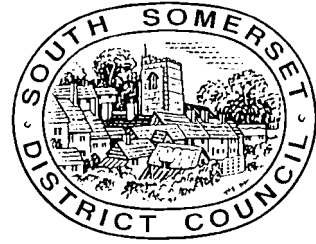


**South Somerset District Council**

*Notice of Meeting*



**South Somerset  
District Council**

*Making a difference where it counts*

**Thursday 19th May 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, on (01935) 462148  
website: [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)

This Agenda was issued on Wednesday 11 May 2016.

A handwritten signature in cursive script, reading 'Ian Clarke'.

*Ian Clarke, Assistant Director (Legal & Corporate Services)*

This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)



INVESTORS IN PEOPLE

# South Somerset District Council Membership

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

## Information for the Public

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](http://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 19 May 2016**

## Agenda

### 1. Election of Chairman

To elect a Chairman for the ensuing year. (Following the election the formal Declaration of Acceptance of Office will be read and signed.)

### 2. Appointment of Vice-Chairman

To appoint a Vice-Chairman for the ensuing year. (Following the appointment the Vice-Chairman will read and sign the formal Declaration of Acceptance of Office.)

### 3. Apologies for Absence

### 4. Minutes

To approve and sign the minutes of the previous meeting held on Thursday, 21<sup>st</sup> April 2016.

### 5. 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 15<sup>th</sup> 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.

### 6. Public Question Time

### 7. Chairman's Announcements

*Items for Discussion*

8. **Chairman's Engagements** (Page 6)
9. **Appointment of Member Level Bodies 2016/17** (Pages 7 - 22)
10. **Community Infrastructure Levy - Draft Charging Schedule** (Pages 23 - 69)
11. **Superfast Broadband Extension Programme - Decision on SSDC funding contributions** (Pages 70 - 87)
12. **Establishment of a Strategic Alliance between South Somerset and Sedgemoor District Councils** (Pages 88 - 97)
13. **Report of Executive Decisions** (Pages 98 - 99)
14. **Audit Committee** (Page 100)
15. **Scrutiny Committee** (Pages 101 - 103)
16. **Motions**  

There were no Motions submitted.
17. **Questions Under Procedure Rule 10**  

There were no questions submitted under Procedure Rule 10.
18. **Date of Next Meeting** (Page 104)

# Agenda Item 8

## **Chairman's Engagements**

### **25<sup>th</sup> April**

At the invitation of the Mayor of Yeovil, Mike and Liz attended the Charity Variety Show held at the Octagon Theatre in Yeovil.

### **3<sup>rd</sup> May**

Tony attended Yeovil Town Council's Annual Town Meeting, Annual Town Council Meeting and Mayor Making Ceremony which was held at the Baptist Church in South Street, Yeovil.

### **12<sup>th</sup> May**

At the invitation of Taunton Deane Borough Council, Mike was due to attend the Annual Meeting of the Council and Mayor Making Ceremony being held at Wellington School.

### **16<sup>th</sup> May**

Sherborne Town Council will be holding their Mayor Making Ceremony and Reception at the Digby Hall in Sherborne and Tony and Vivienne are due to attend.

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# Agenda Item 9

## Appointment of Member Level Bodies 2016/17

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

### Purpose of the Report

This report seeks approval to appoint member-level bodies (committees and working groups etc.) for the municipal year 2016/2017.

### Recommendations

It is recommended that:

- (1) The Council note that it appointed the Leader of the Council in May 2015 for a period of four years, starting on the day of his/her election and ending on the day of the post 4-year Council election annual meeting.
- (2) The Council note that the Leader appointed a Deputy Leader in May 2015 to hold office until the end of the term of office of the Leader.
- (3) The Leader appoint between 1 and 8 further District Executive Members.
- (4) The Council re-establish the following member-level bodies for 2016/2017.

- **Scrutiny Committee** (14 members in political balance)

(proposed membership)

Clare Aparicio Paul	Dave Bulmer	Tiffany Osborne	Rob Stickland
Jason Baker	John Clark	Sue Osborne	Martin Wale
Mike Beech	Val Keitch	Garry Shortland	
Amanda Broom	Tony Lock	Sue Steele	

- **Audit Committee** (10 members in political balance)

(proposed membership)

Jason Baker	Carol Goodall	Graham Middleton	Derek Yeomans
Mike Beech	Val Keitch	David Norris	
Mike Best	Tony Lock	Colin Winder	

- **4 Area Committees** (geographical representation)

- **Regulation Committee** (14 members in political balance)

(proposed membership)

Clare Aparicio Paul	Peter Gubbins	David Recardo	Sylvia Seal
Mike Best	Graham Oakes	David Norris	Angie Singleton
Tony Capozzoli	Sue Osborne	Gina Seaton	Nick Weeks

Sarah Dyke Bracher     Shane Pledger

- **Licensing Committee** (15 members – not required to be in political balance)

(proposed membership)

Clare Aparicio Paul	Val Keitch	Wes Read	Linda Vijeh
Jason Baker	Tony Lock	David Recardo	Martin Wale
Neil Bloomfield	David Norris	Garry Shortland	
Dave Bulmer	Crispin Raikes	Alan Smith	1 vacancy

- **Appointments Committee** (8 members in political balance)

(proposed membership)

Mike Beech	Mike Lewis	Jo Roundell Greene	Angie Singleton
Tim Inglefield	Ric Pallister	Sylvia Seal	Andrew Turpin

- **Standards Committee** (6 District Council members in political balance plus 5 co-optees)

(proposed membership)

Neil Bloomfield	Anna Groskop (Chair)	Paul Maxwell
Gye Dibben	Val Keitch	Angie Singleton

- (5) The Council appoint members to the bodies listed in recommendation (4) above having regard to the principles of political balance where appropriate as set out in paragraph 8 of this report.
- (6) The Council appoint Chairmen and Vice Chairmen of the bodies listed in (4) above, with the exception of the Area Committees who will be appointed by the Councillors of that Committee.

**The Council meeting will be adjourned at this time to allow the Area Committees to appoint their Chairmen for the year. In the event of an Area Committee not being able to reach a decision on this appointment, the Council may appoint the Chairman.**

- (7) The Council agree that the bodies appointed in (4) above will operate in accordance with their existing terms of reference (as attached at Appendix A) and the scheme of delegation set out in Part 3 of the Constitution.
- (8) The Council agree to appoint members to Council wide panels and partnerships below:



<b>Panel or Partnership</b>	<b>Councillors to be appointed</b>	<b>Purpose</b>
Appeals Panel	Jason Baker Peter Gubbins Val Keitch Peter Seib Tony Capozzoli David Norris Shane Pledger Linda Vijeh	This Panel, which considers and determines appeals by staff in accordance with the Council's Disciplinary Procedure comprises a pool of 8 members from which members are drawn to sit on the appeals as required. As this Panel makes decisions, regard has to be given to political proportionality.
Transformation Board	Angie Singleton Peter Seib Tim Inglefield Sue Steele Andrew Turpin John Clark Sarah Dyke-Bracher	The purpose of the Transformation Board is to deliver a radical redesign of the way the whole council operates, so that we will be able to: <ul style="list-style-type: none"> <li>• Provide 24/7 access to services in digital formats that are so straightforward and convenient that all those who can use them will choose to do so, while those who can't are not excluded and</li> <li>• Ensure that customers receive face to face help if they need it, whether for complex needs or assistance at a place and time convenient to them</li> <li>• Promote take up of existing and new digital services</li> <li>• Reduce handling in the back offices through automation</li> <li>• Reduce avoidable contact and manage customer demand</li> <li>• Draw on expert skills and knowledge only when required, not by default, so that processing and delivery costs of meeting customer demand will be substantially reduced.</li> </ul>
Regeneration Board	Ric Pallister Jo Roundell- Greene Angie Singleton Shane Pledger Carol Goodall Nick Weeks Peter Gubbins	The purpose of the Strategic Regeneration Board to deliver Infrastructure projects that require corporate and/or major public sector involvement, investment and resource.
Strategic Alliance with Sedgemoor	Ric Pallister Jo Roundell Greene Dave Bulmer Mike Beech	The purpose of the Strategic Alliance is to achieve: <ol style="list-style-type: none"> <li>a. Savings and income generation</li> <li>b. Resilience of service delivery and influence regionally and nationally</li> </ol>
Income Generation Board	Henry Hobhouse Shane Pledger Carol Goodall Clare Aparicio Paul Mike Beech Val Keitch	The purpose of the Income Generation Board is to stimulate income generation activity across the council, prepare recommendations to steer the future income generating activities of the Council, and monitor the achievement of targets for income generation. The intended

<b>Panel or Partnership</b>	<b>Councillors to be appointed</b>	<b>Purpose</b>
	Crispin Raikes Dave Bulmer  Reserve: Jason Baker	effect of this activity is to increase the contribution of income generation to the council's revenue budget.
Local Strategic Partnership	Ric Pallister (Plus Area Chairmen are automatically members of the LSP)	The Council has established a Local Strategic Partnership to implement a community strategy for the district. The Council's current representative on the Partnership is the Leader of the Council and the four Area Chairmen.
South West Internal Audit Partnership Ltd	Tim Inglefield	The Members Board was established to oversee the work of the Audit Partnership, a Company Limited by Guarantee from 1 <sup>st</sup> April 2013, and has one member appointed by this Council.
Housing and Exceptions Appeals Panel	Jo Roundell Greene Ric Pallister	This is a joint officer/members panel which determines applies in respect of homelessness applications. There are currently two members who serve on the panels as required.
Police and Crime Panel	Martin Wale	This Joint Committee was established by the Police Reform and Social Responsibility Act 2011 and was operational from July 2012. This requires one representative from each authority in the Avon and Somerset Police area.
Somerset Waste Board	Jo Roundell Greene Angie Singleton	This Joint Committee consists of 2 representatives from each Partner Authority in Somerset
PATROL Joint Committee (Parking and Traffic Regulation Outside London)	Tony Lock	This Joint Committee consists of one representative from each Partner Authority in Somerset to deal with car park ticket appeals from the public if they are not in agreement to the decision given by the issuing authority. This is a requirement under CPE (Civil Parking Enforcement) legislation.
Somerset Growth Board	Jo Roundell Greene	The Somerset Growth Board has been established to ensure the Somerset Growth Plan is integrated with the economic agendas of the Local Enterprise Partnership and other key partners. It is anticipated that this appointment will be the Portfolio Holder for Environment and Economic Development.

- (9) The Council agree to appoint members to the Council wide outside bodies as listed below and note that all other appointments to outside bodies will be made by the Area Committees for area specific issues.

<b>Organisation</b>	<b>Councillor appointed for 2015/16</b>	<b>Councillor proposed for 2016/17</b>
Board of Governors for Yeovil District Hospital NHS Foundation Trust	David Recardo	David Recardo (LD) John Field (Cons)
Board of Governors for Musgrove Park Hospital NHS Foundation Trust	Sue Steele	Sue Steele
LGA General Assembly	Ric Pallister	Ric Pallister
LGA Gypsy Working Group	Ric Pallister	Ric Pallister
South West Provincial Employers	Colin Winder	Colin Winder
South West Councils	Sylvia Seal	Sylvia Seal
Somerset Rivers Authority	Ric Pallister Jo Roundell Greene (Sub)	Ric Pallister Jo Roundell Greene (Sub)
Parrett Drainage Board	Nick Weeks Mike Lewis Jo Roundell Greene	Nick Weeks Mike Lewis Jo Roundell Greene
Somerset Water Management Partnership	Nick Weeks	Nick Weeks
Health & Well-Being Board	Sylvia Seal	Sylvia Seal
Somerset Building Preservation Trust	Shane Pledger	Shane Pledger
Access for All	Sarah Dyke-Bracher	Sarah Dyke-Bracher
Armed Forces Community Covenant	Carol Goodall	Carol Goodall (LD) David Norris (Cons)

- (10) The Council note the membership of the Council's Independent Members' Remuneration Panel who are appointed to serve for 3 years:

Mr John Hawkins  
Mrs Gill Spence  
Mr Chris Williams  
Two vacancies

- (11) The Council agree the continuation of Council Procedure Rule 40(B) - Appointment of substitute Members at meetings of Committees.
- (12) The Council confirm the Council's annual meetings timetable as attached at Appendix B.

## 1. Background

This report asks Council and the Leader to appoint its committees and other member level bodies for the new municipal year. The report also asks the Council to appoint its representatives on outside bodies.

All party groups have been asked for their nominations to serve on the committees and their proposed nominations are incorporated into the report.

### a. District Executive

Leader of the Council, Deputy Leader and between 1 and 8 further Executive Members.

In accordance with the Constitution the Council, the Executive Leader appoints between 1 and 8 further Executive Members. The Leader then maintains the list of responsibilities allocated to individual Executive members, which is reported in Part 3 of the Constitution.

### b. Scrutiny Committee

Political Balance

14 members (LD 7, Cons 6, Ind 1)

The Council has agreed that the Chairman of the Scrutiny Committee and one Vice Chairman shall be appointed from each of the two minority groups and one Vice Chairman to be appointed from the majority group.

### c. Audit Committee

Political Balance

10 Members (LD 5, Cons 4, Ind 1)\*

\*It was agreed at the Council meeting in May 2015 that the balance be equal on the Audit and Standards Committees.

### d. Area Committees

Area based committees are exempt from political balance requirements, and comprise the wards as set out below:

<b>Area East Committee</b>	<b>Area North Committee</b>	<b>Area South Committee</b>	<b>Area West Committee</b>
Blackmoor Vale Bruton Camelot Cary Ivelchester Milborne Port Northstone Tower Wincanton	Burrow Hill Curry Rivel Hamdon Islemoor Langport and Huish Martock St Michael's South Petherton Turn Hill Wessex	Brympton Coker Yeovil (All Wards) Yeovil Without	Blackdown Chard (All Wards) Crewkerne Eggwood Ilminster Neroche Parrett Tatworth and Forton Windwhistle

**e. Regulation Committee**

Political Balance

14 Members (LD 7, Cons 6, Ind 1)

The Council has previously agreed that the Committee should, as far as practicable, also be appointed in geographical balance. For the area that the Chairman comes from there shall be 4 members appointed, and 3 members from the other areas.

**f. Licensing Committee**

Not required to be appointed in political balance

15 Members (currently LD 9, Cons 5, Ind 1)

**g. Appointments Committee**

Political Balance

8 Members (LD 4, Cons 3, Ind 1)

**h. Standards Committee**

Political Balance

6 members (LD 3, Cons 2, Ind 1)\* one of whom may be a member of the Executive (appointed by the Leader of Council).

The nominated independent members are: Christopher Borland and Peter Forrester.

The parish representatives are: Elizabeth Glashier, Godfrey Townrow and one vacancy.

**2. Council Constitution - Scheme of Delegation and Terms of Reference**

The Member-level scheme of delegation and terms of reference for the above Council committees and panels are set out in Part 3 of the Constitution.

The District Council's Constitution sets out how the Council operates, how decisions are made, and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.

**3. Independent Members' Remuneration Panel**

Council are asked to appoint the following people to the Independent Members' Remuneration Panel to serve for 3 years:

Mr John Hawkins

Mrs Gill Spence

Mr Chris Williams  
Two vacancies

A further report will be presented to Council when the Panel are required to meet.

#### 4. Meetings Timetable

The meetings timetable for 2016/2017 is attached at Appendix B for confirmation.

#### 5. Political Balance and Memberships

In accordance with the Local Government and Housing Act 1989 the Council is required to review the representation on committees and to allocate seats to political groups on the basis of the overall political composition of the Council. The exceptions to this rule are area based committees, the District Executive, Licensing Committee and other panels.

The current political composition of the Council is as follows:

<b>Liberal Democrat</b>	<b>30 seats</b>	<b>50%</b>
<b>Conservative</b>	<b>26 seats</b>	<b>43%</b>
<b>Independent</b>	<b>4 seats</b>	<b>7%</b>

The principles of political proportionality embodied in the Act are:-

- (a) that not all seats are allocated to the same political group;
- (b) that a political group with an overall majority gets a majority of seats allocated;
- (c) subject to (a) and (b) that the total number of seats each political group has on all ordinary committees is in proportion to that group's share of the total council elected membership; and
- (d) subject to (a) and (c) that each political group has the same proportion of seats as it holds on the council as a whole.

