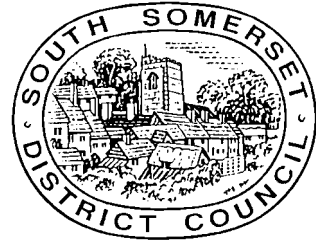


South Somerset District Council

Notice of Meeting



**South Somerset
District Council**

Making a difference where it counts

Thursday 21st July 2016

7.30 pm

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

(disabled access and a hearing loop are available at this meeting venue)



All members of Council are requested to attend the meeting:

The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please ring the Agenda Co-ordinator, **Angela Cox, Democratic Services Manager**, website: www.southsomerset.gov.uk

This Agenda was issued on Wednesday 13 July 2016.

Ian Clarke, Assistant Director (Legal & Corporate Services)

This information is also available on our website
www.southsomerset.gov.uk



South Somerset District Council Membership

Chairman: Mike Best
Vice-chairman: Tony Capozzoli

Clare Aparicio Paul	Tim Inglefield	David Recardo
Jason Baker	Val Keitch	Jo Roundell Greene
Cathy Bakewell	Andy Kendall	Dean Ruddle
Marcus Barrett	Jenny Kenton	Sylvia Seal
Mike Beech	Mike Lewis	Gina Seaton
Neil Bloomfield	Sarah Lindsay	Peter Seib
Amanda Broom	Mike Lock	Garry Shortland
Dave Bulmer	Tony Lock	Angie Singleton
John Clark	Paul Maxwell	Alan Smith
Nick Colbert	Sam McAllister	Sue Steele
Adam Dance	Graham Middleton	Rob Stickland
Gye Dibben	David Norris	Andrew Turpin
Sarah Dyke-Bracher	Graham Oakes	Linda Vijeh
John Field	Sue Osborne	Martin Wale
Nigel Gage	Tiffany Osborne	William Wallace
Carol Goodall	Stephen Page	Nick Weeks
Anna Groskop	Ric Pallister	Colin Winder
Peter Gubbins	Shane Pledger	Derek Yeomans
Henry Hobhouse	Crispin Raikes	
Kaysar Hussain	Wes Read	

Information for the Public

For those Members wishing to participate, there will be time for reflection and words of encouragement from 7.20pm in the Council Chamber. There will be a very short interval between the conclusion of the time of reflection and the start of the meeting to enable those Members and Officers who do not wish to take part to enter the Council Chamber and join the meeting.

The meetings of the full Council, comprising all 60 members of South Somerset District Council, are held at least 6 times a year. The full Council approves the Council's budget and the major policies which comprise the Council's policy framework. Other decisions which the full Council has to take include appointing the Leader of the Council, members of the District Executive, other Council Committees and approving the Council's Consultation (which details how the Council works including the scheme allocating decisions and Council functions to committees and officers).

Members of the Public are able to:-

- attend meetings of the Council and its committees such as Area Committees, District Executive, except where, for example, personal or confidential matters are being discussed;
- speak at Area Committees, District Executive and Council meetings;
- see reports and background papers, and any record of decisions made by the Council and Executive;

- find out, from the Executive Forward Plan, what major decisions are to be decided by the District Executive.

Meetings of the Council are scheduled to be held monthly at 7.30 p.m. on the third Thursday of the month in the Council Offices, Brympton Way although some dates are only reserve dates and may not be needed.

The agenda, minutes and the timetable for council meetings are published on the Council's website – www.southsomerset.gov.uk/councillors-and-democracy/meetings-and-decisions

The Council's Constitution is also on the web site and available for inspection in Council offices.

The Council's corporate aims which guide the work of the Council are set out below.

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

South Somerset District Council - Council Aims

South Somerset will be a confident, resilient and flexible organisation, protecting and improving core services, delivering public priorities and acting in the best long-term interests of the district. We will:

- Protect core services to the public by reducing costs and seeking income generation.
- Increase the focus on Jobs and Economic Development.
- Protect and enhance the quality of our environment.
- Enable housing to meet all needs.
- Improve health and reduce health inequalities.

Information for Councillors – Words of Encouragement prior to the meeting

For those Members wishing to participate, there will be time for reflection and words of encouragement from 7.20pm in the Council Chamber. There will be a very short interval between the conclusion of the time of reflection and the start of the meeting to enable those Members and Officers who do not wish to take part to enter the Council Chamber and join the meeting.

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South Somerset District Council

Thursday 21 July 2016

Agenda

1. Apologies for Absence

2. Minutes

To approve and sign the minutes of the previous meeting held on Thursday, 19th May 2016.

3. Declarations of Interest

In accordance with the Council's current Code of Conduct (adopted July 2012), 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. A DPI is defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) and Appendix 3 of the Council's Code of Conduct. A personal interest is defined in paragraph 2.8 of the Code and a prejudicial interest is defined in paragraph 2.9.

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. As a result of the change made to the Code of Conduct by this Council at its meeting on 15th May 2014, 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. If you have a prejudicial interest you must comply with paragraphs 2.9(b) and 2.9(c) of the Code.

4. Public Question Time

5. Chairman's Announcements

Items for Discussion

6. Chairman's Engagements (Pages 6 - 7)

7. Heart of the South West Formal Devolution Bid (Pages 8 - 46)

8. SSDC Annual Performance Report 2015/16 (Pages 47 - 58)

9. 2015/16 Treasury Management Activity Report (Pages 59 - 71)

10. Membership of Committees - Appointment of new Councillor to the Scrutiny Committee and Income Generation Board (Page 72)

11. Increase in Councillors on Brympton Parish Council - Community Governance Review (CGR) (Pages 73 - 87)

12. Report of Executive Decisions (Pages 88 - 92)

13. Audit Committee (Pages 93 - 95)

14. Scrutiny Committee (Pages 96 - 102)

15. Motions (Page 103)

16. Questions Under Procedure Rule 10

There were no questions submitted under Procedure Rule 10.

17. Date of Next Meeting (Page 104)

Agenda Item 6

Chairman's Engagements

23rd May

At the invitation of the Octagon Theatre, Mike and Liz attended the production of The Mousetrap.

1st June

Ilminster held their first ever Literary Festival, this year and Mike attended the launch at The Shrubbery Hotel.

5th June

At the invitation of Yeovil Town Council, Mike and Liz attended the Annual Civic Service at St. John's Church, Yeovil.

9th June

At the invitation of the Chair of Ilminster Literary Festival, Mike attended the final Poetry Recital evening held at Greenfyld School Ilminster.

11th June

Tony and Vivienne attended the annual Somerset Schools Folk Dance Festival which was held at the Cathedral Green in Wells.

12th June

At the invitation of the Mayor of Ilminster, Mike attended the Civic Service which took place at the Minster in Ilminster.

Mike also attended Ilminster's Community Day on the Recreation Ground.

19th June

At the invitation of the Mayor of Taunton Deane, Mike and Liz attended the Civic Service at St. John the Baptist Church in Wellington

20th June

To mark Armed Forces week, the flag was flown at the Council Offices, Brympton Way.

21st June

Tony attended the Samaritans AGM which was held at Mudford Village Hall.

24th June

At the invitation of Yeovil College Mike attended the College's official awards ceremony. This was held at the Swordfish Conference Suite at the Fleet Air Museum.

2nd July

RNAS Yeovilton invited Mike and Liz to the annual International Air Day where they enjoyed flying and static displays culminating in the traditional Commando Assault.

3rd July

At the invitation of the President of Ilminster Rotary Club, Mike attended the President's Tea at Dillington House.

7th July

At the invitation of the Headteacher at Chilton Cantelo School, Mike attended the final Speech Day of the School.

15th July

At the invitation of the Chairman of World Horse Welfare, Mike and Liz were due to attend the Official Opening of the Glenda Spooner Farm Rescue and Rehoming Visitor Centre and Indoor Arena by HRH The Princess Royal who is the President of World Horse Welfare.

At the invitation of Ilminster Sports Club Limited, Mike and Liz were due to attend the official Opening of the Archie Gooch Pavilion in Ilminster.

Agenda Item 7

Heart of the South West Formal Devolution Bid

Executive Portfolio Holder: Ric Pallister, Leader, Strategy & Policy
Strategic Directors: Rina Singh, Interim Chief Executive
Contact Details: rina.singh@southsomerset.gov.uk or 01935 462010

1. Summary

- 1.1 Devolution for the Heart of the South West (HotSW) is being led by the Leaders of Somerset and Devon County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks, the Local Enterprise Partnership and the three Clinical Commissioning Groups. The group has become an informal partnership working towards a Devolution Deal that will secure greater powers and control and a stronger voice with Government.
- 1.2 Our shared Devolution Statement of Intent was submitted to Government on 4 September 2015, in response to announcements in the July 2015 Budget and the deadline set by the Chancellor of the Exchequer.
- 1.3 Since September 2015, the HotSW partnership has developed the Prospectus for Prosperity (Appendix 1). The Prospectus builds on three basic ambitions:
- to raise productivity levels;
 - to improve health, care and wellbeing; and
 - to improve connectivity and resilience.

Six thematic groups were established to develop the detail;

- Health, social care and wellbeing
 - Skills and employment
 - Business support
 - Infrastructure, resilience and connectivity
 - Housing and planning
 - Governance
- 1.4 The Prospectus for Prosperity was submitted to Government at the end of February 2016. Since then the Partnership has pressed the Secretary of State to enter into discussion with the Government's negotiation team to secure a Devolution Deal for the Heart of the South West area.
- 1.5 On 25th May 2016, Greg Clarke, Secretary of State for the Department of Communities and Local Government, invited leaders from the upper tier authorities to meet him and to seek his views on our next steps. The following points were clarified:
- **Geography** – the Devon and Somerset area is agreed as the appropriate scale. Our proposal will need to clearly demonstrate why this is the right geography for the Devolution agreement and all councils and MPs must support the proposal.
 - **Combined Authority** – the Partnership will move forward into the negotiation process based on a Combined Authority model. The Mayoral issue may be considered at a later stage, within the timeline agreed by our Partnership. A Mayor will not be imposed or be a pre-condition of any initial deal.

- **Extent of the Deal** – areas that have agreed to have a Mayor will get more powers than a non-Mayoral Combined Authority. However, the negotiation process will be an opportunity to push the limits of this initial Deal, and the process should be viewed as being incremental.
 - **Timeline** – despite the outcome of the referendum, DCLG has urged that we still work towards an Autumn Statement timeline for the announcement of an initial Deal.
 - **Growth Deal 3** – the LEP will not be penalised in Growth Deal 3 negotiations just because the area has decided to pursue a Devolution Deal based on a Combined Authority without a Mayor. The decision on funding allocations will be based purely on the quality of the Growth Deal bid.
- 1.6 The Secretary of State went on to advise that if the Partnership, backed by all Councils and MPs, would sign up to the principle of creating a Combined Authority by the end of July 2016, he would arrange for HM Treasury to open negotiations towards a Devolution Deal.
- 1.7 This report seeks approval to sign up *'in principle'* to the pursuit of a Devolution Deal and the creation of a Combined Authority for the Heart of the South West sub-region to administer the powers and funding devolved through the Deal. That *'in principle'* agreement from all of the local authorities, partners and MPs involved in the Heart of the South West devolution process will open up negotiations with HM Treasury to work towards a Deal.
- 1.8 Any final Devolution Deal with Government will be subject to further approval by all partners individually. A Heads of Terms document will be used as a negotiating tool to draw down additional powers and funding to provide a significant boost to the Heart of the South West economy by creating new jobs, accelerating the delivery of new homes, and raising skills levels.
- 1.9 It should be noted that there is no intention for a new Combined Authority to take existing powers or funding from local authorities, or existing City Deal governance structures, without the explicit agreement of those constituent local authorities. Further detailed work will be undertaken to identify the decision making powers and the constitution of the Combined Authority. All partners will be fully involved and consulted on these arrangements as they develop over the coming months

2. Recommendations

It is recommended that members:

- a) Agree for South Somerset District Council to endorse the current approach to devolution and agree to sign up to the principle of creating a Combined Authority for the Heart of the South West, as set out in the Prospectus for Prosperity and for this to be used as the basis for negotiation with Government towards a Devolution Deal for the area;
- b) Note that this endorsement commits the Council to take part in further discussions only;
- c) Note that entering into a Devolution Deal or becoming a member of a Heart of the South West Combined Authority will be subject to future debate and agreement by the Council and subject to negotiations with Government.

3. Reasons for Recommendations

- 3.1 The Council has an opportunity to benefit from devolution across a wide range of topics and services. Benefits outlined in Appendix 2 will include the transfer of powers and control of funding from central Government that will enable decisions to be taken closer to the point of service delivery. This will allow greater flexibility to respond to the needs of local communities. In this way, a Devolution Deal will support the Council's ambitions outlined in the Corporate Plan.
http://www.southsomerset.gov.uk/media/830995/ssdc_council_plan_2016_to_2021.pdf
- 3.2 Heart of the South West Prospectus for Prosperity (Appendix 1) has a strong emphasis on driving growth. This will help deliver the Council's ambitions around jobs, skills, homes, investment and infrastructure. We will work together across the partnership to produce a Productivity Plan. In order to fully capitalise on the transformational opportunities in the Plan, we will require freedoms and flexibilities from Government that we don't currently have.
- 3.3 These recommendations seek authority to pursue solutions that help the Council maximise the opportunities of devolution. They do not commit the Council to a formal Devolution Deal, only to the principle of a Combined Authority (Appendix 3) to open up negotiations with Government.
- 3.4 At this stage in the process the Council is not required to take decisions on the detail of future service provision but rather to be actively aware and involved in discussions.

4. Alternative Options considered and rejected

- (i) To decline the Secretary of State's offer and continue at our own pace.
Reason for rejection;
As far as we are aware we may be the first two tier area to be given the opportunity to enter into negotiation with Government for a Devolution Deal without committing to a directly elected Mayor. This is a prime opportunity to test Government and push as far as we can for powers to be devolved to the HotSW. The offer is likely to be time-limited due to Government schedules and announcements.
- (ii) To make separate approaches to Government, rather than as a Heart of the South West partnership.
Reason for rejection;
Since the submission of the Statement of Intent in September 2015, the 17 local authorities, the 2 National Parks, the HotSW Local Enterprise Partnership and the 3 Clinical Commissioning Groups have worked together very effectively to create a strong and credible Prospectus that has been acknowledged by the Secretary of State. We should remain united, moving forward into negotiations to have a stronger voice, and secure a better Deal.

5. Links to Priorities and Impact on Service Plans

- 5.1 Potentially Devolution covers a wide range of services and plans. Detailed formal proposals will be developed locally, through negotiation with Government and then adopted when the final Devolution Deal is put into place.

Our devolution proposals seek to deliver the following priorities:

- Increasing the focus on Jobs and Economic Development,
- Protecting and enhancing the quality of our environment
- Enabling housing to meet all needs.
- Improving health and reducing health inequalities.
- Protecting core services to the public by reducing costs and seeking income generation.

6. Communication undertaken

- 6.1 SSDC Members participated in a workshop session led by Local Government Association Principal Policy Advisor Rebecca Cox and SSDC Leader Ric Pallister on 23 February 2016. The Devolution Deal for Heart of South West bid was approved by Full Council on 25th February 2016. Key documents are posted on the Council's website <http://www.southsomerset.gov.uk/about-us/devolution/>
- 6.2 A HotSW Partnership video that explains its work and next steps is in preparation. Also, a Member Development Training Programme will be delivered in Autumn 2016.
- 6.3 Based on advice from other Devolution areas, the HotSW partnership will undertake more widespread public consultation when negotiations are at a more developed stage.

7. Financial Implications

- 7.1 The financial implications of the Devolution Deal are not yet known and there are no direct financial implications in approving the recommendations in this report.
- 7.2 Some work has been commissioned to look at match funding and the costs of running a Combined Authority. Each of the partner councils S151 officers will be involved in the development of the draft Deal and the investment framework that would support this. This will allow each partner Council and the Partnership as a whole to understand the financial implications of a Combined Authority and any Devolution Deal. There will be a requirement for senior officer time Strategic Director, Assistant Director – Finance and Corporate Services, and Assistant Director – Legal and Corporate Services to assess these.

8. Legal Implications

Each of the Councils' legal teams will be involved in the development of the draft Deal and the structure of a Combined Authority for the Heart of the South West. This will allow each Council and the Partnership as a whole to understand the legal implications of any Devolution Deal and new Combined Authority body.

9. HR implications

There are none at this stage. Any HR Implications arising in future will be addressed as the Devolution Deal is further developed.

10. Risk implications

The involvement of technical specialists such as S151 officers and legal advisers in the development of any draft deal and combined authority model will help us to understand the risk implications for the Council and the wider partnership. A risk register will be developed to sit alongside the development of the draft deal and the combined authority.

11. Other implications (including due regard implications)

There are none at this stage. A final devolution deal with Government will be subject to further approvals by all partners. Such approvals will require prior consideration of potential implications and impacts.

12. Next Steps

- 12.1 If HM Treasury agree to open up negotiations towards a Devolution Deal for the Heart of the South West, further work will be required as detailed below. The timescales to deliver this work will be extremely tight if the Partnership is to achieve its target of establishing a Combined Authority in May 2018.
- 12.2 The Programme Management Office will oversee the delivery of the work plan and maintain communications between each partner. Further consideration may need to be given to increasing the capacity of the PMO to meet these potentially tight timescales.

13. Productivity Plan

- 13.1 The HotSW partnership has already committed to develop a Productivity Plan that could guide the powers and resources received in our devolution agreement, together with local contributions. It represents a refresh of the LEP's current Strategic Economic Plan (SEP).
- 13.2 The Productivity Plan will focus on each of the six 'golden opportunities' that have been identified in the prospectus - Marine, Nuclear, Aerospace and Advanced Engineering, Data Analytics, Rural Productivity and Health. Each of the 'golden opportunities' will have detailed plans setting out our ambitions for the region and what we need to do to achieve those ambitions.
- 13.3 The development of a Productivity Plan for the Heart of the South West sub-region will remain an imperative, to help secure the long term future growth of the area and so provide a better quality of life for our residents. Therefore, irrespective of whether there is an announcement in the Chancellor's Autumn Statement and the Government agrees to open up negotiations for a Deal, work on it will continue,

14. Governance Review

A review examining existing structures and developing options for the best Governance structure for the Heart of the South West sub-region is already underway. The following key issues will be considered and all partners will be involved in this process:

- The extent of the decision making powers to be vested in the Combined Authority
- What decision making structures or advisory committees (including place-based arrangements) will be required under the Combined Authority– including any joint committee arrangements
- Proposed voting arrangements

15. Engagement with members and partners

As work continues, Council Members will have access to;

- Newsletters from the Heart of the South West devolution partnership
- A Member Development Programme to be run across the whole area
- Information available on the Council's website
<http://www.southsomerset.gov.uk/about-us/devolution/>

It is possible that one or more partners may choose not to proceed with a formal bid. This would be unfortunate as there is strength in all partners coming on board. However, it is possible for a Devolution Deal to go ahead even if one or more local authorities choose to opt out. There is significant discussion underway between partners to produce proposals that are acceptable to all and these will be fully explored as the bid develops.

16. Attachments:

Appendix 1: Prospectus for Prosperity

Appendix 2: Benefits for South Somerset

Appendix 3: Briefing Note - What is a Combined Authority?



Devolution

for the Heart of the South West

A Prospectus for Productivity

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From six Golden Opportunities to six Key Challenges

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Outline Roadmap

The Heart of the South West



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- Key Road Route
- Key Rail Route
- Planned Infrastructure Improvements
- Proposed Infrastructure Improvements

- Principal Growth Areas	- Renewable energy potential	- Universities	- Innovation Centres	- Hinkley Point Nuclear Site
- Secondary Growth Areas	- Enterprise Zones	- Science Parks	- Marine Technology	- Yeovil Aerospace

Executive Summary

In September 2015 the Heart of the South West (HotSW) submitted its devolution Statement of Intent to Government. After considerable further work during autumn 2015, the partners - 17 local authorities, two National Parks, the Local Enterprise Partnership (LEP) and the three Clinical Commissioning Groups - are now in a position to commence detailed negotiations with Government on a devolution deal.

Government has challenged local leadership teams to treat productivity as 'the challenge of our time'. They have asked us to do that by 'fixing the foundations' of infrastructure, skills, and science through a devolution revolution delivering long-term public and private investment.

Heart of the South West productivity continues to lag behind national productivity and is currently under 80% of the UK average. To redress this we need more, better jobs, a healthier, higher skilled labour market and new homes for our growing population.

With Government support for our proposition, by 2030 the Heart of the South West can accelerate delivery of 163,000 new jobs, 179,000 new homes and an economy of over £53bn GVA. To put this in context, this is more growth over the next fifteen years than Bristol, Birmingham and Nottingham (the three non-'Powerhouse' core cities) have delivered in the last fifteen.

To do this we will exploit and deliver our Golden Opportunities around investment in nuclear energy at Hinkley, across the peninsula in marine, aerospace, advanced manufacturing and environmental futures. We will connect our rural communities to these transformers and address the challenges of ageing and health-related worklessness with unprecedented

health and care integration.

We will take responsibility for fixing our foundations. We seek Government's support to do this through negotiation and delivery of a far reaching devolution deal for the Heart of the South West.

Our approach to delivering this transformation focuses on a comprehensive Productivity Plan:

- **For people:** we will build on Government's own national reconfiguration of the skills system to supply business with the skills it needs and a labour market able to deliver productivity per job and per hour at 'Greater South East' levels (outside Inner London). Our plans for health and care integration will support a significant proportion of our non-working population into work.
- **For business:** our Growth Hub will enable business growth and internationalisation following closure of the national Business Growth Service. We will augment this with specific policies and initiatives to realise national priorities implicit in our Golden Opportunities.
- **For place:** we will provide the infrastructure and housing required and make the Heart of the South West investment ready. We also recognise that much of our growth will occur in specific sub-regional economic geographies. We will plan and manage change in these sub-regions to ensure their connectivity with each other, with the rest of the country and globally. We will make sure that rural areas access and leverage these opportunities and build on Government's 10 point plan for rural productivity geographies.¹

¹ The Heart of the South West's economic transformational opportunities were identified and agreed in our Strategic Economic Plan, March 2014.

Cohesive, coherent leadership and governance of this transformation is crucial. We propose to establish a Combined Authority to provide leadership, supported by sub-regional delivery mechanisms so powers and resources are deployed on the scale at which our economy functions. These arrangements will develop new ways of working to address priority issues.

Our proposals build upon successful and strong business leadership through our Local Enterprise Partnership: we cannot deliver effective economic interventions without a strong business voice.

If we do not act, the Heart of the South West will not be able to contribute to the Government's ambition to meet the national productivity challenge as set out in Fixing the Foundations.

This document outlines our position and objectives. An early agreement on heads of terms for a devolution deal will trigger the start of our governance review and formulation of our Productivity Plan.



