	S Barnes	Work with local community yet to be undertaken.
Grant to Donald Pither Memorial Ground	S106	0	0	0	22	-22	0	0	0	0%	S Barnes	Project ongoing, Officers currently redeployed to Covid Vaccination Hubs.
Renewal of Skate Park provision in Area South	Feb-20	340	0	0	0	0	340	340	0	0%	R Parr	Working with SDC Procurement Specialist, with plans to establish a select list of companies that will be invited to tender for skate park design and construction. The plan is to construct the first skate park early in 21/22.
Huish Episcopi Swimming Pool	Apr-16 /Aug-17	509	438	71	0	71	0	509	0	0%	L Pincombe	No further claim can be made until more S106 money available.
Forton Playing Pitches, Chard	S106	85	0	0	0	0	85	85	0	0%	L Pincombe	It was hoped that completion would have taken place by the end of Q4 but the legals have proved difficult to reach an agreement on. This project will slip to 21/22.
Holyrood Sports Hall	S106	17	14	3	3	-0	0	17	0	0%	L Pincombe	Project complete.
Ilminster Cricket Club	S106	52	17	0	0	0	35	52	0	0%	D Haines	ICC have had architects drawings produced for the new pavilion and are now obtaining professional cost estimates to determine an overall project cost. Planning permission has now been granted for the pavilion
Caryford Community Hall	S106	21	0	0	0	0	21	21	0	0%	D Haines	A new CIO was registered for the charity with the Charity Commission on 23 December. The group is now preparing for the transfer of assets and liabilities.
Sparkford Cricket Club	S106	12	9	3	4	-1	0	12	0	0%	D Haines	Planning permission granted November 2019. Feasibility stage funding project completed
South Petherton Cricket Club	S106	34	29	0	0	0	5	34	0	0%	D Haines	At the request of the Assistant Parish Clerk, no further progress meetings have been held as due to staffing capacity issues they could not support this project development at this time.
COMMUNITIES												
Service Manager - Tim Cook												
Portfolio Holder - Cllr Val Keitch												
Enhancements to Waterside Rd, Wincanton	Feb-08	31	28	3	0	3	0	31	0	0%	T Cook	To be transferred to WTC in 20/21.
Subtotal for Service Delivery		22,954	19,685	2,253	1,106	1,147	1,015	22,954	-3			
PLACE												
Director - Martin Woods												
REGENERATION												
Regeneration												
Service Manager - Natalie Fortt												
Portfolio Holders - Cllr Jason Baker, Cllr Peter Gubbins, Cllr Tony Hobhouse												
Chard Regeneration	Jan-19	16,409	2,148	8,305	5,270	3,035	5,956	16,409	0	0%	N Fortt	Allocation is fully expected to be spent in 20/21.
Yeovil Refresh	Jan-19	2,500	479	525	184	341	1,496	2,500	0	0%	N Fortt	The Westminster Street works have been delayed due to Covid, so while the work will commence in this year, it is likely that the majority of the £800K will be invoiced in 21/22.
Wincanton Regeneration	Dec-19	2,000	0	140	0	140	1,860	2,000	0	0%	N Fortt	Allocation of £140K is likely to be spent in this financial year
Subtotal for Place		20,909	2,627	8,970	5,455	3,515	9,312	20,909	0			
STRATEGY & COMMISSIONING												
Director - Kirsty Larkins												
STRATEGIC PLANNING												
Service Manager - Peter Paddon												
GOLDENSTONES												
Portfolio Holder - Cllr Mike Best												
Goldenstones 10 Yr Plan Changing Rm's Refurbishment	Mar-17	285	249	0	0	0	36	285	0	0%	L Pincombe	Funding is required for essential maintenance but has not been spent due to Property team capacity. Maintenance will pass to the new leisure operator from April 2021 whereupon this capital will be fully utilised.
Goldenstones Sports Centre - 10 Yr Maintenance Plan	Feb-19	440	0	0	0	0	440	440	0	0%	L Pincombe	
SPORT FACILITIES												
Portfolio Holder - Cllr Mike Best												
Wincanton Community Sports Centre 10 year plan	Sep-12	178	136	0	0	0	42	178	0	0%	L Pincombe	Funding is required for essential maintenance but has not been spent due to Property team capacity. Maintenance will pass to the new leisure operator from April 2021 whereupon this capital will be fully utilised.
Wincanton Sports Centre - 10 Year Maintenance Plan	Feb-19	476	0	0	0	0	476	476	0	0%	L Pincombe	
PLANNING/SPATIAL POLICY												
Portfolio Holder - Cllr Tony Lock												
Lyde Road Pedestrian & Cycle Way, Yeovil	Feb-17	250	0	0	0	0	250	250	0	0%	Natalie Fortt	Capital Bid being submitted to extend this project. Funds to be spent in 2021/22.
Total for Strategy & Commissioning		1,629	385	0	0	0	1,244	1,629	0			

SUPPORT SERVICES												
Director - Nicola Hix												
SUPPORT SERVICES FUNCTIONS												
FINANCIAL SERVICES												
Lead Specialist - Nicola Hix/Paul Matravers												
Portfolio Holder - Cllr Peter Seib												
Capital Salaries		3,031	3,031	0	0	0	0	3,031	0	0%	N Hix	Allocation of budget will be made in line with time spent on various capital projects.
Loan to Somerset Waste Partnership - Repayment (1)	Oct-14	0	0	0	0	0	0	0	0	0%	N Hix	Loan repayments being made as agreed.
Loan to Somerset Waste Partnership for Vehicles (2)	Feb-17	5,000	4,125	0	0	0	875	5,000	0	0%	N Hix	Second draw down of loan will be 21/22.
Loan to Somerset Waste Partnership - Repayment (2)	Feb-17	0	0	0	0	0	0	0	0	0%	N Hix	
Loan to Hinton St George Shop - Repayment	Oct-15	0	0	0	0	0	0	0	0	0%	N Hix	Loan repayments being made as agreed.
Loan to Elleston	Jan-00	132	132	0	0	0	0	132	0	0%	N Hix	Interest only repayments for 20/21, with principal repayments due 21/22 in line with loan agreement.
ICT SERVICES												
Lead Specialist - Toffer Beattie												
Portfolio Holder - Cllr Peter Seib												
E5 Upgrade	Feb-19	99	0	36	23	13	63	99	0	0%	T Beattie	Implementation to be completed June/July 2021. This may be impacted by current COVID restrictions and/or staff availability.
Firewalls & Security	Feb-19	25	6	19	0	19	0	25	0	0%	T Beattie	Costs expected to be spent 20/21.
RPA Pilot	Dec-20	54	0	54	0	54	0	54	1	100%	T Beattie	Invoice Received December 2020.
Omni-Channel Telephony	Oct-20	10	0	10	0	10	0	10	0	100%	T Beattie	Project due to go live 12/01/21 - Invoice will be received on completion of Implementation.
Total for Support Services		8,351	7,294	119	23	96	938	8,351	1			
Total Gross Capital Programme		165,673	124,319	22,930		17,972	4,958	18,423	165,673	-2		
											41,353	

CAPITAL PROGRAMME FUNDING 2020/21-2024/25

Funding	£000s
Internal Grants & Contributions - Assets	350
Internal Grants & Contributions - REFCUS	1,657
Capital Receipts	12,663
Capital Fund	2,402
Internal Borrowing Reserve	37
Externally Borrowed not Usable Capital Receipts	24,244
Total Capital Programme Financing	41,353

REFCUS = Revenue Expenditure Funded by Capital Under Statute. This is expenditure on assets not owned by the authority e.g. parish play areas funded through S106.