The Council has a duty therefore to allocate seats in accordance with these principles, as far as reasonably practicable. The Council can however waive political balance if no member votes against.

The political balance on Committees which are required to be in balance is:

	<b>Seats</b>	<b>Lib Dems</b>	<b>Cons</b>	<b>Ind</b>
Scrutiny Committee	14	7	6	1
Audit Committee	10	5	4	1
Regulation Committee	14	7	6	1
Standards Committee	6	3	2	1
Appointments Committee	8	4	3	1
Appeals Panel	8	4	3	1
Total seats	60	30	24	6

Member Level Bodies not required to be in political balance:

	<b>Seats</b>	<b>Lib Dems</b>	<b>Cons</b>	<b>Ind</b>
Licensing Committee	15	9	5	1

The appointments to the Executive and the Area Committees are also not required to be in political balance.

**Background Papers:**     *All published*

## Terms of Reference of Committees and Panels

### 1. District Executive

#### General

The District Executive will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under this Constitution. It is responsible for all executive functions and those local choice functions specified as being the responsibility of the District Executive.

#### Specifically

The District Executive shall:

- Co-ordinate the policy objectives of the Council, monitor progress towards the corporate objectives, and give the Area Committees strategic direction.
- Consider recommendations from Area Committees, Scrutiny Committee, Audit Committee and Portfolio holders on policy development and change.
- Recommend key priorities for the Council and the overall policy framework including the Community Strategy.
- Agree core minimum standards for service delivery.
- Consider Referrals from Area Committees on matters, which have major policy or resource implications.
- Keep under review the Council's financial affairs and receive reports from the Head of Financial Services on matters for which he/she is responsible.
- Recommend the Capital Programme, revenue budgets and the level of Council Tax.
- Agree resource allocation procedures and processes, including service planning and performance review arrangements.
- Receive reports on matters relating to the overall staff establishment, discipline, training and welfare, and performance monitoring.
- Approve strategic disposals and acquisition including:
  - leases
  - sales of land valued in excess of £10,000



## **2. Area Committees**

### **General**

Each Area Committee shall monitor service delivery in its area, provide leadership for its communities, and take decisions on regulatory matters such as planning applications and statutory orders. They shall also take executive decisions as specifically delegated by the Executive.

### **Specifically**

The Area Committees shall:

- a. Within their area, take decisions in respect of non-executive functions as listed in section 3 of the Constitution; and take executive decisions as set out section 4 of Part 3 of this Constitution. They may also take all other non-executive (regulatory) decisions required to be made by the Council and affecting their area only, and which are not reserved to be taken by any other committee, or the Council itself.
- b. Determine planning applications within its area subject to guidelines in respect of referrals to the Regulation Committee.
- c. Discuss any matter of interest to the area.
- d. Oversee and monitor the operation of services in their area.
- e. Oversee capital schemes to include budgetary control in cases where this has been delegated by the District Executive.
- f. Manage local regeneration projects within financial limits agreed by District Executive.
- g. Prepare Area Action Plans.
- h. Make nominations to serve on outside bodies.
- i. Form working groups and panels subject to budgetary constraints and notification to the District Executive.
- j. Approve sales of land up to the value of £10,000.
- k. Play an enabling role by taking opportunities to provide services and benefits for the people of the area in collaboration with external agencies.
- l. Foster a close working relationship with Town and Parish Councils in the area.
- m. Consult and consider the views of the public on area priorities and provide opportunities for public participation, working in collaboration with external agencies.
- n. Submit to the District Executive ideas for improvements to services or innovative ways of working which may be of interest or benefit to other Areas.
- o. Contribute towards the formulation of district-wide policies.

- p. Be responsible for the local area aspects of the Community Plan.
- q. The following decisions need to be referred to the District Executive: matters of policy which have district wide significance, matters that might have an impact on more than one area (planning matters will be referred to the Regulation Committee in accordance with agreed guidelines) expenditure not covered by an approved budget or within the approved capital programme, sales of land over £10,000.

### **3. Scrutiny Committee**

The Scrutiny Committee shall monitor and scrutinise the performance of the Council and its services and make recommendations on any issue for which the Council is responsible or which affects the local community including those services provided by outside agencies. The Committee will undertake or commission reviews of policy, including value for money checks and keep an overview of the Council's political management arrangements.

The Scrutiny Committee is not able to take decisions but makes recommendations to either the District Executive or the full Council.

There are three main elements to the work of the Committee:

- a. The Scrutiny Committee is able to "call in" decisions taken by the Executive or Area Committees but not implemented. It can ask the District Executive or Area Committee to re-consider its decision.
- b. The Committee is able to review the implementation of decisions and ask the District Executive or full Council to look at a particular area of policy in respect of which the decision was made.
- c. The Committee is able to undertake detailed reviews of issues either within or outside the council

#### **Overview Commissions**

An Overview Commission that comprises all of the non-executive members supports the Scrutiny Committee in undertaking reviews in line with the functions set out above.

Reviews are undertaken on a 'Task and Finish' basis as directed by the Scrutiny Committee. The Scrutiny Committee receives the final reports of the Overview Commissions along with regular updates.

All non-executive members support the committee and are invited to participate in reviews on a 'Task and Finish Project' basis as directed by the main Scrutiny Committee.

The Overview Commissions will be encouraged to use various review methods and to engage the wider community wherever possible. Relevant co-optees may be invited to participate in a Commission, bearing in mind the potential contribution of residents and partners.

The Commissions will meet informally and are not subject to the Access to Information Rules. As task and finish groups they will be able to meet and take evidence in public but this will not be a requirement. It will be for each Commission to decide its own working arrangements that best meet the needs of a particular review.

#### **4. Audit Committee**

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance, to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

The Audit Committee should review the Code of Corporate Governance seeking assurance where appropriate from the Executive or referring matters to management on the scrutiny function.

The terms of reference of the Audit Committee are:

##### **Internal Audit Activity**

1. To approve the Internal Audit Charter and annual Internal Audit Plan;
2. To receive quarterly summaries of Internal Audit reports and seek assurance from management that action has been taken;
3. To receive an annual summary report and opinion, and consider the level of assurance it provides on the council's governance arrangements;
4. To monitor the action plans for Internal Audit reports assessed as "partial" or "no assurance;"
5. To consider specific internal audit reports as requested by the Head of Internal Audit, and monitor the implementation of agreed management actions;
6. To receive an annual report to review the effectiveness of internal audit to ensure compliance with statutory requirements and the level of assurance it provides on the council's governance arrangements;

##### **External Audit Activity**

7. To consider and note the annual external Audit Plan and Fees;
8. To consider the reports of external audit including the Annual Audit Letter and seek assurance from management that action has been taken;

##### **Regulatory Framework**

9. To consider the effectiveness of SSDC's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance from management that action is being taken;
10. To review the Annual Governance Statement (AGS) and monitor associated action plans;
11. To review the Local Code of Corporate Governance and ensure it reflects best governance practice. This will include regular reviews of part of the Council's Constitution and an overview of risk management;
12. To receive reports from management on the promotion of good corporate governance;

##### **Financial Management and Accounts**

13. To review and approve the annual Statement of Accounts, external auditor's opinion and reports to members and monitor management action in response to issues raised;
14. To provide a scrutiny role in Treasury Management matters including regular monitoring of treasury activity and practices. The committee will also review and recommend the Annual Treasury Management Strategy Statement and Investment Strategy, MRP Strategy, and Prudential Indicators to Council;
15. To review and recommend to Council changes to Financial Procedure Rules and Procurement Procedure Rules;

### **Overall Governance**

16. The Audit Committee can request of the Assistant Director – Finance and Corporate Services (S151 Officer), the Assistant Director – Legal and Corporate Services (the Monitoring Officer), or the Chief Executive (Head of Paid Services) a report (including an independent review) on any matter covered within these Terms of Reference;
17. The Audit Committee will request action through District Executive if any issue remains unresolved;
18. The Audit Committee will report to each full Council a summary of its activities.

## **5. Standards Committee**

The purpose of the Standards Committee is to:-

- promote and maintain high standards of conduct by Members and Co-opted Members;
- advise, train or arrange to train Members and Co-opted Members of the Council on matters relating to the Authority's Members' Code of Conduct and wider propriety issues, including issuing guidance where appropriate;
- recommend the adoption or revision of any Council Codes of Conduct for Members and Co-opted Members, and to monitor the operation of such code(s) of conduct;
- deal with the assessment and determination of complaints under the Members' Code of Conduct relating to Members and Co-opted Members (other than where the power to deal with such matters has been delegated to and exercised by the Monitoring Officer). Where the investigation finds evidence of a failure to comply with the Code of Conduct and a local resolution is not appropriate or not possible, then a Hearing Panel of the Committee (comprising 3 voting members of the Standards Committee agreed by the Monitoring Officer in consultation with the Committee Chairman) will consider and decide the complaint;
- to take decisions in respect of a Member and Co-opted Member who is found on hearing to have failed to comply with the Code of Conduct;
- advise on the management of statutory and other registers of interest and gifts/hospitality received;
- advise the Council on possible changes to the Constitution (except the Council and Cabinet Schemes of Delegation) in relation the key documents and protocols dealing with members conduct and ethical standards

Note: the powers of the Committee apply in respect of the district and parish councils, except where stated.

**6. Regulation Committee**

The Regulation Committee shall determine applications for planning permission referred from the area committees in accordance with the approved guidelines set out in part 3 of the Council's Constitution. It shall also pass Resolutions in respect of significant Council applications for planning permission.

**7. Licensing Committee**

The Committee shall be responsible for those licensing functions listed in Part 3 of the Constitution as being the responsibility of the Committee. This will include licensing matters referred to it by officers in accordance with the Officer Scheme of Delegation. These include, but are not limited to, contested premises licences/ club premises certificates/ temporary event notices, and applications for private hire and hackney carriage licences where the officer considers the application should be determined by members. The Committee shall also be responsible for all the functions assigned to it under the Licensing Act 2003, Gambling Act 2005 and the Charities Act 2006.

**8. Appointment Committee**

The Committee shall make appointments to director level or deputy director level posts in accordance with the Human Resources Management Rules (as detailed in Part 4 of the Council's Constitution)

**9. Appeals Panel**

The Panel shall be constituted in line with the Council's Disciplinary Procedures.

## South Somerset District Council

## Programme of Meetings of Council and Committees – 2016/2017

Meeting	Day	Time	2016								2017				
			May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Council	Thurs	7.30pm	19*	(16)	21	(18)	15	(20)	17	(8)	19	23**	16	(20)	18*
District Executive	Thurs	9.30am	12	2	7	4	1	6	3	1	5	2	2	6	11
Area Committee - South	Wed	2.00pm	4	1	6	3	7	5	2	30 Nov	4	1	1	5	3
Area Committee - East	Wed	9.00am	11	8	13	10	14	12	9	7	11	8	8	12	10
Area Committee - West	Wed	5.30pm	18	15	20	17	21	19	16	7	18	15	15	19	17
Area Committee - North	Wed	2.00pm	25	29	27	24	28	26	23	14	25	22	22	26	24
Scrutiny Committee	Tues	10.00am	10	31 May	5	2	30 Aug	4	1	29 Nov	3	31 Jan	28 Feb	4	2
Audit Committee	Thurs	10.00am	26	30	28	25	22	27	24	15	26	23	23	27	25
Regulation Committee	Tues	10.00am	17	21	19	16	20	18	15	20	17	21	21	18	16
Licensing Committee	Tues	10.00am	-	7	-	9	-	11	-	13	-	14	-	11	-
Standards Committee	Tues	2.15pm	-	14	-	-	-	11	-	-	-	14	-	11	-

\* Annual Meeting of Council - May

\*\* Council Budget and Council Tax Setting Meeting – February

Dates in brackets ( ) for Council are reserve dates which will only be engaged if required.

# Agenda Item 10

## Community Infrastructure Levy – Draft Charging Schedule

Lead Officer: *Paul Wheatley, Principal Spatial Planner*  
Contact Details: *paul.wheatley@southsomerset.gov.uk or (01935) 462598*

### 1. Purpose of the Report

- 1.1. To note and agree the modifications made to the Community Infrastructure Levy Draft Charging Schedule as a result of the recent public consultation. To agree that these modifications to the Community Infrastructure Levy Draft Charging Schedule be published for consultation, and to agree that the Community Infrastructure Levy Draft Charging Schedule is submitted to an independent examiner (in this case the Planning Inspectorate) on the 27<sup>th</sup> May 2016.

### 2. Public Interest

- 2.1. The Council is in the process of creating a Community Infrastructure Levy which will operate across the district. The Community Infrastructure Levy will be a chargeable amount levied on to certain forms of residential and commercial development in South Somerset. The submission of the Draft Charging Schedule represents the next formal stage in finalising the Community Infrastructure Levy. The Council consulted upon the Draft Charging Schedule in February 2016<sup>1</sup>.
- 2.2. If agreed, the Council will submit the Draft Charging Schedule to an independent examiner (in this case the Planning Inspectorate) who will further scrutinise the Council's proposal for a Community Infrastructure Levy. If the Charging Schedule successfully passes through examination, the Council will then be in a position to formally adopt a Community Infrastructure Levy.

### Recommendation(s):

That Council:

- i. agree the Modifications made to the Community Infrastructure Levy Draft Charging Schedule;
- ii. agree that the Modifications to the Community Infrastructure Levy Draft Charging Schedule be published for public consultation;
- iii. agree the Community Infrastructure Levy Draft Charging Schedule Submission version and all accompanying evidence be submitted to the independent examiner; and
- iv. agree to delegate responsibility to the Assistant Director for Economy in consultation with the Portfolio Holder for Strategic Planning to make all necessary arrangements so that the Council can carry out and complete the Examination in to the Community Infrastructure Levy Draft Charging Schedule.

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<sup>1</sup> Draft Charging Schedule (February 2016):  
[http://www.southsomerset.gov.uk/media/814352/south\\_somerset\\_community\\_infrastructure\\_levy\\_draft\\_charging\\_schedule\\_issue\\_to\\_inovem\\_080216.pdf](http://www.southsomerset.gov.uk/media/814352/south_somerset_community_infrastructure_levy_draft_charging_schedule_issue_to_inovem_080216.pdf)

### **3. Report**

#### **Background and Context**

- 3.1. The Community Infrastructure Levy was introduced through the Planning Act (2008) and is defined through the Community Infrastructure Levy Regulations 2010 (as amended).
- 3.2. The Community Infrastructure Levy represents an opportunity to establish a clearer, more certain process for collecting contributions from development to help deliver infrastructure improvements.
- 3.3. The Community Infrastructure Levy is payable on development which creates net additional floorspace, where it exceeds 100 square metres. However, all new dwellings are potentially liable for the Community Infrastructure Levy irrespective of their size (unless there are proven exemptions).
- 3.4. The Community Infrastructure Levy will be charged by South Somerset District Council, and any amount of money received through the Community Infrastructure Levy will be collected by South Somerset District Council.
- 3.5. Under the terms of the Community Infrastructure Levy Regulations 2010 (as amended) 15% of the monies received would automatically be passed to the Parish or Town Council where the development occurred. This proportion increases to 25% where a Parish or Town Council has adopted a Neighbourhood Plan. The level of money passed to Parish or Town Council is not subject to change and will not be negotiated by either the developer or the Council.

#### **Overview of the Process So Far**

- 3.6. The Council adopted the South Somerset Local Plan (2006 – 2028) in March 2015, and this sets out the scale and location of planned growth – 15,950 homes and 11,250 jobs by 2028.
- 3.7. To ensure that this level of growth can be delivered the Council has produced an Infrastructure Delivery Plan (January 2016) which details the infrastructure requirements to support development across the district. This work concludes that there is a funding gap of approximately £128 million, which a Community Infrastructure Levy would help (in part) to bridge<sup>2</sup>.
- 3.8. The Council has prepared a series of viability appraisals to inform its approach to the Community Infrastructure Levy. These appraisals examine whether development sites will still proceed if a Community Infrastructure Levy is added to the overall calculation of the costs required to develop.
- 3.9. The first appraisals originally took place in 2012 and helped inform the Preliminary Draft Charging Schedule, which was published in March 2012. Since that time, changes in circumstance have affected the overall viability of developments in South Somerset. As such, additional viability work has been prepared to inform the Draft Charging Schedule. This evidence was included as part of the formal public

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<sup>2</sup> South Somerset Infrastructure Delivery Plan 2016 (January 2016):  
[http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/evidence-base/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/evidence-base/)



consultation on the Draft Charging Schedule, which took place between the 10<sup>th</sup> February and the 24<sup>th</sup> March 2016.