New housing across the Heart of the South West



Bridgwater Enterprise and Innovation Centre

Our Vision and Goals

Government recognises that fixing the foundations and devolution are the projects of a generation. Our key challenges are:

- An insufficiently skilled workforce and limited pool of available labour: many young people move away to live and work, rather than stay or move into our area.
- A need for more infrastructure to support our existing businesses and workers and to attract new ones. We need better and more resilient infrastructure: roads, railways, broadband and housing.
- Enabling a more effective, far-reaching support environment for businesses to sustain those we already have and make the area more attractive to inward investment and home-grown entrepreneurs.
- Managing the significant and increasing cost of health and social care, which combined with our ageing population threatens the viability of public services unless radical reforms are completed.

Productivity-led growth in the Heart of the South West will have three dimensions:

- **People:** who are healthy, with the skills they need to access higher value jobs and grow their careers.
- **Business:** more businesses creating new jobs and increasing productivity.

- **Place:** sustainable growth across the geography, supported by modern infrastructure and accelerated housing delivery.

We signalled our intention to meet these challenges with our Statement of Intent. The submission of this more detailed proposition shows how serious our intent is. We believe the proposals we have committed to developing will realise our local ambitions and make decisive, important contributions to Government's national priorities.

With Government support for our proposals we will redress our productivity gap and help us manage demographic challenges more effectively. Key outcomes we will achieve by 2030 include:

- £4bn additional in GVA for the UK economy.
- 163,000 new jobs.
- Infrastructure that supports our ambitious plans.
- 179,000 more homes, and accelerated delivery in major growth points.
- Wage levels higher than the national average.
- Additional tax revenue for the Treasury of £113million per year.
- Apprenticeship starts increased by 400%.
- Every young person in education, employment or training.
- £1bn per year welfare benefits savings as more people enter employment.
- 60% of our workforce qualified to NVQ level 4 or above.
- Faster more reliable rail services with greater capacity.
- Faster and more reliable journey times on our road network, with less congestion.
- 100% superfast broadband coverage.

The Heart of the South West has a strong track record of delivering in partnership for residents and businesses:

- Securing and supporting major national and international investment in the future of the nuclear industry at Hinkley Point.
- Plymouth and South West Peninsula City Deal.
- A total of £195.5m secured through Growth Deals – including the highest Growth Deal 2 settlement of any LEP area in the country – to deliver a comprehensive programme of projects in pursuit of growth.
- Exeter University, Science Park, Innovation Centre and Innovation Zone.
- Connecting Devon and Somerset superfast broadband.
- Three Enterprise Zones: South Yard in Plymouth to support innovation and growth in marine industries, Huntspill Energy Park near Bridgwater to support the growth of a new nuclear cluster catalysed by investment in Hinkley and east of Exeter sites aligned to opportunities in environmental sciences and big data.
- Delivery of Plymouth Science Park by Plymouth City Council and Plymouth University, now entering phase 5, creating the largest science park in the south of England.
- Better, more reliable roads, including major improvements to A303, A358, A30 corridor, M5 Junctions and A361 North Devon Link.
- The Peninsula Rail Task Force.
- Connecting communities in rural areas.
- Exeter and East Devon Growth Point.
- A high quality and thriving Further Education Sector.
- Health and social care initiatives including Somerset's 'Symphony' Vanguard project, Exeter 'ICE', Torbay's Integrated Care Organisation and 'One System One Budget' in Plymouth.

We can scale up and build on these experiences. However, without the comprehensive framework that our governance proposals will deliver, the Heart of the South West and national Government will miss out on the solutions, linkages, and effectiveness that collective leadership can achieve.

A Heart of the South West devolution agreement with robust governance structures, accelerated delivery, and more focused use of scarce resources is the optimal way for Government to assure itself that the national Fixing the Foundations plan is being proactively and consistently led and delivered across the Heart of the South West.

In this prospectus we set out our goals for 2016-2030 and how we will deliver the long-term and evolutionary work required to achieve our devolution revolution.



FlyBe Academy

National Context

Government set out its long-term ambitions for the UK economy in 'Fixing the Foundations', its productivity plan for 2015-2020. This framework outlined how long-term investment and a dynamic economy could raise productivity and lift living standards. Government's invitation to areas to propose ways that devolution could contribute to this agenda led to our Statement of Intent being submitted on 4th September 2015.

With policy developments in the autumn, and the Spending Review, Government has firmed up the financial intentions behind the productivity plan. In terms of local contributions leadership teams need to deliver an extensive portfolio of reforms:

- In skills and employment, 2016-20 will see major reforms of the post-16 and adult skills systems (both of colleges and providers on the supply side, and of loans for learners on the demand side). Post-16 Area Reviews and introduction of the Apprenticeship Levy offer opportunities to transform the delivery of local labour market skills, however the demands of transition may be acute.
- Physical investment will need to be managed in the context of higher performance expectations for planning regimes, new approaches to housing supply (especially starter home ownership) and proactive asset management at a public estate as well as local authority level. Local leadership teams will also need to play into the revision of the National Infrastructure Plan with new commitments to flagship schemes like HS2 and nuclear energy.

- As the national Business Growth Service closes by March 2016, new pressures will be placed on emerging local Growth Hubs. For innovation, local and regional Science and Innovation Audits will seek to shape national priorities as Research Councils and Innovate UK come together in Research UK with a range of new products.
- These agendas, and others, need to be delivered without diverting attention from existing commitments. These include City Deals, local Growth Deals, the European Structural and Investment Fund programmes, and other legacy programmes, such as the Regional Growth Fund, Growing Places Fund, existing and newly announced Enterprise Zones.

These agendas sit alongside, and will be enabled by, devolution and fiscal reforms and managed in the context of continued public sector expenditure constraint.

The challenge for the Heart of the South West is to shape these national priorities to our unique circumstances. We have drawn on our Strategic Economic Plan to describe the causes of our productivity challenge, identify our key Golden Opportunities and understand how to build on our track record of success.



Hinkley Point C, Somerset

Local Context

The Heart of the South West covers most of the south west peninsula. Its 1.7 million residents live in a mixture of rural and urban settings served by a stunning natural environment and rich cultural heritage.

Most of our businesses are small and medium sized enterprises (SME) employing fewer than five people, providing excellent potential for growth and innovation. We are also home to cutting edge engineering and manufacturing industries including companies of global significance:

- Aerospace and advanced engineering industries employ more than 23,000 people and contribute over £1billion to the economy. Businesses in the area also have specialisms in advanced electronics/photonics, medical science and wireless and microwave technologies.
- Analysis of the comparative advantages of our local assets has identified that the Exeter City Region can make a unique contribution by becoming a globally recognised centre of excellence in weather and environment-related data analytics. Exeter is home to the Met Office, the city leads Europe in combined environmental science, data and computational infrastructure, hosting 400 researchers in environmental and sustainability science. From 2017, it will also host the most powerful supercomputer in Europe.

- The first of the UK's new generation of nuclear reactors being constructed at Hinkley Point will deliver substantial economic benefits across the south west. It is part of our growing low carbon and energy sector and offers £50billion worth of business opportunity in the nuclear sector within a 75-mile radius of Hinkley Point.

- We are a global centre of excellence for marine science and technology, including Plymouth University's Marine Institute and the Plymouth Marine Laboratory.

- There are 30 working fishing ports across the Heart of the South West, including the two largest fishery landings in England at Brixham and Plymouth.

- The South West Marine Energy Park, the country's first, serves the wider south west peninsula, and offers direct access to superb physical assets and resources including the north Devon and north Somerset marine energy coasts for opportunities in wind, tidal and nuclear energy.

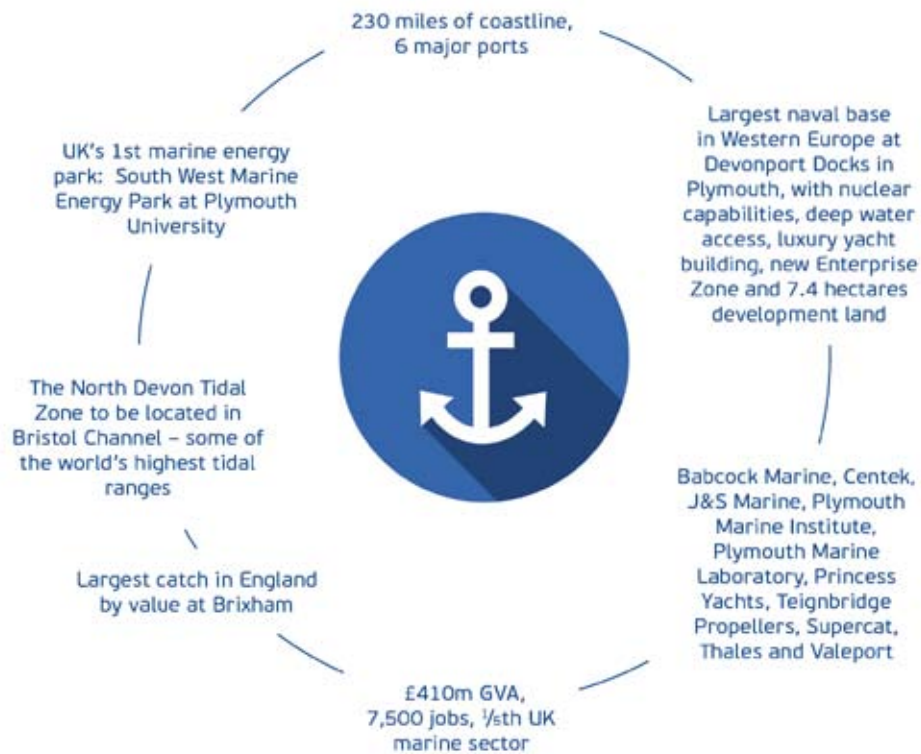
Our mixed economy also serves our traditional strengths. Our tourist and visitor economy attracts millions of visitors per year and our food and drink sector has a significant impact on national GVA (4.2% in 2011).

Whilst our largest employment sectors remain public administration, health and education, our Local Enterprise Partnership's Strategic Economic Plan recognises our area as having 'New World' potential if opportunities can be capitalised upon and the right conditions for growth created.

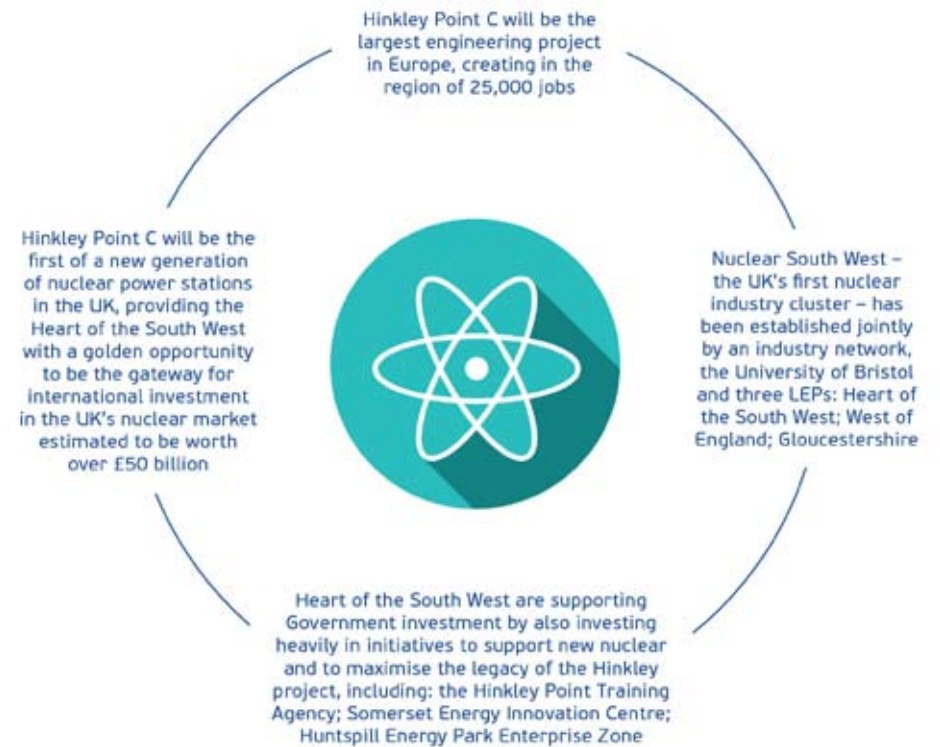
Golden Opportunities

We have identified six Golden Opportunities that we will use to drive productivity and economic growth whilst continuing to support our diverse economy and taking advantage of new opportunities as they emerge.

Marine



Nuclear



Aerospace and Advanced Engineering

UK has world's second largest aerospace industry – worth £1bn in HotSW employing 23,000



14 of the world's top 15 aerospace and advanced engineering companies in the South West, with 900 supply chain companies

Major companies
AgustaWestland, Airbus, Boeing, FlyBe, BAE Systems, GE Aviation Systems, Gooch & Housego, Honeywell, Thales, Rolls Royce, GKN Aerospace

Data Analytics

New Met Office £97m Supercomputer will be the most powerful environmental supercomputer in the world – providing long term, detailed global climate prediction and Big Data

Intellectual firepower of over 400 researchers in the Met Office & University of Exeter

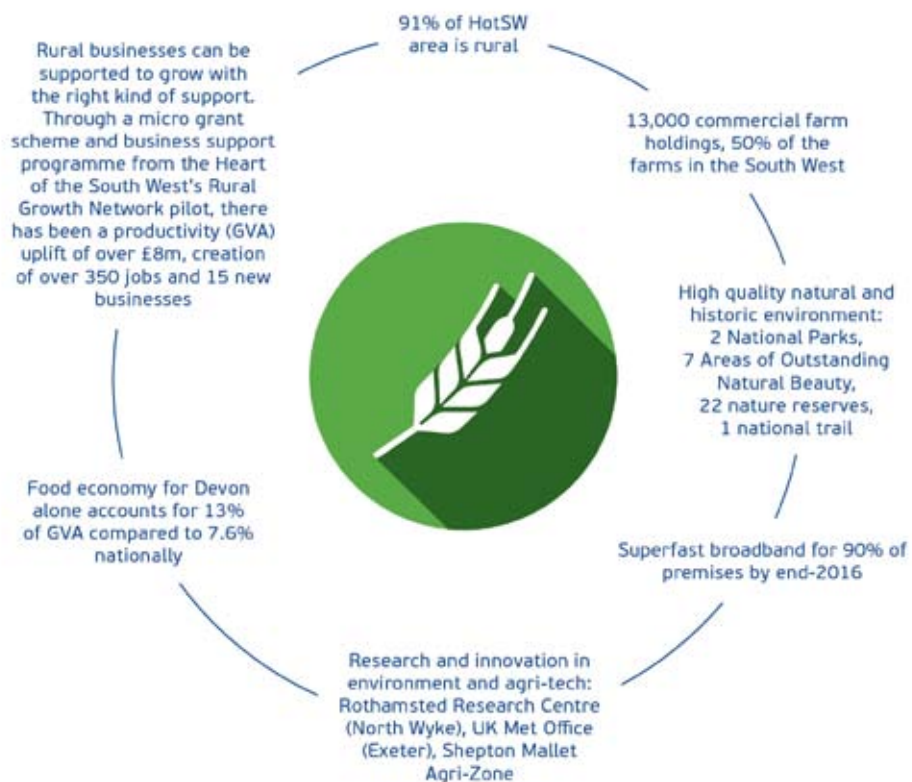


Exeter has more lead authors on the Intergovernmental Panel on Climate Change 5th Annual Report than any other city in the world

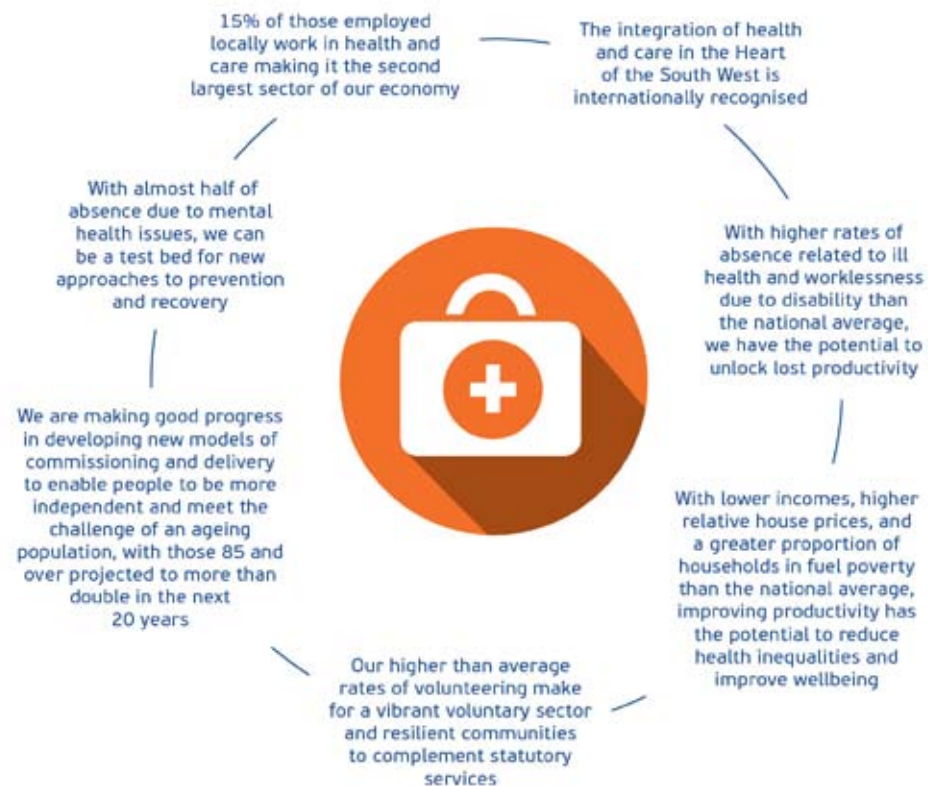
Food Security & Land Research Alliance: Bristol & Exeter Universities, North Wyke Farm Platform (Rothamsted & Duchy College) ground-breaking discoveries in global food security, crop, soil and land management, animal health and marine science

The UK Hydrographic Office in Taunton is the world's leading digital provider in the field of marine navigation, hydrographic & maritime data services

Rural Productivity



Health and Care



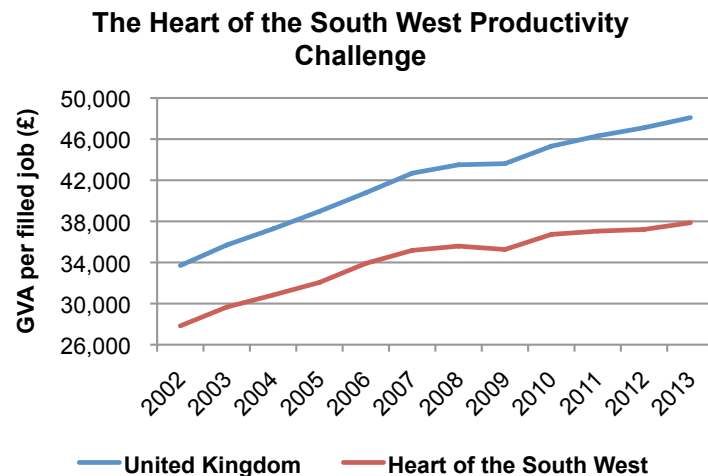
From six Golden Opportunities to six Key Challenges

Realising our vision, goals and targets requires us to address and solve six major, interrelated economic and societal challenges:

1. Our productivity is too low and growing too slowly

Whilst not uniform across the area, in 2013 our productivity per job filled was below 80% of UK averages, a fall of around 3% over the last decade. Our forecasts suggest that unless we unlock our emerging transformational opportunities our productivity will continue to lag behind the rest of the UK.

This performance is a manifestation of poor comparative skills levels, labour market shortages, insufficient infrastructure, and poor connectivity, the human and financial cost of ill-health, a lack of joined-up support for business and need for higher value industrial densities.



2. Our labour market is limited in size and skills levels

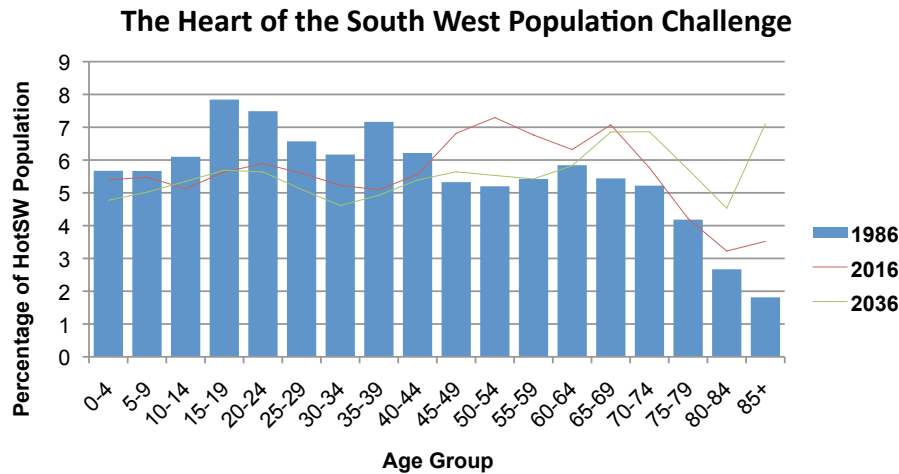
A key factor in our low productivity is a shortage of workers and a shortage of skills. Low unemployment means businesses have a limited labour pool from which to draw recruits. Higher level skills attainment is below national averages and out-migration of our talent to London and other metropolitan centres means that employers regularly report labour shortages and recruitment difficulties.

3. Our enterprise and innovation performance is inconsistent and needs to improve

Evidence shows that businesses that take up support do better than those who don't. However, the business support landscape is complex and confusing and short-term Government funding for programmes creates uncertainty. The Heart of the South West ranks 38th out of 39 LEP areas on many measures of innovation including patent registrations and Innovate UK funding. We cannot resolve these science and innovation issues without more highly skilled workers and a stronger innovation environment, particularly around our Golden Opportunities.

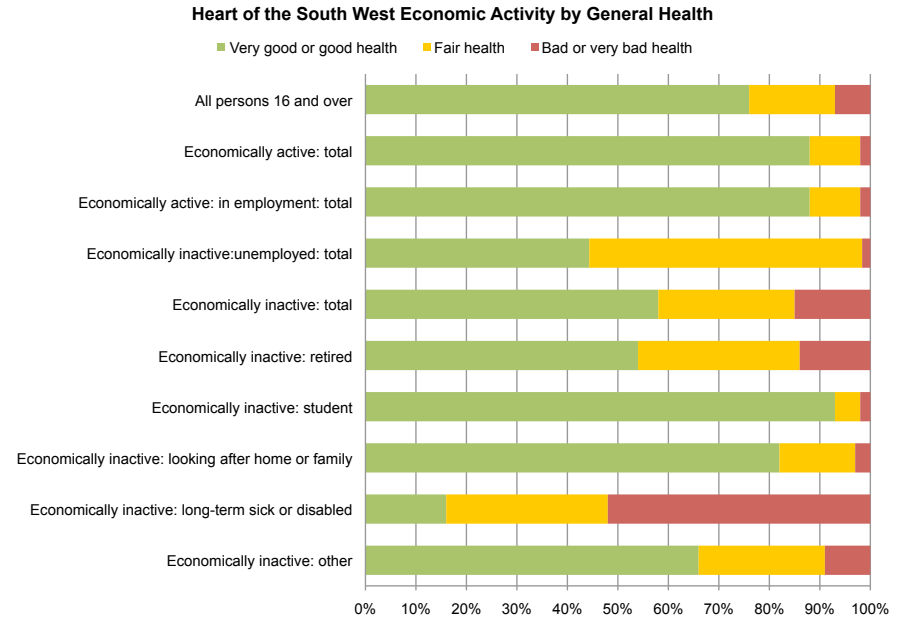
4. We are a leader in facing the challenges of an ageing population

Our population profile shows a significant increase in the proportion of our residents aged 65 or over and a corresponding decrease in the proportion of working age people under 45. By 2036, 17% of our population – more than 327,000 people – will be over 75 years of age.