RESERVE SCHEMES APPROVED IN PRINCIPLE

Scheme	Original Date of Project Approval	Previous Year's Spend £000s	2019/20 Est Spend £000s	Actual Spend to 30 June 2019 £000s	Future Est Spend £000s
Wyndham Park Community Facilities	Mar-17	0	0	0	400
Market Towns Vision	Feb-06	377	0	0	345
Investment in Land, Property & Renewables		0	0	0	50,099
Gas Control System - Birchfield	Feb-13	130	0	0	440
Affordable Housing - Unallocated	Feb-14	0	0	0	1,863
Affordable Housing - Rural Contingency Fund	Sep-16	0	0	0	500
Affordable Housing - Bought not Built Allocation		0	0	0	201
Affordable Housing - Mortgage Rescue Contingency Fund		0	0	0	277
Investment in Market Housing	Feb-15	0	0	0	1,931
Disabled Facilities Grant		0	0	0	1,701
ICT Replacement		0	0	0	54
Transformation	Mar-16	0	0	0	22
Contingency for Plant Failure		0	0	0	174
Home Farm, Somerton		0	0	0	298
Lufton 2000, Yeovil - All Phases	Apr-99	1,280	0	0	240
Gypsy & Traveller Acquisition Fund	Feb-09	17	0	0	133
Infrastructure & Park Homes Contingency	Sep-09	0	0	0	91
Total Reserve Schemes Approved in Principle		1,804	0	0	58,769

AREA CAPITAL PROGRAMME

Scheme	2020/21 Est Spend £000s	Actual Spend to 30 June 2020 £000s	Future Est Spend £000s	Total Forecast Spend £000s
North	75	60	120	195
South	166	6	123	289
East	37	0	55	93
West	55	5	121	176
Total	333	71	420	753

Scheme	2020/21 Est Spend £000s	Actual Spend to 30 June 2020 £000s	Future Est Spend £000s	Total Forecast Spend £000s
Capital Programme	22,930	17,972	18,423	41,353
Contingent Liabilities and Reserve Schemes	333	71	59,189	59,522
Total Capital Programme to be Financed	23,264	18,043	77,612	100,875

Projects agreed before August 2016

The table below highlights the schemes agreed before August 2016, and provides a reason for the delay in their progression. Members are asked to confirm their approval for the project to stay in the capital programme.

Project	Date Funding Agreed	Original Budget £'000	Remaining Budget £'000	Reason for Delay (Update from Officer)	Risks of not retaining funding (Update from Officer)
Upgrade Joanna France Building	Feb 16	27	27	Partner athletics club was securing their funding package and also changing their legal status as organisation. This work is now complete. Lease nearing completion and final stages of work to be arranged by Club. Works to take place in Feb and March 2021 to be completed before start of athletics season.	Building becomes unsuitable and/or unsafe for club and visitor use and entire athletics facility suffers. Income at athletics arena suffers due to lack of facilities & bookings. Building fails to comply with access requirements. Athletes and site users do not have appropriate space to train.
Yeovil Innovation Centre Phase II	Feb 16	1,747	15	Construction completed September 2018, retention paid in September 2019. Minor remaining funds to be spent on a new bicycle shed alongside new car park installation.	LEP contribution of 25% will have to be repaid pro-rata with any unspent budget. All money will be spent by end of 2020/21.
Land Acquisition & Enhancements at Waterside Road	Feb 08	35	3	Acquisition of land was delayed, land now acquired. Liaising about transfer to Wincanton Town Council.	Tree management scheme complete, car park enhancement works complete. Transfer of land to WTC expected in 20/21.
New Car Parks	Feb 08	810	217	The majority of the scheme has been delivered in previous years. With the remaining element there have been delays with obtaining planning consent and also releasing the legal covenant. This is now resolved and funds are fully expected to be spent by end of Q1 21/22.	There has been significant expenditure to purchase the land. This funding is required to finish construction of this car park. Without it the site would remain unusable.

Project	Date Funding Agreed	Original Budget £'000	Remaining Budget £'000	Reason for Delay (Update from Officer)	Risks of not retaining funding (Update from Officer)
Wincanton Community Sports Centre 10 year plan	Sep 12	178	42	New 10 year plans for our sports facilities were completed during 2018 and highlight that this money is still required. Funding is required for essential maintenance but has not been spent due to Property team capacity. Maintenance will pass to the new leisure operator from April 2021 whereupon this capital will be fully utilised.	This budget has been agreed to be provided to the new leisure operator and has been factored into all 4 tenders submitted. Removing this funding before a contract with the new operator is signed will delay the tender process and could result in potential operators pulling out.



Planning and Phosphates – Adoption of a Phosphate Load Calculator

Executive Portfolio Holder:	Councillor Tony Lock
Ward Member(s)	All
Strategic Director:	Netta Meadows, Director (Service Delivery)
Lead Officer:	Barry James, Interim Lead Specialist (Planning)
Contact Details:	Barry.James@southsomerset.gov.uk

Purpose of the Report

1. This report provides a summary of the current situation with regard to phosphates within the Somerset Levels and Moors catchment area, and also asks the District Executive to approve the use of a phosphate budget calculator which has been commissioned for use by all the Somerset Councils.

Forward Plan

2. This item is not on the Forward Plan but is brought to this meeting due to the urgency of needing to put a phosphate load calculator into use to assess current and future planning applications.

Public Interest

3. Currently applications that are impacted by the phosphates situation within the Somerset Levels and Moors catchment are on hold until we are able to understand their impact and conduct an appropriate assessment. This means these applications are not going to be determined positively until we are able to assess developments and source suitable mitigations/offsetting measures.
4. There is a great deal of uncertainty for developers, agents, applicants, landowners and communities. By putting a phosphate load calculator in place we will be able to understand the level of phosphates generated from developments (the phosphate load or budget), which will need to be offset/mitigated if the development is to be granted planning permission. This means we are in a position to undertake an appropriate assessment and progress to a position to being able to determine applications positively.

Recommendations

5. The District Executive is asked to:
 - a) Note the update on the latest situation with regard to phosphates within the Somerset Levels and Moors catchment area.



South Somerset District Council

- b) Agree that the Council adopts a position that the phosphate load budget calculator is our preferred method to assess the potential impact of developments sites affected.

Background

6. In August the Council received a letter from Natural England stating that phosphates levels within the Somerset Levels catchment had rendered the protected sites on the Levels and Moors to be in an unsatisfactory condition. As a result Natural England indicated that the scope for the local planning authority to grant planning permission for further developments – the details of which are noted in the bullet points below – was limited.
7. The developments caught by this situation are:
 - New residential units – including tourist accommodation, gypsy sites /pitches
 - Agricultural Development – additional barns, slurry stores etc. where it is likely to lead to an increase in herd size
 - Prior Notifications of agricultural development where, as a result of the development, the herd size may increase. Also, prior notifications for change of use of office to dwellings and agricultural buildings to dwellings
 - Anaerobic Digesters
 - Possibly some tourism attractions
8. The catchment area affected covers a large area of Somerset and has led to around 11,000 dwellings being caught in the planning system across the county, which has obvious impacts on the Council's ability to meet the demand for housing delivery and to maintain the five-year housing land supply.
9. The relevant planning applications need to have an appropriate assessment produced under the Conservation of Habitats and Species Regulations 2017. As the competent authority, the Council is responsible for this process. This situation affects outline, full and reserved matters applications of the types of development that could increase phosphates within the catchment (as noted in 5.2 above).
10. The Council website has more information:

<https://www.southsomerset.gov.uk/services/planning/somerset-levels-and-phosphates/>
11. The Councils in Somerset have been working hard to find a resolution to this situation. The main activities, either planned or ongoing are noted below:
 - Development Management and Policy Groups have been set up with representatives across the Councils to ensure consistency and a collective approach to issues and finding solutions.