### Summary of Consultation on the Draft Charging Schedule

- 3.10. The Council received 34 consultation responses to the proposed Draft Charging Schedule. These were from a mixture of landowners, housing developers, parish/town councils, and private individuals.
- 3.11. All of the consultation responses received will be forwarded to the independent examiner who will conduct the Examination into the Council’s Draft Charging Schedule
- 3.12. Six consultees have indicated that they wish to be present at the Examination into the Draft Charging Schedule. Given this level of response it is likely that a hearing/inquiry will be held to discuss the Draft Charging Schedule. The details of when, and where, the Examination will take place are yet to be determined. The Council will publicise these details once they are known.
- 3.13. A summary of the main issues raised by the consultation responses is set out in Appendix A. A full list of those persons and organisations who responded, along with their full consultation response, can be found on the Council’s consultation website: <http://consult.southsomerset.gov.uk/consult.ti/system/listConsultations>

### Modifications as a Result of the Consultation on the Draft Charging Schedule

- 3.14. Having carefully considered the consultation responses, the Council believes that two modifications are required to the Draft Charging Schedule. These are summarised as:

**Table 3.1: Modifications to the Draft Charging Schedule and Reasons**

Modification	Reason
Removal of reference to C2 (Use Class) from the list of developments that will be subject to a £40 per square metre charge	Evidence in the viability appraisals does not support the imposition of a levy rate on this type of development.
Deletion of row referencing “Retail (A1- A5 Use Class) in Town Centres and Primary Shopping Areas” from the Draft Charging Schedule	This row of the Draft Charging Schedule was intended to clarify that retail inside defined Town Centres and Primary Shopping Areas would not be subject to a levy rate. However, it has highlighted potential unintended consequences about the effect of a levy on retail in other locations. Therefore, the simplest solution is to remove the row altogether, and Retail (A1 – A5 Use Class) will fall under the “All Other Uses” category in the Draft Charging Schedule.  This type of development will still not be subject to a levy charge, and therefore the overall effect remains the same as before.

- 3.15. Full details of the proposed modifications to the Draft Charging Schedule are set out in the “Statement of Modifications” document, which can be found at Appendix B.
- 3.16. Because the Council is proposing modifications to the Draft Charging Schedule, it will need to issue a copy of the “Statement of Modifications” to all those people who have so far been invited to make representations on the Community Infrastructure Levy.

- 3.17. The Council will also publicise the “*Statement of Modifications*” on its website from the 26<sup>th</sup> May 2016. The “*Statement of Modifications*” will be available to view here: [http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/evidence-base/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/evidence-base/)
- 3.18. Any person may request to be heard by the examiner in relation to the modifications. For the avoidance of doubt, the right to be heard can only be made in relation to the modifications themselves. Comments on other aspects of the Community Infrastructure Levy or other aspects of the Draft Charging Schedule cannot be made at this stage in the process.
- 3.19. Those persons who request to be heard about the modifications should include details of which modification they wish to be heard.
- 3.20. All requests to be heard must be made in writing and submitted to the Council within four weeks of the date of the submission of the Draft Charging Schedule to the examiner.
- 3.21. Therefore, requests must be submitted to the Council by 12pm on the 24<sup>th</sup> June 2016. The Council will then submit copies of any requests to be heard to the examiner.
- 3.22. Request to be heard can be made to the Council in following ways:
- **By email to:** [planningpolicy@southsomerset.gov.uk](mailto:planningpolicy@southsomerset.gov.uk); or
  - **By post to:** Spatial Policy, South Somerset District Council, Brympton Way, Yeovil, BA20 2HT

#### **Other Changes as a Result of the Consultation on the Draft Charging Schedule**

- 3.23. In evaluating the consultation responses, the Council has also made other changes to the Community Infrastructure Levy Draft Charging Schedule documentation and supporting evidence. These are summarised as follows:
- Alterations to the proposed Instalments Policy;
  - Provision of supplementary evidence on development viability linked to the Sustainable Urban Extensions in Yeovil; and
  - Provision of supplementary evidence on infrastructure requirements for a cemetery in Yeovil, and subsequent amendment to the Draft Regulation 123 List.
- 3.24. Full details on these other changes can be found in both Appendix A and Appendix B.

#### **4. Conclusion and Next Steps**

- 4.1. The Council’s position remains that it wishes to adopt a Community Infrastructure Levy, and as part of that process it must submit a Draft Charging Schedule for independent examination. A finalised version of the Draft Charging Schedule, updated to take account of the modifications and other proposed changes can be found at Appendix C.
- 4.2. The Council will publicise the proposed modifications to the Draft Charging Schedule in advance of submitting to the independent examiner; and will then submit the Draft

Charging Schedule to the examiner. Any requests to be heard in relation to the modifications will then be sent to the examiner as and when received.

- 4.3. The Council will be submitting the modified Draft Charging Schedule, along with all of the supporting evidence and documentation, to the independent examiner on the 27<sup>th</sup> May 2016.

## **5. Financial Implications**

- 5.1. There are no direct financial implications from this report or the recommendations.
- 5.2. However, if and when the Community Infrastructure Levy is adopted there will be financial implications for the Council in terms of the management, monitoring, and auditing of any levy monies received.
- 5.3. Similarly, practical arrangements to ensure that the correct proportion is given to Town and Parish Councils will require coordination of activity between the Council's Finance and Corporate Services directorate.
- 5.4. The governance arrangements for how the levy will be spent will be determined at a later date, but are likely to require approval from Full Council.

## **6. Corporate Priority Implications**

- 6.1. The successful adoption of a Community Infrastructure Levy in South Somerset is an agreed Corporate Priority. Approving the Draft Charging Schedule so that it can progress to examination supports the objective to have a levy in place in the district.

## **7. Carbon Emissions and Climate Change Implications**

- 7.1. None.

## **8. Equality and Diversity Implications**

- 8.1. No direct implications.
- 8.2. The Community Infrastructure Levy is subject to a series of exemptions and qualifying criteria. These are clearly stated in the Community Infrastructure Levy Regulations 2010 (as amended). The Council will ensure that should it adopt the Community Infrastructure Levy, it will carry out the implementation of it in direct accordance with these regulations so that the implementation is equitable.

## **9. Background Papers**

Appendix A: Community Infrastructure Levy Draft Charging Schedule – Summary of Main Issues (May 2016)

Appendix B: Community Infrastructure Levy Draft Charging Schedule – Statement of Modifications (May 2016)

Appendix C: Community Infrastructure Levy Draft Charging Schedule – Submission Version (May 2016)

South Somerset

Community Infrastructure Levy

Consultation on Draft Charging  
Schedule

Summary of Main Issues

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May 2016

## **Contents**

1. Introduction	1
2. Consultation on Draft Charging Schedule	1
3. Summary of Main Issues	2
4. Conclusion and Next Steps	12

## **1. Introduction**

- 1.1. South Somerset District Council carried out public consultation on its Draft Charging Schedule for the Community Infrastructure Levy between 10<sup>th</sup> February and 24<sup>th</sup> March 2016. This consultation was carried out in accordance with Regulation 16 and 17 of the Community Infrastructure Levy Regulations 2010 (as amended).
- 1.2. In accordance with Regulation 19(b) of the Community Infrastructure Levy Regulations 2010 (as amended) this document sets out a summary of the main issues and the Council's response to those issues. This report will be submitted to the Examiner alongside the Council's evidence base and other documentation.

## **2. Consultation on Draft Charging Schedule**

### **Overview**

- 2.1. The Council received a total of 34 consultation responses. These were from a mixture of landowners, housing developers, parish/town councils, and private individuals.
- 2.2. All of the consultation responses received will be forwarded to the independent Examiner who will conduct the Examination into the Council's Draft Charging Schedule.
- 2.3. Six consultees have indicated that they wish to be present at the Examination into the Draft Charging Schedule. Given this level of response it is likely that a hearing/inquiry will be held to discuss the Draft Charging Schedule. The details of when, and where, the Examination will take place are yet to be determined. The Council will publicise these details once they are known.
- 2.4. A summary of the main issues raised by the consultation responses is set out in Section 3. A full list of those persons and organisations who responded, along with their full consultation response, can be found on the Council's consultation website: <http://consult.southsomerset.gov.uk/consult.ti/system/listConsultations>

### 3. Summary of Main Issues

Main Issue	South Somerset District Council's Response	Recommendation
<p><b>A greater proportion than 15% of the CIL receipt should be direct to Parish/Town Councils.</b></p>	<p>The Council is not currently proposing to raise the percentage that is re-directed back to Parish/Town Councils. This is to ensure the overall CIL fund generated can be used to deliver strategic and critical infrastructure across the district. Parish/Town Councils are able to pursue Neighbourhood Plans where once 'made' would result in 25% of the CIL receipt being re-directed back to the Parish/Town Council.</p>	<p>No change</p>
<p><b>What is the review mechanism for the CIL charging rates and Regulation 123 List?</b></p>	<p>The Council has not yet assigned a review period. There are a number of reasons why and when a review may be triggered. These include:</p> <ul style="list-style-type: none"> <li>• Substantial changes in the amount of infrastructure that is required to be delivered in South Somerset to secure growth; and/or</li> <li>• Significant changes in the housing market, linked to sales prices, constructions costs, and overall viability.</li> </ul> <p>Whilst no fixed period has been set; it is likely that the Council will review its position on CIL after a two or three year period. This is in accordance with the NPPF/PPG.</p>	<p>No change</p>
<p><b>The Instalments Policy should be revised to provide greater flexibility to the development industry and avoid large costs early in the build-out of development sites.</b></p>	<p>The Council does not have to put in place an instalments policy. But, given the circumstances in South Somerset, it has carefully considered the need to balance the overall intention of CIL, which is to bring more certainty to the realisation of payments, and to do so earlier in the development cycle; versus the potential imposition of large costs to developers and the effects on cash-flow and viability. At present, the Council believes the instalments policy strikes the right balance.</p>	<p>The Council is mindful that the Instalments Policy can have an effect on the cashflow associated with a development. The Council is also conscious that South Somerset's development profile has a mixture of very small-scale developments, and large-scale developments. In order to meet the possible cashflow challenges at both ends of the spectrum, the Instalments Policy has been amended</p>

Main Issue	South Somerset District Council's Response	Recommendation
		slightly to ensure payment and timescales are better suited to the development typologies.
<p><b>The 720 day period for the final instalment payment over £300k is too long.</b></p>	<p>The Council does not have to put in place an instalments policy. But, given the circumstances in South Somerset, it has carefully considered the need to balance the overall intention of CIL, which is to bring more certainty to the realisation of payments, and to do so earlier in the development cycle; versus the potential imposition of large costs to developers and the effects on cash-flow and viability. At present, the Council believes the instalments policy strikes the right balance.</p>	<p>The Council is mindful that the Instalments Policy can have an effect on the cashflow associated with a development. The Council is also conscious that South Somerset's development profile has a mixture of very small-scale developments, and large-scale developments. In order to meet the possible cashflow challenges at both ends of the spectrum, the Instalments Policy has been amended slightly to ensure payment and timescales are better suited to the development typologies.</p>
<p><b>What is the definition of "self-build"</b></p>	<p>The exemption will apply to anybody who is building their own home or has commissioned a home from a contractor, house builder or sub-contractor. Individuals claiming the exemption must own the property and occupy it as their principal residence for a minimum of three years after the work is completed.</p> <p>Community group self-build projects also qualify for the exemption where they meet the required criteria.</p> <p>There is also an exemption for people who extend their homes or build residential annexes.</p> <p>Applicants can apply for a self-build exemption at any time, as long as their development has not commenced (see Regulation 7 and Section 56(4) of the Town and Country Planning Act 1990, for the definition of 'commencement of development'). If the development commences before the collecting authority has notified the claimant</p>	<p>No change</p>



Main Issue	South Somerset District Council's Response	Recommendation
	<p>of its decision on the claim, the levy charge must be paid in full within the time period specified by the charging authority.</p> <p>The self-build exemption does not apply retrospectively: if a levy payment has already been made before the 2014 regulations come into force, no refund will be given.</p> <p>If personal circumstances change and the applicant wants to dispose of the property before the three year occupancy limit expires, they can do so, but they must notify the charging authority and the levy then becomes payable in full. Failure to notify the charging authority will result in enforcement action against the applicant and surcharges will become payable.</p> <p>Applicants wishing to claim must take two steps before commencing their development:</p> <ul style="list-style-type: none"> <li>• Firstly, the applicant must assume the liability to pay levy in relation to the development. This is done by completing an Assumption of Liability form. If the original levy liability was in the name of a developer, the self-build applicant must complete a Transfer of Assumed Liability form • and submit this to the collecting authority.</li> <li>• Secondly, the applicant must certify that the scheme will meet the criteria to qualify as a 'self-build' development. He or she must submit a Self-Build Exemption Claim Form – Part 1 to the collecting authority (available on the Planning Portal website • ). At this stage, the applicant must self-certify: <ul style="list-style-type: none"> <li>○ the name and address of the person(s) claiming liability</li> <li>○ that the project is a "self-build project" for purposes of the exemption set out within the regulation;</li> </ul> </li> </ul>	

Main Issue	South Somerset District Council's Response	Recommendation
	<ul style="list-style-type: none"> <li>○ that the applicant will occupy the premises as their principal residence for a period of 3 years from completion;</li> <li>○ that the applicant will provide the required supporting documentation on project completion to confirm their development qualifies for relief; and</li> <li>○ the amount of de minimis State Aid received by the applicant in the last three years prior to the submission of the application for relief (View more information on state aid).</li> </ul> <p>On receipt of the form, the charging authority must notify the applicant in writing as soon as practicable, confirming the amount of exemption granted.</p>	
<p><b>Object to C2 uses being included in the draft charging schedule and therefore subject to the £40 per square metre levy. There is no evidence to support this position.</b></p>	<p>The Council believes that residential institutions and care homes are a viable use that is capable of accommodating a levy rate. This is borne out by the increase in the number of proposals coming forward within the district, and within larger mixed-use schemes. However, the appraisals do not provide sufficient evidence to support this position, at this time, and therefore the Council accepts that this is not a justified position to take.</p>	<p>Modify the Draft Charging Schedule to remove reference to C2 uses within the Charging Schedule.</p> <p>See “<i>Statement of Modifications</i>” document.</p>
<p><b>There appears to be some confusion over the use of “affordable rent” and “social rent” in the Addendum report. And in any event, the costs associated with delivering affordable housing have changed since the viability work was carried out. This affects the overall conclusion</b></p>	<p>The use of “affordable rent” in Section 2.1.2 of the Addendum Report (July 2015) is an error, and should read “social rent”.</p> <p>The appraisals have taken into account the Council’s policy requirements for 35% affordable housing. This has then been broken down into the Council’s requirements for 33% “intermediate” affordable products, and 67% “social rented” products.</p> <p>The Council is in regular dialogue with Register Providers and latest capital values attributed to the social rent units are still line</p>	<p>No change</p>

Main Issue	South Somerset District Council's Response	Recommendation
<p><b>that residential development can accommodate a £40 per square metre levy.</b></p>	<p>with those in the typologies.</p> <p>The Council accepts that the likely value paid by Registered Providers on the “social rented” proportion will reduce in the future, but it does not accept that this reduction is going to be 25% lower than previous levels. This appears to be on the extreme end of the spectrum of the reduction and the Council believes the reduction is closer to 15%, or at worst, 20%.</p> <p>In any event, the reduction only affects the “social rented” component, and does not affect the “intermediate” affordable housing component. Therefore the level of reduction in values is unlikely to be stark, as it represents a 20% reduction of 67%, which means the new value is 54% of the market value.</p> <p>Over the course of the total appraisal, accounting for contingencies and other buffers within the values and costings it is not felt that this has a material effect on the ability for sites to tolerate CIL. Particularly when, as stated at in Section 3 and Section 3.1 of the Addendum Report (July 2015), it is important to distinguish between scenarios where a scheme is unviable regardless of the level of CIL and those that are viable prior to the imposition of CIL. The Council makes the case that where the level of return based upon the balance of “intermediate” affordable housing products and “social rented” products indicates that a scheme is not viable, then it would not be viable with or without the imposition of CIL.</p> <p>The fact that an unviable scheme will only become viable following a degree of real house price inflation, or in the event that the Council agrees to a lower level of affordable housing for particular sites, or benchmark land values change – is readily accepted in Section 3 and Section 3.1 of the Addendum Report (July 2015).</p>	
<p><b>BCIS costs have increased by 6% since the viability work</b></p>	<p>Section 2.13 of the Addendum Report (July 2015) report takes account of the upward revisions to building costs, using the latest</p>	<p>No change</p>