5. We are a leader in facing the challenges of health and care integration

Particularly related to our demography, our health and care system needs to be reshaped to meet social, economic and financial pressures. Our area performs poorly for mental health outcomes when compared to national figures, making this a key priority.



A healthier population means lower public sector costs and increased economic activity. To fill 163,000 more jobs we must engage the non-working population in the labour market which will require a significant health and care contribution.

Employment of people with physical disabilities, learning disabilities, mental health issues and other long-term conditions is strongly correlated with their achieving better outcomes and being less dependent on publicly funded health and care services. This represents considerable productive potential.

6. Our infrastructure and connectivity needs to be modernised and more resilient

More infrastructure especially housing, transport links, broadband, mobile connectivity and energy grid improvements are required to make our area more attractive to investors and viable for the future. Improving these conditions are key to giving businesses in our area the tools they need to compete in global markets, attract future entrepreneurs and secure investment. We must overcome these barriers if we are to capitalise on our transformational opportunities.

Fixing the Heart of the South West and our contribution to fixing the national foundations

The current landscape of funding and decision-making has only taken us so far. Despite our achievements to date we need freedom to act more decisively. A devolution agreement means we can take responsibility for our unique challenges and capitalise on our Golden Opportunities.

The dividend for the National Productivity Plan is considerable. Besides the specific metrics identified in our goals, the UK will benefit from global and national energy investments and security, environmental futures and big data capabilities, an at-scale set of solutions to health and care integration and public service reforms.

This negotiating prospectus lays out the heads of terms of an agreement to create the foundations for a transformational jump in productivity. It will deliver quick wins this decade whilst planning for the medium and long-term.

Fingle Bridge, Devon



Improvements by Rail



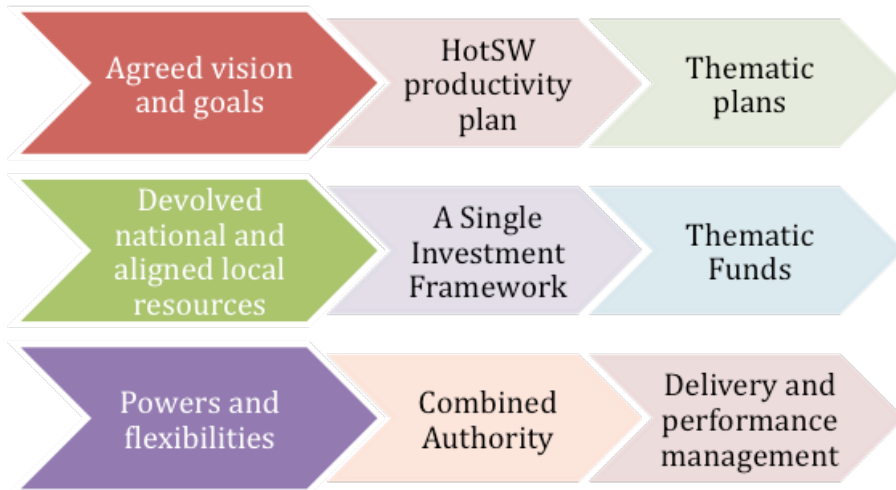
Met Office, Exeter

Our negotiating prospectus

We wish to agree with Government a shared commitment to building three pillars of a devolution deal for the Heart of the South West.

Foundation 1: The Productivity Plan

The Productivity Plan will be our instrument for fixing our foundations. It will incorporate the refresh of our Strategic Economic Plan and scale up local growth agendas for 2016-20 incorporating Spending Review and public service reform priorities. It will include proposals for our Strategic Labour Market Plan and Strategic Infrastructure Plan. It will also reflect our ambitions for integration of health and social care where they link to our devolution deal.



Foundation 2: The Single Investment Framework

The Single Investment Framework will set the financial parameters of our agreement and encompass devolved funds and locally aligned resources. It is likely to include:

1. A single infrastructure fund to provide the physical investment for backbone, nationally-significant infrastructure.
2. A housing delivery instrument to accelerate housing delivery by unlocking key sites and stimulating market activity.
3. Skills and employment allocations to enable remodelling of the skills and employment landscape.
4. Devolved health and care budgets delivering agreed business cases with NHS England and other partners.

We believe agreement to formulate these two foundations will enable early delivery of accelerated housing development, skills reform, and improved business support, with health and social care reform and infrastructure development taking place in parallel.

These two foundations will be overseen and assured by a Combined Authority arrangement. This will, once established, provide the Heart of the South West counterpart to Government for planning and management of our devolution deal. It will take responsibility for the powers, resources and deliverables outlined below.

People

A highly skilled, high productivity labour market meeting businesses' employment priorities

We are clear that without proactive leadership and intervention our skills profile will remain a chronic block to fixing our foundations and delivering our vision.

We intend to use national reforms, led and shaped locally, to deliver a labour market capable of achieving productivity at Greater South East levels (excluding the distorting effect of Inner London).

Government's expectations of local leadership teams for 2016-20 as laid out in existing devolution agreements, the 2015 Spending Review and other policies include:

- Planning and management of phased devolution of post-19 public sector adult skills budgets, leading to full commissioning and funding of providers from 2018-19.
- Chairing and facilitation of successful Area Reviews of post-16 education and training, implementation of review recommendations including reshaping provision where required.
- Co-design of apprenticeship reforms including introduction of the levy and deployment of Apprenticeship Grant for Employers.

- Co-design of future employment support programmes with DWP and performance management regimes.

The Combined Authority will take responsibility for delivering these agendas, augmented by specific asks around:

- Specification and delivery management of Careers, Education Information, Advice and Guidance in schools and colleges.
- Support from Government to deliver a wider Higher Education offer for Somerset, including a new university.

Our Offer	Our ask of Government
Responsibility for reshaping the skills and employment system. Delivered through formulation, agreement, resourcing and delivery management of a business-led Strategic Labour Market Plan.	Full devolution of powers to the Combined Authority, phased over a number of years, with relevant skills, education and employment budgets into the Single Investment Framework. Government departments and agencies to co-design and co-deliver the Strategic Labour Market Plan.

Why is this important?

Our analysis has shown:

- Young people are not getting the independent, quality careers and education advice and guidance to help them make informed decisions on their education and training.
- Employer productivity improvements are held back by shortages and lack of skills in local labour markets.
- The national provider system is poor at anticipating and securing future skills needs.
- Support for the workless is ineffective for those furthest from the labour market. Our evidence shows a distinct lack of progress for those in receipt of Employment Support Allowance despite significant investment and reform.

Key outcomes

With the powers and funding outlined above we believe a devolution deal will allow us to deliver the skilled workforce our productivity ambition requires. We will work with Government to design system reforms that deliver:

- 40,000 people helped to move from benefits into paid work.

- Benefit bill savings to Government of £1bn per year.
- Additional money earnings locally per year of £800m.
- Additional tax income for Government of £113m per year.
- All young people in employment, education or training.
- Apprenticeship starts increased by 400% and aligned to our six Golden Opportunities.
- Parity of esteem between vocational and academic pathways.
- Maximised links between Golden Opportunities and skills development to encourage young people into our area's high tech industries.
- A university for Somerset.



Babcock Training

A national demonstrator of effective health and care integration for improved wellbeing

The Heart of the South West already has well established and innovative local approaches to health and care integration, however our system continues to be under demographic pressure. We now have an opportunity to bring together resources across the public sector to deliver the systemic reform needed by the health and care system and through strong local leadership can engage communities and voluntary sector in that enterprise. We want to create a system where prevention and early intervention are an integral part and which rethinks its approach to mental health and wellbeing. In summary:

Our Key Offer	Our ask of government
Building on the NHS 5-Year Forward View, we will deliver a 'whole system' approach to health and care.	Devolution of 5-year place-based population budgets for health, care, and public health
This will include:	
Devolved commissioning of primary and associated specialist care services including mental health.	
Flexibility in regulation and budgeting, including freedom for partners to pool resources.	
Greater emphasis on public health and the link between health and housing.	
Capitation-based payments.	
Support to address skills shortages.	

Why is this important?

We want people to lead longer, healthier, more productive and fulfilling lives while ensuring the sustainability of our health and care services.

Health outcomes are generally good and life expectancy is high, but too many people develop avoidable long-term multiple conditions which affect both the quality of their lives and their ability to work. People with mental health conditions are in too many cases poorly served by a fragmented system in which there is no effective link between preventive, primary care and acute services.

Health and care is the second largest sector in our economy but productivity lags behind other areas and there are workforce and skills shortages which affect both the quality and cost of provision. These issues can only be tackled through whole-system reform and a closer matching of strategy and resources to local need.

Our ageing population demography is ahead of many other areas meaning we have an opportunity to lead the way in tackling the associated health, care and economic challenges.

Key outcomes

Devolution will help us create a health and care system that supports a healthier population, greater personal independence and wellbeing, and improved workforce productivity:

- Better physical and mental health outcomes.
- A system that is integrated and financially sustainable, offering a whole system approach, and is a test-bed for Government innovation.
- People of all ages encouraged and supported to make healthy lifestyle choices and manage their own care, therefore diverting or delaying dependency.

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Devolution offers the potential for us to go further, faster, and bring reform initiatives together at a scale and with a scope that can provide a demonstrator (given our advanced demographic profiles) to health and care reforms in other parts of the country:

- The NHS 5-year Forward View and the requirement on areas to develop transformation plans for local areas.
- The financial settlement for local government, including the requirement to submit integration plans by 2017.
- Changing Better Care Fund guidance and the option to work across local authority areas to plan and deliver it.
- The 'Success Regime' applying to NEW Devon Clinical Commissioning Group and its impact on, and learning for, other health and care economies.



Improved health care and wellbeing.

Business growth and innovation

Government expectations of local leadership teams for 2016-20 includes sustaining and developing support for business growth after closure of the Business Growth Service, as well as enabling distinctive contributions to national research and innovation-led growth priorities. For us this means scaling up the reach and impact of our Growth Hub and realising the full potential of our Golden Opportunities.

To deliver this Heart of the South West partners already have primary responsibilities for:

- Operation and performance management of the Growth Hub and shaping of national agency (eg UKTI) access and support to Heart of the South West business.
- Strengthening the coherence and effectiveness of local innovation eco-systems around our Golden Opportunities - notably the marine cluster anchored by Plymouth, the environmental futures cluster anchored by Met Office investments in Exeter, the UK Hydrographic Office's long-term commitment to Taunton, the nuclear cluster catalysed by Hinkley Point C, and the broader South West aerospace cluster with its major growth node in South Somerset.

Our skills and infrastructure proposals provide a number of interventions to address these challenges. These will feed into and through the Growth Hub so our business growth and innovation strand, in summary, will:

Our Key Offer	Our ask of Government
<p>Scale up and assure a Growth Hub providing a seamless approach to business growth support.</p> <p>Strengthen a network and cluster of 'innovation eco-systems' anchored by each of our Golden Opportunities</p>	<p>An increased devolved revenue pot for at least 5 years which can draw if required on the Single Investment Framework.</p> <p>Co-commissioning of all remaining national business growth and internationalisation services.</p> <p>Commitment to bespoke agreements with national agencies to realise the UK and local growth dividends of each of the Golden Opportunities - underpinned by an early Science and Innovation Audit undertaken by a consortium of south west LEPs and universities.</p>
<p>This strand will include: Collaboration with neighbouring LEPs on a cluster approach to inward investment.</p>	

Why is this important?

Discharge of these primary responsibilities is impeded by national pressures which manifest themselves locally. Analysis shows:

- SMEs and early stage entrepreneurs find national and local systems fragmented, opaque and bureaucratic. This leads to low rates of business growth support take-up and entrepreneurial/start-up activity.
- Inward investment, internationalisation and trade, and our visitor economy are held back because the South West is perceived to be a distant periphery. Offers are poorly joined-up and we have a low national profile, and are a low priority for UKTI, VisitEngland and other agencies.
- National science and innovation products and services are not accessed consistently by existing business. Furthermore our national offer is not investment-ready so cannot easily take advantage of the potential of our Golden Opportunities.

We need more certainty of investment and freedom from national funding cycles so we can operate our proposed Single Investment Framework and ensure the right interventions are made at the right time to support our economic opportunities.

Key outcomes

Our Golden Opportunities and distinctive assets have the potential to

release major productivity gains for us and for the national economy. Business support devolution will drive productivity through:

- More businesses taking up the support they need.
 - 20% of business stock informed about business support
 - 3,000 businesses supported
 - 750 business accounts managed
 - 10 Operational Level Agreements signed between business support delivery partners
 - 360 businesses receiving intensive support
 - 36 events to co-ordinate network businesses support delivering with the aim to simplify business support customer journey
- Significantly increased levels of inward investment.
- Heart of the South West businesses competing strongly in the global economy.
- Better engagement with business and an entrepreneurial culture.
- Double the number of international tourists to the Heart of the South West and more national tourists.
- Greater levels of science and innovation in our economy: double the uptake of Innovate UK support, and increased research and development.

Place

Government expectations of local leadership teams over 2016-20 include:

- Adoption and implementation of Local Plans with demonstrable collaboration across functional economic areas to drive physical investment.
- A performance regime that accelerates housing and employment growth.
- Devolved local transport budgets and plans including both development and regulatory functions, to improve system performance locally and add value to national infrastructure investments and programmes.
- Contributions to specific national and pan-regional infrastructure priorities, including Hinkley energy agreements and recommendations of the Peninsula Rail Task Group.
- Proactive delivery management of Starter Homes, housing investment pots and local authority contributions to new housing.
- Completion of backbone superfast broadband infrastructure and increasing take-up to support the digital economy and wellbeing.
- Local authority and other public sector land disposal, development and rationalisation strategies.

Our proposals will enable us to take responsibility for delivering these agendas, including, in summary:

Our Key Offer	Our ask of Government
Establishment of an Infrastructure Commission to formulate a new Strategic Infrastructure Plan with implementation overseen by the Combined Authority.	Support to develop, fund and deliver the Strategic Infrastructure Plan. A commitment to create a flexible funding model to support accelerated housing delivery, targeting locally identified growth areas.

This will include Government commitments to:
<ul style="list-style-type: none"> • Existing and new infrastructure development, including the A361 North Devon Link, A303/A358/A30 improvements and Peninsula Rail Task Force 20-year plan. • Match funding and co-production to deliver 100% superfast broadband coverage • Use the two National Parks as test beds for integrated land management and rural productivity. • Inclusion of Plymouth on the Strategic National Corridor network.

This will include Government commitments to:

- Devolved Air Passenger Duty from Exeter Airport.
- Support to develop and sustain new energy initiatives including wind, sub-sea and grid improvements.
- A National Policy Statement for renewable energy generation in the Bristol Channel and Severn Estuary.

Why is this important?

Long-term investment in our infrastructure is critical to unlocking growth and delivering our productivity targets. Our Strategic Infrastructure Plan will set out where and when investment is required. We need to accelerate housing and employment land allocations, electronic communications for our businesses, more housing for our workers, and improved transport links to allow faster movement of our workforce, goods and services. This infrastructure underpins growth and is the key to our future productivity.

Despite recent successes we are underfunded compared to other areas. Long-term investment is vital to provide confidence for developers and to drive productivity through faster, more reliable transport and digital connectivity. Investment in resilience is essential to minimise disruption and financial loss during a crisis. There is considerable untapped resource and market opportunity for the Heart of the South West to contribute more to the energy supply of the nation. We have the potential to become a leader in low carbon energy and renewables, however current grid infrastructure is limiting deployment.

Key outcomes

To support productivity growth, infrastructure devolution will deliver:

- 179,000 new homes, and a new Garden Town in Somerset.
- Accelerated housing and employment growth in the identified growth areas of Greater Exeter, Hinkley Growth Zone, Plymouth, Taunton, and Torbay.
- Faster rail connections to London, the South East, and Midlands.
- 100% superfast broadband availability and reliable mobile phone connectivity.
- Prioritised and sequenced infrastructure projects to maximise the value of investments.
- Innovation in energy development and supply to support the national energy strategy.
- Greater resilience of our infrastructure.
- Innovative approach to environmental management, increasing productivity, improving resilience, and growing our rural economy.

Foundation 3: Towards a Combined Authority

The partners to this proposal recognise that leadership and governance of delivery of our deal will require transparent, robust, and efficient structures and processes commanding the confidence and support of Government, local communities, and business.

We also recognise Government's preferred model of choice for this vehicle is the Combined Authority (CA), with Mayoral leadership in the case of Core City Regions.

We will create a Combined Authority with appropriate strong leadership and accountabilities. We will carry out a Governance Review to identify the most effective structure and processes for putting this commitment into effect, ideally with an inception date of either April 2017 or April 2018.

The Governance Review shall draw on the principles outlined in our Statement of Intent as a starting point. The review will proceed in tandem with both the enactment of the Cities and Local Government Bill, and the progress of our devolution agreement negotiations and requirements of its effective implementation.

The Governance Review will set out the powers, roles, functions, and operational arrangements for the Combined Authority - and propose its relationships with and to key delivery partners nationally, locally and with neighbours.

At a minimum, the Heart of the South West LEP, CCGs and others as appropriate will become full non-constituent members of the emerging

Combined Authority, playing leadership roles where appropriate in its sub-structures, for example to build on the LEP's business credentials.

In addition, we consider there will be a number of collaborative arrangements that we shall wish to progress with variable consortia of South West neighbours. These may include a 'Transport South West' proposition, the in-train Science and Innovation Audit consortium with neighbouring LEPs and national clusters in areas such as nuclear, renewables energy,

Similarly, our prospectus recognises that specific sub-regional geographies will accommodate significant shares of the growth to be delivered. Bespoke arrangements to plan and manage these changes will build on or adapt existing arrangements including The Greater Exeter Group, The Plymouth and South West Peninsula City Deal, the emergent Hinkley, Taunton and Bridgwater triangle. Options for strengthening and adapting these arrangements (or elaborating new place-based governance) may include Development Corporations, Special Economic Zones, Accelerated Development Zones, or other models.

Next Steps

Delivering devolution requires careful sequencing. A high level roadmap for developing and delivering our deal is outlined below.

A Heart of the South West partners group will launch shadow Combined Authority arrangements and a formal Programme Management Office (PMO) upon agreement from Government of serious intent to progress towards a devolution agreement. The PMO will be resourced to support devolution agreement workstreams with business case and financial management capacity, including assuring fiscal neutrality.

The shadow Combined Authority and PMO will work with Government to deliver six co-produced workstreams by early 2017:

1. The Governance Review will apply the processes required under legislation to specify, agree and launch the form of Combined Authority eventually determined. This work will include the role and voice of business and sub-regional geographical arrangements.
2. The Productivity Plan will elaborate the evidence base, strategies and performance management required to deliver the vision and goals of the devolution agreement.
3. We are seeking Government agreement to establish a Joint Skills Commission to oversee national policy requirements and the process of localising these under the terms of our devolution deal.
4. The local leadership team will work with our successful health integration exemplars, NHS England, and other local, regional and

national partners to identify wider opportunities to contribute to the Productivity Plan and national health and care integration priorities.

5. The LEP will ensure existing local growth commitments are delivered effectively, that the refresh of the Strategic Economic Plan feeds into the wider Productivity Plan and that business engagement in the establishment and operation of the Combined Authority and its priorities is strong.
6. We are seeking Government commitment to establish a Joint Infrastructure Commission to firm up the physical investment needs identified in national and Heart of the South West priorities and how the Single Investment Framework will resource these.

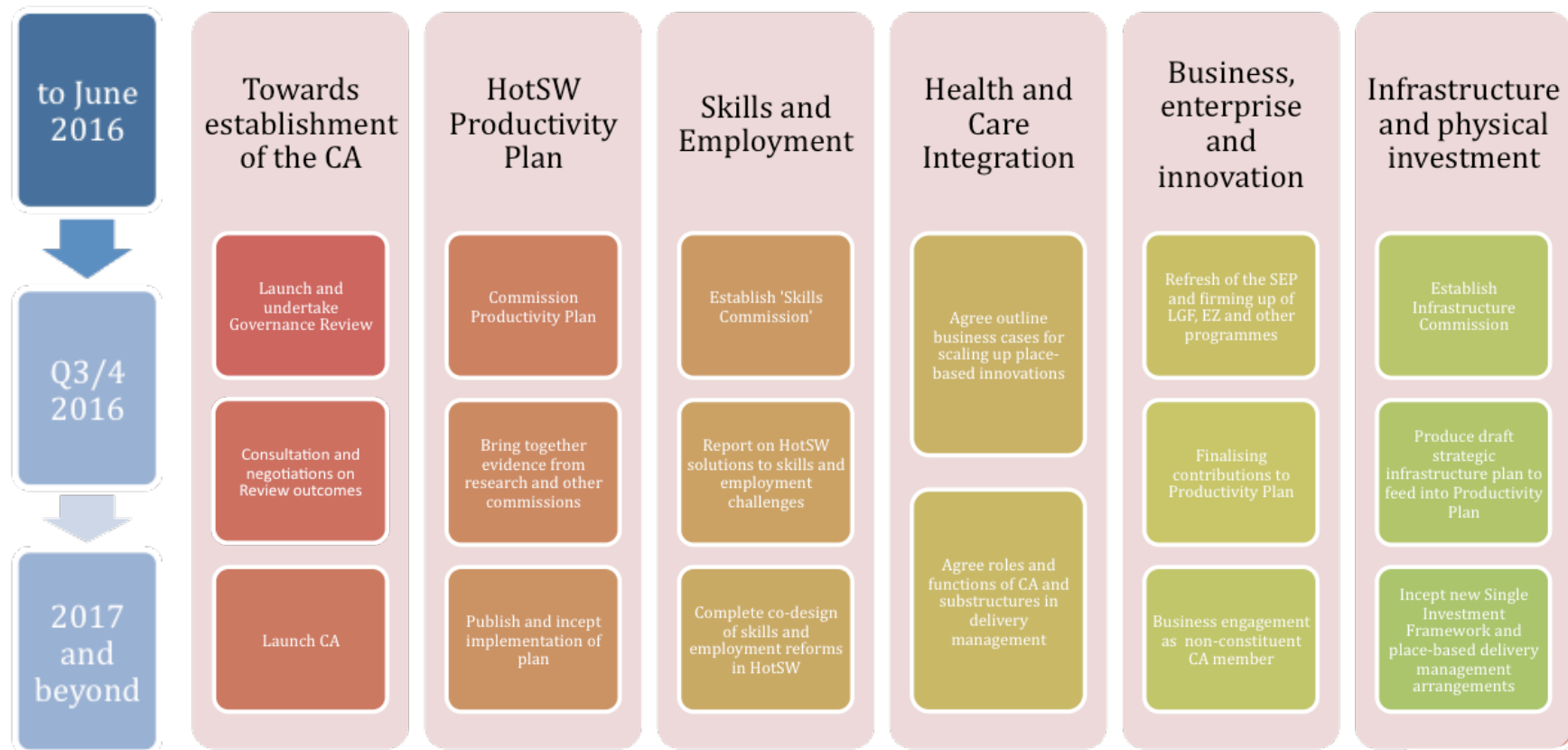
This process will allow early wins to be made, including accelerated housing development and initial skills and business support reform, whilst specifying and agreeing the structures needed to deliver the medium and long-term outcomes of our devolution agreement.