South Somerset District Council

- The Leaders of Somerset have written to the relevant Ministers to bring the matter to their attention and to ask for funding to help find a solution.
- The Ministry of Housing, Communities and Local Government has provided the Councils £105,000 which will pay for the phosphate load calculator and ecological support.
- The procurement process for the Somerset Nutrients Strategy is in train (it was intended to go out to tender in 2020 however for various reasons this was not possible) and will provide a framework for the planning system. The closing date for submissions of interest is the 11th February, with an award of contract expected by early March. It is anticipated the work should be completed by the Autumn 2021.
- Agents and Applicants have been informed of the situation (direct emails have been sent plus there was an Agents Forum in early December 2020) and have been asked to agree extensions of time to applications whilst we work through the issues.
- A catchment credits/trading scheme is to be set up which will enable developers to buy credits for their development as a means of offsetting the impact of their development. An arm of Wessex Water, EnTrade, has presented to the Councils and other agencies the way this could work. They are currently seeking expressions of interest from landowners that are amenable to offsetting their land for this purpose. If there is sufficient interest, they may be able to bring nutrient credits to an online market by May 2021.
- In order to provide direct assistance to officers and applicants in the district South Somerset is recruiting an ecologist, with interviews due in late January.

12. To enable the Council to determine applications the key issues are therefore:

- The ability to assess the likely phosphate budget of each development – the phosphate-load calculator is a key element of this work.
- Capacity to produce appropriate assessments for each application - the impending appointment of an ecologist will help us do this.
- Suitable availability of measures to offset/mitigate the impacts identified – the developers will hopefully present a solution for each application once they know what the phosphate impact of their development is. Otherwise they will need to access the catchment credit market, which as noted above may not be available until May.
- Appropriate conditions/legal agreements when determining planning applications to ensure the offsetting/mitigation requirements are in place in perpetuity – work is ongoing to formulate appropriate wording that will provide suitable control.

13. Royal Haskoning has been commissioned by the Councils to produce a phosphate load budget calculator. A briefing has been offered to all Members to give an overview of how the calculator works. The calculator provides a transparent process, allowing the existing characteristics of a site to be assessed and its current



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phosphates contribution, then the likely impacts of the proposed development can be assessed, so that we are clear on any additional phosphate load that it will create. The tool takes a precautionary approach, and has been developed to assess all manner of land uses and development proposals to give a likely phosphate output from the site, measured in kilograms. The method of waste treatment, either from a package plant or via mains sewerage, will also affect the result and the calculator makes provision for both (going down to the particular characteristics of each local waste water treatment works).

14. The calculator also allows the user to input various mitigation land uses/options, e.g. wetland, woodland, green space, which will then reduce the phosphate impact of a development so that it gets to the point of being “nutrient neutral”. It is at that point that the Council, as the “competent authority” and decision maker, is able to issue permission for developments if all other planning matters are suitably resolved.
15. The calculator comes in spreadsheet form and it is possible for the Council to put it on the website for developers/agents to use. It has been submitted to Natural England for official endorsement. It is prudent for each Council to formally make a decision to adopt the calculator for use, in case of any challenge.
16. Trials of actual development sites have been put through the calculator, and have provided phosphate levels for the developments. The data used in these trials has resulted in significant offset requirements. Whilst the base data may be subject to further discussion the calculator itself, as a method of assessing each application, is a sound and effective tool.
17. Whilst we cannot enforce applicants to use this calculator, it is the preferred method of calculating the impact and mitigations of developments across Somerset, it adheres to a strict criteria based on sound scientific research.

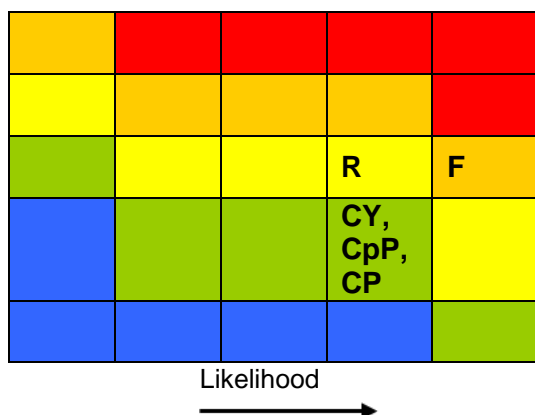
Financial Implications

18. The inability to deliver planning decisions for applications caught by the current situation creates potential problems for the Council, developers and landowners. Delays in issuing decisions could result in applicants asking for their fees to be returned if the Council has held the application for over 26 weeks. For landowners, the situation can delay sale of land (activities on the land may be on hold with the prospect of future development). For developers – in particular small and medium size businesses – the delay caused by the situation can be extremely serious for a number of reasons but all of them will come down to financial impacts. In some cases the ability of developers to survive the delay could be brought into question, let alone a difficulty in finding suitable mitigation.
19. The Council needs to therefore drive forward with sorting this situation out, and implementing a calculator is an important step forward. The Council will continue to keep agents and applicants informed and an Agents Forum if planned for February. It is important that the Council continues to work with all involved in the development process through this difficult time given the potential financial impacts.

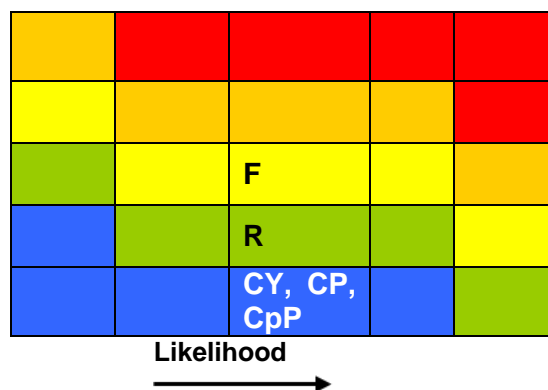
Risk Matrix

20. The risk matrix shows risk relating to the Corporate Plan headings. It is considered that the risk involved is low; by speeding up the process and improving the amount of development types that can be determined via delegated powers potential risks to the Council reduces.

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

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

Council Plan Implications

21. Protecting Core Services- • Deliver a high quality, effective and timely service to our customers and communities.

Carbon Emissions and Climate Change Implications

22. There are environmental and climate change implications of phosphates within the catchment and the consequent impact upon the protected areas on the Somerset Levels and Moors. By reducing the level of phosphates entering the system the chance of eutrophication, meaning reduced oxygen in the water system.

Equality and Diversity Implications

23. None



Privacy Impact Assessment

24. There are no privacy impact implications

Background Papers

There are no background papers but additional information on the Council website is available here:

- <https://www.southsomerset.gov.uk/services/planning/somerset-levels-and-phosphates/>
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Planning Reimagined - Changes to the Scheme of Delegation to Increase Efficiency of the Planning Service

Executive Portfolio Holder: Tony Lock
Ward Member(s) All
Strategic Director: Netta Meadows, Director (Service Delivery)
Lead Officer: Barry James, Interim Lead Specialist (Planning)
Contact Details: Barry.James@southsomerset.gov.uk

Purpose of the Report

1. The purpose of the report is to set out the proposed changes to the Scheme of Delegation in relation to planning applications

Forward Plan

2. This report appeared on the forward plan with an anticipated date of February 2021.

Public Interest

3. This report details how it is proposed that the Council's Scheme of Delegation is updated to reflect the cross-party Member's recommendations through the Planning Reimagined workshops.
4. The proposed changes will lead to benefits to the participants in the planning service, a larger number of application types will be delegated to officers, helping the planning service deliver decisions more efficiently on cases which are less likely to be controversial and contentious. The Area Committees will focus on more significant development proposals.

Recommendations

5. The District Executive is asked to:
 - a) agree the recommended changes to the Scheme of Delegation, in accordance with the recommendation of the Planning Reimagined Members working group.
 - b) And that the resolution of the District Executive be reported to Full Council at the next available meeting to approve and authorise the change to the Scheme of Delegation.