Main Issue	South Somerset District Council's Response	Recommendation
<p><b>was carried out in 2013 and 2015. This affects the overall conclusion that residential development can accommodate a £40 per square metre levy.</b></p>	<p>BCIS data at that time. These show a significant uplift in building costs and it is felt that the average cost of £1,097.10 per square metre still equates to an average level of costs per typology. Higher building costs have been set out for the smaller development typologies, and the Council has also chosen to maintain the cost implications of the Code for Sustainable Homes (at 4%) in order to provide a buffer within the viability appraisals to account for fluctuations and expected general increases in build costs over time. These factors together mean the Council is confident that the analysis remains robust and caters to the changing nature of build costs.</p>	
<p><b>Costs of education obligations (within a Section 106 Agreement) mean overall burden on development is much greater than set out in viability appraisals. This affects the overall conclusion that residential development can accommodate a £40 per square metre levy.</b></p>	<p>The average level of Section 106 contribution for a site in South Somerset has been analysed and shown to be £4,841 per unit. This includes accounting for contributions to education (and other external / off-site contributions, e.g. highways, open space etc). It is important to state that the Council's figures reflect the values of payments made, rather than contributions sought. This ensures that the viability assessments reflect true values paid rather than relying on values "sought", which in most instances can be considerably higher than what is ultimately paid.</p> <p>For larger sites, the Section 106 obligation has been increased to £10,000 per unit, accounting for the additional burdens (including education) that are usually due on larger sites.</p> <p>Where circumstances arise that legitimate Section 106 costs are greater than what is set out in the appraisal "typologies" the likely outcomes is that the affordable housing component of the scheme would be negotiated in order to ensure viability. To overcome this dilemma for the larger, strategic sites within the district, the Council has proposed a £0(zero) levy rate. The Council is currently brokering Section 106 Agreements for the majority of these larger sites, and the education costs, determined in conjunction with the developer/landowner and Education Authority have been factored</p>	<p>No change</p>

Main Issue	South Somerset District Council's Response	Recommendation
	<p>into the overall viability of the sites.</p> <p>For smaller sites within the district the Section 106 requirements (for education or any other infrastructure) will be proportionately lower and within the value ranges set out in the average scenarios documented in the viability appraisals and therefore it is not expected that there will be any additional burden.</p>	
<p><b>£100 per square metre charge could affect District Centres and Local Centres in larger settlements.</b></p>	<p>The £100 per square metre levy charge is clearly linked to uses as defined in the accompanying footnotes. Therefore, the Council does not expect the levy rate to have the effect described.</p> <p>However, the Council is mindful that there is the potential for some confusion relating to the interaction between the proposed zero rate for retail (A1-A5) in Town Centres and Primary Shopping Areas; retail (A1 – A5) that might sit outside of the Town Centres and Primary Shopping Areas; and the uses described as being subject to the £100 per square metre charge.</p> <p>As such, the Council proposes to modify the Draft Charging Schedule to remove the row of the charging schedule that references the zero rate that will be charged for Retail (A1 – A5) uses in Town Centres and Primary Shopping Areas. This will mean that retail uses fall in to the “All Other Uses” category and remain subject to a zero levy rate, but the distinction and possible confusion caused by being within, or outside Town Centres or Primary Shopping Areas is removed.</p>	<p>Modify the Draft Charging Schedule to remove the row that makes reference to Retail (A1- A5) uses.</p> <p>See “<i>Statement of Modifications</i>” document.</p>
<p><b>The Council should establish an Exceptional Circumstances Relief Policy.</b></p>	<p>At present, the Council does not believe that there is a need to prepare and give notice that relief for exceptional circumstances is available in South Somerset. The Council's viability work demonstrates that a CIL is viable for certain uses in certain locations. Should the viability of development be seen to be consistently compromised, then the Council is at liberty to produce an exceptional circumstances relief mechanism at any moment after the adoption on the Charging Schedule.</p>	<p>No change</p>

Main Issue	South Somerset District Council's Response	Recommendation
<b>Trees and woodland infrastructure should be added to the Regulation 123 List.</b>	Noted. The Infrastructure Delivery Plan sets out how the provision of green infrastructure is being delivered in South Somerset. There is currently no justification for these specific items to be included in the CIL Regulation 123 List based upon existing provision and shortfall.	No change
<b>How will the CIL receipts be spent?</b>	<p>The governance arrangements for how the CIL receipts will be spent are yet to be determined. As is appropriate at this stage of the process, the Council will need to deliberate and decide what model of apportioning the CIL fund is appropriate to South Somerset.</p> <p>Any decision-making and spending of the CIL fund will be in accordance with the rules and requirements set out in the legislation and regulations.</p>	No change
<b>The Council should produce a guide to the relationship between CIL, Section 106 Agreements and the policies in the Local Plan.</b>	Noted. A guide will be produced as the Council moves closer to the adoption and implementation of a CIL. The Council already has a series of Frequently Asked Questions documents relating to CIL on its website.	No change
<b>RentPlus model qualifies for social housing relief.</b>	Noted.	No change
<b>The Council should be mindful of the changing definition to affordable housing.</b>	Noted. The changes set out in the various Government policy changes and emerging	No change
<b>Why has the viability appraisal work not looked at an 800 dwelling scheme now proposed for the Yeovil Sustainable Urban Extensions in the Local Plan? The viability appraisals cannot be accurate if they are looking at a different scale of</b>	<p>The existing viability work has been progressed on the basis of defining a series of "typologies" to test the likely viability of a levy charge. This follows best practice, and responds to the fact that it is not necessary to appraise every time of possible development that is likely to come forward in the district.</p> <p>The Council has followed an area-based approach, involving a broad test of viability across the district. The Council feels that it has used appropriate available evidence (as defined in the</p>	<p>No change.</p> <p>The Council has prepared additional evidence which looks at the viability of charging a levy on an "800 dwelling scheme in Yeovil" development typology.</p> <p>This evidence shows that such a scale</p>

Main Issue	South Somerset District Council's Response	Recommendation
<b>development.</b>	<p>Planning Act 2008 section 211(7A)) to inform the draft charging schedule.</p> <p>The Council feels that it has directly sampled an appropriate range of different types of sites across its area, with a focus on strategic sites set out in the Local Plan. In doing so, the Council believes that it has provided a robust evidence base about the potential effects of the rates proposed, balanced against the need to avoid excessive detail.</p> <p>That being said, for ease of reference and to overcome any perceived lack of information, the Council will prepare an additional typology for an "800 dwelling urban extension in Yeovil" to directly address concerns.</p>	<p>of development is still unable to support a levy charge. This evidence has been added to the overall CIL evidence base, and will be submitted to the Examiner.</p> <p>This evidence will be subject to further discussion during the Examination into the Draft Charging Schedule.</p> <p>The evidence on development viability can be found here:  <a href="http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/">http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/</a></p>
<p><b>Why do the viability appraisals make reference to the Code for Sustainable Homes when this policy approach has been abandoned by Government? The viability appraisals cannot be accurate if they are including elements which no longer affect development.</b></p>	<p>The Council recognises that the Code for Sustainable Homes is no longer a standard by which development must comply. However, the costs associated with achieving the code are akin to the additional construction costs that are associated with developments that need to be meet Building Regulation standards.</p> <p>Furthermore, the Council believes that the additional costs factored in to the appraisals balance out those additional costs which have generally been experience by the construction sector even since the appraisals were carried out in July 2015. As has been indicated by respondents and addressed above, the BCIS costs have increased. Therefore, the Council believes the CFSH figures balance out any uplift in general construction costs. Therefore conclusions as to whether the levy rate is viable or not, is not affected by the inclusion of this figure.</p>	No change
<p><b>How and when will the 15% / 25% of CIL receipts be transferred to Parish / Town Councils?</b></p>	<p>South Somerset District Council both the "charging authority" and the "collecting authority" for CIL receipts. Therefore, in the first instance, all monies will come in to South Somerset District Council. The amended CIL Regulations set out that 15% of the receipt generated in an area should be passed directly back to the</p>	No change

Main Issue	South Somerset District Council's Response	Recommendation
	<p>parish/town council in which the development took place.</p> <p>The exact arrangements for when the receipts will be passed to parish/town councils are not yet defined, and the Regulations do not prescribe a timescale. It is likely, that the funds will be allocated annually, at the same time that precepts are determined and finalised. This would allow relevant parish/town councils to full take account of their financial position.</p> <p>The Regulations do however set a cap on the total annual amount of payments that can be made to a parish/town council area that does not have 'made' Neighbourhood Plan. The cap is set at £100 per council tax dwelling, per year. This means that a parish with 500 dwellings cannot receive more than £50,000 of CIL receipts per year. This is to prevent excessive amounts being passed on to areas without the means or ability to manage and spend the payments.</p>	
<p><b>Yeovil Cemetery should be added to the Regulation 123 List</b></p>	<p>The Council welcomes the supporting evidence and justification which demonstrates the need for a new cemetery in Yeovil. More importantly, the evidence indicates there is a deliverable project that funds accrued from a Community Infrastructure Levy could be used to realise the new cemetery.</p>	<p>Yeovil Cemetery to be added to the Regulation 123 List.</p> <p>Evidence provided has been added to the overall evidence base used to justify adopting a CIL. The specific evidence relating to the cemetery will be added as a supplementary paper to sit alongside the Council's Infrastructure Delivery Plan (2015/2016).</p> <p>Further evidence on the need for new cemetery space can be found here:  <a href="http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/">http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/</a></p>



## 4. Conclusions and Next Steps

### Conclusions

- 4.1. Having considered the representations and summarised the main issues, the Council believes that there is justification to modify the Draft Charging Schedule.
- 4.2. In accordance with Regulation 11 and Regulation 19 of the Community Infrastructure Levy Regulations 2010 (as amended) the Council therefore proposes two modifications, they are:
  - i. To delete reference to C2 Use Class in the “*All Other Residential Development*” row of the Draft Charging Schedule. This includes deleting footnote 8; and
  - ii. To delete the row of the Draft Charging Schedule relating to Retail (A1 – A5 Use Class) in town centres and/or primary shopping areas. This includes deleting footnote 11, and the removal of references in the key to the accompanying maps.
- 4.3. A full explanation of the two modifications proposed is set out in the accompanying “*Statement of Modifications*” document<sup>1</sup>. A detailed explanation of how comments can be made on the proposed modifications is also set out in that document.
- 4.4. As well as these formal modifications to the Draft Charging Schedule, the Council has also provided supplementary information to sit alongside the existing Community Infrastructure Levy evidence base. This includes:
  - minor alterations to the Instalments Policy to take account of South Somerset’s range of small-scale and large-scale developments;
  - a viability appraisal of an “800 dwelling Yeovil Urban Extension” typology to add to the existing viability work; and
  - analysis of the need for additional cemetery infrastructure in Yeovil to support this item being added to the Regulation 123 List.
- 4.5. This evidence will feature as part of the overall package of information and documentation that will form the Council’s “submission” to Examiner and then considered at the Examination.

### Next Steps

- 4.6. Given that six respondents have indicated that they wish to be present at an Examination in to the Draft Charging Schedule, it is expected that a hearing/inquiry will be required. Formal confirmation of the exact approach will be given by the Examiner in due course. The holding of a hearing/inquiry comes with additional time and cost pressures for the Council, these costs will have to be factored into the overall resource planning of the Spatial Policy team.
- 4.7. The Council will shortly be appointing a Programme Officer who will provide the administrative support to help manage the Examination process. The Programme Officer will also be the point of contact between consultees, those due to attend the

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<sup>1</sup> South Somerset Community Infrastructure Levy – Draft Charging Schedule: Statement of Modifications

Examination, the Council and the Examiner. The Programme Officer will provide support to the process, but is an objective and impartial person who does not act on half of the Council.

- 4.8. Based upon the current timetable, the Council will be seeking approval from its District Executive Committee to submit the Draft Charging Schedule to the Examiner in May/June 2016. The Examination itself is likely to take place in Summer 2016.
- 4.9. If the examination concludes that the Charging Schedule can be adopted, the Council then has to table the final version of the Charging Schedule before a meeting of Full Council. This is expected to be in Autumn 2016.

**South Somerset**

**Community Infrastructure Levy**

**Statement of Modifications**

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**May 2016**

## **Contents**

1. Introduction	1
2. Request to be heard	1
3. Modifications to the Draft Charging Schedule	2

## 1. Introduction

- 1.1. South Somerset District Council received 34 consultation responses on the Draft Charging Schedule. A detailed summary of the main issues raised by these representations can be found in the accompanying *South Somerset Community Infrastructure Levy – Draft Charging Schedule: Summary of Main Issues* document<sup>1</sup>.
- 1.2. Based upon these consultation responses, and in accordance with Regulation 11 and 19 of the Community Infrastructure Levy Regulations 2010 (as amended), the Council has modified the Draft Charging Schedule.
- 1.3. The Council proposes two modifications to the charging schedule. This is set out in full in Chapter 3. The modifications are shown in the customary way, with text that is proposed to be deleted shown by way of “strikethrough” (example: ~~strikethrough~~); and text that is newly added is shown as “emboldened and underlined” (example: **emboldened and underlined**).

## 2. Request to be Heard

- 2.1. Given that the Council has modified the Draft Charging Schedule, any person who wishes to, may request to be heard by the Examiner in relation to the modifications<sup>2</sup>. For the avoidance of doubt, the right to be heard and representations can only be made in relation to the modifications themselves.
- 2.2. Requests to be heard must include details of the modification on which the person wishes to be heard.
- 2.3. All requests must be made in writing and submitted to the Council within four weeks of the date of the submission of the charging schedule to the Examiner. Requests must therefore be submitted to the Council by **12pm on the 24<sup>th</sup> of June 2016**. The Council will then submit copies of any requests to be heard to the Examiner.
- 2.4. Request to be heard and representations can be made to the Council in following ways:

By email to: [planningpolicy@southsomerset.gov.uk](mailto:planningpolicy@southsomerset.gov.uk); or

By post to: Spatial Policy,  
South Somerset District Council,  
Brympton Way,  
Yeovil,  
BA20 2HT

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<sup>1</sup> South Somerset Community Infrastructure Levy – Draft Charging Schedule: Summary of Main issues (May 2016)

<sup>2</sup> In accordance with Regulation 21 of the Community Infrastructure Levy Regulations 2010 (as amended)

### 3. Modifications to the Draft Charging Schedule

- 3.1. As noted in Chapter 2, the Council is only proposing two modifications to the charging schedule. This is set out in table 3.1 below.
- 3.2. Text that is proposed to be deleted shown by way of “*strikethrough*” (example: ~~strikethrough~~); and text that is newly added is shown as “*emboldened and underlined*” (example: **emboldened and underlined**).