In anticipation of a positive outcome from negotiations on our deal we seek early agreement from Government on a match-funded budgetary contribution to co-deliver these workstreams.

We invite Government to begin formal negotiation with us on our proposals and the detail behind them with a view to signing a deal during the first half of 2016.

Outline Roadmap

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Royal William Yard, Plymouth

June 2016

What does Devolution mean for the Heart of the South West - and for my own organisation and local authority area?

Since the submission of the Statement of Intent in September 2015, the Heart of the South West Partnership have been working together to try and draw down greater powers, funding and freedoms from Government by securing a Devolution Deal for the area.

There are a number of underlying reasons to pursue a Devolution Deal and Combined Authority as a Heart of the South West Partnership

The partnership has agreed the rationale and benefits for being involved in this process as follows:

- This is a unique opportunity to release powers and funding from Whitehall and enable us to have greater influence to deliver on the priorities we know are important to our sub-region
- It places our Partnership into an exclusive club with the 10 other deal areas and the advantages this can bring in terms of incremental shifts of power from the centre to local areas
- It is the start of an ongoing process that will allow us to build on our track record and credibility for delivery that makes a tangible difference to our communities

By working together as a Partnership we have a stronger voice with Government and greater clarity about our shared priorities. It puts decision-making closer to our communities so that we can plan, sequence and deliver what our areas need over the longer term. It will create a firm foundation for working together and for having conversations at a strategic level with neighbouring areas across the South West.

The benefits across the whole partnership of working together towards a Devolution Deal include access to new powers, for example around:

- **Transport** – for example around bus franchises, and determining local bus network routes
- **Learning and Skills**– for example, control of the Adult Education Budget to redesign further education
- **Business Support** – having the freedom to join up a range of Government agencies locally to provide a better, more coordinated offer to businesses
- **Employment Support** – the ability to influence commissioning of the new DWP Health and Work Programme
- **Land and Housing** – greater influence over the use or disposal of central Government land and assets, and working with Government on planning reforms

Benefits within my own organisation and for my local area

The transfer of powers, and control of funding from central Government will enable decisions to be taken closer to the point of service delivery, and will allow greater flexibility to respond to the needs of local communities. In this way, a Devolution Deal will support the Council's ambitions outlined in the Corporate Plan.

The Heart of the South West Prospectus for Productivity has a strong emphasis on driving growth and will help, depending on the negotiations, deliver the Council's ambitions around jobs, skills, homes, investment and infrastructure. Whilst we will work together across the partnership to produce a Productivity Plan, in order to fully capitalise on the transformational opportunities in the Plan, we will require freedoms and flexibilities from Government that we don't currently have.

What is a Combined Authority?

Summary

Combined authorities (CAs) were introduced under in the [Local Democracy, Economic Development and Construction Act 2009](#) ('2009 Act'), and subsequently amended by the [Cities and Local Government Devolution Act 2016](#). The Heart of the South West Partnership has developed this briefing note as a simple explanation of both a Mayoral and Non-Mayoral Combined Authority (CA). Following a meeting with the Secretary of State in late May, and in line with the briefing note circulated shortly afterwards, the Partnership is considering establishing a Non-Mayoral CA.

It should be noted that we are not seeking to establish a Mayoral CA at this stage, but we are keeping our options open to see what additional powers this could unlock in the future. It is important that we collectively agree to the principle of setting up a Non-Mayoral CA initially to allow us to enter into negotiations with Government at this time.

What is a Combined Authority (CA)?

England has one of the most centralised governance systems in the world. By creating a CA, the Heart of the South West partnership aims to draw down a range of new strategic powers and funding from central Government, through a Devolution Deal. This will mean that more decisions can be taken locally to better reflect local priorities. A CA can be set up by two or more local authorities. It is a formal structure with a recognised legal status. It usually has one representative from each of the constituent member local authorities, and operates on either a Leader and Cabinet, or Committee structure. A Mayoral CA also has a directly-elected Mayor who is the overall Leader or chair.

The 2016 Act removes previous limitations on the powers that a CA can exercise and permits the Secretary of State to transfer a wide range of statutory functions, including functions from public bodies. The only qualifications on this relate to the transfer of health service functions. The extent of the powers transferred depends on the Devolution Deal agreed with Government. The Secretary of State has been clear that the Mayoral CA model enables areas to draw down the most extensive range of powers. Examples of some pre-existing Combined Authorities that will become Mayoral CAs by May 2017:

- [Greater Manchester Combined Authority](#)
- [Sheffield City Region](#)
- [Liverpool City Region](#)

What it's not.....

A Combined Authority is **not**:

- part of a process to instigate local government reform, or bring about unitary status.
- a take-over by any authority, nor a merger of authorities to form a 'super council'.
- about ceding (transferring) powers to a single body without the express will of the constituent local authorities.
- a 'physical entity,' for example with teams of regeneration officers from the constituent authorities sitting in one building – **unless** the constituent local authorities wish it to be. (Except for a very small core support team that is required by law)

What is a Mayoral CA?

A Mayoral CA is a new variant introduced under the 2016 Act and is different to the elected mayors that a number of councils already have in place such as Torbay.

Up until recently, the Mayor of London had a unique position within English local government, with powers over strategic planning, transport, fire and emergency planning, policing and crime, and economic development over all of London, together with an elected 25-member London Assembly with scrutiny powers. The remaining local government functions in London are performed by the 32 borough councils.

Through Devolution Deals a number of areas have agreed to have a directly elected Mayor and a CA in return for a range of additional powers. An example of this is Greater Manchester Combined Authority. It will have a different model from London as they will operate a cabinet model CA, where all GMCA leaders have a clear portfolio of responsibilities that will act as a supporting and advisory function to their Mayor and CA in respective policy areas. Elections for the GMCA Mayor will take place in May 2017.

In this example the Mayor will need to consult the Cabinet on his/her strategies, which it may reject if two-thirds of the Members do not agree. Some functions such as the Statutory Spatial Framework will need to be approved by a unanimous vote of the Cabinet.

What is the process for setting up a CA?

There are a number of routes for establishing a CA.

- 2009 Act – requires the authorities to carry out a governance review and publish a scheme recommending the creation of a combined authority. This requires the consent of the authorities involved in the scheme and the Secretary of State will agree to make a Parliamentary Order under the Act to create the CA.
- 2016 Act – the Secretary of State can establish a Combined Authority if the councils in the area consent. The Secretary of State must hold a public consultation if this has not already been undertaken locally. The Secretary of State needs to be satisfied that the CA is likely to “*improve the exercise of statutory functions*” in the area. The typical timeframe for establishing a CA through this route is 6-9 months.

An existing CA can be changed into a Mayoral CA through a Statutory Order from the Secretary of State. Any authorities that do not consent must be removed from the CA when the elected Mayor is established.

The governance review stage is important in determining the best model of CA for an area and is part of the overall scheme. In a Non-Mayoral CA the constituent members need to decide if they want a Leader and Cabinet, or a Committee style model for the CA

Can the membership of a CA be changed?

It is possible for councils to leave, or for new councils to join a CA, however Government agreement is required to amend or dissolve the Combined Authority. If a local authority wishes to leave the Combined Authority, a new review of governance arrangements would have to take place, and a revised scheme would need to be published, before the Statutory Order could be amended.

What sort of powers could the HotSW Combined Authority expect to receive through its first Devolution Deal?

No other areas of the country have been given a Devolution Deal based on the establishment of a new Non-Mayoral Combined Authority, however the Deals struck with Cornwall and West Yorkshire provide a guide as to what we might expect to be in our Deal.

We believe we are in a strong position to push for as much as possible in our first Deal with Government.

Devolution Deals tend to be incremental and to evolve over time. Once areas are able to demonstrate that they have strong and accountable governance arrangements in place, and that they can successfully deliver on the new functions, Government is willing to transfer further powers by negotiating subsequent deals. In March 2016, Greater Manchester, the pioneers of Devolution, successfully secured their 4th Deal with Government which gave them greater powers over more public services, including the criminal justice system.

All Devolution Deals have a common set of themes; however, the greatest powers, funding control, and influence are reserved for areas with Mayoral Combined Authorities. We believe that the following examples would be available to us as a bare minimum:

- **Transport** – for example around bus franchises, and determining local bus network routes
- **Learning and Skills**– for example, control of the Adult Education Budget to redesign further education
- **Business Support** – having the freedom to join up a range of Government agencies locally to provide a better, more coordinated offer to businesses
- **Employment Support** – the ability to influence commissioning of the new DWP Health and Work Programme
- **Land and Housing** – greater influence over the use or disposal of central Government land and assets, and working with Government on planning reforms

We will be pushing hard for all the powers and influence reflected in the 'Asks' in our Prospectus. In particular, we will be making a strong case to secure a long term investment commitment for the infrastructure we need to unlock growth.

How would it impact on my Council?

The CA does not replace the existing member Councils, it operates alongside and allows those members to draw down and exercise a range of powers and control funding from Government they would not otherwise be able to access. It means that local politicians have greater control over decision making traditionally held in Westminster. The extent of the powers is determined by the Devolution Deal negotiated with Government.

It is not intended for any existing council functions across Devon and Somerset councils to transfer to the CA at the time of its establishment, but once established it would be possible, where there is a clear benefit, for councils to transfer functions into the CA, subject to agreement.

Further information

House of Commons Briefing Paper on Combined Authority – February 2016

<http://researchbriefings.files.parliament.uk/documents/SN06649/SN06649.pdf>

Agenda Item 8

SSDC Annual Performance Report 2015/16

Note to accompany Annual Corporate Performance Report

PI 031 Percentage of calls to the contact centre resolved in contact centre:

During consideration of the Annual Corporate Performance Report by Scrutiny Committee and District Executive additional information was requested regarding call handling.

It was confirmed that Performance data for PI 031 (percentage of calls to the contact centre resolved in contact centre) is not available within the Mitel system. The service is still not able to provide this information. The new call logging system will be tested to see if it can provide this missing data and if so, PI 031 will be available in October 2016.

The following performance data is available:

- number/volume of calls
- time taken to answer
- average time to answer
- abandoned calls
- numbers of callers in queue
- staff resources

Average monthly performance for Q4 is shown in the following table:

Q4 January - 31st March (2015/16)	
Working days	20.67
No of calls	17098
Average calls per day	827
% Answered within 30 seconds Target 80%	66%
% Answered within 60 seconds Target 90%	75%
% Answered within 120 seconds	85%
Average time to answer (seconds)	62
% Answered over 120 seconds	4.57%
% Abandoned	10.43%
No of calls Abandoned	1901

PI035a Percentage of Council Tax Collected - Correction:

Previously we reported Percentage of Council Tax Collected – Annual (PI035a) to be 97.6%; we have now been advised that this figure has been corrected to 97.24% in the validation process for the government returns. This is lower than previously reported however is still above the 95.00% target and an increase of 0.21% compared to the 14/15 outturn of 97.03%.

SSDC Annual Performance Report 2015/16

Assistant Director: Martin Woods, Economy
Service Manager: Charlotte Jones/Andrew Gillespie, Performance Manager
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Purpose of the Report

This report presents the following annual summaries:

1. Council Plan 2012 - 2015 Actions – Final Monitoring Report
2. Corporate Performance Indicators (PIs) for 2015-16
3. Complaints made during 2015-16

Forward Plan

This report appeared on the District Executive Forward Plan with an anticipated Committee date of June 2016.

Public Interest

The Council is accountable for its performance to the local community and we publish performance data to enable us to demonstrate achievements against targets. This report details the annual performance for 2015/16.

Recommendation

To note the 2015/16 performance information at Appendices A, B and C.

Background

The SSDC Performance Monitoring Framework:

- The Council Plan 2012-2015
- Corporate Performance Indicators
- Service plans
- Key strategy action plans

Council Plan 2012- 2015 Actions Final Monitoring Report:

The ***Council Plan on a Page 2016 -2021*** was adopted by Full Council in April 2016.

The final monitoring report on the previous Council Plan 2012 – 2015 is attached at Appendix A. It shows, under each focus area, the status of the 11 out of 42 key actions that were not completed by April 2015.

Performance Indicator Report:

The Performance Indicator report consists of 39 locally set indicators which are linked to our corporate priorities. These were selected and approved by members on 3rd May 2012. 18 of these are corporate performance indicators, against which the Council's performance is measured. The remaining South Somerset indicators are those over which the Council has less influence.

Summary of Corporate Performance Indicators:

Indicator Status	2015/16		2014/15	
On or Above Target	14	82%	15	88.24%
Within 10% of Target	0	0%	1	5.88%
More than 10% Below Target	3	18%	1	5.88%
TOTAL	17**	100%	17*	100%

*Annual data not available for PI 031 in 2014/15.

** Annual data not available for PI031 in 2015/16.

Please refer to Appendix B for details.

Complaints:

During the period 1st April 2015 – 31st March 2016, SSDC received 243 complaints from members of the public.

The number of complaints in relation to the volume of transactions completed remains very low.

The majority of cases (96.4%) have been resolved at stage 1, indicating that the complaints procedure is effective.

Please refer to Appendix C for details.

Financial Implications

None

Carbon Emissions & Adapting to Climate Change Implications

None

Equality and Diversity Implications

None

Background Papers:

Council Plan 2016-2021

(<http://www.southsomerset.gov.uk/about-us/council-plan-2016---2021/>)

SSDC Corporate Plan – Full Council February 2012

SSDC Corporate Indicators – District Executive May 2012

Appendix A – Council Plan 2012-15 Final Monitoring Report

Council Plan Action	Status 03/2016	Service	Comment
Focus 1. JOBS			
C1.07 - Work in partnership to deliver investment and development that local people value in Chard.	Partially Completed	Economic Development	Negotiations with developers ongoing within the Chard Eastern Development Area to facilitate housing development and bring forward employment land, highway infrastructure and the Stoplevel Way. The project is included in the Somerset Growth Plan with grant funding applications made to LEP Growth Fund in 2015. Discussions also ongoing to establish the future employment land requirements of Chards major employers
C1.08 - Secure land with planning permission for employment use in areas where it is needed.	Partially Completed	Economic Development	Establishment of Strategic Regeneration Board and Area Regeneration Boards to identify and assess new projects from the Areas and refresh the Investing in Infrastructure programme. Currently working with developers to secure land at Chard, Crewkerne, Ilminster, Castle Cary and Yeovil. Work also underway to establish a programme of securing employment land in other market towns and rural areas. The programme is included in the Somerset Growth Plan with applications made to LEP Growth Deal in 2015
C1.11 - Progress the Chard Regeneration Scheme to create a vibrant town centre, by working with a development partner to invest, create new jobs.	Partially completed	Economic Development	Working with development partner to secure suitable end-users for this element of the regeneration scheme. Project planning the wider elements of the town centre scheme is underway.
C1.12 - Regenerate the former ACI site and the Boden Mill site by 2013.	behind target	Economic Development	Negotiations are ongoing with developer delay caused by prevailing market conditions for major retailers and superstores. Development Agreement will expire in April 2017. Further options being considered.
C1.15 - Facilitate a programme for economic growth by assembling land packages for business use in Chard by 2014.	Partially completed	Economic Development	As per C1.08 above, land packages for business use being negotiated with developer in CEDA. Applications for infrastructure funding made through both Growth Deal 2 and Growth Deal 3 funding rounds
C1.16 - Facilitate a realistic development programme for new employment sites that have been identified in market towns by 2015.	Partially completed	Economic Development	This target is a key focus of the Investing in Infrastructure programme which has 10 prioritised projects that include employment land in all of the market towns. Further work in identifying sites will be undertaken as part of the Housing and Employment Land Allocation study. The programme is included in the Somerset Growth Plan and LEP funding applications are underway

Appendix A – Council Plan 2012-15 Final Monitoring Report

Council Plan Action	Status 03/2016	Service	Comment
C1.17 - Support early delivery of Super-Fast Broadband to rural areas by 2015.	Partially Completed	Economic Development	Phase 1 of the Connecting Devon and Somerset Scheme will draw to a close in 2016/17. This will phase will have enabled connectivity to around 90% of premises, leaving approximately 10% without access to superfast broadband Phase 2 of the project will be put to tender in 2016 and this will seek to enable access to superfast broadband to 95% of all premises. Along with other District Councils, SSDC has made an 'in principle' commitment to help fund the second phase of the programme. This decision will be subject to final confirmation prior to the commencement of the second phase.
Focus 2. ENVIRONMENT			
C2.06 - Promote the Green Deal and similar schemes that enable householders and businesses to make existing buildings more energy efficient.	Not started	Spatial Policy	Following officer discussion it was decided not to link the council with the Green Deal due to the reputational risk.
Focus 3. HOMES			
C3.05 - Have an adopted Local Plan and Community Infrastructure Levy in place by 2014 that will ensure all new development contributes towards important community infrastructure.	Partially Completed	Spatial Policy	South Somerset Local Plan (2006 - 2028) was adopted March 2015. The Community Infrastructure Levy will be submitted to the Examiner in the summer 2016, and is scheduled to be adopted in autumn 2016.
C3.06 - Identify a temporary stopping point for gypsies and travellers by 2014.	On hold	Health & Wellbeing	No further progress/action since end of year 14/15: On hold. Decision taken in early 2014 for a site to be identified on a Somerset basis in conjunction with neighbour authorities, rather than proceeding on a stand-alone South Somerset basis (end of year report 14/15).
Focus 4. HEALTH & COMMUNITIES			
C4.06 - Work with and lobby partners to help communities to develop transport schemes and local solutions to reduce rural isolation and inequalities to meet existing needs of those communities.	On-going	Spatial Policy	This is on-going commitment, therefore carried forward.

**Appendix B:
2015/16 Annual Performance
Monitoring Report**

Key:						
Target:	On Target	<10% Below Target	>10% Below Target			
Trend:	Improved	↑	Stayed the Same	↔	Deteriorated	↓

Measure	15/16 Target	15/16 Outturn	Previous Year Outturn	Target	Trend	Comments
Corporate Performance Indicators:						
PI003 - % of planning appeal decisions allowed against the authority's decision to refuse	33%	25.00%	45%		↑	There has been a significant improvement in the councils' ability to defend decisions at appeal it is considered that the workshop with members will have contributed to this improved performance.
PI004 – Number of days taken to process Housing Benefit/ Council Tax Benefit new claims and change events.	12.00	8.75	7.75		↓	
PI005a - % Working age people on out of work benefits	8.7%	6.9%	7.17%		↑	As at August 2015; Nov 2014 6.9/Feb 2015 7.1/ May 2015 6.9/ Aug 2015 6.9
PI008 – Requests for action from the Streetscene team	3,100	1,721	2100		↑	
PI010 – Total number of fly tips reported	1,800	1,079	1,253		↑	
PI011 – Total estimated cost of reported fly tips	£55,860	£51,045	£52,733		↑	
PI012 – Average number of days to respond to a reported fly tip	5.0	4.8	3.0		↓	This year we have focussed our resources towards other aspects of the service such as weed control and litter clearance of major roads & main road sweeping. We have delivered within the set timescales in the vast majority of cases, clearance has only gone over our target in cases where we had to investigate and clarify the incident (such as potential asbestos tipped, or land ownership type issues).
PI013 - % of household waste sent for reuse, recycling and composting	45%	45.6	45.1		↑	
PI014 - Performance against the Streetscene annual work program - 80% either on target or complete	80%	100%	98%		↑	

**Appendix B:
2015/16 Annual Performance
Monitoring Report**

Key:						
Target:	On Target	<10% Below Target	>10% Below Target			
Trend:	Improved	↑	Stayed the Same	↔	Deteriorated	↓

Measure	15/16 Target	15/16 Outturn	Previous Year Outturn	Target	Trend	Comments
PI019 – Average length of stay in Temporary Accommodation (B&B)	3.5	0.6	0.5		↓	
PI020 – Total number of people in Temporary Accommodation (all types)	75	38	36		↓	
PI026 - Number of Vacant Dwellings Returned to Occupation or Demolished	25	11	115		↓	11 empty properties were actively brought into use however the target was not met due to less officer time to spend on Empty Properties following combining the role with that of Housing Standards Officer. A further 43 properties were brought back into use without officer intervention.
PI026a - % of Vacant Dwellings Returned to Occupation or Demolished	4%	0%	18%		↓	Despite 11 properties being brought back into use the percentage shows as nil, as more properties came onto the Council Tax Baseline report than were taken off (October 2014, 636/ October 2015, 739).
PI031 - % of calls to the contact centre resolved in the contact centre	62%	<i>Data Not Available</i>	<i>Data Not Available</i>			Due to problems with integration between new Lync system and the Contact Centre telephony system no performance data has been available this year. The replacement Contact Centre Management System has now been successfully in use since 15th December. This performance indicator cannot be collected through the new Telephone Management system but other performance covering time taken to answer calls is available in the TEN performance system.