Background

6. The Council is a Local Planning Authority with responsibility for determining a range of planning applications. The majority of planning decisions are made using delegated powers. The more significant, contentious or controversial applications are referred to the relevant Committee/s for determination. The Local Member(s) have an active part to play in the process of referral.
7. When an application is referred to Committee it puts in place a process which is resource intensive. It is important that decisions are made at the appropriate level using the Area Committees or delegated. Largely this is within the gift of the Council to decide, hence the Constitution of the Council including a Scheme of Delegation.
8. A cross party Members working group (Planning Reimagined) was set up to support improvement within the Planning Service. The Group consisted of the following members:

Val Keitch (Leader of the Council)
 Tony Lock (Portfolio Holder for protecting core services)
 Peter Gubbins (Chair of Area South and Regulation Committee)
 Adam Dance (Chair of Area North)
 Linda Vijeh (Conservative Group Leader)
 Neil Bloomfield
 Nick Colbert
 Jenny Kenton
 Andy Soughton
 Mike Stanton
 Martin Wale
 Colin Winder, who was later substituted for by Sue Weeks

9. The Planning Reimagined group looked at a number of elements of the planning service with a view to making it more efficient and effective. The output from the group was an action plan with a series of tasks, all focussed on improving the service. This paper address two of the tasks from the action plan. An extract from the plan is shown below

NUMBER	PROPOSAL	RECOMMENDATIONS FROM PLANNING REIMAGINED GROUP	PURPOSE	TIMESCALE
8	Planning Committees	Applications marked as two-star go straight to regulation committee	To reduce applications being considered twice and manage the expectations of the public.	November 2020 (Lead Specialist to speak to Area Chairs)
10	Scheme of delegation	Revise the scheme of delegation. To remove the need for householder	Speed up the processing of householder applications and	January 2021

		application to go to Area Committee	reduce the time spent at Area Committee's for officers	
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10. During the discussion at the Planning Reimagined Workshop Members agreed that a recommendation would be made to change the Scheme of Delegation to specify that the following types of applications would be dealt with under delegated powers:

- Householder applications
- Listed Building Consent

Other types of applications/notifications were also discussed:

- Non-Material Amendments to existing applications – this decision is already delegated to the Lead Specialist for Planning (Part 3, paragraph 161, of the Constitution).
- Discharge of Conditions – this decision is already delegated to the Lead Specialist for Planning (Part 3, paragraph 168, of the Constitution).
- Prior Notification applications – this decision is already delegated to the Lead Specialist for Planning (Part 3, paragraph 168, of the Constitution).

In addition, there was discussion and agreement relating to the most significant applications:

- “Major major” applications are to be referred directly to Regulation Committee for determination

11. There is a strong justification for all these changes:

- It will speed up decision making across these types of applications.
- Members on Area Committees can focus on developments that potentially have a more significant impact upon their area. It was considered by the Working Group that householder developments are sufficiently minor in nature when compared to other application types that they should be delegated to officers as a result.
- Listed Building Consent applications that aren't linked to a planning application are largely technical matters and it was considered by the working group that it was acceptable for officers, in consultation with the Council's conservation officers, to determine them.
- Major Major applications are the most significant strategic developments in the district and it was agreed that they should be considered and determined by the Regulation Committee.
- By Major majors going direct to Regulation Committee it also saves double handling of the case by officers having to present at the Area Committee and Regulation.
- Members also felt that it would be clearer for the public where decisions are made regarding major, major applications and they would only need to attend one decision meeting regarding these applications.

12. If District Executive agree with the recommendations in this report therefore the Council will be asked to amend the Scheme of Delegation to ensure these application types are dealt with by Officers. Members time will be focused therefore on those cases that could have more of an impact on their area.

The Constitution and Proposed Amendments

13. Part 3 of the Constitution refers to the responsibility for the functions of the Council, including the decisions which the Area Committees take and the delegation available to Officers. Section 4 notes that “*most day to day decisions are delegated to Officers*”; in Planning certain decisions are delegated to the Lead Specialist and Principal Officers, and this is set out in the table in Section 6.
14. Section 6 includes the “Schedule of Functions Delegated to Officers”. There is a specific section relating to Development Management. Paragraph 156 lists what is delegated to the Officers, and the circumstances when the decision is to be made by Committee.
15. It is recommended by the Working Group, and hereby proposed in this report, that the application types in paragraph 5.5 are explicitly stated as development that are delegated to Officers unless there are limited and specific circumstances; these are based on transparency and proper decision making in planning and the following points within Paragraph 156 will still apply to both householder and listed building consent applications, along with other planning matters:
- (f) *The applicant is a councillor of Council.*
 - (g) *The applicant is a member of either Council’s management team, a service manager, or is a member of either Council’s staff who, in the course of their duties, has an input in to the planning application process.*
 - (h) *Any other application from employees of either Council may be delegated, subject to prior notification to the Monitoring Officer of the District Council.*
 - (i) *Any application where an employee of either Council is involved in any capacity as either agent or consultant.*

16. Paragraph 156 in Part 3 is proposed to be updated as follows:

The current text states “*The determination of all applications made to the District Council for planning permission, the approval of reserved matters, the display of advertisements, works to trees with Tree Preservation Orders, listed building and conservation area consents, is delegated to the Assistant Director Economy except in the following cases:*”.

The revised text will state:

“*The determination of all applications made to the District Council for planning permission, the approval of reserved matters, the display of advertisements, works to trees with Tree Preservation Orders, listed building and conservation*



area consents, is delegated to the Lead Specialist Built Environment except in the following cases, which, apart from points (f) to (i), do not apply to householder planning applications and applications for Listed Building Consent”.

In the “Other Matters relating to Development Management” section an additional two paragraphs are recommended to be added:

- The determination of householder applications.
- The determination of applications for Listed Building Consent.

17. Paragraph 8.03 of the Constitution states “*The Regulation Committee shall determine applications for planning permission referred from the area committees in accordance with the approved guidelines set out in part 3 of this document*”. If the recommendations in this report are agreed, then the following changes will be required:

Additional text in paragraph 8.03, which will change to “The Regulation Committee shall determine applications for planning permission referred from the area committees in accordance with the approved guidelines set out in part 3 of this document. “Major Major” category applications will be dealt with by the Regulation Committee”.

Financial Implications

18. There is a financial benefit to speedy determination of applications, for both the Council and for developers. From a resource perspective there is a lot of preparatory work required for Committees and delegating the less contentious applications reduces that requirement.

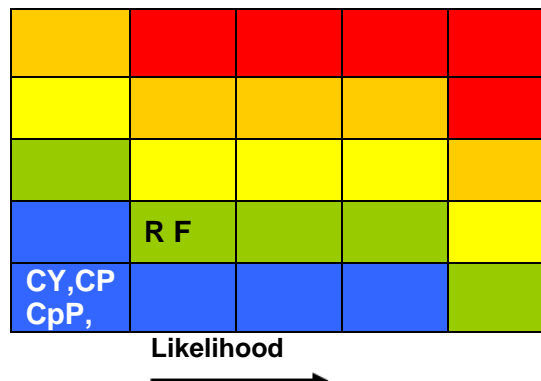
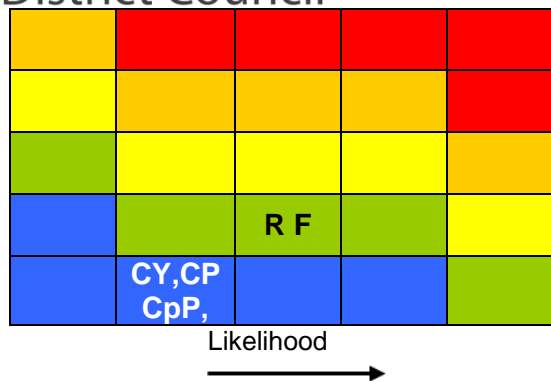
Risk Matrix

19. The risk matrix shows risk relating to the Corporate Plan headings. It is considered that the risk involved is low; by speeding up the process and improving the amount of development types that can be determined via delegated powers potential risks to the Council reduces.