**Table 3.1: Modifications to the Draft Charging Schedule**

Reference	Page of Draft Charging Schedule	Modification	Justification for Modification
M1	10	<p>Remove reference to C2 uses in the charging schedule linked to residential development, including deletion of footnote.</p> <p>-----</p> <p><del>“All Other Residential Development (including C2 Use Class)<sup>8</sup></del></p> <p><del><sup>8</sup>As defined under Use Class C2 (including residential accommodation and care to people in need of care, residential schools, colleges or training centres, hospitals, and nursing homes.”</del></p>	<p>Representations received highlight that the Council’s evidence base on the viability of C2 uses does not support the imposition of the residential levy rate.</p>
M2	10	<p>Remove row of the Draft Charging Schedule relating to Retail (A1 – A5 Use Class) in town centres and/or primary shopping areas. This includes removal of footnote 11.</p> <p>For the appendices indicating geographical extent, the key to the maps will have the words “<i>Retail in...</i>” and “<i>...Charging Zone</i>” removed to avoid indicating that there is a differential rate for Retail (A1 – A5 Uses).</p> <p>-----</p> <p><del>“Retail (A1 – A5 Use Class) in Town Centres and Primary Shopping Areas<sup>14</sup> £0 (zero) per square metre See Appendices 1, 2, and 4 – 15</del></p> <p><del><sup>14</sup>Town Centres as defined through Policy EP11 of the South Somerset Local Plan (2006 – 2028). Primary</del></p>	<p>The evidence remains valid that retail in town centres and primary shopping areas do not support the imposition of a levy rate. However, to avoid confusion and unintended consequences the Council has removed this reference. Retail (A1 – A5 Use Class) within Town Centres/Primary Shopping Areas will fall within the “All Other Uses” category and so will still be subject to a £0(zero) levy rate.</p>

Reference	Page of Draft Charging Schedule	Modification	Justification for Modification
		<p>Shopping Areas in Yeovil and Chard as defined through Policy EP11 in the South Somerset Local Plan (2006 – 2028).</p> <p>Appendix 1: Yeovil Charging Zones  <del>“Retail in Primary Shopping Area Charging Zone”</del></p> <p>Appendix 2: Chard Charging Zones  <del>“Retail in Primary Shopping Area Charging Zone”</del></p> <p>Appendix 3: District-wide Residential Charging Zone  <del>“Retail in Primary Shopping Area Charging Zone”</del>  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 4: Crewkerne Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 5: Ilminster Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 6: Wincanton Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 7: Ansford-Castle Cary Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 8: Langport &amp; Huish Episcopi Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 9: Somerton Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 10: Bruton Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 11: Ilchester Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p> <p>Appendix 12: Martock &amp; Bower Hinton Charging Zone  <del>“Retail in Town Centre Charging Zone”</del></p>	

Reference	Page of Draft Charging Schedule	Modification	Justification for Modification
		Appendix 13: Milborne Port Charging Zone "Retail in Town Centre Charging Zone"	
		Appendix 14: South Petherton Charging Zone "Retail in Town Centre Charging Zone"	
		Appendix 15: Stoke sub Hamdon Charging Zone "Retail in Town Centre Charging Zone"	

#### 4. Other Changes to the Council's Approach to CIL

4.1. As highlighted in the accompanying "South Somerset Community Infrastructure Levy – Draft Charging Schedule: Summary of Main Issues" document there are some other changes to the Council's overall approach to justifying the adoption of a Community Infrastructure Levy<sup>3</sup>.

4.2. These other changes can be summarised as follows:

- Minor alterations to the Instalments Policy to take account of South Somerset's range of small-scale and large-scale developments;
- The additional of a new viability appraisal of an "800 dwelling Yeovil Urban Extension" typology to add to the existing viability work; and
- The additional of analysis of the need for additional cemetery infrastructure in Yeovil to support this item being added to the Regulation 123 List.

4.3. These additions and changes do not constitute modifications to the charging schedule and therefore are not treated as formal modifications. However, the Council is mindful to identify this additional information and material that will feature as part of the overall package of documentation that will be submitted to the Examiner.

<sup>3</sup> South Somerset Community Infrastructure Levy – Draft Charging Schedule: Summary of Main issues (May 2016)



South Somerset

Community Infrastructure Levy

Draft Charging Schedule

Submission Version

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May 2016

## **Contents**

1. Introduction	1
2. Context – Community Infrastructure Levy FAQs	3
3. Evidence Base	7
4. Draft Charging Schedule	11
5. Calculating the Chargeable Amount	13
6. Draft Instalment Policy	14
7. Draft Regulation 123 list	17
8. How to Make Comments and Next Steps	19

## 1. Introduction

- 1.1. This document marks the next stage in the process of South Somerset District Council establishing the Community Infrastructure Levy (CIL) in South Somerset. CIL is a fixed levy that Councils can charge on new developments to fund infrastructure needed to support development.
- 1.2. The Government introduced CIL in the Planning Act 2008. Detail on the CIL regime was subsequently set out in the CIL Regulations 2010 (as amended)<sup>1</sup>. The Government has also published guidance on the operation of CIL<sup>2</sup>.
- 1.3. This Draft Charging Schedule (DCS) consultation document represents the second consultation stage in preparing a CIL for South Somerset. Consultation on the Preliminary Draft Charging Schedule (PDCS) took place in March 2012. This DCS has been informed by the responses which were received during this earlier consultation, along with updated evidence on viability and infrastructure requirements.
- 1.4. The supporting evidence on CIL and infrastructure issues which should be read in conjunction with this DCS is:
  - Community Infrastructure Levy evidence base, Roger Tym & Partners and Baker Associates (January 2012);
  - Community Infrastructure Levy: viability study, BNP Paribas and SSDC (May 2013);
  - Community Infrastructure Levy: viability assessment – update Addendum report, BNP Paribas and SSDC (July 2015);
  - South Somerset Infrastructure Delivery Plan update 2015/16 (January 2016);
  - Additional viability evidence prepared for an 800 dwelling development in Yeovil (March 2016); and
  - Additional infrastructure evidence on the need for a new cemetery in Yeovil (April 2016).
- 1.5. This document contains the proposed level of CIL, an instalment policy, and a draft Regulation 123 list of infrastructure that may be funded, in whole or part, by CIL.
- 1.6. In accordance with Regulation 16 and 17 of the CIL Regulations 2010 (as amended) the Council invited comments on the DCS, the instalment policy, and the draft Regulation 123 list, over a six-week period from **10<sup>th</sup> February to the 24<sup>th</sup> March 2016**.
- 1.7. In accordance with Regulation 19(b) of the Community Infrastructure Levy Regulations 2010 (as amended) the Council has set out a summary of the main issues and the Council's response to those issues. The summary of main issues report will be submitted to the Examiner alongside the Council's evidence base and other

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<sup>1</sup> Community Infrastructure Regulations 2010 (as amended):  
<http://www.legislation.gov.uk/ukxi/2010/948/contents/made>

<sup>2</sup> Department for Communities and Local Government Planning Practice Guidance:  
<http://planningguidance.communities.gov.uk/blog/guidance/community-infrastructure-levy/>

documentation. The “*Summary of Main Issues*” document is available here: <http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/>

- 1.8. Given the nature of the consultation responses, and in accordance with Regulation 11 and Regulation 19 of the Community Infrastructure Levy Regulations 2010 (as amended), the Council has modified the Draft Charging Schedule. The Council’s “*Statement of Modifications*” setting out exactly what has been modified is available here: <http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/>
- 1.9. Having regard to all of the above, the Council has prepared a finalised version of the Draft Charging Schedule that it intends to submit to the examiner. This represents the “Submission” version, and is set out in the remainder of this document.
- 1.10. **Chapter 2** sets the context for CIL, in the form of ‘frequently asked questions’. The justification for introducing CIL in South Somerset and the key findings of the evidence base, specifically the four studies listed above, are set out in **Chapter 3**. The Draft Charging Schedule itself, which shows the proposed levy rates, is in **Chapter 4**; supported by the overall approach for how the levy will be calculated in **Chapter 5**. The proposed instalment policy is explained in **Chapter 6**, and the draft ‘Regulation 123 list’ of infrastructure that may be funded in whole or part by CIL is shown at **Chapter 7**). Finally, **Chapter 8** explains how to make comments on this consultation document, and outlines the next steps in the CIL preparation process.

## 2. Context – Community Infrastructure Levy FAQs

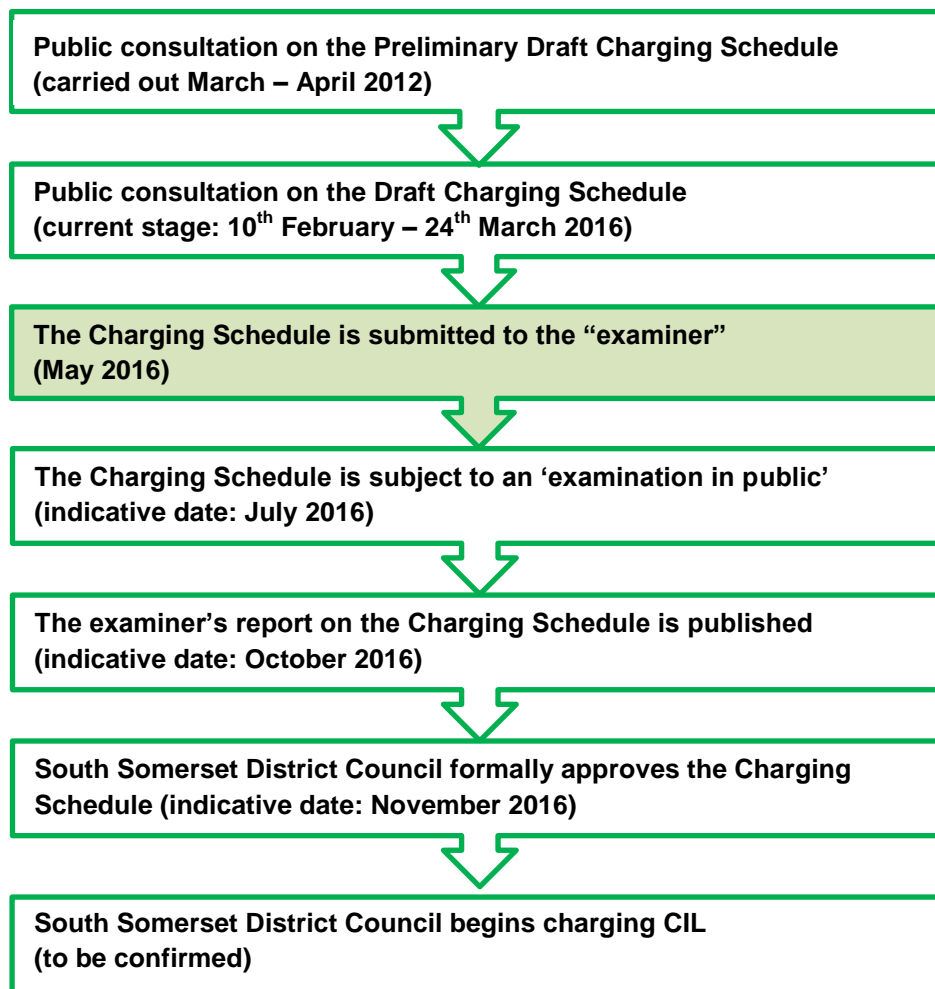
### What is the Community Infrastructure Levy?

2.1. The Community Infrastructure Levy (CIL) is a tool for local authorities to help deliver infrastructure to support new development. It is a fixed levy, calculated per square metre, which the Council can charge on new development in order to fund a wide range of infrastructure. CIL was introduced in the Planning Act 2008, and came into force through the CIL Regulations 2010 (as amended).

### What is the process for introducing CIL?

2.2. The following diagram outlines the process that is required for the Council to successfully introduce CIL in South Somerset.

**Figure 2.1: Process for introducing CIL in South Somerset**



## What are the benefits of CIL?

- 2.3. The Government has set out that CIL seeks to provide a “*faster, fairer, more certain and transparent*” means of collecting developer contributions to infrastructure than individually negotiated Section 106 planning obligations:
- It is *faster* because it reduces the need for lengthy discussions on planning obligations, and CIL must be paid within a certain time of development commencing.
  - Most new development has an impact on infrastructure needs and, as such, it is *fairer* that nearly all new development contributes towards the cost of these needs.
  - CIL provides *certainty* as the levy is fixed, so the developer is aware of costs towards infrastructure provision up front.
  - There is greater *transparency* because a schedule sets out the infrastructure that will be funded through CIL.
- 2.4. In addition, local communities will benefit from the proportion of CIL that is given to town and parish councils. Town and parish council will automatically receive 15% of CIL receipts from development occurring in their area, and this figure rises to 25% where a neighbourhood plan has been ‘made’ and adopted.

## What type of development is liable for CIL?

- 2.5. CIL may be payable on development which creates net additional floor space, where the gross internal area of new build exceeds 100 square metres. This threshold does not apply to new dwellings as CIL is payable for a new dwelling of any size, unless it is subject to an exemption (e.g. built by a ‘self-builder’), or is located in an area that has been designated as a zero rate in the Charging Schedule.
- 2.6. The levy is applied to the gross internal area (GIA) of the net additional development liable for the levy. GIA should be calculated according to the definition in the latest edition of the RICS Guidance Note: Code of Measuring Practice. Chapter 5 sets out how the chargeable amount will be calculated.
- 2.7. CIL applies to planning permission granted through local planning orders and may also be payable on permitted development and development which is subject to a Lawful Development Certificate.

## What kind of development does not pay CIL?

- 2.8. The following examples are types of development that do not pay the levy. This list is not exhaustive and further exemptions may arise:
- Development of less than 100 square metres, unless it is a new dwelling;
  - Houses, flats, residential annexes and residential extensions which are built by ‘self-builders’;
  - Social housing that meets Government criteria;
  - Charitable development that meets Government criteria;

- Buildings into which people do not normally go, or go only intermittently for the purpose of maintaining fixed plant or machinery;
- Structures which are not buildings, such as pylons and wind turbines;
- Types of development which have a 'zero rate' in the Charging Schedule;
- Vacant buildings brought back into the same use; and
- Mezzanine floors of less than 200 square metres inserted into existing buildings, unless they form part of a wider planning permission that seeks to provide other works as well.

## **What is the rate of CIL?**

2.9. The levy rate is expressed as pounds per square metre. The Draft Charging Schedule (set out in Chapter 4) identifies a zero rate at the Yeovil Sustainable Urban Extensions and Chard Eastern Development Area; £40 per square metre for residential development elsewhere in the district; £100 per square metre for convenience based supermarkets and superstores, and retail warehouse parks (outside of town centres and primary shopping areas); and a £0 (zero) rate per square metre for retail development inside the town centres and primary shopping areas. All other uses are proposed to have a nil rate.

## **When does CIL need to be paid?**

2.10. The regulations state that the amount of CIL generated by a development should be paid in full within 60 days of commencing development. However, the regulations also allow councils to have an instalment policy if they wish, which can set out the number of payments, the amount and time due.

2.11. Chapter 6 contains the Council's proposed instalment policy. This was drafted in response to comments made on the Preliminary Draft Charging Schedule, and is intended to assist the viability and deliverability of development, recognising that few if any developments generate value until they are complete either in whole or phases.

## **What can CIL be spent on?**

2.12. Local authorities must spend CIL on infrastructure needed to support the development of the area. The adopted South Somerset Local Plan identifies development that should be delivered over the period 2006 – 2028. CIL can be used to fund a wide range of infrastructure, including: transport, flood defences, schools, health care, open space, and sports facilities. The infrastructure that the Council intends to fund, or may fund, by CIL is set out in the 'Regulation 123 list'. The draft Regulation 123 list for consultation is set out in Chapter 7.

2.13. The focus of the majority of spending CIL should be on the provision of new infrastructure. However, CIL can also be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.

2.14. The money that is expected from CIL will not be enough to cover the cost of infrastructure requirements in the district. The South Somerset Infrastructure Delivery Plan (2016) identifies a funding gap of approximately £124 million, far higher than the

amount expected to be generated from CIL receipts<sup>3</sup>. Therefore, a governance and prioritisation process will be set up for spending CIL. The Council will also work to obtain other funding streams to help deliver infrastructure. The governance and prioritisation of spending CIL is the responsibility of the district council, and will involve infrastructure providers and other public organisations.

- 2.15. Fifteen percent of CIL receipts are passed directly to those Town and Parish Councils where development has taken place, subject to a limit of £100 per existing council tax dwelling which can be passed to the Town or Parish Council each year. Where a neighbourhood plan has been adopted, having successfully passed through a local referendum, the Town or Parish Council will receive 25% of CIL receipts and are not subject to the annual limit per existing dwelling.
- 2.16. Known as the 'neighbourhood portion' of the levy, the money allocated to Town and Parish Councils can be spent on a wider range of things than the rest of the funds collected through the levy, provided that it meets the requirement to '*support the development of the area*' (e.g. it could be used to fund affordable housing, or develop a neighbourhood plan).
- 2.17. In addition, the Council can retain up to 5% of total CIL receipts for administrative expenses.