**Appendix B:
2015/16 Annual Performance
Monitoring Report**

Key:						
Target:	On Target	<10% Below Target	>10% Below Target			
Trend:	Improved	↑	Stayed the Same	↔	Deteriorated	↓

Measure	15/16 Target	15/16 Outturn	Previous Year Outturn	Target	Trend	Comments
PI032 – Working days lost due to sickness absence per Full Time Employee (FTE)	8	6.88 ¹	4.72		↓	Total sickness absence per FTE came to 10.58. The figures have been broken down to show sickness absence in more detail. 65% of absence was long term ¹ 32.7% was short term ² sickness and 2.3 % phased returns ³ to work. 18% of total sickness absence was the result of long term sickness of 5 members of staff. 28% of staff had no absence throughout the whole year. Training has been run for managers and team leaders on how to handle sickness absence.
		3.46 ²	3.39			
		0.24 ³	0.46			
PI035 – Percentage of Council Tax Collected	95%	97.24%	97.03%		↑	This is an increase of 0.21% on 2014/15.
PI036 - % of staff either satisfied or very satisfied with the Council as an employer	75.00%	78.00%	80.50%		↓	
PI038 – Total cost of SSDC per head of population	£111.35	106.07£	£106.07		↔	

**Appendix B:
2015/16 Annual Performance
Monitoring Report**

Measure	15/16 Outturn	Previous Year Outturn	Comments
South Somerset Indicators:			
PI001a – Number of Housing Benefit cases received	9,618	9,982	
PI001b – Number of Council Tax Reduction cases received	10,570	11,178	
PI002 – Total number of JSA claimants in South Somerset	701	836	
PI006 - Instances of inward investment into the District and measure of economic impact (number of new jobs created/ sustained/ start up business supported)	N/A	N/A	Approx. 30 enquiries were received from companies seeking to relocate to South Somerset. 3 of these enquiries were passed to us by the LEP. One of these companies has completed their relocation. Dialogue is ongoing with several of the enquirers. We continue to support 7 companies who relocated to South Somerset prior to 2015. The Into Somerset programme was relaunched in the autumn of 2015 following a brief break in service following the end of the original programme in March 2015. This will lead to an increase in enquiries in 2016/17.
PI007 - Number of Economic Development Enquiries	940	873	
PI009 – Number of bin collections missed per 1000 households (all types – dry recycling and kitchen waste, refuse and garden)	2.45	2.72	
PI015.1 - % of households on the Choice Based Letting waiting list in the Bronze banding	52.9%	55.6%	Q1 1,093/ Q2 1,096/ Q3 1,101/ Q4 1,048
PI015.2 - % of households on the Choice Based Letting waiting list in the Silver banding	33.2%	30.6%	Q1 647/ Q2 697/ Q3 697/ Q4 685
PI015.3 - % of households on the Choice Based Letting waiting list in the Gold banding	13.8%	13.7%	Q1 309/ Q2 283/ Q3 269/ Q4 267
PI015.4 - % of households on the Choice Based Letting waiting list in the Emergency banding	0.1%	0.1%	Q1 3/ Q2 4/ Q3 4/ Q4 0

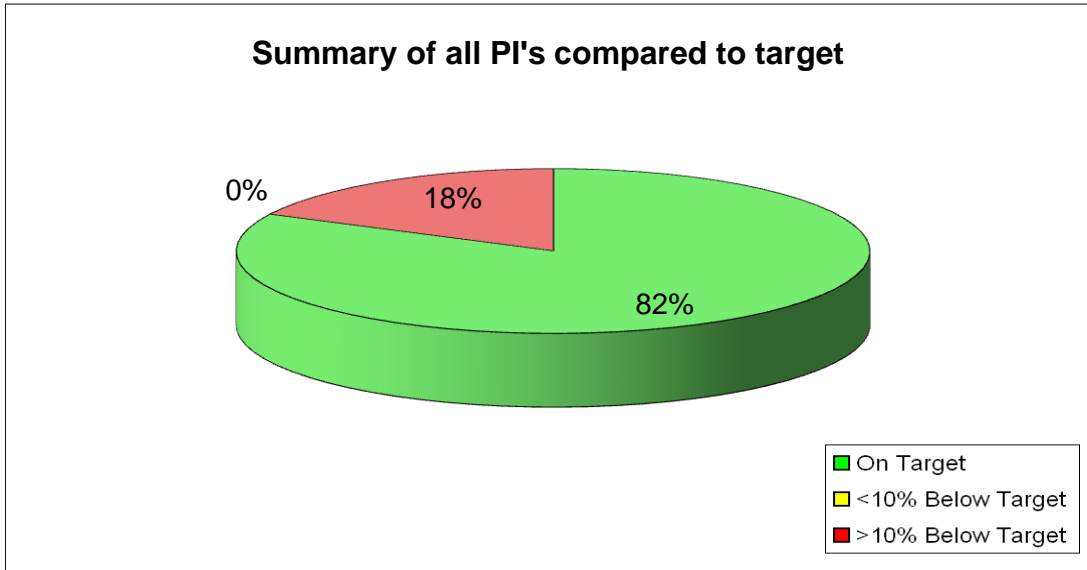
**Appendix B:
2015/16 Annual Performance
Monitoring Report**

Measure	15/16 Outturn	Previous Year Outturn	Comments
PI021 - Affordable homes completed as a % of all new housing completions	N/A	17%	Primary evidence for this indicator is gathered and processed from 31st March 2016, the end of the financial year. The resulting data will be included in a report to District Executive on housing delivery – anticipated date August 2016.
PI022 - % New Homes built on Previously Developed Land	N/A	21%	See comment of PI021.
PI023 - Net additional homes provided SSDC	N/A	779	See comment of PI021.
PI025 - Number of cases of homelessness helped	37	43	
PI027 - Number of new affordable homes enabled	N/A	134	See comment of PI021.
PI028 - Net increase in dwellings on the Council Tax Register	632	418	Data is from the Government return – Council Tax Baseline which is taken at October each year.
PI029 – Number of incidents of antisocial behaviour reported to SSDC (excluding fly tipping and dead animals)	2,080	1,727	Slight overall increase from last year of 8%. Most notable increases is that of reported abandoned vehicles that have increased this year by 110% to a total of 97 from 46 last year. Reports of noisy neighbours have seen an increase from 45 last year to 61 this, showing a 35% increase on the year.
PI030 - Number of local action groups supported per year	4	3	Yeovil, Crewkerne, Martock and Chard
PI033 – Total number of complaints received	243	148	There has been an increase in the number of complaints received. The majority of complaints have been resolved at stage 1 of the complaints procedure.
PI034 - % of complaints resolved at stage 1 of complaints procedure	96.4%	95.3%	
PI037.a - Number of FTEs employed by SSDC Annual Snapshot	409.68	418.64	

Appendix B - Performance Indicators 2015/16

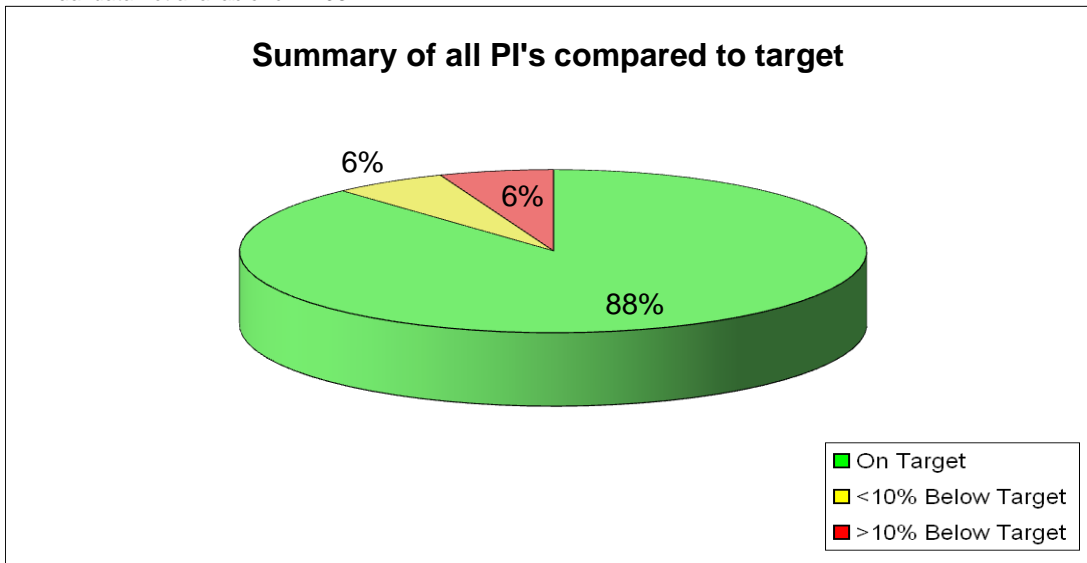
2015/16					
On Target	<10% Below Target	>10% Below Target	Total Comparable	Monitoring Trend - Not comparable to target	Total PIs*
14	0	3	17*	21	39
82%	0%	18%	100.00%		

*Annual data not available for PI 031 - see table.



2014/15					
On Target	<10% Below Target	>10% Below Target	Total Comparable	Monitoring Trend - Not comparable to target	Total PIs*
15	1	1	17*	21	39
88%	6%	6%	100.00%		

*Annual data not available for PI 031.



Appendix C
Complaints Monitoring 1st April 2015 – 31st March 2016

Key:
 No Complaints

Service	Previous years totals					2015/16 complaints total	Access Method							Type							Stage			Compensation Issued? Y/N	Compensation Amount (£)	Action by SSDC										
	2010/11	2011/12	2012/13	2013/14	2014/15		Email	In Person	Letter	Online	Other	Phone	Via CS	Equality	Failure to deliver	Issue with content/publication	Issue with Policy/Decision	Not SSDC Responsibility	Other Type	Poor Communication	Staff Handling	Stage One (Service Manager)	Stage Two (Assistant Director)			Stage Three (Ombudsman)	NO ACTION REQUIRED	Changes in working practice/ procedure	Improved Communication	Improved Monitoring of Service Delivery	Improved Partnership Working	Problem Rectified	Staff Training			
Area East Development	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0				
Area North Development	2	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1	0	0	N	0	0	0	0	0	0	1	0				
Area South Development	1	3	0	0	2	1	1	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	N	0	0	0	0	0	0	0	0				
Area West Development	2	2	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Arts and Entertainment	31	15	19	13	21	33	23	1	6	0	0	3	0	0	9	7	3	1	9	0	4	33	0	0	N	0	30	3	0	0	0	0	0			
Building Control	0	1	1	0	0	1	0	0	1	0	0	0	0	0	0	1	0	0	0	0	1	0	0	N	0	0	1	0	0	0	0	0	0			
Civil Contingencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Communications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Community Health & Leisure	4	4	1	3	1	4	1	0	0	0	0	3	0	0	1	0	0	0	3	0	0	4	0	0	N	0	1	0	1	0	0	0	2	0		
Countryside	9	10	1	1	3	2	2	0	0	0	0	0	0	0	0	0	1	1	0	0	2	0	0	N	0	2	0	0	0	0	0	0	0	0		
Crematorium	0	0	0	0	0	26	2	17	3	0	0	4	0	0	0	0	0	21	5	0	25	1	0	N	0	13	0	2	0	0	0	11	0			
Customer Focus Support	4	4	0	0	0	31	6	2	0	10	0	13	0	0	22	2	5	1	1	0	0	31	0	0	N	0	6	2	0	22	0	1	0	0		
Democratic Services	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Development Control/Spatial Policy	50	41	21	14	4	15	8	0	7	0	0	0	0	0	0	2	0	0	3	10	13	2	0	0	0	12	0	3	0	0	0	0	0	0		
Economic Development	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Engineering and Property	7	7	2	1	2	2	1	0	1	0	0	0	0	1	0	0	0	1	0	0	2	0	0	Y	£100	2	0	0	0	0	0	0	0	0	0	
Environmental Health	14	15	10	17	19	21	5	1	8	1	0	5	1	0	1	2	3	2	1	4	8	21	0	0	N	0	6	1	6	0	0	0	7	1		
Financial Services	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Fraud and Data	0	5	0	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	0	0	1	0	0	N	0	1	0	0	0	0	0	0	0	0	0	
Housing and Welfare	5	7	13	8	13	19	6	1	3	0	1	8	0	0	2	0	1	3	4	1	8	16	3	0	N	0	11	1	1	2	0	3	1	0		
HR	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	N	0	1	0	0	0	0	0	0	0	0	0	
ICT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal Services	0	8	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0
Licensing	4	1	0	1	0	1	1	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	N	0	1	0	0	0	0	0	0	0	0	0	0
Performance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0
Procurement and Risk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenues and Benefits	12	20	20	17	45	37	20	0	7	8	0	2	0	0	4	1	9	0	9	2	12	36	1	0	N	0	21	0	3	0	0	0	12	1	0	
Spatial Systems	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Scene	52	60	59	23	25	31	12	0	2	14	0	1	2	0	14	0	2	11	0	1	3	31	0	0	N	0	11	1	2	0	0	0	16	1	0	
Partnerships	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Waste	45	20	19	20	12	16	7	0	4	0	0	1	4	0	6	0	4	0	4	2	0	16	0	0	N	0	6	0	0	0	0	0	10	0	0	
Totals =	242	236	177	119	148	243	96	22	42	34	1	41	7	0	60	12	33	19	56	18	45	236	7	0	Yes	100	124	9	18	25	0	63	4			

Note: A single complaint:

- May be reported using more than one access method.
- May cover more than one type.
- May not always require action or may require more than one action to be taken.

Agenda Item 9

2015/16 Treasury Management Activity Report

Assistant Director: Donna Parham – Finance and Corporate Services
Service Manager: Catherine Hood – Finance Manager
Lead Officer: Karen Gubbins, Principal Accountant
Contact Details: Karen.gubbins@southsomerset.gov.uk or (01935) 462456

Purpose of Report

1. To review the treasury management activity and the performance against the Prudential Indicators for the 2015/16 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Strategy and Annual Investment Policy and Treasury Management Practices.

Recommendations

2. Council is requested to:
 - Note the Treasury Management Activity for the 2015/16 financial year;
 - Note the position of the individual prudential indicators for the 2015/16 financial year;
 - Note the outlook for the investment performance in 2016/17.

Background

3. The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. The Council reports six monthly to Full Council against the strategy approved for the year. The scrutiny of treasury management policy, strategy and activity is delegated to the Audit Committee.
4. Treasury management in this context is defined as:
"The management of the local authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks".
5. The Authority has 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 risk are therefore central to the Authority's treasury management strategy.
6. Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives.

Summary of Investment Strategy for 2015/16

7. The Council's strategy for investments was based upon minimising risk and safeguarding the capital sum. This was maintained by following the Authority's counterparty policy as set out in its Treasury Management Strategy Statement for 2015/16 which defined "high credit quality" organisations as those having a long-term

credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

8. Given the increasing risk and continued low returns from short-term unsecured bank investments, the Authority aimed to further diversify into more secure and higher yielding asset classes during 2015/16.
9. In addition, the Authority has £5m invested with organisations and pooled funds without credit ratings, these include Payden and CCLA (Property fund) following external assessment and advice from the Authority's treasury management adviser, Arlingclose.
10. The Treasury Management Strategy Statement and Annual Investment Policy were both approved by Council on 26th February 2015.

Credit developments and credit risk management

11. The Authority assessed and monitored counterparty credit quality with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP and share price.
12. The transposition of two European Union directives into UK legislation placed the burden of rescuing failing EU banks disproportionately onto unsecured institutional investors which include local authorities and pension funds. During the year, all three credit ratings agencies reviewed their ratings to reflect the loss of government support for most financial institutions and the potential for loss given default as a result of new bail-in regimes in many countries. Despite reductions in government support many institutions saw upgrades due to an improvement in their underlying strength and an assessment that the level of loss given default is low.
13. Fitch reviewed the credit ratings of multiple institutions in May. Most UK banks had their support rating revised from 1 (denoting an extremely high probability of support) to 5 (denoting external support cannot be relied upon). This resulted in the downgrade of the long-term ratings of Royal Bank of Scotland (RBS), Deutsche Bank, Bank Nederlandse Gemeenten and ING. JP Morgan Chase and the Lloyds Banking Group however both received one notch upgrades.
14. Moody's concluded its review in June and upgraded the long-term ratings of Close Brothers, Standard Chartered Bank, ING Bank, Goldman Sachs International, HSBC, RBS, Coventry Building Society, Leeds Building Society, Nationwide Building Society, Svenska Handelsbanken and Landesbank Hessen-Thuringen.
15. S&P reviewed UK and German banks in June, downgrading the long-term ratings of Barclays, RBS and Deutsche Bank. As a result of this the Authority made the decision to suspend Deutsche Bank as a counterparty for new unsecured investments. S&P also revised the outlook of the UK as a whole to negative from stable, citing concerns around the referendum on EU membership and its effect on the economy.
16. At the end of July 2015, Arlingclose advised an extension of recommended durations for unsecured investments in certain UK and European institutions following improvements in the global economic situation and the receding threat of another Eurozone crisis. A similar extension was advised for some non-European banks in

September, with the Danish Danske Bank being added as a new recommended counterparty and certain non-rated UK building societies also being extended.

17. In December the Bank of England released the results of its latest stress tests on the seven largest UK banks and building societies which showed that the Royal Bank of Scotland and Standard Chartered Bank were the weakest performers. However, the regulator did not require either bank to submit revised capital plans, since both firms had already improved their ratios over the year.
18. The first quarter of 2016 was characterised by financial market volatility and a weakening outlook for global economic growth. In March 2016, following the publication of many banks' 2015 full-year results, Arlingclose advised the suspension of Deutsche Bank and Standard Chartered Bank from the counterparty list for unsecured investments. Both banks recorded large losses and despite improving capital adequacy this will call 2016 performance into question, especially if market volatility continues. Standard Chartered had seen various rating actions taken against it by the rating agencies and a rising CDS level throughout the year. Arlingclose will continue to monitor both banks.
19. The end of bank bail-outs, the introduction of bail-ins, and the preference being given to large numbers of depositors other than local authorities means that the risks of making unsecured deposits continues to be elevated relative to other investment options. The Authority therefore increasingly favoured secured investment options or diversified alternatives such as covered bonds, non-bank investments and pooled funds over unsecured bank and building society deposits.

Interest Rates 2015/16

20. The UK Bank Rate was maintained at 0.5% through the year. Short term money market rates also remained at very low levels which continued to have a significant impact on investment income. The average 3-month LIBID rate during 2015/16 was 0.54%, the 6-month LIBID rate averaged 0.76% and the 1-year LIBID rate averaged 0.99%. The low rates of return on the Authority's short-dated money market investments reflect prevailing market conditions and the Authority's objective of optimising returns commensurate with the principles of security and liquidity.
21. Our advisors are forecasting that the outlook is for official interest rates to remain at 0.5% until June 2018, as shown below:

	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Average
Official Bank Rate														
Upside risk	-	-	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.27
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.60
Downside risk			-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.35

Investment Portfolio

22. The table below shows the Council's portfolio of investments at the start and end of the 2015/16 financial year;

	Value of Investments at 01.04.15 £	Value of Investments at 31.03.16 £	Fixed/ Variable Rate
Investments advised by Arlingclose			
Money Market Fund (Variable Net Asset Value)	1,001,247	997,565	Variable
Property Fund	3,363,303	4,494,168	Variable
Total	4,364,550	5,491,733	
Internal Investments			
Certificates of Deposit	4,512,371	5,513,212	Fixed
Corporate Bonds	11,271,639	6,706,395	Fixed
Floating Rate Notes (FRNs)	9,972,584	10,025,398	Variable
Short Term Deposits (Banks)	7,500,000	9,000,000	Variable
Short Term Deposits (Other LAs)	8,000,000	11,000,000	Variable
Money Market Funds (Constant Net Asset Value) & Business Reserve Accounts	3,720,000	1,490,000	Variable
Total	44,976,594	43,735,005	
TOTAL INVESTMENTS	49,341,144	49,226,738	

Returns for 2015/16

23. The returns to 31st March 2016 are shown in the table below:

	Actual Income £'000	% Rate of Return
Investments advised by Arlingclose		
Payden Money Market Fund (VNAV)	9	
Property Fund (CCLA)	185	
Total	194	4.53%
Internal Investments		
Certificates of Deposit (CD's)	41	
Corporate Bonds	135	
Floating Rate Notes (FRNs)	67	
Treasury Bills	2	
Fixed Term Deposits	128	
Money Market Funds (CNAV) & Business Reserve Accounts	22	
Total	395	0.73%
Other Interest		
Miscellaneous Loans	5	
Total	5	
TOTAL INCOME TO 31st MARCH 2016	594	1.00%
BUDGETED INCOME	461	
SURPLUS	133	

24. The table above shows investment income for the year compared to the budget. The figures show a surplus over budget of £133,000. The original Treasury Management budget of £461,320 was derived by forecasting an average rate of return of 0.9%. The actual interest rate received for the year was 1.00%, this was enhanced due to the performance of the Property Fund which averaged 5.65%.
25. We currently hold £4m nominal value in the CCLA fund, this converts to 1,558,527 units and £1m in Payden which converts to 98,990.299 shares.
26. The outturn position is affected by both the amount of cash we have available to invest and the interest base rate set by the Bank of England. Balances are affected by the timing of capital expenditure and the collection of council tax and business rates.

Investments

27. Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2014/15. New investments can be made with the following institutions:
- Other Local Authorities;
 - AAA-rated Money Market Funds;
 - Certificates of Deposit (CDs) and Term Deposits with UK Banks and Building Societies systemically important to the UK banking system and deposits with select non-UK Banks (Australian, Canadian and American);
 - T-Bills and DMADF (Debt Management Office);
 - Bonds issued by Multilateral Development Banks, such as the European Investment Bank;
 - Commercial Paper
 - Other Money Market Funds and Collective Investment Schemes meeting the criteria in SI 2004 No 534, SI 2007 No 573 and subsequent amendments.
28. The graph shown in appendix A shows the performance of the in-house Treasury team in respect of all investments for the quarter ending 31st March 2016 in comparison to all other clients of Arlingclose.
29. The graph shows that SSDC is in a very good position in terms of the risk taken against the return on investments.

Borrowing

30. An actual overall borrowing requirement (CFR) of £9.5 million was identified at the beginning of 2015/16. As interest rates on borrowing exceed those on investments the Council has used its capital receipts to fund capital expenditure. As at 31st March 2016 the Council had no external borrowing.

Breakdown of investments as at 31ST March 2016

Date Lent	Counterparty	Nominal Amount	Rate %	Maturity Date
5 Nov 15	Lancashire County Council	1,000,000	0.60	26 Sep 16
11 Mar 16	IPA SCB TD Incoming (Santander)	1,000,000	0.70	12 Sep 16
9 Mar 16	United Overseas Bank Ltd	2,000,000	0.82	8 Mar 17
21 Mar 16	Bank of Scotland	1,000,000	1.05	20 Mar 17
17 Feb 16	Rabobank International	1,000,000	0.75	17 Feb 17
28 Aug 15	Bank of Scotland	1,000,000	1.00	30 Aug 16
21 Mar 16	Nationwide Building Society	1,000,000	0.60	22 Aug 16
18 Mar 16	Nationwide Building Society	1,000,000	0.71	19 Sep 16
29 Oct 15	Eastleigh Borough Council	2,000,000	0.50	29 Jun 16
15 Oct 15	Lancashire County Council	1,000,000	0.60	6 Oct 16
2 Nov 15	Conwy County Borough Council	2,000,000	0.50	2 Jun 16
15 Dec 15	North Tyneside Council	2,000,000	0.65	13 Dec 16
31 Mar 16	Greater London Authority	2,000,000	0.60	30 Mar 17
1 Feb 16	Barclays Bank Plc	1,000,000	0.54	9 May 16
7 Mar 16	Telford & Wrekin Council	1,000,000	0.50	7 Jun 16
	Corporate Bonds/Eurobonds			
17 Jan 14	Places for People Capital Markets	568,000	2.67	27 Dec 16
17 Jan 14	Places for People Capital Markets	432,000	2.67	27 Dec 16
4 Aug 14	Leeds Building Society (Covered)	500,000	2.13	17 Dec 18
22 Oct 14	Yorkshire Building Society (Covered)	1,500,000	1.56	12 Apr 18
5 Jun 15	European Investment Bank	2,000,000	0.66	7 Sep 16
4 Feb 16	Daimler AG	331,000	1.15	2 Dec 16
31 Mar 16	European Investment Bank	1,000,000	0.65	7 Sep 16
	Certificates of Deposit (CDs)			
30 Oct 15	Standard Chartered	1,000,000	0.70	29 Apr 16
22 Jan 16	Rabo Bank	1,000,000	0.67	22 Jul 16
29 Jan 16	Toronto Dominion	1,000,000	0.90	27 Jan 17
5 Feb 16	Standard Chartered	1,000,000	0.73	5 Aug 16
19 Feb 16	Nordea AB	500,000	0.69	21 Nov 16
4 Mar 16	Credit Suisse AG London	1,000,000	0.57	6 Jun 16
	Floating Rate Notes (FRNs)			
25 Nov 13	HSBC Bank PLC	1,000,000	0.84	16 May 16
22 Oct 14	Abbey National Treasury Services *Covered*	1,000,000	0.72	5 Apr 17
21 Nov 14	Barclays Bank Plc *Covered*	1,000,000	0.68	15 Sep 17
27 Mar 15	Lloyds Bank Plc *Covered*	2,000,000	0.65	16 Jan 17
29 Apr 15	Toronto Dominion *Covered*	1,000,000	0.66	20 Nov 17
26 Jun 15	Nationwide Building Society *Covered*	1,000,000	0.68	17 Jul 17
2 Jul 15	National Australia bank Ltd	1,500,000	0.67	12 Aug 16
9 Nov 15	HSBC Bank PLC	500,000	0.66	16 May 16
7 Mar 16	Commonwealth Bank of Australia *Covered*	1,000,000	0.89	24 Jan 18
	Pooled Funds & Money Market Funds			
	Payden Fund VNAV	1,000,000	0.87	
	CCLA Property Fund	4,000,000	5.65	
	Blackrock	490,000	0.45	
	Federated Money Market Fund	500,000	0.44	
	Invesco Aim	500,000	0.38	
	TOTAL	48,321,000		

Note: Money Market Funds are instant access accounts so the rate displayed is a daily rate

Prudential Indicators – 2015/16

Background:

31. In February 2015, Full Council approved the indicators for 2015/16, as required by the Prudential Code for Capital Finance in Local Authorities. The Local Government Act 2003 allows local authorities to determine their own borrowing limits provided they are affordable and that every local authority complies with the code.