Risk Profile before officer recommendations Risk Profile after officer recommendations



South Somerset District Council



Key

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

Council Plan Implications

20. Protecting Core Services- Deliver a high quality, effective and timely service to our customers and communities.

Carbon Emissions and Climate Change Implications

21. None directly linked to this report.

Equality and Diversity Implications

22. There are no implications with regard to equalities and diversity.

Privacy Impact Assessment

23. There are no privacy impact implications

Background Papers

- Planning Reimagined - Outcomes from Members Working Group December 2020 District Executive



Future Delivery of the Environment Strategy

Executive Portfolio Holder:	Sarah Dyke, Environment
Ward Member(s)	N/A
Strategic Director:	Clare Pestell, Director, Commercial Services and income Generation
Service Managers:	Katy Menday, Leisure and Recreation Manager Vicki Dawson, Lead Specialist Environment
Lead Officer:	As above
Contact Details:	Katy.menday@southsomerset.gov.uk or 01935 462522, vicki.dawson@southsomerset.gov.uk or 01935 462546

Purpose of the Report

1. This report is to update members on the progress of delivery against the objectives of the Environment Strategy. It includes a request for resources to support continued delivery of the action plan and ensure future resilience within the team to continue this work.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 4th February 2021.

Public Interest

3. Significant progress has been made since the adoption of the Environment Strategy in October 2019. When adopted a total of £350K was made available to support this new work, which funded 3 fixed term new posts with operational budget.
4. As work continues it is clear there is a huge amount of future work required to meet our target of being carbon neutral by 2030 and to address the ecological impacts of climate change. This work will need to continue beyond the period of the current posts.
5. Further funding is therefore being requested to extend the posts and provide further operational budget in order to deliver the commitments within the Strategy.

Recommendations

6. That District Executive approve a total allocation of £262,400 from Medium Term Financial Plan Support Reserve to the Climate Change Reserve for:



South Somerset District Council

- a) the extension of the Environment Case Officer and Living Environment Case Officer posts until end of March 2023;
- b) the extension of the Environment Communications Case Officer (P/T) post to end of March 2023;
- c) a new Climate Change Support Case Officer for a fixed term 2 year post up until March 2023;
- d) an operational budget to support the work to deliver the Environment Strategy.

Background

7. The Council recognised a Climate and Ecological Emergency in May 2019. An Environment Strategy was developed and adopted in October 2019, which set out a delivery plan to achieve the ambitions of the Council.
8. A budget of £350K was allocated to deliver this Climate change and ecological impact work.
9. It was quickly recognised that additional staff (and expertise) would be required to complete the new work. By March 2020 a small team was appointed to the roles of Environment Case Officer and Living Environment Case Officer (both grade 5), along with a Communications Case Officer (grade 4). These were all fixed term posts.
10. Together with the Environment Community of Practice these new officers were able to dedicate invaluable time to moving new projects forward working alongside the expertise of existing staff across the organisation. Without these new officers a number of the projects within the action plan would not have been delivered and others would be behind schedule.
11. Whilst huge progress has made there is much more to do. This work is projected to continue over the next 9 years as we move towards the 2030 target date. In order to continue the progress that has been achieved and to capitalise on the momentum, the officers in these posts will be required beyond their existing contract end dates.

Report Detail

12. Reports have been presented to Full Council on a regular basis since October 2019 regarding the progress of the Strategy action plan. The key achievements over that time include:
 - Set up a calculator to monitor and track SSDC's own carbon footprint from year to year. Confirm a reduction in SSDC's own carbon footprint from the baseline year of 10% in year one.



South Somerset District Council

- Joined the DELETTI programme to deliver electric vehicle charging points across the district.
 - Liaison role between SWARCO and SSDC as part of the Highways England funded electric vehicle programme. Tasks include monitoring the usage reports, access back-office data and monitoring the income generation as part of the agreement.
 - Approval secured from Department for Transport as E-scooter trial location as part of national scheme. Zwings appointed as project partner and now seeing highest take up rate in the country for e-scooter use.
 - Commissioned an energy audit to identify energy improvements to our top ten energy use buildings. Further to this, submitted a bid to the Decarbonisation Fund for £4 million (pending outcome) to carry out energy improvement works across our estate.
 - Completion of Phase 2 Battery Energy Storage Site at Taunton, adding 5MW of energy storage.
 - 2 years delivery of the Great Parish Tree Giveaway and 2 successful bids to the Urban Tree Challenge Fund. Enabling 4660 community trees to be planted.
 - Significant tree planting across our own estate, totaling 4996 trees.
 - Establish networks with partners across the natural environment at a national and local level e.g. Somerset Wildlife Trust, Re-imagining the Levels and Plant life. Enabling landscape scale thinking to facilitate projects like Nature Recovery Networks.
 - Established a network of Environment Champions across the district to share best practice and to support and encourage communities to engage with a range of Environmental Improvements.
 - Set up new communications channels, including monthly Get Sussed newsletter, social media presence and a revised Environment website. Core content on the web pages will include a new South Somerset Green Directory.
13. There are many projects that are still in progress or need to be developed, and these need expert officer input and time. These include:
- Delivery of the energy improvements across our own estate and operations, along with continued reduction of the carbon footprint (10% required year on year, up to 2030).
 - Implementation of the electric vehicle charging infrastructure project.
 - Identification and improvements in energy efficiency to the existing private housing stock to reduce the carbon footprint of the district.



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- Complete, adopt and deliver against a new Open Spaces Strategy which includes new standards for access to green spaces and tree canopy cover.
 - Ongoing work to include Environment Strategy objectives within the Local Plan Review
 - Support the County Wide Climate Change Strategy work of the Local Nature Partnership to identify Nature Recovery Networks in South Somerset and enable our communities to implement them on the ground
 - Support the work of the County Climate Change Strategy across all the work streams.
14. Delivery of many of these projects is enhanced or supported through external grant funding. Monitoring of new grant opportunities is required along with the time and knowledge to develop and submit high quality bids. To date applications have been submitted to the Urban Tree Challenge, Woodland Trust and the Decarbonisation Fund.
15. In addition, resource is required to identify and grasp opportunities for new projects which will move us towards our targets, such as the E-scooter trial. It is likely that with sufficient resource, and working with the Income and Opportunities Development Manager, that the team will be able to develop projects to help generate and maximise income e.g. EV charging points and battery storage facilities.
16. Whilst there are officers across the organisation who are part of the Environment Community of Practice, and contribute to many of the actions within the strategy, none of these have the capacity or budget within their existing roles to deliver at pace and scale in this work. It is therefore essential, if we are to meet the commitments within South Somerset's Environment Strategy, that the resource made available to date is continued over the next few years.
17. This report is requesting extension of the existing posts for 12 months up to April 2023 to align with the expected date of transition to a Unitary authority. The past year has been a period dominated by gathering information, planning and funding submissions. The next few years are expected to be a period of enhanced delivery phase and additional project officer support will be required to meet this additional roll out and activity. As such this report includes a request for a further Climate Change Support Officer to work with the current team.
18. An operational budget of £350K was provided to begin delivery of the Environment Strategy work. The majority of this has been used to fund the posts discussed, but budget has also been required to support activities such as officer training, equipment costs, tree purchase, consultant's expertise, contributions to the development of the County Climate Change Strategy and networks where we are working in partnerships with others. We only have £50K of the funding remaining and anticipate the need for additional resource to support the above work.



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19. If we can secure grant funding this will off-set the need for capital bid requests to deliver the ambitions of the strategy. For example, to achieve carbon neutrality of our own buildings will incur costs in excess of £5 million. We have been able to submit a grant application for £4 million of this. Without this grant, improvement costs would have to be met from SSDC own capital.
20. The Environment Team and Community of Practice recognises the substantial role that environmental improvements, enhancements and learning can play in “building back better” in the Recovery phase of the Covid pandemic. Some advance planning had been completed in 2019 and confirmed environment resource would mean that SSDC could play an active part.

Financial Implications

21. The existing Environment and Living Environment Case Officers are currently paid a grade 5 and are on a 2 year fixed term contract due to finish in March 2022.
22. The existing Communication Case Officer is a part time scale 4 post due to finish in January 2022.
23. To extend these three contracts until the end of March 2023 will incur costs of £101,800.
24. Funding is also requested for a new Climate Change Support Officer to be appointed at grade 4 for a fixed term of 2 years to 2023, at a cost of £60,600.
25. To support these roles and the delivery of the Strategy an additional operational budget of £100k is requested.
26. Members will be aware that we had not expected to receive a New Homes Bonus Grant for 2021/22. Through the Provisional Settlement we have been advised that we will receive £1.171m. This is therefore a windfall for 2021/22 which can be used to mitigate this new pressure of £262,500, whilst still enabling us to transfer the residual amount to the MTFP Reserve.