### **How does CIL relate to other developer contributions?**

- 2.18. There are several ways that developers may be asked to make contributions for the delivery of infrastructure. This may be through CIL, Section 106 Agreements, and Section 278 highway Agreements.<sup>4</sup>
- 2.19. CIL is intended to contribute to infrastructure to support the development of the whole district, rather than making individual planning applications acceptable. Therefore, some site specific mitigation of impacts through other developer contributions may still be required in order for a development to be granted planning permission e.g. the provision of affordable housing, community facilities, local open space, and access roads.
- 2.20. Once CIL is in place, Section 106 obligations should be scaled back to those matters that are directly related to a specific site. In addition, Section 106 and Section 278 Agreements cannot be sought for infrastructure items that are defined in the 'Regulation 123 list'. This is to ensure there is no 'double dipping', with the development industry paying twice for the same item of infrastructure. These restrictions do not apply to highways Agreements drawn up by Highways England, as the scale and nature of works on the strategic road network are not considered suitable for funding through receipts from CIL.
- 2.21. Since April 2015, there is a restriction on the number of Section 106 contributions that can be pooled for specific infrastructure projects. No more contributions can be collected if five or more obligations for a project have already been entered into since 6 April 2010. This restriction does not apply for provision that is not capable of being funded by the levy, such as affordable housing.

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<sup>3</sup> South Somerset infrastructure Delivery Plan (2016): [http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/evidence-base/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/evidence-base/)

<sup>4</sup> Section 278 of the Highways Act 1980 allows developers to enter into an Agreement with the highways authority (Somerset County Council) that requires them to pay for or undertake improvement works to the existing highway.



2.22. Where Section 278 Agreements are used, there is no restriction on the number of contributions that can be pooled.

### **What will be the Council's approach to Section 106 planning obligations once CIL is in place?**

2.23. The Council expects that Section 106 planning obligations will be sought on larger, more complicated development sites within the district. It is expected that the development proposals for the two Yeovil Sustainable Urban Extensions and Chard Eastern Development Area will be subject to Section 106 Agreements in order to secure the necessary on-site infrastructure and affordable housing as required in the South Somerset Local Plan.

## **3. Evidence Base**

### **Justification for Community Infrastructure Levy in South Somerset**

- 3.1. The Council is not required to introduce CIL but, as explained in Chapter 2, there are benefits in being able to capture funds for infrastructure from most new development that occurs, rather than just larger schemes. Government regulations have also restricted the use of planning obligations, meaning it is no longer possible to gather more than five planning obligations towards a single infrastructure project.
- 3.2. The Council adopted the South Somerset Local Plan (2006 – 2028) which provides a statutory framework through which to realise policy objectives for 15,950 homes and 11,250 jobs in the district by 2028. The Council had previously produced an Infrastructure Delivery Plan in 2012 to help support the adoption of the local plan. However, significant changes in the viability, funding and delivery of development have occurred since that time, which in turn has altered the context for infrastructure provision.
- 3.3. Therefore, the Council has produced a new Infrastructure Delivery Plan (January 2016) which documents the current status of existing infrastructure, appraises its ability to meet the additional demands generated by planned growth, takes account of planned investment, and concludes on infrastructure requirements and projects necessary to ensure the successful delivery of the number of homes and jobs set out in the South Somerset Local Plan (2006 – 2028)<sup>5</sup>.
- 3.4. The Infrastructure Delivery Plan provides conclusions on infrastructure requirements in each of the locations defined in the South Somerset Local Plan settlement hierarchy, as well as clarifying needs which affect the district as a whole. As noted above, the clear conclusion from the Infrastructure Delivery Plan is that there is a gap between the costs of the funding required, versus the availability of known funding. As at January 2016, the funding gap is approximately £124 million. As such, the proposed levy rates are demonstrated to be necessary and will contribute towards the implementation of the South Somerset Local Plan.

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<sup>5</sup> South Somerset infrastructure Delivery Plan (2016): [http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/evidence-base/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/evidence-base/)

## Impact of Community Infrastructure Levy on development viability

3.5. As noted in Chapter 1, the Council has undertaken a series of assessments and viability appraisals to help inform its approach to the CIL. The following Section provides a brief summary of work carried out, and the conclusions on development viability.

**Table 3.1: Overview of Development Viability Work**

Date	Report / Event	Conclusions
January 2012	Community Infrastructure Levy Evidence Base	<p>Appraised 26 different generic development typologies. 13 linked to various residential development sites, and 13 linked to a range of commercial developments.</p> <p>Identified CIL rates of the following amounts:</p> <ul style="list-style-type: none"> <li>• Yeovil Urban Extensions = £32m<sup>2</sup></li> <li>• Chard Urban Extensions = £0m<sup>2</sup></li> <li>• Other residential = £150m<sup>2</sup></li> <li>• Retail = £200m<sup>2</sup></li> </ul>
March 2012	Preliminary Draft Charging Schedule (PDCS)	Based upon this initial viability work, the PDCS was consulted upon in accordance with the CIL Regulations for period of four weeks up to the 4 <sup>th</sup> April 2012.
November 2012	Developer Workshop	Consultation on PDCS held. All respondents invited to attend.
	Internal Work	<p>PDCS CIL Rate for residential is deemed too high due to:</p> <ul style="list-style-type: none"> <li>• Source of adopted build costs – agreed BCIS data adjusted for Somerset region, split rates for large scale and small developments</li> <li>• Treatment of externals – additional 15% on build costs to be adopted</li> <li>• Professional fee assumptions increased to the mid-range proposed of 10%</li> <li>• Finance and marketing cost assumptions agreed at current interest rates and 3% of GDV for marketing on larger sites, with a higher agent's fee on small sites.</li> <li>• Review of sale data with developers requested to submit anonymous appraisals and current new homes sales rates</li> </ul>

Date	Report / Event	Conclusions
		<p>PDCS CIL Rate for larger format retail is too high due to:</p> <ul style="list-style-type: none"> <li>• GDV too optimistic, rents and yields not reflective of actual scheme evidence</li> <li>• Overall costs are not sufficient and should vary between in-town brownfield and out of town greenfield sites.</li> <li>• SSDC Requested and agreed to take actual residual appraisal examples provided by the market agents and developers in this field into account in preparing the DCS. A greenfield and brownfield appraisal provided by the market that represented the concerns raised were adopted for reappraising the CIL rate proposed in the DCS.</li> </ul>
<b>May 2013</b>	Community Infrastructure Levy: Viability Study	<p>The new research was collected from the market and respondents and the DCS 2013 report was then prepared, finalised in May 2013 and the proposed CIL rates changed in light of adopting the respondents' comments and agreed areas from the workshop, ready for consultation in June/ July 13.</p> <p>This new work and previous consultation feedback resulted in CIL rates of the following amounts:</p> <ul style="list-style-type: none"> <li>• Urban Extensions (Yeovil &amp; Chard) = £0m<sup>2</sup></li> <li>• All other residential = £50m<sup>2</sup></li> <li>• Convenience base supermarkets, and superstores, and retail warehouse parks = £100m<sup>2</sup></li> </ul>
<b>March 2015</b>	South Somerset Local Plan (2006 – 2028) adopted	Confirms approach to residential and commercial growth, as well as shaping infrastructural requirements to support growth. Establishes policy framework to progress with CIL.
<b>July 2015</b>	Community Infrastructure Levy: Viability Assessment (Update Addendum Report)	<p>Drafted to support and update the 2013 report to ensure that key variables and market changes have been incorporated and proposed CIL rate is robust. Updates, include:</p> <ul style="list-style-type: none"> <li>• New sales values researched with an increase adopted in appraisals. New homes sales rates per sq ft analysed on local schemes to ensure that this was in line with increase in sales assumptions.</li> <li>• Updated BCIS build costs for Somerset adopted for large and small schemes.</li> <li>• Yields on retail adjusted to reflect current investment market position</li> </ul>

Date	Report / Event	Conclusions
		<ul style="list-style-type: none"> <li>• Code for sustainable homes assumptions altered in line with government guidance.</li> <li>• New analysis of current S106 charges undertaken = no change to DCS assumptions.</li> <li>• All appraisals re-run with amended assumptions and results summarised in addendum report and appendices.</li> </ul> <p>This additional work and previous consultation feedback resulted in CIL rates of the following amounts:</p> <ul style="list-style-type: none"> <li>• Urban Extensions (Yeovil &amp; Chard) = £0m<sup>2</sup></li> <li>• All other residential = £40m<sup>2</sup></li> <li>• Convenience base supermarkets, and superstores, and retail warehouse parks = £100m<sup>2</sup>.</li> </ul>
<b>January 2016</b>	Infrastructure Delivery Plan	Re-defines current infrastructure capabilities, the impact of proposed levels of growth, whether existing infrastructure can accommodate planned growth, what infrastructure is planned and funded, what additional infrastructure is required and how much does it cost, and what (if any) gaps in funding and delivery exist.
<b>March 2016</b>	Yeovil Urban Extension Typology at 800 dwellings prepared as part of viability evidence base.	To provide supplementary viability evidence a development typology of “800 dwelling urban extension in Yeovil” has been prepared. As with the previous viability assessments this shows a significantly negative land value. Viability assessment uses the same assumptions and shows that a CIL is not viable, particularly given the level of on-site infrastructure costs required.
<b>April 2016</b>	Additional infrastructure evidence showing the need for a new cemetery space to serve the needs of Yeovil	Supplementary evidence has been provided which identifies an infrastructure shortfall in cemetery space in Yeovil. This is identified as a problem which needs addressing in the short term. The Council accepts this evidence as complementary to the Infrastructure Delivery Plan (2015/2016). As such, the Council has added new cemetery space to meet the needs for Yeovil to the Draft Regulation 123 List.

## 4. Draft Charging Schedule

- 4.1. When deciding the rate of the levy, an appropriate balance must be struck between the level of additional investment that can be accrued to support development, and the potential effect on the viability of developments. Having regard to the viability assessments prepared in January 2012, May 2013, and July 2015, the following levy rates have been established as capable of being realised via development.
- 4.2. The Draft Charging Schedule set out in Table 4.1 should be read in conjunction with the accompanying Appendices. These set out the geographical extent of the various charging zones within South Somerset. The Appendices can be found at the following webpage: <http://consult.southsomerset.gov.uk/consult.ti/system/listConsultations>

**Table 4.1: Draft Charging Schedule**

Type of Development	Levy Rate	Geographical Extent
<b>Yeovil Sustainable Urban Extensions<sup>6</sup></b>	£0 (zero) per square metre	See Appendix 1
<b>Chard Eastern Development Area<sup>7</sup></b>	£0 (zero) per square metre	See Appendix 2
<b>All Other Residential Development</b>	£40 per square metre	District-wide. See Appendix 3
<b>Convenience-based Supermarkets and Superstores, and Retail Warehouse Parks (outside of defined Town Centres and Primary Shopping Areas)<sup>8,9</sup></b>	£100 per square metre	District-wide, excluding those areas defined in Appendices 1, 2, and 4 – 15
<b>All Other Uses</b>	£0 (zero) per square metre	District-wide. See Appendix 1 – 15

<sup>6</sup> As defined in Policy YV2 in the South Somerset Local Plan (2006 – 2028): North-East Sustainable Urban Extension and South Sustainable Urban Extension.

<sup>7</sup> As defined by Policy PMT1 & PMT2 in the South Somerset Local Plan (2006 – 2028).

<sup>8</sup> Supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix. The majority of custom at supermarkets arrives by car, using the large adjacent car parks provided.

Superstores are self-service stores selling mainly food, or food and non-food goods, with supporting car parking.

Retail warehouses are large stores specialising in the sale of comparison and household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.

<sup>9</sup> Town Centres as defined through Policy EP11 of the South Somerset Local Plan (2006 – 2028).

Primary Shopping Areas in Yeovil and Chard as defined through Policy EP11 in the South Somerset Local Plan (2006 – 2028).

- 4.3. The levy rate for the Yeovil Sustainable Urban Extensions and Chard Eastern Development Area has been set at £0 (zero) per square metre because the viability evidence shows that the sites cannot support a levy charge.
- 4.4. The sites will require substantial site preparation works and significant on-site infrastructure to be delivered. This includes opening up an access into the site; the laying of internal roads; establishing large and complex utility, water supply, sewerage and drainage networks; and the provision of the on-site requirements set out in the Local Plan, such as: new schools, health care facilities, neighbourhood centres, and sustainable transport infrastructure.
- 4.5. The scale of these costs is significantly higher than those for a smaller development as the larger urban extensions will need to fully address their impacts on-site. In addition, the sites will have to provide additional mitigation set out in a Section 106 Agreement. All of this means that a levy charge would render the developments unviable. Given that the CIL is not intended to be set at a level where it jeopardises development from coming forward, the Council has set a zero levy rate.
- 4.6. Given the proposed level of growth defined in the South Somerset Local Plan (2006 – 2028) but taking account of previous delivery, the Council expects there to be approximately £14.6 million by way of CIL receipts up to 2028.
- 4.7. It is clear from this figure that CIL will be important to help realise the level and cost of infrastructure identified in the Infrastructure Delivery Plan (2016); but will only go part way to help fund the overall total requirement.

## 5. Calculating the Chargeable Amount

5.1. The formula for calculating the chargeable amount is set out in full in Part 5 of the Community Infrastructure Regulations 2010 (as amended)<sup>10</sup>. In summary the amount of CIL chargeable is calculated as follows:

**CIL Rate (£m<sup>2</sup>) x net chargeable floor area (m<sup>2</sup>) x BCIS index figure (at date of planning permission)**

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**BCIS Index figure (at the date of implementation of the Charging Schedule)**

5.2. This calculation multiplies the CIL rate by the net new floor area and then adjusts the results to take account of inflation (BCIS index figure);

- the **CIL Rate** (£m<sup>2</sup>) is the applicable rate from the above schedule.
- the **net chargeable floor area** (m<sup>2</sup>) is the gross internal floorspace of the development minus the gross internal floorspace of any existing buildings that are to be retained or demolished, provided they have been in continuous lawful use in accordance with CIL Regs (as amended). Where there is more than one use class on a development, the chargeable amount in each class is calculated separately and then added together to provide the total chargeable amount. However where the amount is less than £50 the chargeable amount is zero.
- The **BCIS Index Figure** (%) is an annually updated measure of inflation published by the Building Cost Information Service (BCIS) of the Royal Institute of Chartered Surveyors (RICS).

5.3. The CIL is charged on new development over 100m<sup>2</sup> or any new dwellings if these are less than this size. Gross internal floorspace includes everything within the external walls of a building, including lifts, stairwells and internal circulation areas, but not the thickness of the external walls or balconies. GIA should be calculated according to the definition in the latest edition of the RICS Guidance Note: Code of Measuring Practice. Chapter 6 sets out how the chargeable amount will be calculated.

5.4. Residential floorspace includes new dwellings, extensions, conversions, garages or any other buildings ancillary to residential use. Affordable housing and self-build housing are exempt from CIL.

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<sup>10</sup> Community Infrastructure Regulations 2010 (as amended):  
<http://www.legislation.gov.uk/ukxi/2010/948/contents/made>

## 6. Instalment Policy

- 6.1. The CIL regime aims to provide certainty to both the development industry and the Council in terms of the amount of levy that is due, and the timing of payment. As noted in Chapter 1, the Government expects the CIL process to be faster in terms of securing funds. In normal circumstances the levy becomes due from the date that a chargeable development has commenced. Commencement is defined in the same way as it is used in planning legislation (i.e. 'material operations' on the site)<sup>11</sup>.
- 6.2. However, in response to comments received during consultation on the Preliminary Draft Charging Schedule, the Council intends to introduce an instalments policy to help manage the flow of payments.
- 6.3. The Council's instalments policy is in accordance with Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended), with instalments linked to the amount payable (the chargeable amount). As permitted under Regulation 9(4) of the Community Infrastructure Regulations 2010 (as amended), where outline planning permission which permits development to be implemented in phases has been granted, each phase of the development as agreed by South Somerset District Council is a separate chargeable development and the instalment policy will, therefore, apply to each separate chargeable development and associated separate liable amount chargeable.
- 6.4. There will be exemptions and circumstances where this policy will not apply. These issues will be considered by the Council as and when they arise, but include, and are not limited to:
  - a) A commencement notice has not been submitted prior to commencement of the chargeable development, as required by Regulation 67 of the Community Infrastructure Regulations 2010 (as amended).
  - b) On the intended date of commencement:
    - i. Nobody has assumed liability to pay CIL in respect of the chargeable development;
    - ii. A commencement notice has been received by South Somerset District Council in respect of the chargeable development; and
    - iii. South Somerset District Council has not determined a deemed commencement date for the chargeable development and, therefore, payment is required in full, as required by Regulation 71 of the Community Infrastructure Regulations 2010 (as amended);
  - c) A person has failed to notify South Somerset District Council of a disqualifying event before the end of 14 days beginning with the day on which the disqualifying event occurs, as per the Community Infrastructure Regulations 2010 (as amended).