Prudential Indicator 1 - Capital Expenditure:

32. The actual capital expenditure incurred for 2015/16 compared to the revised estimate was:

	2014/15 Outturn £'000	2015/16 Revised Estimate £'000	2015/16 Outturn £'000	2015/16 Variance £'000	Reason for Variance
Approved capital schemes	2,641	5,637	2,084	(3,553)	Re-profiling of the expenditure to future years
Total Expenditure	2,641	5,637	2,084	(3,553)	

Prudential Indicator 2 - Ratio of Financing Costs to Net Revenue Stream:

33. A comparison needs to be made between financing capital costs and the revenue income stream to support these costs. This shows how much of the revenue budget is committed to the servicing of finance.

Portfolio	2014/15 Outturn £'000	2015/16 Revised Estimate £'000	2015/16 Outturn £'000	2015/16 Variance £'000	Reason for Variance
Financing Costs	(413)	(461)	(424)	37	Increased MRP due to the additional leases taken out in March 2016
Net Revenue Stream	17,881	17,390	17,782	392	Carry forwards approved of £303k, £44k contribution from the Somerset Rivers Authority, £5k contribution from Somerset Growth Board, £34k Westlands Funding
%*	(2.3)	(2.7)	(2.4)		

*figures in brackets denote income through receipts and reserves

34. The financing costs include interest payable and notional amounts set aside to repay debt less interest on investment income. The figure in brackets is due to investment income outweighing financing costs significantly for SSDC but is nevertheless relevant since it shows the extent to which the Council is dependent on investment income.

Prudential Indicator 3 - Capital Financing Requirement:

35. The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The year-end capital financing requirement for the council is shown below:

	2014/15 Outturn £'000	2015/16 Revised Estimate £'000	2015/16 Outturn £'000	2015/16 Variance £'000	Reason for Variance
Opening CFR	9,625	9,484	9,447	(37)	The original estimate was based on the information held at the time
Capital Expenditure	3,772	6,795	3,227	(3,568)	Re-profiling of expenditure to future years has reduced the capital expenditure in year
Capital Receipts*	(2,641)	(5,637)	(2,084)	3,553	Reduced spend has resulted in less capital receipts needed to fund these projects in this year
Grants/Contributions*	(1,131)	(1,158)	(1,143)	15	
Minimum Revenue Position (MRP)	(178)	(123)	(170)	(47)	Additional leases were taken out after the budget was set which has incurred additional MRP
Additional Leases taken on during the year	0	0	66	66	New finance leases taken out in year for 3 vehicles
Closing CFR	9,447	9,361	9,343	(18)	

*Figures in brackets denote income through receipts or reserves.

Prudential Indicator 4 – Gross Debt and the Capital Financing Requirement:

36. The Council is also required to ensure that any medium term borrowing is only used to finance capital and therefore it has to demonstrate that the net external borrowing does not, except in the short term exceed the total of capital financing requirements over a three year period.

	2014/15 Outturn £'000	2015/16 Revised Estimate £'000	2015/16 Outturn £'000	2015/16 Variance £'000	Reason for Variance
Borrowing	0	0	0	0	SSDC currently has no borrowing
Finance Leases	334	186	230	44	Additional leases taken out in 2015/16
Total Debt	334	186	230	44	

37. Total debt is expected to remain below the CFR for the foreseeable future.

Prudential Indicator 5 - Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

38. The Council must set three years of upper limits to its exposure to the effects of changes in interest rates. As a safeguard, it must ensure that its limit would allow it to have up to 100% invested in variable rate investments to cover against market fluctuations. For this purpose, term deposits of less than 365 days are deemed to be variable rate deposits. Fixed rate deposits are investments in Eurobonds, Corporate Bonds and term deposits exceeding 365 days.

	2014/15 Actual %	2015/16 % Limit	2015/16 Actual %	2015/16 Variance %	Reason for Variance
Fixed	6.20	80	4.14	(75.86)	Within limit
Variable	93.80	100	95.86	(4.14)	Within limit

39. The Council must also set limits to reflect any borrowing we may undertake.

	2014/15 Actual %	2015/16 % Limit	2015/16 Actual %	2015/16 Variance %	Reason for Variance
Fixed	0	100	0	100	SSDC currently has no borrowing
Variable	0	100	0	100	SSDC currently has no borrowing

40. The indicator has been set at 100% to maximise opportunities for future debt as they arise.

Prudential Indicator 6 - Upper Limit for total principal sums invested over 364 days:

41. SSDC must also set upper limits for any investments of longer than 364 days. The purpose of this indicator is to ensure that SSDC, at any time, has sufficient liquidity to meet all of its financial commitments.

Upper Limit for total principal sums invested over 364 days	2014/15 Actual £'000	2015/16 Maximum Limit £'000	2015/16 Actual (Principal amount) £'000	Variance £'000	Reason for Variance
Between 1-2 years	4,000	25,000	5,000	(20,000)	Within limit
Between 2-3 years	2,000	20,000	2,000	(18,000)	Within limit
Between 3-4 years	2,000	10,000	0	(10,000)	Within limit
Between 4-5 years	0	10,000	0	(10,000)	Within limit
Over 5 years	0	5,000	0	(5,000)	Within limit

42. The table above shows that the Council adopts a policy of safeguarding its investments by minimising investments that are redeemable more than five years ahead.

Prudential Indicator 7 – Credit Risk:

43. The Council considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution and its sovereign
- Sovereign support mechanisms
- Credit default swaps (where quoted)
- Share prices (where available)
- Economic Fundamentals, such as a country's net debt as a percentage of its GDP
- Corporate developments, news articles, markets sentiment and momentum
- Subjective overlay

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

Prudential Indicator 8 - Actual External Debt:

44. This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities (this represents our finance leases). This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2016	£'000
Borrowing	0
Other Long-term Liabilities (Finance Leases)	230
Total	230

Prudential Indicator 9 - Authorised Limit for External Debt:

45. This limit represents the maximum amount that SSDC may borrow at any point in time during the year. If this limit is exceeded the Council will have acted ultra vires. It also gives the Council the responsibility for limiting spend over and above the agreed capital programme. A ceiling of £12 million was set for each year.

	2014/15 Actual £'000	2015/16 Original Estimate £'000	2015/16 Actual £'000	2015/16 Variance £'000	Reason for Variance
Borrowing	0	11,000	0	(11,000)	SSDC currently has no borrowing
Other Long-term Liabilities	334	1,000	230	(770)	Within limit
Total	334	12,000	230	(11,770)	

Prudential Indicator 10 – Operational Boundary for External Debt:

46. The operational boundary sets the limit for short term borrowing requirements for cash flow and has to be lower than the previous indicator, the authorised limit for external debt. A ceiling of £10 million for each of the next three years was set.

	2014/15 Actual £'000	2015/16 Original Estimate £'000	2015/16 Actual £'000	2015/16 Variance £'000	Reason for Variance
Borrowing	0	9,200	0	(9,200)	SSDC currently has no borrowing
Other Long-term Liabilities	334	800	230	(570)	Within limit
Total	334	10,000	230	(9,770)	

Prudential Indicator 11 - Maturity Structure of Fixed Rate borrowing:

47. This indicator is relevant when we borrow, then we can take a portfolio approach to borrowing in order to reduce interest rate risk. This indicator is shown as the Council has set limits in anticipation of future borrowing.

Maturity structure of fixed rate borrowing	2015/16 Upper Limit %	2015/16 Lower Limit %	2015/16 Actual %	2015/16 Variance %
Under 12 months	100	0	0	Not applicable
12 months and within 24 months	100	0	0	Not applicable
24 months and within 5 years	100	0	0	Not applicable
5 years and within 10 years	100	0	0	Not applicable
10 years and within 20 years	100	0	0	Not applicable
20 years and within 30 years	100	0	0	Not applicable
30 years and within 40 years	100	0	0	Not applicable
40 years and within 50 years	100	0	0	Not applicable
50 years and above	100	0	0	Not applicable

Prudential Indicator 12 - Incremental Impact of Capital Investment Decisions:

48. SSDC must show the effect of its annual capital decisions for new capital schemes on the council taxpayer. Capital spend at SSDC is financed from additional receipts so the figure below actually shows the possible decreases in council tax if all capital receipts were invested rather than used for capital expenditure.

Incremental Impact of Capital Investment Decisions	2014/15 Actual £	2015/16 Actual £
Decrease in Band D Council Tax	0.04	0.07

Prudential Indicator 13 - Adoption of the CIPFA Treasury Management Code:

49. This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 18 th April 2002.

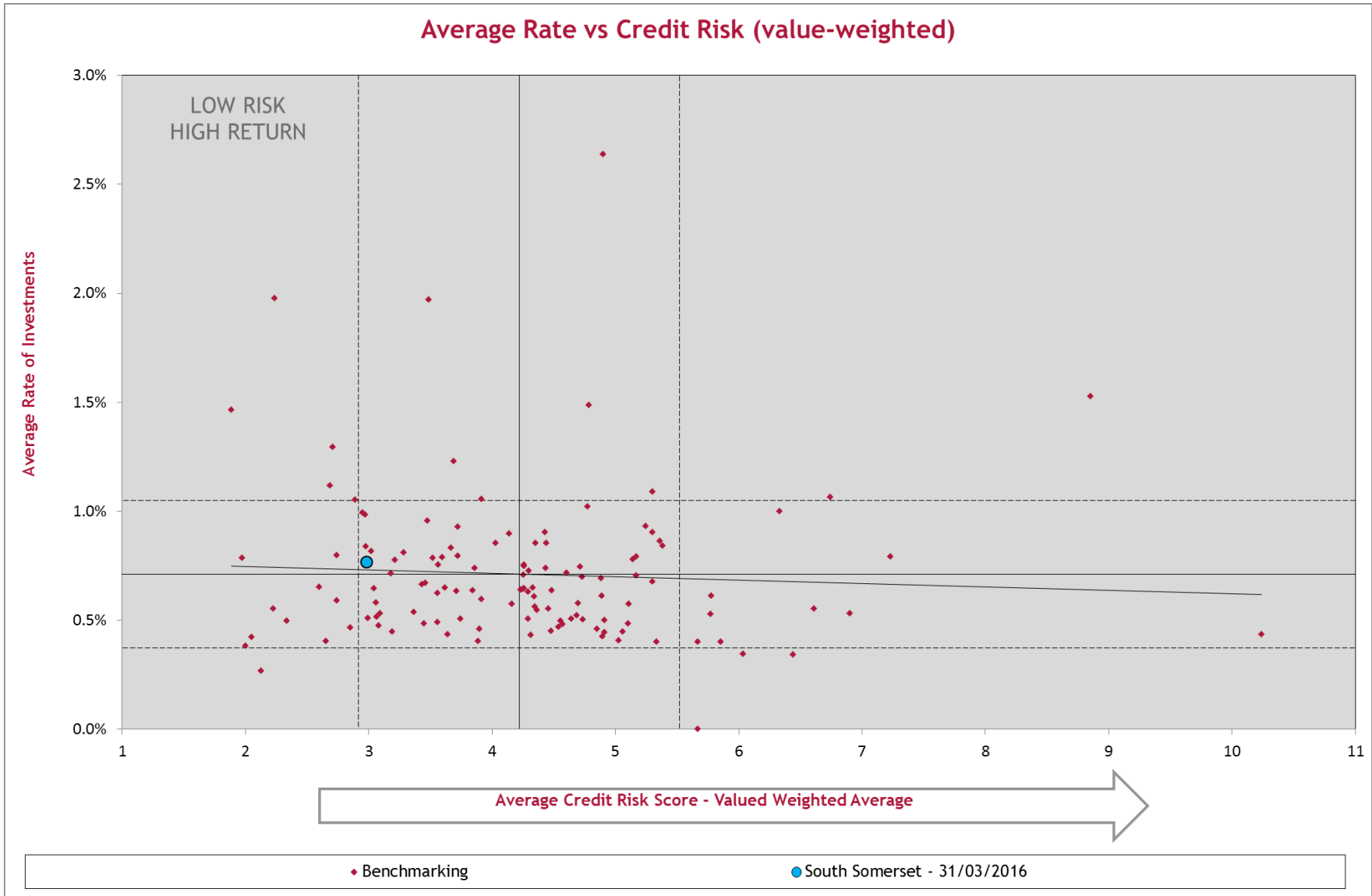
Conclusion

50. The council operated within all of the Prudential Indicators during 2015/16

Background Papers:

Prudential Indicators Working Paper, Treasury Management Strategy Statement 2015/16, Capital Monitoring Qtr 4 2015/16.

Appendix A



Agenda Item 10

Membership of Committees – Appointment of new Councillor to the Scrutiny Committee and the Income Generation Board

Lead Officer: Ian Clarke, Assistant Director – Legal & Corporate Services
Contact Details: ian.clarke@southsomerset.gov.uk or (01935) 462184

1. Purpose of the Report

To confirm a change to the Scrutiny Committee and the Income Generation Board appointments following the appointment of Councillors to various committees and working groups at Council on 19th May 2016.

2. Public Interest

Each year at their annual meeting, Council agree to appoint Councillors to the various committees and to represent SSDC on outside organisations. This report confirms the wishes of the Conservative group to make an amendment to the Councillors appointed to the Scrutiny Committee and the Income Generation Board.

3. Recommendation

In accordance with Section 16 (1) Local Government and Housing Act 1989 and the duty therein to give effect to the wishes of the political group to which seats on any committee are allocated, the Council confirm that:-

1. Councillor David Norris be appointed to the Scrutiny Committee.
2. Councillor Graham Middleton be appointed to the Income Generation Board.

4. Report

The membership of committees and working groups for 2016/17 was approved at the Annual Council meeting on 19th May. At that meeting, Councillor Clare Aparicio Paul was elected as Chairman of the Area North Committee. According to Part 4 of the Council's Constitution (Overview & Scrutiny Procedure Rules) no member of the Overview and Scrutiny function (including the Overview Commission) can also be a member of the District Executive. Councillor Aparicio Paul was previously a member of the Scrutiny Committee.

The Conservative group have now indicated who they would like to appoint Councillor David Norris to the Scrutiny Committee.

Also, Councillor Shane Pledger has resigned from the Income Generation Board due to work commitments.

Appointments to the Income Generation Board are by agreement between the 3 Group Leaders and this report confirms that they have agreed to appoint Councillor Graham Middleton to the Income Generation Board.

5. Background Papers

Minutes of Council – 19th May 2016

Agenda Item 11

Increase in Councillors on Brympton Parish Council – Community Governance Review (CGR)

Assistant Director: Ian Clarke, Legal and Corporate Services
Lead Officer: Angela Cox, Democratic Services Manager
Contact Details: Angela.cox@southsomerset.gov.uk or (01935) 462148

1. Purpose of the Report

To report the receipt of a request (under the provisions of Part 4 of the Local Government and Public Involvement in Health Act 2007) from Brympton Parish Council to increase the size of the Parish Council from 11 to 12 Councillors.

2. Public Interest

A Community Governance Review is a review of the whole or part of a district to consider one or more of the following:

- creating, merging, altering or abolishing parishes;
- the naming of parishes and the style (i.e. whether to call it a town council or village council etc) of new parishes;
- the electoral arrangements for parishes – the ordinary year of election, the size of the council, the number of councillors to be elected and parish warding;
- grouping parishes under a common parish council, or de-grouping parishes.

The Local Government and Public Involvement in Health Act, 2007, sets down the principal legal framework within which councils must undertake these reviews.

A valid request has been received Brympton Parish Council requesting that the District Council conduct a consultation (Community Governance Review) of all the electors and local interested groups to ask if they would support the increase in the number of Parish Councillors from 11 to 12. This report asks for the authorisation of Council to carry out that consultation.

3. Recommendations

That Council:

1. Note the receipt of the request from Brympton Parish Council to increase the number of Parish Councillors and its validity;
2. Agree to undertake a Community Governance Review of the Parish of Brympton;
3. Agree the Terms of Reference of the review as detailed in Appendix A, including the timetable and arrangements for public consultation;
4. Agree that the review will be carried out by the Democratic Services Manager, in consultation with Ward Members, Assistant Director (Communities) and the Area South Committee;
5. Note that further reports will be brought to Council in order that decisions may be made in respect of draft proposals and final recommendations of the Review.

4. Background

Before the coming into force of the 2007 Act, District Councils had power to vary the numbers on local councils by making an order. Procedures were not prescriptive and numbers on parish councils, or other Parish electoral arrangements, could be varied easily and quickly. Unfortunately this is no longer the case and the procedures prescribed for community governance reviews, set out in the 2007 Act, have to be followed even when the only issue to be considered is a variation in a parish council's numbers.

The Act allows for the public to petition for reviews in their areas. Reviews must be undertaken if petitions are received as follows:

- Area with fewer than 500 electors - at least 50% of the electors
- Area with between 500 and 2,500 electors – at least 250 of the electors
- Area with more than 2,500 electors - at least 10% of the electors.

It is, however, not necessary for a petition to be received to initiate a review. The Parish Council has requested an increase in its numbers and it is for the District Council to decide whether it wishes to undertake a review of the Brympton parish area with a view to increasing the size of the Parish Council.

5. Request from Brympton Parish Council

The Parish Council have given the following reasons to support their request to increase the size of the Parish Council to 12 members:-

- The Parish Council request that the number of Councillors on the Parish Council be increased from 11 to 12.
- The last boundary review for Brympton Parish Council was carried out in 2003, when the number of Councillors was increased from 9 to 11. However, since that review, the electorate within the parish has increased.
- Derived populations, post 2000, are based on factors of 1.7 electors per property (a recognised ratio) with 2.375 persons per property (again a fairly reasonable factor).
- Due to the Lufton Key Site, which will deliver approximately a further 620 houses, it is believed that the total electorate in the year 2020 will be about 6,200 and we believe that this is the number to be used in determining the numbers of Councillors.
- Research carried out in 1992 showed that the typical Parish Council with a population between 2,501 and 10,000 has 9 – 16 Councillors. The Parish Council therefore feels that an increase in the number of Councillors can be justified.

Brympton Parish Council has put forward a reasoned request for an increase in numbers. There is no formal guidance on the size of parish councils, but the minimum number is 5. The DCLG reports that, nationally, local councils representing the following electorates have, typically, the number of councillors stated:

- Less than 500 – between 5 and 8 councillors
- Between 501 and 2,500 – between 6 and 12 councillors
- Between 2,501 and 10,000 – between 9 – 16 councillors

The 1972 Act, as amended, specifies that each parish council must have at least five councillors; there is no maximum number. The Electoral Commission has no reason

to believe that this pattern of council size to population has altered significantly since the research was conducted. Although not an exact match, it broadly reflects the council size range set out in the National Association of Local Councils Circular 1126; the Circular suggested that the minimum number of councillors for any parish should be 7 and the maximum 25.

Brympton has 5,154 electors. In the light of the reasons put forward by the Parish Council, officers consider that a review should proceed.

Allowing for the need to report to Council at the various stages of the review progress, it is estimated that the review will take 6 - 9 months to complete. Any agreed changes in the composition of the Parish Council will take effect at the beginning of the next Council year in May 2019. Brympton Parish Council are aware of this delay in increasing their numbers and are content to wait to implement the increase.

6. Community Governance Reviews – General Principles relating to Parishes and Parish Councils

Under the legislation the District Council must aim to ensure that community governance in the area under review:-

- reflects the identities and interests of the community in that area
- is effective and convenient
- takes into account any other arrangements for the purpose of community representation or community engagement.

When considering this, the Council should take into account a number of factors, including:

- the impact of community governance arrangements on community cohesion; and
- the size, population and boundaries of any new local community or parish.

A review involves the following stages:

- (1) Setting terms of reference of the review (if the Committee recommends a review in Brympton, suggested terms of reference are set out in Appendix A);
- (2) Publicising the terms of reference (for the purposes of the Act, the review formally commences when the terms of reference are published);
- (3) Undertaking consultations with the local government electors for the area and any other person or body (including the Parish Council) who appears to have an interest in the review;
- (4) Considering representations;
- (5) Preparing and publishing draft proposals;
- (6) Undertaking consultation on the draft proposals;
- (7) Considering representations;
- (8) Publishing recommendations;
- (9) Making an order to bring into effect any decisions arising from the review;
- (10) A review must be concluded within 12 months of the publication of the terms of reference.

When undertaking a CGR a principal council must have regard to guidance issued by the Secretary of State and the Electoral Commission. However, subject to this, it is for the Council to decide how to undertake the review.

7. Financial Implications

To produce a consultation leaflet for every elector and deliver them to every household within the parish would cost in the region of £4,400. It is therefore proposed to conduct a 'light touch' review as the request has been made by the Parish Council and the proposal will incur no direct cost to the electorate.

Because the change is minor, it should be possible to do this by posters and leaflets within the Parish and adverts on the SSDC and Brympton Parish Council websites, rather than the usual method of sending a consultation leaflet to every registered elector. This would significantly reduce the cost to SSDC and should ensure that the cost is kept below £100.

There is no specific budget for Community Governance Reviews and therefore all costs will have to be absorbed within the existing Democratic Services budget for 2016/17.

There is no power to re-charge the cost of the review to any other Council, except by agreement. This is because the statutory power to conduct the review rests with this Council.

8. Corporate Priority Implications

No implications at the current time.

9. Carbon Emissions and Climate Change Implications

No implications at the current time.

10. Equality and Diversity Implications

All local government electors within the parishes of Brympton will be consulted on the proposal and their views considered as part of the consultation process. The council must have regard to the need to secure that the community governance arrangements for the area reflects the identities and interests of the community in the area and are effective and convenient.