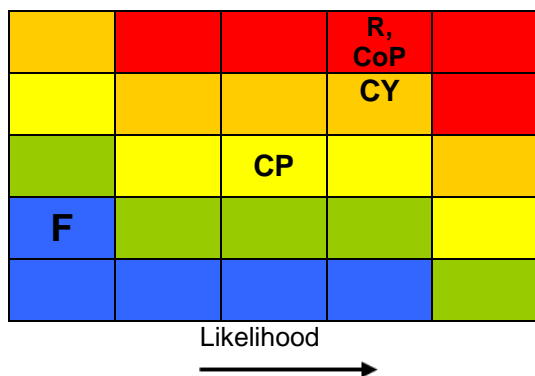
Legal implications (if any) and details of Statutory Powers

27. No implications known.

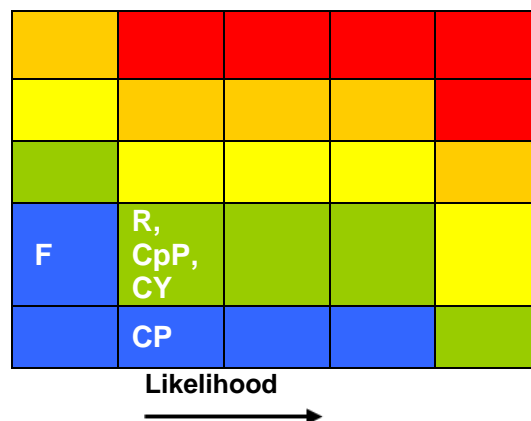
Risk Matrix

The risk matrix shows risk relating to the Council Plan headings.

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

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

Council Plan Implications

28. Delivery of the Environment Strategy is a primary area of focus within the Environment Theme of the Council Plan. Delivery of this strategy is also central to priority project 8 'To accelerate action to adapt to and mitigate the effects of climate change and extreme weather'

Carbon Emissions and Climate Change Implications

29. The work of the Environment team has wide ranging and significant implications for range of environmental targets and improvements. The team's work is directed by the adopted Environment Strategy and under pinning action plan. The aims include reaching carbon neutrality by 2030 across our own operations and working with partners and communities to mitigate for the ecological emergency.

Equality and Diversity Implications



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30. Before adoption of the Environment Strategy an Impact Relevance Check was completed that confirmed a full Impact Assessment was not required. As this report is principally around future funding support towards the work of the strategy then there are no obvious Equality and Diversity implications.

31. If the report and funding request is supported there are likely positive E&D impacts of projects and activities, yet to be delivered, such as tackling fuel poverty.

Privacy Impact Assessment

32. To manage the Environment Champion network some limited contact data is held by the Environment Officers in a secure file. This data will not be shared with any other parties.

Background Papers

- SSDC Environment Strategy



Proposed Changes to the Senior Management Structure

Executive Portfolio Holder: Val Keitch, Leader of the Council
Strategic Director: Alex Parmley, Chief Executive
Lead Officer: Denise Mackey, People Specialist

Purpose of the Report

Under the Council's Constitution the Rules of Procedure state that permanent revisions to the Senior Management Structure shall be approved by full Council. This report sets out proposed changes to the Senior Management Structure.

Forward Plan

This report did not appear on the District Executive Forward Plan.

Public Interest

The report sets out proposed changes to the Senior Management Structure. The Senior Management Structure is an important component of how the council operates to deliver services and achieve the Council's ambitions for South Somerset. The Senior Management Structure comprises the senior officer roles in the Council at Director and Chief Executive level. The Council may change the Senior Management Structure from time to time to reflect changing operating model and / or changing priorities.

Recommendations

District Executive is recommended to:-

- a) Support the proposed changes to the Senior Management Structure as set out in sections 15 to 23 of the report and recommend their approval to the full Council.
- b) To support the principle of developing a shared approach to economic and community recovery including the sharing of resources with other Somerset authorities where possible.
- c) In line with b. above, to agree to the sharing of the Director of Place & Recovery role with another authority, if practical and agreeable, and delegate the finalising of the details of such arrangements, including role title and final role description, to the Chief Executive, in consultation with the Leader and the Portfolio Holders for Economy and Community Health & Wellbeing.

Background

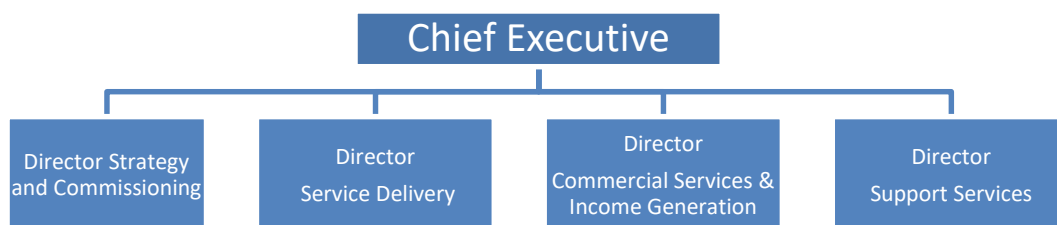
1. South Somerset District Council has been through a lot of change in recent years through the Transformation Programme which introduced a new operating model



South Somerset District Council

and way of working. The current structure agreed by Council in April 2017 was designed to drive the delivery of that Transformation Programme and fit the new operating model and commercial ambitions the Council agreed.

2. The transformation operating model remains core to the way we work but the Transformation Programme has now formally come to an end. Whilst change in how we operate will continue to be a given going forward to meet different customer needs and take advantage of new technology and approaches, it is not envisaged that we will need the scale of change in how we operate required in transformation over the next couple of years.
3. As a council we do have a very ambitious programme to improve quality of life in our district through developing the economy; revitalising our town centres; dealing with poverty and low social mobility; accelerating housing delivery; improving the health of our residents; and improving the environment & tackling climate change. The needs of our communities, places and economy have grown as a result of the Covid-19 pandemic. It is important that as an organisation our structures together with resources, priorities and ways of working, reflect our ambitions and the needs of the people and area we serve. The proposals to make change to the SLT need to be viewed in this context.
4. The current Senior Leadership Team was agreed in April 2017 as part of the Transformation Programme. It was designed with the delivery of transformation and the working of the “Future Model” or the new business model of the council in mind together with the commercial ambitions of the Council.

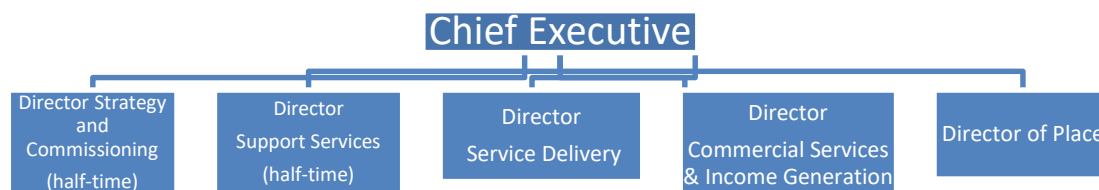


5. In November 2017, sadly our colleague, Ian Clarke passed away suddenly. Ian occupied the role of Director of Support Services and Monitoring Officer. To ensure delivery of these key services it was agreed one person would cover both of these roles. The role of Monitoring Officer has been combined with that of the Legal Lead Specialist. Taking this step enabled the council to provide additional opportunities for existing staff that might not have otherwise been there and to redirect financial resource on a temporary basis.
6. In February 2020, SSSDC put in place an interim or temporary SLT structure, which was primarily aimed at giving us the capacity at a senior level to deal with the work on the future of local government in Somerset and what became Stronger Somerset, whilst also ensuring senior capacity to deliver important work around our 3 town centre regeneration projects, economic development and accelerating housing delivery. In hindsight this change has also served us well in ensuring we