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<sup>11</sup> See Section 56(4) of the Town and Country Planning Act 1990:  
<http://www.legislation.gov.uk/ukpga/1990/8/Section/56>



- d) An instalment payment has not been made in full after the end of the period of 30 days beginning with the day on which the instalment payment was due, as per the Community Infrastructure Regulations 2010 (as amended).
- 6.5. Where the instalment policy is not applicable, the amount must be paid in full at the end of the period of 60 days beginning with the notified or deemed commencement date of the chargeable development or the date of the disqualifying event, whichever is the earliest, unless specified otherwise within the Community Infrastructure Levy Regulations 2010 (as amended).
- 6.6. The breakdown of instalments for payments of the levy is set out in Table 6.1 below.

**Table 6.1: Draft Instalments Policy**

<b>Total CIL liability</b>	<b>Number of instalments and amount payable</b>	<b>Payment period</b>
<b>Amount less than £16,000 or amount due in respect of a single dwelling</b>	Payable as one instalment	100% payable within 60 days of the commencement date
<b>Amount between £16,000 and £60,000</b>	Payable as three instalments	1st instalment of 20% payable within 90 days of commencement date; and  2nd instalment of 20% payable within 360 days of commencement date.  3rd instalment of 60% payable within 540 days of commencement date.
<b>Amount between £60,000 and £300,000</b>	Payable as three instalments	1st instalment of 20% payable within 90 days of commencement date  2nd instalment of 20% payable within 360 days of commencement date  3rd instalment of 60% payable within 720 days of commencement date
<b>Amount between £300,000 and £750,000</b>	Payable as four instalments	1st instalment of 20% payable within 90 days of commencement date  2nd instalment of 20% payable within 360 days of commencement date  3rd instalment of 20% payable within 720 days of commencement date  4th instalment of 40% payable within 1080 days of commencement date
<b>Amount over £750,000</b>	Payable as four instalments	1st instalment of 10% payable within 90 days of commencement date  2nd instalment of 20% payable within 540 days of commencement date  3rd instalment of 20% payable within 1080 days of commencement date  4th instalment of 50% payable within 1800 days of commencement date
<p><b>1. Where an outline planning permission permits development to be implemented in phases, each phase of the development is a separate chargeable development and will be collected in accordance with this Instalment Policy.</b></p> <p><b>2. Nothing in this Instalment Policy prevents the person with assumed liability to pay CIL, to pay the outstanding CIL (in whole or in part) in advance of the instalment period set out in this policy.</b></p>		

## 7. Draft Regulation 123 List

- 7.1. The Community Infrastructure Levy Regulations 2010 (as amended) require the Council to set out a list of those projects or types of infrastructure that it intends to fund, or may fund, through the Community Infrastructure Levy.
- 7.2. The Regulation 123 List limits the use of planning obligations. The Regulations restrict the use of pooled contributions towards items that may be funded via the levy. From April 2015, no contributions may be collected in respect of a specific infrastructure project or a type of infrastructure through a Section 106 Agreement, if five or more obligations for that project or type of infrastructure have already been entered into since 6 April 2010.
- 7.3. The Council's draft Regulation 123 List is set out in Table 7.1 below.
- 7.4. The draft Regulation 123 List does not signify a commitment from the Council to fund all the projects listed, or the entirety of any one project through the CIL funds – it just signifies projects that will be considered by the Council in its decision as to what might receive funding.

**Table 7.1: Draft Regulation 123 List**

<b>Infrastructure type</b>	<b>Infrastructure that may be partly or wholly funded by CIL</b>	<b>Exclusions (funded by S106 or S278 payments or alternative measures)</b>
<b>Transport</b>	Millfield Link Road, Chard.	Improvements or provision of highways or highways access works related to a specific development site.
	Link road from Oaklands Avenue to A358 Furnham Road, Chard.	
	Link road connecting A30 with Oaklands Avenue, Chard.	
	Improve Stop Line Way cycle route between Chard and Tatworth.	
	Yeovil Sustainable Transport Interchange	
	Chard Sustainable Transport Interchange	
<b>Flood risk management</b>	Off-site flood risk management works	Improvements or provision of flood risk management works related to a specific development site.
<b>Outdoor Play Space, Sports, Community and Cultural facilities</b>	Playing pitch improvements or provision in Primary and Local Market Towns.	Improvements or provision of outdoor play space, sports, community and cultural facilities related to a specific development site.
	Equipped play area improvements or provision in Primary and Local Market Towns	
	Birchfield Bike Park	

Infrastructure type	Infrastructure that may be partly or wholly funded by CIL	Exclusions (funded by S106 or S278 payments or alternative measures)
	Refurbishment of Westlands Sports Centre  Swimming pool improvements of provision in Yeovil, Chard, Primary and Local Market Towns  Sports hall improvements or provision in Primary and Local Market Towns  3G Synthetic Turf Pitch improvements or provision in Primary and Local Market Towns  New cemetery space to serve Yeovil	
<b>Open Space and Public Realm</b>	Off-site open space and public realm	Improvement or provision of open space or public realm related to a specific development site.

7.5. Where site-specific exclusions are identified, they will be subject to statutory tests set out under Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended), which stipulates the following:

*“A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –*

- a) necessary to make the development acceptable in planning terms;*
- b) directly related to the development; and*
- c) fairly and reasonably related in scale and kind to the development”.*

7.6. Site-specific infrastructure which is required to make the development acceptable in planning terms, and satisfies the requirements set out in Regulation 122, will be secured through Section 106 Agreements for sites such as: North-east Yeovil Sustainable Urban Extension, South Yeovil Sustainable Urban Extension, and each of the development sites which constitute the Chard Eastern Development Area.

7.7. Affordable housing will continue to be secured through Section 106 Agreements, and is not liable for the CIL.

7.8. The Council will continue to seek financial contributions through Policy HG4 of the South Somerset Local Plan in relation to the provision of affordable housing on small sites. The viability work undertaken to justify the CIL shows that eligible development will be able to support both the financial contribution under Policy HG4 and the CIL. The Council will secure the financial contributions from Policy HG4 through a Section 106 Agreement.

## 8. Next Steps

- 8.1. This document takes account of the consultation responses on the Draft Charging Schedule, and incorporates the Council's proposed Modifications to the Draft Charging Schedule. This document is now intended to be submitted to the appointed examiner on the 27<sup>th</sup> May 2016.
- 8.2. Given that the Council has modified the Draft Charging Schedule, any person who wishes to, may request to be heard by the Examiner in relation to the modifications<sup>12</sup>. For the avoidance of doubt, the right to be heard and representations can only be made in relation to the modifications themselves.
- 8.3. Requests to be heard must include details of the modification on which the person wishes to be heard.
- 8.4. All requests must be made in writing and submitted to the Council within four weeks of the date of the submission of the charging schedule to the Examiner. Requests must therefore be submitted to the Council by **12pm on the 24<sup>th</sup> of June 2016**. The Council will then submit copies of any requests to be heard to the Examiner.
- 8.5. Request to be heard and representations can be made to the Council in following ways:  
  
By email to: [planningpolicy@southsomerset.gov.uk](mailto:planningpolicy@southsomerset.gov.uk); or  
  
By post to: Spatial Policy,  
South Somerset District Council,  
Brympton Way,  
Yeovil,  
BA20 2HT
- 8.6. Only after the Council's Charging Schedule is examined and found to be acceptable, can the Council look to adopt the proposed Community Infrastructure Levy. A full meeting of South Somerset District Council will be required to finally sign-off and adopt the Community Infrastructure Levy.

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<sup>12</sup> In accordance with Regulation 21 of the Community Infrastructure Levy Regulations 2010 (as amended)

# Agenda Item 11

## **Superfast Broadband Extension Programme – Decision on SSDC funding contributions**

*Assistant Director:* Martin Woods, Assistant Director (Economy)  
*Service Manager:* David Julian, Economic Development Manager  
*Contact Details:* david.julian@southsomerset.gov.uk or (01935) 462279

### **1. Purpose of Report**

1.1 This report discusses Superfast Broadband extension in Devon and Somerset and the releasing of previously agreed funding (made by the District Executive Committee in June, 2015) of £640,000 to the Connecting Devon and Somerset (CDS) Superfast (broadband) Extension Programme (SEP).

### **2. Public Interest**

2.1 The availability of high speed broadband is important to the economic and social wellbeing of the district. It is seen by many as essential to managing their day to day lives. Therefore it is critical infrastructure to the district, both for residents and businesses. SSDC in agreeing the Council Plan 2016 – 2021 have committed to the priority of supporting district-wide roll out of superfast broadband.

2.2 In the past four years much of South Somerset has benefitted from the roll-out of superfast broadband. Within the District 205 cabinets are currently live (fibre-enabled) with 12 soon to become live<sup>1</sup>. The Connecting Devon and Somerset Programme has averaged delivery of 7,000 premises a month and is on track to extend Superfast broadband to around 90% of premises by the end of 2016. At the end of the last quarter South Somerset had 46,500 premises connected to fibre delivered broadband via 195 cabinets.

2.3 Average broadband speed in the UK has more than quadrupled since 2010 – from 5.2Mbps in May 2010 to **28Mbps** in June 2015<sup>2</sup>.

2.4 CDS, the programme organisers, now aim to increase the availability of superfast broadband to 95% of South Somerset premises under the SEP. This programme takes advantage of various UK and European funding streams.

### **3. Recommendations**

3.1 Members consider the report and, in the light of the current position, determine whether to commit additional investment in Superfast Broadband to the CDS Phase 2 programme.

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<sup>1</sup> Note that these figures only relate to the Connecting Devon and Somerset roll out

<sup>2</sup> Ofcom Infrastructure Report, 2014

3.2 Should they confirm that they wish to invest £640,000, to delegate the signing of the collaboration agreement to the Assistant Director (Legal and Corporate Services (Ian Clarke) in consultation with the Leader of Council, the Portfolio Holder for Environment and Economic Development and the Strategic Director (Rina Singh).

#### **4. Background**

4.1 The current CDS programme is being delivered as a joint partnership of the following organisations that operate through a Collaboration Agreement across the partner organisations:

- Somerset and Devon County Councils
- Torbay Council
- Bath and North East Somerset and North Somerset Councils

4.2 Somerset County Council is the Accountable Body. It is proposed that the same partnership arrangement and governance is used as the basis of the Superfast Extension Programme but that it is extended to include the district councils who are providing capital investment to support the new extension programme. The CDS Board has been established to manage the project and the Somerset District Councils currently have one seat on the Board

4.3 On the 19th June 2014, South Somerset District Council District Executive agreed, in-principle, to a capital funding commitment of £0.64m which when added to the funding from the County council, LEP, and BDUK would deliver Superfast Broadband availability to an additional 5% of the district (approx. 6,290 additional premises) by the end of 2017 through the Superfast Extension programme (SEP). This would mean delivery to 95% of the district, since 90% will already be delivered under the current Connecting Devon and Somerset (CDS) programme.

4.3.1 The June 2014 District Executive agreed their contribution subject to:

- Satisfactory provision of a detailed assessment of the superfast broadband extension roll-out programme from which it is clear that it is favourable and beneficial to businesses in South Somerset.
- A satisfactory partnering agreement and governance arrangement to ensure that this Council is fully engaged and involved in the delivery of superfast broadband
- A satisfactory return can be guaranteed from the investment

#### **5. Current Position**

5.1 The procurement of a potential contractor to deliver the project is underway following an unsuccessful procurement exercise in 2015 in which the single bidder (BT) was deemed not to provide value for money with their offer in terms of coverage and timing.

- 5.2 A Collaboration Agreement must be signed by all parties which covers governance, financial contributions, dispute mechanisms, and liabilities. Somerset County Council wish for the Collaboration Agreement relating to the District Contributions for the next procurement phase to be completed by May 12<sup>th</sup> 2016 so that there is certainty regarding finance which will be available when the Invitation to Tender (ITT) is issued. CDS are currently awaiting the outcome of a public consultation on the Open Market Review (OMR) assessment. The consultation ends on 21 May. This exercise will inform the proposed 'lotting' strategy (breaking up the contract into different geographies). They are working to achieve 'lots' which are likely to be commercially attractive to suppliers. It is currently anticipated that these will need to be of a commercially viable size and will not be limited to individual district areas. There is no guarantee that 'lotting' will occur however, and this is subject to a board decision.
- 5.3 There have been a number of issues that have been of potential concern to this Council. The issues raised above are addressed more fully by a report prepared by SCC officers and attached at Appendix 1 - Draft Collaboration agreement Proposal. Key points are summarised below:-
- 5.4 **A satisfactory partnering agreement and governance arrangement to ensure that this council is fully engaged and involved in the delivery of superfast Broadband.**
- 5.5 At present there is one vote for Somerset Districts combined for the CDS Board (this is currently taken up by Cllr Williams, Leader of Taunton Deane Borough Council - agreed by the Somerset Leaders Group). As the Somerset Districts are potentially now providing significant contributions, comparable (collectively) to the proportions contributed by Somerset County Council and Devon County Council, the proposal is that representation levels would be increased to two from the districts. The two County authorities each have two votes on the board.
- 5.6 **Satisfactory provision of a detailed assessment of the superfast broadband extension roll-out programme from which it is clear that it is favourable and beneficial to businesses in South Somerset.**
- 5.7 CDS have explained that prior to an Invitation to Tender (ITT), it is not possible to provide a definite answer about the extra coverage that will be achieved because they do not know what solutions bidders will offer or what would be secured with any additional funding. Officers have asked if SSDC funding can be considered once the tenders are assessed.
- 5.8 SSDC are advised that the procurement process is complex and limits the ability to introduce money later into a contract as a dissatisfied bidder or even someone who did not bid at all could at a later stage challenge the contract award on the basis that they would have included a different bid ( or bid at all) had they known that additional money was available. For similar reasons we are advised it is not practical to have SSDC contribution available on a contingent basis to be allocated after the bids have been seen to demonstrate advantage to SSDC's communities. This we are advised would present a significant procurement risk for the project.



5.9 At present the board has not made a final decision on a 'lotting' strategy/super lots. This decision cannot be made until after the public consultation has closed and data analysed. However CDC has advised that a contract could only be awarded to the best provider for each 'lot'.

5.10 CDS can confirm that, if approved, any allocation of district money will be spent in the district, but the method for assurance is not evidenced. As the contracts progress continuing assurance will be necessary for both technical and financial issues. It is anticipated that the new ITT will require bidders to respond on a premise (as opposed to a post code) basis and this should afford good opportunity to ensure detailed assessment of both the initial bid as well as the implementation of the programme.

5.11 SSSDC's contribution can be seen in context to the total value of the Phase 2 programme in the table below.

<b>FUNDER</b>	<b>CONTRIBUTION £</b>	<b>STATUS</b>	<b>CONDITIONS</b>
SCC	1.6m	Confirmed	
DCC	2.4m	Confirmed	
SOMERSET DISTRICTS	1.5m	Confirmed	Evidence req'd of spend in each District
NORTH SOMERSET	0.2m	Confirmed	Evidence req'd of spend in each District
BATH & NE SOMERSET	0.2m	Confirmed	Evidence req'd of spend in each District
ERDF	4.3m	Pending	60% eligible spend in Devon on SME connectivity 50% eligible spend in Somerset on SME connectivity
LEP	9.5m	Confirmed	Business connectivity
BDUK	20.6m	Confirmed	
	<b>TOTAL ALL CONFIRMED FUNDING</b>		<b>36.4m</b>
	<b>PENDING FUNDS</b>		<b>4.3m</b>
	<b>TOTAL ALL FUNDS</b>		<b>40.7m</b>

5.12 SSSDC has expressed a wish that the benefit of the programme be targeted at businesses. However, although there is some scope for prioritising businesses, this would be weighed against the purpose of the programme which attempts to balance value for money with bringing Broadband and SFBB to rural/ very rural communities to reduce the digital divide. The rationale of the tender being is to get as much SFBB coverage as possible across the whole region (SCC report Appendix 1 para 5.2)

Deployment therefore will mainly be limited by what the market offers in the tender responses.