11. Background Papers

Local Government and Public Involvement in Health Act 2007

The Electoral Commission Guidance on Community Governance Reviews, April 2008

Request from Brympton PC dated 28 April 2016

Terms of Reference of the Community Governance Review of the Parish arrangements for Brympton (attached).

South Somerset District Council

LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007 COMMUNITY GOVERNANCE REVIEW

TERMS OF REFERENCE

Brympton Parish Council

INTRODUCTION

- **Setting the Context**

The Local Government and Public Involvement in Health Act 2007 provides for a principal council to conduct a community governance review at any time. The Council can undertake a review of the whole or part of its area. The Council is also under a duty to carry out a community governance review if it receives a valid community governance petition for the whole or part of the council's area or, a request from the Parish Council. However, the duty to conduct a review does not apply if:

- a) the principal council has concluded a community governance review within the last two years which in its opinion covered the whole or a significant part of the area of the petition; or
- b) the council is currently conducting a review of the whole, or a significant part of the area to which the petition relates.

In this case the District Council has been requested to undertake a review to increase the number of Parish Councillors from 11 to 12 on Brympton Parish Council, following the receipt of an e-mail request from the Parish Council.

These terms of reference relate to the area comprising the existing Brympton Parish Council boundaries as detailed on the attached map.

In undertaking the review, the Council will be guided by Part 4 of the Local Government and Public Involvement in Health Act 2007, the relevant parts of the Local Government Act 1972, Guidance on Community Governance Reviews issues in accordance with section 100(4) of the Local Government and Public Involvement in Health Act 2007 by the Department of Communities and Local Government and The Electoral Commission in April 2008, and the following regulations which guide, in particular, consequential matters arising from the review: Local Government (Parishes and Parish Councils) (England) Regulations 2008 (SI2008/625); Local Government Finance (New Parishes) Regulations 2008 (SI 2008/626). Section 81 of the Local Government and Public Involvement in Health Act 2007 requires the Council to publish its Terms of Reference in a review.

These Terms of Reference will be published by placing a copy on public deposit at the offices of South Somerset District Council at the Council Offices, Brympton Way, Yeovil BA20 2HT and on the Council's website at www.southsomerset.gov.uk

The matters on which the Community Governance Review is to focus are set out later in these Terms of Reference.

- **Why is the Council undertaking the review?**

The Review is being carried out in response to a written request from the Parish Council. The request seeks to increase the number of Parish Councillors from 11 to 12.

- **What is a Community Governance Review?**

A Community Governance Review is a review of the whole part or part of the district area to consider one or more of the following:

1. Creating, merging, altering or abolishing parishes;
2. The naming of parishes and the style of new parishes;
3. The electoral arrangements for parishes (the ordinary year of election; council size; the number of councillors to be elected to the council, and parish wardings) and
4. Grouping parishes under a common parish council or de-grouping parishes.

- **Who undertakes the review?**

The Council have approved the terms of reference for this review and will deal with all matters in connection with it through the relevant Ward Members and the Area South Committee which will make final recommendations to full Council following the review for their consideration and making of any necessary Reorganisation Order.

The lead officer with regard to this review is Angela Cox, Democratic Services Manager.

CONSULTATION

- **How the Council proposes to conduct consultations during the review?**

The Council has drawn up and now publishes this Terms of Reference document. This document lays out the aims of the review, the legislation that guides it and some of the policies that the Council considers important in the review.

In coming to its recommendations in the review, the Council will need to take account of the views of local people. The Act requires the Council to consult the local government electors for the area under review and any other person or body who appears to have an interest in the review and to take the representations that are received into account by judging them against the criteria in the Local Government and Public Involvement in Health Act 2007.

The Council intends to consult with all households and interested parties in the area, inviting initial submissions and seeking views on the draft proposals.

The Council will also identify any other person or body who it feels may have an interest in the review and write to them inviting them to submit their views at both stages of consultation.

This will include:

- Ward Members
- Tenants and Residents' Associations
- Groups and Societies
- Schools and Colleges
- Members of Parliament

- Somerset Association of Local Councils
- Local Political Parties
- The Police

The Council will also be pleased to receive comments from any other person or body that wishes to make representations; any such person that makes representations during the initial invitation to submit proposals will be invited to make comments in respect of the draft proposals.

As required by Section 79(3) of the Local Government and Public Involvement in Health Act 2007, the District Council will notify Somerset County Council that a review is to be undertaken, provide them with a copy of the terms of reference for the review and will consult them on the matters under review.

The Council intends to clearly publish all decisions taken in the review and the reasons for taking those decisions and will work towards the Government's view in undertaking the review that "Community Governance Reviews should be conducted transparently so that local people and other stakeholders who may have an interest are made aware of the outcome of the decisions taken on them and the reasons behind these decisions."

In accordance with the Act, representations received in connection with the review will be taken into account, and steps will be taken to notify consultees of the outcome of the review by publishing them on the Council's website at www.southsomerset.gov.uk, through general press releases, public notice adverts in local newspapers, placing key documents on public deposit at Council Offices and publicised on the relevant Parish Council website and local public noticeboards.

- **How to contact us:**

Any queries regarding this review should be directed to:

Angela Cox
Democratic Services Manager
South Somerset District Council
Council Offices
Brympton Way
Yeovil
BA20 2HT

E-Mail: angela.cox@southsomerset.gov.uk

Timetable for the Review

Publication of these Terms of Reference formally begins the review, which must be completed within twelve months.

The table below details indicative timescales for the review.

Action	Timetable	Dates
Compiling Terms of Reference		May 2016
Report to Council to approve terms of reference		21 July 2016
Publication of Terms of Reference		22 July 2016
Introductory Stage – Invite initial submissions	2 months	August / September 2016
Preparation of Draft Proposals and approval by Council	1 month	October 2016
Publication of Draft Proposals		October 2016 (following approval by Council)
Consultation on Draft Proposals	2 months	December 2016
Preparation of Recommendation / Reorganisation Order and approval by Council.	1 month	January 2017
Publication of Recommendations		January 2017
Publication of any Reorganisation Order		February 2017
Effective date of Order		1 April 2017
Town/Parish Council Elections		May 2019

ELECTORATE FORECASTS

- **The electorate forecasts for the district**

The Council has used the Register of Electors as at 1 April 2016 in providing the existing parish electorate figures.

When the Council comes to consider the electoral arrangements of the parishes in its area, it is required to consider any change in the number or distribution of the electors which is likely to occur in the period of five years beginning with the day when the review starts. The Lufton Key Site,

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which is currently under construction is expected to deliver a further 620 houses, and the Parish Council believe that the total electorate in the year 2020 will be about 6,200.

- **Demographic trends and influences in our area**

The Lufton Key Site is a large scale development and it is reasonable to expect that the work of the Parish Council will increase with the number of electors. It is therefore reasonable to increase the number of Parish Councillors to 'spread the burden' of issues which they deal with.

THE PRESENT STRUCTURE OF THE PARISH AND THE ELECTORAL ARRANGEMENTS

Present structure of the parish is:

Brympton		Ratio of Electors to Cllrs
Existing No. of Parish Councillors	11	1:468
Proposed No. of Parish Councillors	12	1:430

Guidance in connection with the Local Government and Public Involvement in Health Act requires the consent of the Electoral Commission to be obtained if the Council may wish to alter the electorate arrangements for a parish whose existing arrangements were put in place within the previous five years by an order made either by the Secretary of State or the Electoral Commission. No such consent will be required following this review.

- **Previously unparished areas**

The Council is required by law to consider other forms of community governance as alternatives or stages towards establishing parish councils. There may be other arrangements for community representation or community engagement in an area, including area committees, neighbourhood management programmes, tenant management organisations, area or community forums, residents' and tenants' associations or community associations, which may be more appropriate to some areas than parish councils, or may provide stages building towards the creation of a parish council, which are already successfully creating opportunities for engagement, empowerment and co-ordination in local communities.

The Council will be mindful of such other forms of community governance in its consideration of whether parish governance is most appropriate in certain areas. However, the Council also notes that what sets parish councils apart from other kinds of governance is the fact that they are a democratically elected tier of local government with directly elected representatives, independent of other council tiers and budgets, and possessing specific powers for which they are democratically accountable.

PARISH AREAS

- **Introduction**

The legislation requires that the Council must have regard to the need to secure that community governance with the area under review:

1. Reflects the identities and interests of the community in that area, and

2. Is effective and convenient, and
3. Takes into account any other arrangements for the purposes of community representation or community engagement in the area.

- **Parishes**

The Council is anxious to ensure that electors should be able to identify clearly with the parish in which they are resident because it considers that this sense of identify and community lends strength and legitimacy to the parish structure, creates a common interest in parish affairs, encourages participation in elections to the parish council, leads to representative and accountable government, engenders visionary leadership and generates a strong, inclusive community with a sense of civic values, responsibility and pride.

There is no request in this review to alter the existing parish boundaries, which remain easily identifiable.

- **Viability**

The Council is anxious to ensure that parishes should be viable and should possess a precept that enables them to actively and effectively promote the well-being of their residents and to contribute to the real provision of services in their areas in an economic and efficient manner.

Some parishes are anxious to take on the new power of well-being provided in the Local Government and Public Involvement in Health Act 2007; others hold Quality Parish status, while others are anxious to enter into charters with principal councils for the provision of local services. The Council sees these initiatives as important measures of effective and convenient local government and will respect them in this review.

NAMES AND STYLES

- **The naming of parishes**

The 'name' of a parish refers to the geographical name of the area concerned, whereas its status or 'style' allows for that area to be known as a town, community, neighbourhood or village, rather than as a parish. The status or style of the parish will be reflected in the name of any council of the parish. So, for example, the council of a parish, which has the style "town" will be known as the 'town council' and its councillors as the 'town councillors', etc.

There are legal requirements (as defined in Section 76 of the Local Government Act 1972), particularly with regard to subsequent notification, with regard to the naming of parishes, however, there is no proposal within this review to alter the name of the existing Parish Council.

- **Alternative styles**

The Local Government and Public Involvement Act 2007 has introduced 'alternative styles' for parishes. If adopted, the 'alternative style' would replace the style "parish". However, only one of these three prescribed styles can be adopted:-

"community", neighbourhood" or "village".

A parish shall cease to have an alternative style if the parish begins to have the status of a town.

Where new parishes are created, the Council will make recommendations as to the geographical names of the new parishes and as to whether or not it should have one of the alternative styles.

ELECTORAL ARRANGEMENTS

- **What does “Electoral Arrangements” mean?**

An important part of the Council’s review will comprise giving consideration to “Electoral Arrangements”. The term covers the way in which a council is constituted for the parish. It covers:

- The ordinary year in which elections are held;
 - The number of councillors to be elected to the council;
 - The division (or not) of the parish into wards for the purpose of electing councillors;
 - The number and boundaries of any such wards;
 - The number of councillors to be elected for any such ward
 - The name of any such ward
-
- **Ordinary year of election**

The Local Government Act 1972 states that ordinary election of parish councillors shall take place in 1976, 1979 and every fourth year thereafter (i.e. 2007, 2011, 2015, 2019 etc.) The Government has indicated that it would want the parish electoral cycle to coincide with the cycle for the district/borough council, so that the costs of elections can be shared.

However, where the next ordinary elections are not for some time, the Council may resolve to modify or exclude the application of sections 16(3) and 90 of the Local Government Act 1972 to provide for the first election to be held in an earlier year, with councillors serving a shortened first term to allow the parish electoral cycle to return to that of the district.

- **What considerations cover the number of parish councillors?**

The Government has advised, and this Council concurs that “it is an important democratic principle that each person’s vote should be of equal weight so far as possible, having regard to other legitimated competing factors, when it comes to the election of councillors”. Likewise, the Council notes that the number of parish councillors for each parish council shall be not less than five. There is no maximum number. The Aston Business School found the following levels of representation –

Electorate	Councillor Allocation
Less than 500	5 – 8
501 – 2,500	6 – 12
2,501 – 10,000	9 – 16
10,001 – 20,000	13 – 27
Greater than 20,000	13 – 31

The National Association of Local Councils (NALC) suggested that the minimum number of councillors should be seven and the maximum 25.

The government’s guidance is that “each area should be considered on its own merits, having regard to its population, geography and pattern of communities”. This Council is prepared to pay particular attention to its existing levels of representation, the broad pattern of existing council

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sizes, which have stood the test of time and the take up of seats at elections in its consideration of the matter.

It is recognised that the conduct of parish council business does not usually require a large body of councillors. By law, the Council in this review must have regard to the following factors when considering the number of councillors to be elected for the parish:

- The number of local government electors for the parish;
- Any change in that number which is likely to occur in the period of five years beginning with the day when the review starts.

The Council will also take into account the following considerations:

- To ensure that the allocation of councillors to parishes is equitable across the district, while acknowledging that local circumstances may occasionally merit variation.
- To appreciate that there are different demands and consequently different levels of representation are appropriate between urban and more rural parishes in the district.

The Council also acknowledges that there may be exceptions to the above, where some weight will be given to the following considerations in forming the proposals;

- A high precept and high levels of service provision;
- Where representation may be required to meet the challenges of population sparsity;
- Supporting a warding arrangement in a particular parish and achieving a good parity of representation between wards.

- **Parish Warding**

The Act requires that in considering whether a parish should be divided into wards for the purposes of elections for the parish council the Council should consider the following:

- Whether the number, or distribution, of the local government electors for the parish council would make a single election of councillors impracticable or inconvenient;
- Whether it is desirable that any areas of the parish should be separately represented on the council.

The government's guidance is that "the warding of parishes in largely rural areas that are based predominantly on a single centrally located village may not be justified. Conversely, warding may be appropriate where the parish encompasses a number of villages with separate identities, a village with a large rural hinterland or where, on the edges of towns, there has been some urban overspill into the parish".

With regard to urban parishes, the government has suggested, "there is likely to be a stronger case for the warding of urban parishes". In urban area community identity tends to focus on a locality, whether this be a housing estate, a shopping centre or community facilities. Each locality is likely to have its own sense of identity".

The Council will be mindful of this guidance, noting further that, "each case should be considered on its merits and on the basis of the information and evidence provided during the course of this review."

The Council also wishes to emphasise that warding arrangements should be clearly and readily understood by and should have relevance for the electorate in a parish; they should reflect clear

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physical and social differences within a parish: one parish but comprising different parts. Furthermore, ward elections should have merit; not only should they meet the two tests laid down in the Act, but they should also be in the interests of effective and convenient local government. They should not be wasteful of a parish's resources.

- **The number and boundaries of parish wards**

In reaching conclusions on the boundaries between parish wards, the Council will take into account community identity and interests in an area and will consider whether any particular ties or linkages might be broken by the drawing of particular ward boundaries.

Equally, the Council, during its consultations in this review is mindful that proposals, which are intended to reflect community identity and local linkages should be justified in terms of sound and demonstrable evidence of those identities and linkages.

The Council has noted the desirability of fixing boundaries which are, and will remain, easily identifiable, as well as taking into account any local ties which might be broken by the fixing of any particular boundaries. The Council also emphasises that ward boundaries should be clearly understood; they should represent the most appropriate parting of local attachments within a parish that comprises different parts. The Electoral Commission has suggested that the district wards should not split an un-warded parish and that no parish ward should be split by such a boundary. The relevant legal provisions do not apply to reviews of parish electoral arrangements, but the Commission has requested the Council to bear this in mind, which the Council will do.

- **The number of councillors to be elected for parish wards**

The Council has noted that it is required to have regard to the following when considering the size and boundaries of the wards and the number of councillors to be elected for each ward;

- The number of local government electors for the parish;
- Any change in the number, or distribution, of the local government electors, which is likely to occur in the period of five years beginning with the day when this review starts.

The government has advised, and this Council concurs that "it is an important democratic principle that each person's vote should be of equal weight so far as possible, having regard to other legitimated factors, when it comes to the elections of councillors." While there is no provision in legislation that each town/parish councillor should represent, as nearly as may be, the same number of electors, the Council considers that it is not in the interests of effective and convenient local government, either for voters or councillors, to have significant differences in levels of representation between different parish wards.

The Council is likewise anxious to avoid the risk that, where one or more wards of a parish are over represented by councillors, the residents of those wards (and their councillors) could be perceived as having more influence than others on the council. During the review process and in its consultations, the Council is committed to consistently showing the ratios of electors to councillors that would result from its proposals.

- **Naming of parish wards**

With regard to the names of parish wards, the Council will endeavour to reflect existing local or historic place names, and will give a strong presumption in favour of ward names proposed by local interested parties,

REORGANISATION OF COMMUNITY GOVERNANCE ORDERS AND COMMENCEMENT

The review will be completed when the Council adopts the reorganisation of Community Governance Orders. Copies of this order, the map(s) that show the effects of that order in detail, and the documents(s) which set out the reasons for the decisions that the Council has taken (including where it has decided to make no change following a review) will be deposited at the Council's offices and on its website.

In accordance with the Guidance issued by the government, the Council will issue maps to illustrate each recommendation at a scale that will not normally be smaller than 1:10,000.

These maps will be deposited with the Secretary of State at the Department of Communities and Local Government and at the Council's Offices at Brympton Way, Yeovil BA20 2HT.

Prints will also be supplied, in accordance with the regulations, to Ordnance Survey, the Registrar General, the Land Registry, the Valuation Office Agency, the Boundary Commission for England and the Electoral Commission.

The provisions of the Order would take effect, for financial and administrative purposes, from 1st April in the designated year.

New or revised parish electoral arrangements come into force at ordinary parish elections, rather than parish by-elections, so they usually have to wait until the next scheduled parish elections, namely May 2019. They can come into force sooner, which will have the effect of cutting the term of the existing councillors. In addition the term of the new councillors will also be shortened to ensure that the parish election cycle continues to correspond with that of the District Council (and other parish councils) so as to ensure that election costs continue to be shared.

CONSEQUENTIAL MATTERS

- **General Principles**

The Council notes that a Reorganisation Order may cover any consequential matters that appear to the Council to be necessary or proper to give effect to the Order. These may include:

- The transfer and management or custody of property;
- The setting of precepts for new parishes;
- Provision with respect to the transfer of any functions, property, rights and liabilities;
- Provision for the transfer of staff, compensation for loss of office, pensions and other staffing matters.

In these matters, the Council will be guided by Regulations that have been issued following the 2007 Act.

In particular, the Council notes that the Regulations regarding the transfer of property, rights and liabilities require that any apportionments shall use the population of the area as estimated by the proper officer of the Council as an appropriate proportion.

Furthermore, the Council notes that the regulations regarding the establishment of a precept for a new parish require the Council to calculate the first anticipated precept for a newly constituted parish council and for the amount of that precept to be included in the Reorganisation Order.

- **District ward boundaries**

The Council is mindful that it may be necessary, although it is not anticipated, for it to recommend the Electoral Commission to make alterations to the boundaries of district wards or county electoral divisions to reflect the changes made at parish level. The Council notes that it will be for the Electoral Commission to decide if related alterations should be made and when they should be implemented, and that the Commission may find it appropriate to direct the Boundary Committee for England to conduct an electoral review of affected areas.

The Council notes that the Electoral Commission will require evidence that the Council has consulted on any such recommendations for the alterations to the boundaries of district wards to County electoral divisions as part of the review. Of course, such recommendations for alterations may only become apparent during the course of the review. Even so, the Council will endeavour to include any such draft recommendations for alterations at the earliest possible opportunity for consultation that will arise after they become apparent.

Where any such consequential matters affect Somerset County Council, the Council will also seek the views of that council with regard to alterations to electoral division boundaries in accordance with the government's guidance.

DATE OF PUBLICATION OF THESE TERMS OF REFERENCE

Date of Publication: 3rd June 2016

Any modifications (if any) will be published as soon as practicable after they have been made.

Agenda Item 12

Report of Executive Decisions

Lead Officer: Angela Cox, Democratic Services Manager

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This report is submitted for information and summarises decisions taken by the District Executive and Portfolio Holders since the last meeting of Council in May 2016. The decisions are set out in the attached Appendix.

Meetings of District Executive were held on 26th May, 2nd June and 7th July 2016.

Members are invited to ask any questions of the Portfolio Holders.