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had the senior capacity to respond to the Covid-19 pandemic. The interim structure is as follows:



7. Whilst the temporary structure has served the organisation largely very well for the past ten months, it has had a deeper impact on the organisation in the form of a number of others acting up and interim arrangements spanning many services and levels. Whilst this is acceptable in the short term, it is recognised that prolonged use of interim arrangements can give rise to uncertainty as well as adding additional pressures to some teams.
8. Given the pressure the organisation is under currently, the uncertainty that lies ahead and the ambitious agenda the council has for South Somerset and its communities, there are many benefits a more permanent structure will have not just at the Senior Leadership Team level but across the organisation. It will enable more stability and certainty moving forward across the organisation including resolving the status of some other roles that are currently interim or temporary.
9. Prior to the Covid-19 pandemic, the pace of change and the demands it places on councils was continuing to increase. As an organisation, we determined that in going through Transformation, we needed to create an organisation that was fit for the future and part of that was having a flexible organisation that was able to rapidly respond to changing circumstances and adapt in order to meet the needs of our communities.
10. The pandemic and our response to it has shown we have come a long way in meeting this aim. However, there is more we will need to do to ensure we are able to continue to change. The report to January 2021 District Executive on the end of Transformation starts to lay the foundation for this.
11. The needs of our communities and of South Somerset have changed as a result of the pandemic and we need to be focused on how we complete the response phase – supporting our communities and businesses through the pandemic whilst the vaccine is deployed which we hope will lead to the eradication of the virus. However, we already know that even when the virus has gone, there will not be a return to normality and some parts of our communities and our economy have suffered greatly. There is a need to support recovery of our communities and economy and there is an opportunity to deal with some underlying issues within our communities and economy that existed prior to the pandemic. It is important that we have the right capacity – people, expertise, experience and skills – at all levels of the organisation to achieve this.



12. Overlaid on this is the potential change to local government in Somerset. It is important to remember that this is only a potential change to local government structures and that whilst one of the proposals for change - “One Somerset” or “Stronger Somerset” may be selected, if this was the case then SSDC would cease to exist in the future. It is also possible that the Secretary of State may choose not to change the structure of local government in Somerset. We must recognise that, at this stage, there is no agreement to change the structure of local government in Somerset.
13. If change is decided upon then the current timetable set out by the government envisages SSDC will exist until April 2023. Governments have historically found it challenging to meet timetables for change in local government and with the demands of the pandemic, recovery and Brexit, this government may also face challenges in meeting its timetable. Even if the government manages to meet that timetable, that change is still more than two years away. Sometimes when change is potentially around the corner in local government there is a tendency to “wait and see what happens”. However, given the significant needs of South Somerset’s communities and economy and the need to continue to respond to Covid-19 impacts as well as deploy recovery plans, it would be to the detriment of South Somerset, its communities and economy if we did not continue to make the changes necessary to our priorities, structures and the way we operate whilst we await the Government’s decision on potential changes to the overall structure of local government in Somerset.
14. Whatever the future of local government in Somerset, there is a general direction towards bringing the councils closer together and sharing effort and resources to deal with common challenges and shared ambitions for our areas and communities. Therefore the opportunity to collaborate with others in Somerset needs to be a part of our thinking.

Proposed Senior Management Structure

15. South Somerset District Council (SSDC) has ambitious plans to continue to improve, modernise, ensure efficiency, ensure it is financially secure, commercially minded, deliver improvements to the quality of life of communities and quality of places, and now ensure the recovery of our communities and economy from the Covid-19 pandemic.
16. The council sets out its ambitions and priorities in the Council Plan 2020-2024 and in its annual action plan. Revisions to the Annual Action plan are being considered at the February meetings of the District Executive and Council. This includes a new priority project around delivering the economic and community recovery in South Somerset following the impact of the pandemic.
17. In order to deliver for the needs of the communities and places of South Somerset, to meet our ambitions for improving quality of life in South Somerset and to help our communities and economy respond, we need to make changes, including in the Senior Management Structure, to ensure we have the capacity and capability for success.

18. Set out below is a proposed revised Senior Management Structure. In addition to changes in the Senior roles there will be other potential changes that flow from this in the organisation to ensure we have capacity in the right places to meet changing demand and need in our communities. To be clear, it is not envisaged that widespread restructuring is required across the council as our overall structure is fit for purpose in relation to the business model we operate. Instead, small adjustments and additional capacity may be required in places, in particular, to support the recovery programme. To assist with this, as set out in the MTFP and budget report to February District Executive and Council, the 2021/22 budget will propose establishing a Covid Recovery Reserve as a resource to draw upon in this regard. This could cover resource needs to pull together proposals to access government recovery funds or to deal with particular issues such as the anticipated upswing in homelessness and hardship.



Responsibility Areas:

Strategy & Support	Service Delivery	Commercial & Income	Place & Recovery
<ul style="list-style-type: none"> • Finance • People (HR) • Legal & MO • Digital • Communications & Marketing • Performance and Organisational Development • Strategic Planning <ul style="list-style-type: none"> - Local Plan - Council Plan - Emergency Planning - Community Planning • Democracy 	<ul style="list-style-type: none"> • Customer Connect • Locality • Environment <ul style="list-style-type: none"> - Environmental Health - Licensing • Built Environment <ul style="list-style-type: none"> - Development Management - Building Control • Communities <ul style="list-style-type: none"> - Revs & Bens - Housing & Homelessness 	<ul style="list-style-type: none"> • Commercial & Operational Property • Arts & Entertainments • Leisure & Recreation <ul style="list-style-type: none"> - Countryside - Yeovil Rec - TIC - Heritage • Commercial Income & Opportunity Development <ul style="list-style-type: none"> - YIC • Environmental Services <ul style="list-style-type: none"> - Streetscene - Horticulture - Waste Partnership - Bereavement 	<ul style="list-style-type: none"> • Economy & Community Recovery Plan • Strategic & Recovery Funding Bids <ul style="list-style-type: none"> - Shared Prosperity - Levelling Up - Towns Fund - Other recovery funds • Economic Development • Town Centre Regeneration <ul style="list-style-type: none"> - Chard - Wincanton - Yeovil - Market towns • Accelerating Housing Delivery • Supporting Families / Poverty & Social Mobility

N.B. This is not the organisational structure of the teams but responsibility areas. The responsibilities are delivered across a variety of teams following the principles of the "Future Model" implemented through the Transformation Programme as agreed by Council.



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19. The proposal for change retains four Directors as agreed by Council in 2017. However, it formalises the arrangement that has existed for some time, of putting Support Services and Strategy & Commissioning under one Director. This allows the fourth Director position to be re-designated as Director of Place & Recovery. The Director of Place & Recovery would have few direct reports but instead, in line with the SSDC operating model, would draw on the resources of teams and individuals from across the council to drive the delivery of the council's key place and recovery ambitions, programmes and projects. This way of delivering is already operating in SSDC where, for example, the delivery of the Regeneration Projects draws on resources from Strategy, Service Delivery, Support Services and Commercial Services.
20. Additional senior capacity and expertise is required to focus on place and recovery due to the already sizeable ambitions of the council in this area coupled with the increased need as a result of the impact of the Covid-19 pandemic on our economy and communities. In addition, through the various funds that are likely to become available in the coming months, the scale of delivery is likely to increase in terms of the range of projects and activities the council is managing, co-ordinating or involved in.
21. To be successful, this will require partnership building at a community, operational and strategic level and this will be a focus of the Director of Place & Recovery role. In line with this partnership approach and the general direction of local government in Somerset, there may be an opportunity to share the Director of Place & Recovery role with another authority and to share resources and approaches more generally. The five local authorities in Somerset have collaborated on the development of an Economic Recovery Plan, approved by District Executive in January 2021. This should be seen as a starting point in building wider collaboration to take forward recovery and discussions are currently being held on what form this might take. It is important that these progress at pace as we need to start finalising and delivering plans for recovery now.
22. In addition, it is not desirable to continue with an interim or temporary senior structure much longer, particularly with a vacancy soon arising. To this end, it is proposed to delegate the finalising of any such partnership arrangements with other councils in relation to the senior management structure, to the Chief Executive in consultation with the Leader and the Portfolio Holders for Economy and Community Health & Well Being, provided that any such agreement does not deviate from the structure and direction set out in this report.
23. As well as providing capacity with the senior team, our community ambitions and recovery will require bringing in additional specialist resources for temporary periods – through consultancy, interim and temporary appointments – to complete time limited tasks that require specialist skills and expertise not currently within the council or where there are capacity gaps.
24. The proposed changes are not temporary but to be considered permanent. They will serve the organisation until either change to local government in Somerset is implemented in 2023/2024 or in the event of a “no change” decision, beyond 2023.