Background Papers

All Published

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Appendix

Portfolio	Subject	Decision	Taken By	Date
Leisure, Culture & Wellbeing	Westlands Leisure Complex - Potential Lease (Confidential)	District Executive: (1) Noted the Heads of Terms agreed by both parties in Appendix 1. (2) Approved the entering into and execution of: a) The proposed Lease attached in Appendix 2 b) The Side Agreement attached in Appendix 3, subject to the amendment of clause 5.3.18 c) The Sport England Grant Deed in Appendix 4, including the provision of a Deed of Indemnity to Sport England which ensures that Sport England can recover the Lottery Grant should the SSDC exercise its break rights under its lease at years 15 or 20, prior to expiry of the 21 year Grant Term. d) The Badminton England Grant Offer in Appendix 5. (3) Noted the updated Business Plan attached in Appendix 4.	District Executive	26/05/16
Strategy and Policy	Consent for disposal of a property in West Coker by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to approve consent to the disposal of number 36, Font Villas, West Coker by Yarlington Housing Group, on the proviso that Yarlington give an undertaking to reinvest the net sums raised in new housing in the local area.	Portfolio Holder	27/05/16 Executive Bulletin No. 671
Strategy and Policy	SSDC Annual Performance Report 2015/16	District Executive noted the 2015/16 performance information at Appendices A, B and C.	District Executive	02/06/16
Leisure and Culture	Revised Homefinder Somerset Policy	District Executive: 1. approved the revised Homefinder Somerset Policy; 2. delegated authority to the Housing and Welfare Manager to approve the use of the plain English version of the policy.	District Executive	02/06/16
Environmental Health, Health and Safety	Fixed Penalty Notices for Fly tipping	District Executive agreed to set the level for fixed penalty notices for offences under Section 33 of the Environmental Protection Act 1990 (unlawful disposal of waste) at £250 with a reduction to £150 if paid within 10 days of the date of issue.	District Executive	02/06/16

Leader of the Council	Local Strategic Partnership South Somerset Together (SST) Annual Review	District Executive: 1. noted the achievements of the South Somerset Together Partnership in 2015/16 and the new, simplified arrangements; 2. noted that the Partnership agreement terminated March 2016 and new simplified governance arrangements are being put in place from June 2016.	District Executive	02/06/16
Leisure and Culture	Corporate Grants Report	District Executive noted the report detailing the overall spend on voluntary sector grants during 2015/16.	District Executive	02/06/16
Chairman of Area West Committee	Increase in Councillors on Brympton Parish Council _Community Governance Review (CGR)	District Executive recommend that Council: 1. note the receipt of the request and its validity; 2. agree to undertake a Community Governance Review of the Parish of Brympton; 3. agree the Terms of Reference of the review as detailed in Appendix A, including the timetable and arrangements for public consultation; 4. agree that the review will be carried out by the Democratic Services Manager, in consultation with Ward Members, Assistant Director (Communities) and the Area South Committee; 5. note that further reports will be brought to Council in order that decisions may be made in respect of draft proposals and final recommendations of the Review.	District Executive	02/06/16
Strategy and Policy	Consent for disposal of a property in Haselbury Plucknett by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to advise Yarlington Housing Group that, SSDC does not support their proposed disposal of number 3 Orchard View, Haselbury Plucknett by Yarlington Housing Group.	Portfolio Holder	03/06/16 Executive Bulletin No. 672
Strategy and Policy	Consent for disposal of a property in Curry Mallet by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to confirm consent for the proposed disposal of number 1, Pope's Cross, Curry Mallet by Yarlington Housing Group.	Portfolio Holder	24/06/16 Executive Bulletin No. 675
Strategy and Policy	Consent for disposal of a property in Pitney by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to advise Yarlington Housing Group that, SSDC does not support their proposed disposal of number 6, Middlefield Road, Pitney by Yarlington Housing Group.	Portfolio Holder	24/06/16 Executive Bulletin No. 675

Strategy and Policy	Consent for disposal of a property in Rimpleton by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to advise Yarlington Housing Group that, SSSC does not support their proposed disposal of number 12, Daisymead, Rimpleton.	Portfolio Holder	24/06/16 Executive Bulletin No. 675
Strategic Planning (Place Making)	Five-Year Housing Land Supply Update (July 2016)	District Executive: i. endorsed the Five-year Housing Land Supply update paper, and resolved that the conclusions and implications are effective as of 7th July 2016 (See Appendix A). ii. delegated responsibility to the Assistant Director for Economy in consultation with the Portfolio Holder for Strategic Planning to make any final minor text amendments which may be necessary to enable the Five-year Housing Land Supply update paper to be published.	District Executive	07/07/16
Environmental Health, Health and Safety	Approval of the South Somerset District Council's Regulatory Services Enforcement Policy 2016 - 2020 and the Environmental Protection Enforcement Policy 2016 - 2020	District Executive agreed to adopt as Council Policy and approve as fit for purpose:- 1. South Somerset District Council's Regulatory Services Enforcement Policy 2016-2020 in Appendix 1. 2. The Environmental Protection Enforcement Policy 2016-2020 in Appendix 2.	District Executive	07/07/16
Finance and Legal Services	2015/16 Revenue Budget Outturn Report	District Executive: (a) Noted the outturn position of £16,979,214 (an under spend of £802,716) and explanation of variances from budget holders for the 2015/16 financial year as shown in paragraphs 5-6; (b) Approved the carry forwards listed and recommended for approval by Management Board in Appendix B into the 2016/17 budgets; (c) Approved all overspends are funded from general balances; (d) Noted the use of the specific reserves in paragraph 18; (e) Noted the use of general fund balances in paragraph 19 and approved the transfer of £1,300,000 to the Transformation Reserve & £1,292,000 to the NNDR Volatility Reserve; (f) Noted the transfers to and from balances outlined in paragraph 22; (g) Noted the position of the Area Committee balances in paragraph 23; (h) Noted the virements in Appendix G; (i) Noted the stock write offs detailed in paragraph 26.	District Executive	07/07/16

Finance and Legal Services	2015/16 Capital Budget Outturn Report	District Executive: a) noted the net spend of £2.084 million on capital for the 2015/16 year and approved the financing of the capital programme (paragraph 7 and 19); b) noted the progress of individual capital schemes and the lead officers comments as detailed in Appendix A; c) approved the revisions, including profiling amendments to the Capital Programme for 2016/17 and future years as detailed in paragraph 10; d) reviewed the projects which had a delayed start in excess of one year totalling £35,000 and agreed they remain in the capital programme (paragraph 11); e) approved the virement of £5,000 outlined in paragraph 13; f) noted the post completion reports on the completed schemes as detailed in Appendix B; g) noted the balance of S106 deposits by developers held in a reserve as outlined in paragraph 21.	District Executive	07/07/16
Leader of the Council	Key4Life – At Risk Preventative Programme in Somerset	This report was deferred for more information on the programme to be presented to councillors.	District Executive	07/07/16
Leisure and Culture	Annual Review of SSDC Partnerships	District Executive noted the annual review process and observations for each of the partnerships on the Register.	District Executive	07/07/16
Strategic Planning, Place Making, Area Development	Community Right to Bid Quarterly Update Report	Members noted the report.	District Executive	07/07/16

Agenda Item 13

Audit Committee

This report summarises the items considered by the Audit Committee on 30 June 2016.

Health, Safety & Welfare - Annual Report 2015-2016

The Civil Contingencies Manager introduced the report which informed members of health, safety and welfare issues relevant to South Somerset District Council activities and undertakings. A short presentation was provided which included information about:

- The reason for in-house Health & Safety
- What the Health & Safety service do
- Brief details about the number of staff trained as First Aiders and/or use of a defibrillator
- Risk assessments
- The training received by staff regarding working in water
- Working at height

During a brief discussion, the Civil Contingencies Manager responded to points of detail about the accident statistics and use of the defibrillators. She agreed that a table indicating the comparative accident statistics for 2015-2016 and the previous year would be appended to the minutes for information.

Members were content to note the report, and thanked the Civil Contingencies Manager for her presentation.

RESOLVED: That the Health, Safety and Welfare Annual Report for 2015/16 be noted.

Internal Audit Plan Progress Report

The Assistant Director (South West Audit Partnership) introduced the report which provided an update on the position of the Internal Audit Plan at the end of 2015/16 and reviewed the progress made on the 2016/17 Internal Audit Plan (Quarter 1). Key elements were highlighted, and it was noted that since the report had been compiled there had been further progress regarding the Audits as detailed under the 2015/16 Audit Plan (page 17 of the agenda). She also highlighted to members that since the agenda had been published the average figures under the heading 'SWAP Performance' on page 21 of the agenda had also changed and she provided the latest figures.

The Assistant Director (Finance and Corporate Services) noted a report had been added to the Audit Committee Forward Plan for November to provide an update regarding the partial assurance from the Property Services review.

There being no further discussion, members were content to note the progress made.

RESOLVED: That the progress made on the 2016/17 Internal Audit Plan be noted.

Internal Audit Annual Report and Opinion for 2015/16

The Assistant Director (South West Audit Partnership) introduced the report which provided an update on the position of the Internal Audit Plan at the end of 2015/16 and Internal

Audit's overall Opinion on the systems of internal control at South Somerset District Council. The SWAP Opinion was a 'reasonable assurance'. It was noted there was some duplication in this report with the previous agenda item – Internal Audit Progress Report – and updates provided for that item also applied to this report.

In response to a comment made during a very brief discussion that the definition of 'none' and 'no opinion' under the heading of Summary of Audit Opinion could be misinterpreted, she agreed to report back the comment to see if alternative wording or a description could be provided in future reports.

There being no further discussion, members were content to note the Annual Report and Opinion.

RESOLVED: That the Internal Audit Annual Report for and Opinion for 2015/16 be noted.

SSDC Review of Internal Audit

The Assistant Director (Finance and Corporate Services) introduced the report which informed the Audit Committee of the recent review of the effectiveness of the delivery of Internal Audit through SWAP (South West Audit Partnership) during 2015-16. She explained the review in a little more detail, and noted a missing figure in the Performance Measure table for 2015/16 - number of actions for improvements agreed by managers - should have read 68.

There being no further discussion, members were content to note the findings of the review.

RESOLVED: That the findings of the review of Internal Audit be noted.

Assessment of Going Concern Status

The Assistant Director (Finance and Corporate Services) presented the report which informed the Committee of the S151 officer's assessment of the Council as a 'going concern' for the purposes of producing the Statement of Accounts for 2015/16. She noted she had gone through the Statement of Accounts in order to form a view as to whether South Somerset District Council is financially viable, and in her opinion it is. She provided a brief overview of the Council's current financial position (revenue) and the projected financial position.

It was noted the budget in future years would be difficult but there was a plan in place, however there were uncertain times ahead following the Referendum.

There was no discussion and members were content to note the report for the purposes of the draft Statement of Accounts for 2015/16.

RESOLVED: That the outcome of the assessment made of the Council's status as a 'going concern' for the purposes of the draft Statement of Accounts for 2015/16 be noted.

2015/16 Annual Governance Statement

The Assistant Director (Finance and Corporate Services) presented the report as detailed in the agenda and explained the requirement for producing the Annual Governance Statement.

There was no discussion and members were content to approve the Annual Governance Statement.

RESOLVED: That the 2015/16 Annual Governance Statement be approved.

(Voting: Unanimous)

2015/16 Treasury Management Activity Report

The Principal Accountant presented the report as detailed in the agenda which detailed treasury management activity and the performance against the Prudential Indicators for the 2015/16 financial year. She noted the sub heading before paragraph 20 should have read 'Interest Rates 2015/16'. Attention was also drawn to paragraph 21 as interest rates were now predicted to slip further.

In response to a comment made during a brief discussion, the Assistant Director (Finance and Corporate Services) explained that since the Referendum the value of a property fund had decreased and it was likely that SSDC would refrain from investing any further in that particular fund at the current time.

Some members sought clarification about the new Boards that had been set up and the financial limits for each Board. The Assistant Director (Finance and Corporate Services) provided a detailed response and made reference to the Westlands Leisure Centre Board, Income Generation Board, Regeneration Board and Transformation Board. The Chairman requested that officers ensure that the risks attached to the various boards were entered onto the Risk Register.

At the end of discussion members were content to note the report and recommend the Treasury Management Activity report to full Council.

RESOLVED: That the Audit Committee:

- Noted the Treasury Management Activity for the 2015/16 financial year;
- Noted the position of the individual prudential indicators for the 2015/16 financial year;
- Noted the outlook for the investment performance in 2016/17.
- Recommended the 2015/16 Treasury Management Activity Report to full Council

Councillor Derek Yeomans
Chairman of Audit Committee

Agenda Item 14

Scrutiny Committee

Since the last report to Full Council, Scrutiny Committee have met twice - 31st May 2016 and 5th July 2016.

At Scrutiny Committee on 31st May 2016, members considered the following items:

Reports to be considered by District Executive on 2 June 2016

The Scrutiny Committee considered the reports included in the District Executive agenda for 2 June 2016 and made the following comments:

SSDC Annual Performance Report 2015/16

Having reviewed the Council Plan 2012-2015 final monitoring report members' sought an update on the action being taken to progress Action C1.12 – Regenerate the former ACI site and the Boden Mill site by 2013 and asked for clarification of the risks if the Development Agreement expires.

The interim Chief Executive and Cllr Jo Roundell Greene Deputy Leader and Portfolio holder for Economic Development explained:

- The agreement is still in place and that they hope to see a planning application come forward in the autumn.
- Henry Boot has been commissioned to undertake this piece of work; we are in regular contact with them.
- This is a very difficult climate to be working in
- The funding from the HCA was used to purchase the site
- There is no danger of losing funding.

Members spoke of their concern for Economic Development, given that there are numerous Council Plan actions that are partially completed. Whilst members appreciate that the actions are impacted on by external influences such as the financial climate recognising the priority of Economic Development in both the last Council Plan and the new one, Scrutiny Committee members felt it would be beneficial for the Economic Development Team to attend Scrutiny Committee to outline the issues they face. The committee want to work with the team to identify any obstacles and potential solutions and make sure there are adequate resources within the team to deliver on these high priority actions.

The committee understand that there are already a number of reporting mechanisms such as Regeneration Boards and Portfolio Holder Briefings and do not wish to cause officers to duplicate work but felt these other boards and meetings are not an alternative to Scrutiny and the role it has to play.

Members raised concerns regarding there being no performance monitoring data for PI031 – percentage of calls to the contact centre, the time it has taken to resolve the issues with the telephones and the reputational issues it could cause, members sought re-assurance with regard to:

- The lack of data and the issues this causes the management.

- How the authority will manage the technical challenge of implementing entire new technical solutions as part of transformation – We must ensure we have the appropriate skills and resource in place?

Members requested a definite list of all the issues and the scheduled fix date.

A document providing the requested data and information was subsequently provided by Donna Parham Assistant Director (Finance and Corporate Services) Jason Toogood (Customer Focus Support Manager)

In response to members' questions regarding PI032- Working days lost due to sickness absence per Full Time Employee the following information was provided:

- The target for working days lost due to sickness per full time employee is 8 days, for last year the total was 10.58 days
- Sickness is categorised as long-term once someone has been off continuously for 10 working days or more.
- The majority of cases shown in the report have been off for a significantly longer period than 10 days.
- If long term cases of sick are excluded the total is only 3.39 days
- This area is the subject of further attention; further training is being provided to all managers regarding sickness management this includes identifying any underlying causes.

Revised Homefinder Somerset Policy

The Scrutiny Chair reminded the committee a one off members group was set up to review the draft consultation, so considerable Scrutiny input has already been given and taken into account

The Scrutiny manager confirmed a full Equalities Analysis of the policy had been completed and was available for consideration.

Members commented the consultation responses did not add up to a 100% and questioned if the remaining percentage would be representative of those who disagree. The committee felt presenting the results in this way was not clear.

Scrutiny Committee agreed they would be willing to review the draft Plain English policy and contribute towards the final version.

Fixed penalty Notices for fly tipping

Alasdair Bell – Environmental Health Manager introduced the report and explained the provision of the fixed penalty was another tool to help to deter fly-tipping.

Following members questions the officer explained the process for determining when an offence is appropriate for a fine or a prosecution.

Members of the committee questioned if it is cost effective to proceed directly to court for second offences or more and suggested that perhaps a different approach is taken to reflect the costs to the Council.

Local Strategic Partnership South Somerset Together Annual Review

Rina Singh - Interim Chief Executive introduced the report and explained:

The partnership had achieved many outcomes since it was formed.

The five funding partners had been reviewing reducing overheads for a considerable period of time and now felt this was the right time to take this next step, simplifying governance arrangements and each partner taking responsibility for chairing on a rotating basis.

Members sought reassurance that the work will continue, the projects will progress and there will be no duplication of work with the other partnerships SSDC are in.

The committee questioned how members will be kept aware of the work of the partnership and asked how future projects will be funded.

The following information was provided:

- There were only five members contributing funding towards the partnership before and all are committed to the partnership.
- The South Somerset Together website will remain, so all information will be accessible for members.
- Some project money remains which the partners can bid for based on the existing process, once this money has been allocated a new system will come into effect where Multi Agency Business Cases will be completed and considered by the partners.

Corporate Grants report 2015 – 2016

The Committee sought confirmation that SSDC always adopts an approach that is encouraging organisations and groups to become more self-sufficient and not reliant on SSDC funding when providing a grant.

The Portfolio Holder for Leisure and Culture reassured members and gave examples of the work that is done with grant recipients.

At Scrutiny Committee on 5th July 2016 Members considered the following Items:

Reports to be considered by District Executive on 7 July 2016

The Scrutiny Committee considered the reports included in the District Executive agenda for 7 July 2016 and made the following comments:

Five-year Housing Land Supply Update

The Principal Spatial Planner and Portfolio Holder Strategic Planning (Place Making) introduced the report and raised the following points during discussion and in response to member questions:

- SSDC can achieve 4 years and two months housing land supply.
- At least 50% of councils are also not able to deliver a 5 year housing supply.

- That it's not a case of now having to yes to all schemes, if it is not a good scheme it should be refused.
- Ultimately paying for some under delivery against targets over the last 10/11 years.
- The housing supply has been fairly consistent making the targets difficult to achieve.
- The delivery is not coming forward on some of the larger sites as quickly as expected.
- There are some complicated sites (mixed use, both housing and employment land and requiring substantial infrastructure).
- The population is growing so it is anticipated that the strategic Housing Market assessment is likely to show a similar figure.
- It's not just about giving the permissions, developers only want to build when they are confident they can sell the housing and make profits and the availability of skills and materials also comes into it.
- To help larger sites come forward SSDC may need to consider underwriting some of the risks or infrastructure costs.
- It is felt Community Infrastructure Levy (CIL) is unlikely to have an impact on sites coming forward.
- A planning case officer will always consider the policies relating to housing and the local plan, the context and circumstances of the site, the locality and the housing delivery in the local area. Although you cannot ignore SSDC has less than five years supply.
- Currently the local wage economy is not taken into account when the targets are set, targets do need to be realistic, and this is now getting some traction.
- The five year land supply is for the district as a whole, although some areas could be more adversely affected than others.

Approval of the Somerset District Authorities Regulatory Services Enforcement Policy 2015-2020 and the Environmental Protection Enforcement Policy 2015-2020

Members supported the recommendations.

2015/16 Revenue Budget Outturn Report

The Assistant Director (Finance and Corporate Services) introduced the report. She raised the following points:

- An additional £1.9 million Council Tax collected this year compared to the previous year and £1.476 million collected of previous year's arrears.
- An additional £0.7 million Business Rates collected this year compared to the previous year and £2.56 million collected of previous year's arrears.
- The successful appeals for Yeovilton and the Doctors Surgeries have had an impact on business rates but there is money in reserves in readiness for this.

Members were concerned regarding the areas shown in the report where income was less than expected. She explained the shortfall against the Crematorium was due to spending on improvements. She confirmed a report will be coming forward with regard to advertising on the web and the Brympton Way canteen for members to make a decision.

2015/16 Capital Budget Outturn Report

Members supported the recommendations.

Key4Life – At Risk Preventative Programme in Somerset

During discussion members raised the following points:

- Is funding also being sought from the Police and Crime Commissioner for this project?
- There are many organisations (estimated over 30) who work in a similar role to this organisation helping offenders in this area.
- There is estimated to only be one organisation who works to support victims of crime in this area.
- It may be beneficial for additional research to be undertaken with regard to this project.

Annual Review of SSDC Partnerships

- Members discussed the report and requested:
- A brief update in terms of review and performance of the Market Towns Investment Group and the Safer Somerset Partnership.
- Clarification of what the removal of the register could mean in real terms? Members were specifically concerned re the potential removal of the Strategic Partnership against Hate Crime, given the current reports of the increase of this behaviour.

Community Right to Bid Quarterly Update Report

Scrutiny Committee considered the report and commented (based on experiences in their wards) that some communities are not giving appropriate consideration to the impact and implications of registering an asset on the list.

Scrutiny Committee Report – Request for Further Information on Newly Created Boards

The Scrutiny Committee introduced the report and made reference to the previous meeting when members agreed to request a report.

During discussion members sought clarification of the decision making process for each of the boards from the Assistant Director (Finance and Corporate Services) and the Assistant Director (Legal and Corporate Services).

The committee raised the following points/questions:

- The Income Generation board has no delegated powers, all decisions regarding expenditure for income generation will go to District Executive. District Executive can utilise up to 5% of Unallocated Capital Receipts (currently up to £900,000 per annum), and if a single element exceeds £900,000 the decision will be taken by Full Council.
- Transformation Board has delegated powers to spend up to the amount that full Council allocated to the project.
- Donna Parham Assistant Director (Finance and Corporate Services) is on the Transformation Board and it is part of her role to ensure monies are spent in accordance with planned expenditure.
- The actions of the transformation board will be recorded at each meeting and presented to members quarterly.
- Transformation Board will have no pre-decision Scrutiny. Can the meeting timetable be altered to enable this?

- There is no 'call-in' provision for decisions taken by the Transformation Board.
- Having Scrutiny Committee members on the Transformation Board doesn't preclude Scrutiny of Transformation.
- The decision of full council to proceed with transformation was on the basis of the report presented to it and the objectives set out within. It is a very important project and the decision did not mean that members would not be allowed to track progress against those objectives.
- Should non-executive members be on the transformation board if it is decision making?
- Are Councillors Sue Steele and John Clark going to have conflicts of interest being on both the Transformation Board and Scrutiny Committee?
- Can agendas and reports be made available to all – perhaps use ModGov.
- Can all members attend all board meetings to observe? Just like committee meetings.
- If I am on a board, am I there in a Scrutiny capacity? If I have to bring information back how do I go about reporting confidential information?
- The main purpose of Transformation is to save money, this needs to be clear in the Vision of the Transformation Board terms of reference. A specific figure should be included as detailed in the Business Plan and Medium Term Financial Plan.

Rural District Council Network – Scrutiny of Rural Access to Health

Members agreed to participate; no additional questions were suggested at the meeting.

It was agreed an invitation to participate should be sent to all members.

Task and Finish reviews

Members were updated as follows on the progress of the Task and Finish Groups currently underway:

Council Tax Reduction Review 2017

This Task and Finish group are due to meet again on 14th July, the group intend to consider all the evidence to date, including impact assessments and to make decisions regarding:

- What should be included in the consultation?
- Who should be consulted?
- How the consultation should be promoted?
- What work if any needs to be carried out with external organisations to encourage continual feedback?

Discretionary Housing Payments

This group are looking to develop a comprehensive SSDC DHP Policy to ensure the best use of resources and a consistent, equitable approach to administering payments. The groups' next meeting is scheduled for 15th July and will be attended by representatives from SHELTER and Citizen's Advice to advise members on various sensitive issues relating to this review.

Consent to Dispose of Housing Stock / Local Connections Allocation Policy

This review was established to review the current policy for consenting to the disposal of affordable homes previously owned by SSDC – the review also encompasses a review of some elements of the Rural Lettings policy. A further meeting is arranged for 28th July to assess the evidence gathered so far.

The following task and finish work is scheduled to commence in the near future:

National Non Domestic Rate (NNDR) discretionary relief policy review

The changes from the revised policy have taken effect from 1st of April, resulting in some more feedback from ratepayers. The Task and Finish group will review this and changes in legislation regarding mandatory relief, to ensure the policy still achieves what it set out to do and that the impact of the changes to mandatory relief are taken into account. This group has yet to be formed, and invitations to all members will go out shortly when officer time permits.

Closer working with Community Council for Somerset

The Community Council for Somerset (CCS) have accepted an invitation from Scrutiny Committee to come and talk with members about CCS and the work they do across South Somerset. The purpose of the meeting is to identify if the two organisations can work more closely to achieve better outcomes for the community.

Proposals to establish a combined authority

Should members agree at Full Council to make an 'in principle' decision to create a Combined Authority, Scrutiny Committee have agreed that they will establish a Task and Finish group; this would be to consider suggestions and evidence of proposals prior to any formal commitments being made.

Scrutiny Committee encourages all members to participate in Task and Finish work; it provides an excellent opportunity for members to:

- Review an area of work in detail.
- Work with officers
- Help formulate recommendations for the creation and amendment of policy and working practice.

All Task and Finish groups agree their own scope, project plan and meeting timetable to best suit the group, so should be able to work around existing commitments.

Councillor Sue Steele
Chairman of Scrutiny Committee

Agenda Item 15

Motions

The following Motion was submitted by Councillor Crispin Raikes:-

In the wake of the recent killing of Jo Cox MP and the less savoury rhetoric of some in the referendum campaign, this council wishes to make it clear that we, the councillors, are proud to represent a vibrant and diverse community. We totally condemn any form of racism, intolerance, bigotry or xenophobia. Hate crimes have no place in our society and we will do all we can to prevent them. The residents of South Somerset, whatever their race, creed, age, colour or sexuality are equal and shall be treated as such.

Agenda Item 17

Date of Next Meeting

Members are asked to note that the next scheduled meeting of the Full Council will take place on **Thursday, 18th August 2016** in the Council Chamber, Council Offices, Brympton Way, Yeovil **commencing at 7.30 p.m.**

Please Note:

There will also be a meeting of Full Council on **Thursday 1st September 2016** (if agreed by members) at 7.30pm. This meeting will **replace** the scheduled Council date of 15th September 2016 (will only be required if a meeting on 1st September is not agreed)