Managing the Change

25. If the changes are agreed, the Director of Place & Recovery and the Director of Strategy and Support Services roles will need to go through a recruitment process including a selection panel of Members and the Chief Executive. If the Director of Place & Recovery is shared with another authority, then the recruitment process will need to be shared. Therefore, it is likely to be some months from point of agreement to the structure becoming fully operational.
26. The proposal does not envisage change to the Director of Service Delivery or the Director of Commercial Services & Income Generation posts, where currently there are permanent appointments, and therefore no recruitment processes are envisaged for these posts.

Financial Implications

27. With reference to the recommendations, an additional Director post has been included in the 2021/22 draft budget. This is a prudent stance which would reduce should it be possible to share this resource as proposed and thereby share the cost. This is therefore worse case cost scenario.

Legal implications and details of Statutory Powers

28. The Local Government Act 1972 s112 allows a Council to appoint staff and Local Government and Housing Act 1989 s7 requires staff to be appointed on merit.

Council Plan Implications

29. The proposal will provide senior capacity to lead and support delivery of the Council Plan and its priority themes as well as lead the delivery of the proposed new priority project concerning the recovery of South Somerset's economy and communities.

Carbon Emissions and Climate Change Implications

30. None directly arising from this report.

Equality and Diversity Implications

31. Recruitment to the vacant positions will follow the Council's recruitment process and guidance to ensure consistency with the Equality and Diversity Policies.
32. The focus of the proposed Director of Place and Recovery post will support dealing with the impacts of the pandemic on our communities which have had a disproportionate impact on disadvantaged members of our communities, ethnic minorities and residents with disabilities.



Privacy Impact Assessment

33. No issues arising.

Background Papers

- Somerset Economic Recovery Plan, District Executive, January 2021
 - South Somerset District Council Covid-19 Recovery Strategy, District Executive, July 2020
-



District Executive Forward Plan

Executive Portfolio Holder: Val Keitch, Leader, Strategy and Housing
Strategic Director: Kirsty Larkins, Strategy and Commissioning
Lead Officer: Angela Cox, Democratic Services Specialist
Contact Details: angela.cox@southsomerset.gov.uk or (01935) 462148

Purpose of the Report

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.

Public Interest

2. 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.

Recommendations

3. That District Executive is asked to:
 - a) approve the updated Executive Forward Plan for publication as attached at Appendix A
 - b) note the contents of the Consultation Database as shown at Appendix B.

Executive Forward Plan

4. 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.

Consultation Database

5. The Council has agreed a protocol for processing consultation documents received by the Council. This requires consultation documents received to be logged and the current consultation documents are attached at Appendix B.

Background Papers

6. None.

Appendix A - SSDC Executive Forward Plan

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
March 2021	Private Sector Housing Grant Policy	Portfolio Holder - Strategy & Housing	Director Service Delivery	Vicki Dawson, Lead Specialist (Environmental Health)	District Executive
March 2021	Investment Assets Update Report	Portfolio Holder - Economic Development including Commercial Strategy	Director Commercial Services & Income Generation	Robert Orrett, Commercial Property. Land & Development Manager	District Executive
March 2021	Funding for Citizens Advice South Somerset and Spark Somerset	Portfolio Holder - Health & Well-Being	Director Strategy and Commissioning	David Crisfield, Specialist (Strategic Planning)	District Executive
March 2021	Martock Neighbourhood Plan Examiner's Report	Portfolio Holder - Protecting Core Services	Director Strategy and Commissioning	Jo Wilkins, Specialist (Strategic Planning)	District Executive
March 2021 March 2021	Octagon Theatre Development	Portfolio Holder - Health & Well-Being	Director Commercial Services & Income Generation	Adam Burgan, Arts & Entertainment Manager	District Executive South Somerset District Council
March 2021	Remote Meeting Protocol for SSDC	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy and Commissioning	Angela Cox, Specialist (Democratic Services)	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
April 2021	Annual review of the Regulation of Investigatory Powers Act 2000 (RIPA)	Portfolio Holder - Finance, Legal & Democratic Services	Director Place	Paula Goddard, Specialist (Legal Services)	District Executive
April 2021	Future Management of the Council's Leisure Facilities	Portfolio Holder - Health & Well-Being	Director Strategy and Commissioning	Lynda Pincombe, Specialist - Strategic Planning	District Executive
May 2021	Negotiation Strategy for Planning	Portfolio Holder - Protecting Core Services	Director Service Delivery	Barry James, Interim Planning Lead Specialist	District Executive
May 2021	Capital & Revenue Budget Outturn reports for Quarter 4	Portfolio Holder - Finance, Legal & Democratic Services	Director Support Services	Jo Nacey, Section 151 Officer	District Executive
May 2021	Quarterly Corporate Performance Report	Portfolio Holder - Strategy & Housing	Director Strategy and Commissioning	Cath Temple, Specialist (Performance)	District Executive
June 2021	Investment Assets update report	Portfolio Holder - Economic Development including Commercial Strategy	Director Commercial Services & Income Generation	Robert Orrett, Commercial Property, Land & Development Manager	District Executive
June 2021	Update on Proposals from the Planning Re-imagined Workshops	Portfolio Holder - Protecting Core Services	Director Strategy and Commissioning	Kirsty Larkins, Director (Strategy and Commissioning)	District Executive
TBC	Allowenshay mains water connection	Portfolio Holder - Health & Well-Being	Director Support Services	Tim Cook, Locality Team Manager	District Executive

APPENDIX B - Current Consultations – February 2021

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p>Future of Transport: rural strategy – call for evidence</p> <p>This call for evidence seeks views and evidence from all those with an interest in rural transport.</p> <p>Following our Future of mobility: urban strategy, which was published in March 2019, the Department for Transport are now seeking views and evidence on what could be incorporated into a Future of Transport: rural strategy.</p> <p>The consultation document has 3 sections:</p> <ul style="list-style-type: none"> • the context of the Future of Transport: rural strategy • our assessment of the mobility trends in rural areas, and the emerging opportunities for rural environments that we’re witnessing in transport innovation – this section seeks views on whether we have identified these correctly and further evidence for these trends • consideration of the approach that the government could take to help shape these opportunities to benefit rural areas <p>This consultation is part of the Future of Transport programme, which aims to shape transport innovation and secure the UK’s position as a leader in the transport sector of the future.</p> <p>https://www.gov.uk/government/consultations/future-of-transport-rural-strategy-call-for-evidence?utm_source=fbeea974-8a4b-4dfb-b3a8-48e888e2d68e&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily</p>	<p>Health and Well-Being / Economic Development</p>	<p>Kirsty Larkins, Strategy & Commissioning</p>	<p>Officers in consultation with Portfolio Holder</p>	<p>Lynda Pincombe, Specialist, Strategic Planning</p>	<p>16 February 2021</p>



Date of Next Meeting

Members are asked to note that the next scheduled meeting of the District Executive will take place on Thursday, 4th March 2021 as a virtual meeting via Zoom meeting software commencing at 9.30 a.m.