## 6. The Collaboration Agreement.

6.1 In committing to sign the agreement there are some key risks and issues to consider. There is a specific risk related to the procurement itself as each partner will indemnify the lead authority for its proportionate share of the procurement exercise and the contract management process, based on contributions made. The cost sharing relating to liability is on the following basis and therefore limits the liability of each partner as outlined in the table below:

B&NES	3.27%
DEVON	37.64%
MENDIP	6.55%
NORTH SOMERSET	6.27%
SEDGEMOOR	5.56%
SOMERSET	24.22%
SOUTH SOMERSET	10.47%
TAUNTON DEANE	6.22%
WEST SOMERSET	2.78%

6.2 The exposure of South Somerset District Council is therefore relatively high compared to other districts in Somerset and remains a risk associated with process. This risk should be addressed by good procurement practice is letting the contract and robust contract management in the delivery phase. However this would take place via the board representative which may or may not be an SSDC officer or member.

6.3 At the present time, these matters have not been entirely resolved and discussions continue. A verbal update will be given at the meeting to allow Members to make a decision (given by South Somerset and Somerset County Council officers).

## 7. Summary

7.1 Due to the limitations of the tender process as advised there is no hard and fast way of guaranteeing the level of coverage for the additional SSDC contribution of £640k. As discussed above and in appendix one the exact coverage in each District is not guaranteed.

7.2 It is logical to assume that the greater the investment, offered by SSDC contributing the greater the return to South Somerset and the greater the match funding.

7.3 The procurement process is complex and it is not clear from the collaboration agreement how the assurance processes are capable of being monitored at a district level.

- 7.4 If districts don't invest in the Phase 2 roll out they will simply get the coverage that the ITT delivers based on bids and from existing funding sources ( Para 5.7 SCC Report Appendix 1) .
- 7.5 Board representation has been partially addressed by providing a second place on the CDS Board which will give Districts the same number of votes as Somerset and Devon County Councils, and should members wish to participate they will have to decide if this provides satisfactory re-assurance.
- 7.6 Questions around the apportionment of indemnity carried by districts are not clear. The risk areas related to the agreement are outlined in the report. Formal legal advice will be provided to the Assistant Director Legal and Democratic Services prior to sign off on the agreement. Should members decide to contribute the sign off will be informed by this advice.
- 7.7 From all information provided and viewed it would not appear feasible to undertake a competing South Somerset alternative to this large scale and complex procurement exercise. However small scale assistance to particular communities is possible through grant schemes. Some of these options were described in the previous report to District Executive and is attached at appendix

## **8. Financial Implications**

- 8.1 If members agree to funding of £640,000 the grant will be found from Useable Capital Receipts. Currently £16.4 million is available i.e. not committed within the current capital programme. A sum of £20,160 will need to be added to the savings to find within the 2017/18 Medium Term Financial Plan to replace the loss of interest.

## **9. Corporate Priority Implications**

- 9.1 SSDC Council Plan 2016 – 2021 indicates a priority of supporting district-wide roll out of superfast broadband.
- 9.2 The Economic Development Team are currently writing the SSDC Economic Development Strategy 2016-2019 which states as an objective that we will ensure the provision of a competitive digital infrastructure by supporting the CDS programme.

## **10. Carbon Emissions and Climate Change Implications**

- 10.1 There are no current implications associated with this report though the extension programme assists improvements in communication and the reduction of energy use.

## **11. Equality and Diversity Implications**

- 11.1 In preparing this report, due consideration has been given SSDC's statutory Equality duties Section 149(1) of the Equality Act 2010.

11.2 Aspects of this project related to subsidising the rollout of broadband have a low relevance to equality, whilst implementation has a medium relevance to equality. Having greater superfast broadband coverage has the potential to impact positively and consequently there are negatives if there is not full coverage in the District.

11.3 A programme of digital inclusion is being undertaken in the district to ensure that people are supported to use the internet in ways that will enhance their quality of life and contribute towards helping overcome other disadvantages which they may face.

## **12. Background Papers**

- District Executive Report 19th June 2014 – Match Funding for the Superfast Broadband Extension Programme.
- Broadband Task and Finish Group Scrutiny Review, Sept, 2014.
- Superfast Broadband Extension Programme – Decision on SSDC funding contributions, June 2015.
- Connecting Devon and Somerset Members Briefing, April 2016.
- <http://www.connectingdevonandsomerset.co.uk/> is also a recommended source of considerable background information and further detail.

## APPENDIX 1

### SOMERSET COUNTY COUNCIL REPORT

#### DRAFT COLLABORATION AGREEMENT PROPOSAL

1. Somerset districts had previously agreed in principle to make a financial contribution in the Phase 2 procurement to further extend Broadband coverage within their respective areas than would otherwise be achieved with the existing funding sources available. In order for districts to finalise their commitments further approvals are required through each individual authority's internal mechanisms.
2. During the initial procurement process in June 2015 issues arose due to the short timescale required for the sign off the collaboration agreement. The main issues identified at that time were;
  - 2.1 Indemnities
  - 2.2 Representation on the programme board
  - 2.3 Local outcomes and ring fencing of funds
  - 2.4 Repayment of contributions for termination/ early withdrawal
  - 2.5 Timing and governance issues for the respective parties

#### Proposal

#### 3. Indemnities relating to the procurement and contract process:

- 3.1 The collaboration agreement is to reflect a balance of responsibility between the participating parties. It is appropriate for SCC and DCC to have indemnities from the participants as they are bearing the risk related to the procurement and contract process.
- 3.2 SCC /DCC are seeking comfort from all partners for any additional costs/ liabilities that they may incur as a result of procuring/ entering the contract if costs/ responsibilities arise which are not due to their fault. The principle being that such liabilities should be shared by all those contributing to the procurement of the service.
- 3.3 This element of the agreement requests indemnity in proportion to the contribution made by each authority. This creates an equitable situation reflecting the collaborative nature of the partnership.
- 3.4 It should be noted that if each district ran its own procurement individually it would bear the full cost and risk. This would include the processes relating to securing a state aid notice. Whilst individuals may aspire to this costs would be significant. NB In line with the principle of proportionality SCC and DCC are making the majority of the contribution so will bear most of any such "unexpected" costs. Therefore SCC and DCC are incentivised to keep and such risk and cost to a minimum.
- 3.5 **Alternatives** – if a party is not prepared to accept its proportionate part of the costs that means that other parties will have to accept a greater share of the risk. All parties are under similar financial constraints. It is unlikely that other bodies

will be prepared to underwrite another party, indeed there appears to be no reason for others to do so even if they could.

3.6 **Solution** – Unfortunately this condition is requirement of the agreement. A collaboration agreement in similar terms has been reached in respect of the “moors” contract awarded to Airband where cost and risk were shared in this way.

#### 4. Board Representation:

4.1 Concerns that districts did not have sufficient voice on the board. At present there is 1 vote combined for the CDS board which was secured as an element of the debate around phase 2 of the rollout. The representative is chose from the Somerset Leaders Group.

4.2 As the Somerset districts are providing significant contributions, comparable (collectively) to the proportions contributed by SCC and DCC there is a belief that representation levels should be increased. The 2 county authorities have 2 votes on the board. It is proposed that the districts collectively have 2 votes on the board.

4.3 **Solution** CDS proposes one member and one officer from the districts should join the board. The districts would need to decide how they wish to manage this – possibly representation from 2 separate districts. The importance of confidentiality and acceptance of majority decisions is paramount.

4.4 It should be noted that the board has historically arrived at unanimous decisions and that influence and feedback is an ongoing matter. If districts wish to provide officer capacity to work on the project as contract(s) progress that would be welcomed.

#### 5. Outcomes /ring fencing:

5.1 Concerns about return for district investment. Limitations of the tender process mean that it is difficult to identify with precision the coverage of the contract before tenders are returned. The whole CDS area which is < 24 mbps (Superfast) will form the contract intervention area for improved coverage in the phase 2 procurement. However the tender will provide for weighting for “priority” areas. These will be influenced by the funding source e.g. LEP money for business connections.

5.2 It is important to understand that the Connecting Devon and Somerset Broadband Plan (with its various updates) is the bedrock of the principles that underpin the Broadband strategy and deployment. This.

5.3 **Solution:** CDS can confirm that district money will be spent in district. However due to the need to show VFM it will not be possible to guarantee a level of coverage for any area. Broadband infrastructure does not easily break down according to district, but rather by geography and other constraints related to the respective technologies.

5.4 Districts will therefore not be able to have a final say on where investment is deployed. Deployment will mainly be limited by what the market offers in the tender responses.

5.5 It is important to appreciate that if the ITT is too complicated bidders may not bid or there may be a reciprocal increase in costs and decrease in coverage.

5.6 In summary the ITT will seek a minimum level of coverage in each area (this may be by individual zone or a “super lot”) but the final extent of coverage which will be provided will be dependent on the tender response. The final level of coverage within the tender response cannot be guaranteed. The ITT will ensure though that each contributing district’s financial stake will be spent in district and the VFM is maximised.

5.7 **Alternatives:** The question has been raised why a district should contribute if it cannot guarantee that it will get “extra” for its money. This appears to miss the point of the district contribution and indeed the way in which a tender of this nature operates. Put simply if a district does not wish to invest in Broadband then it does not have to. That district will simply get the response which is achieved through the overall ITT whatever the market decides to provide. The opportunity that is offered to each district is to secure additional cover within district to the amount of their funding contribution. This would be achieved without the district incurring the usual overheads of procurement and running a contract for the amount of the district investment. If districts do not wish to engage in this collaborative arrangement then they must indicate at an early stage so that the ITT is prepared on an accurate financial footing. Bidders will put forward such proposals as they wish for the amount of public subsidy available. If there is less public subsidy the bidders will simply provide less coverage. Clearly districts that do not wish to collaborate would not be a party to the coverage agreements and would be at a disadvantage when information was shared within the partnership.

## **Repayment of contributions**

6. Concern about ability to withdraw funding before the end of the project. This cannot be encouraged due to the impact on other participants. Withdrawal would only be possible if the contract were inoperable. E.g. if zoning resulted in no cover for a particular area it may be necessary to consider the position and other alternatives to remedy the position. E.g. to see whether gainshare could be used to secure a solution.
7. **Solution:** Unfortunately due to the impact on others this condition would be a requirement of the agreement.
8. **Timing:** Issues such as state aid are currently being considered but it is anticipated that the ITT will be issued over the next couple of months and district commitment will be required before Easter. Districts are therefore asked to do two things:
  - Finalise their financial commitments through their own internal mechanisms
  - Arrange via their legal representatives to authorise signing of the collaboration agreement

## **APPENDIX 2**

### **Alternative options/examples to the CDS Programme**

The case studies below are examples of Councils that have taken an alternative option to receiving superfast broadband in their area. By exploring alternatives, SSSC can make a more informed decision about their own options for superfast broadband.

#### **West Oxfordshire District Council (WODC)**

This is a public/private partnership agreement between WODC and Cotswold's Broadband through a £1.6 million loan that was matched by BDUK.

Details of this deal are available, but several key points emerged in our enquiries that made such a model unattractive to SSSC:

The loan is match funded by BDUK but only because of the long operational history between WODC, Cotswold Broadband and BDUK. The match funding was not the result of a speculative bid to BDUK but the development of a pre-existing option.

State Aid issues have been triggered and resolutions/outcomes are still awaited at the time of writing.

#### **Eastbourne Borough Council**

Eastbourne is now benefitting from a high speed fibre optic broadband network along its coastal edge. This has been provided via a special arrangement involving Eastbourne Borough Council which invested £367,000 in a broadband infrastructure supply company, CloudConnX, which has developed the town's new broadband network. The investment in CloudConnX also stands to provide the local authority with a future return over the next five years over and above the £367,000 originally laid down.

Eastbourne's unique linear geography made this particular type of broadband provision possible and it is unlikely to represent a suitable model for South Somerset.

#### **Broadway Partners**

Officers from SSSC met with Broadway Partners (telecoms and broadband specialists) in February 2015. Broadway Partners were instrumental in the creation of the West Oxfordshire model referred to above.

Whilst it is possible to further explore a joint partnership venture, key issues were identified as a result of the discussions:

- There would be no match funding available from BDUK (and in this instance no opportunity to match fund with SCC).
- A JV contract would probably have to be procured through an open tendering process.



- There would clearly need to be a heavy commitment in terms of officer time in the preparation and business planning for such a venture

On the positive side, it was unlikely that State Aid issues would be triggered because of the absence of match funding through BDUK.

### **ITS technology Group**

Officers contacted this company that specialise in the superfast connection of remote rural areas. They are currently working on rural broadband infill projects and can provide potential solutions. This group were however keen to know the outcome of the CDS bidding process, and thus where possible gaps might exist before undertaking any detailed feasibility work.

### **Community led solutions**

For communities that are outside the SEP area or for communities who want to take more control by bringing forward delivery of this service, then a community led initiative, procured & funded by subscribers, *may* be an option. In all instances, a bespoke approach would be required with its own business case to assess the issues and costs of taking the technology to those places. Initiating this work will require an intensive amount of officer resource and we would need to ensure that it did not fall within the current CDS delivery or planned SEP.

SSDC could have a role in enabling these communities to work towards solutions. It would be possible to advise on any external funding sources and possibly offer our own grants and/or loans. There are many examples of “pioneer” communities who have decided to be proactive and deliver their own solutions. This solution is not mutually exclusive with the other options but would offer another method for remote communities who want to get connected. There are currently service providers working with communities to deliver Superfast Broadband through 3G telecommunication, but this route can restrict choice in a community to a single provider.

The information below is taken from BT’s live website and provides information to rural communities on possible options they can take to receive superfast broadband. The BT website also advises communities interested in gap funding that before they enquire they should check if the community is scheduled to get superfast fibre broadband as part of the national rollout, or under the government’s BDUK initiative. BT directs visitors to the postcode checker at [www.superfast-openreach.co.uk](http://www.superfast-openreach.co.uk). Only then, if the community is not recognised on either list do they suggest emailing them so they can come and speak to them.

### **Connecting Devon and Somerset Voucher Scheme**

Connecting Devon and Somerset has committed to bringing broadband to everyone within the Programme area. If premises are not yet able to receive broadband speeds of over 2Mbps residents may be able to get connected through the CDS voucher scheme. The scheme will provide a subsidy of up to £500, in the form of a voucher code, to fund the installation of a new broadband connection. Each premise can choose their supplier from the list approved by CDS; with every solution guaranteeing a minimum of 10Mbps download speed.

The scheme will run for one year up until the March 2017 and is open to individual residents, small businesses and communities. Individuals, small business and communities must

approach the suppliers on the Voucher Scheme for further details of their services and decide on the best fit with their requirements. Communities should work with suppliers to decide on a solution, however the individual voucher holder is able select their own supplier and a group cannot make a decision on behalf of another. Any premises connected through the scheme are still eligible for later extensions of the broader Programme.

### **Rural Broadband options**

Community broadband projects have worked with small ISPs (altnets) to bypass the system rather than working within it or lobbying established providers for access in order to bring better internet access to whole villages.

#### **What is gap funding?**

The gap funding model is where Openreach pay the economically viable cost and private funding covers the remainder – making it a great option for communities to consider.

#### **What is privately-funded broadband?**

Privately-funded fibre broadband is when a local community (that is not on BT's commercial roll-out plans or within BDUK areas) 'self-funds' some of the cost of having Fibre to the Cabinet (FTTC) to their local exchange. They do not bear the complete cost, but what is referred to as 'the gap'. Rural areas of the UK are very expensive to reach, and cost more than BT's commercial deployment. It takes much longer for Openreach to break even on these kinds of investments. This means the really rural areas don't meet Openreach's standard commercial business case. BT ask for a gap fund to subsidise the cost difference, so that the time it takes to break even is the same as it would be for Openreach's commercial deployment.

#### **When should a community look to go down the privately-funded path?**

A community would typically look to fund their own fibre when it is:

- Not on the BT roll-out, in BDUK plans or is too far away from a BDUK cabinet.
- Capable of generating the necessary funds.

#### **If you're interested in privately-funded fibre, how do you find out what is possible?**

The first step is to contact your county council and find out if they've had any other similar queries or have a plan in place for your area. You could also start a local action group or look out for existing groups via the local media.

#### **How long does it take to have fibre broadband once you've agreed a deal with Openreach?**

The average lead time from contract signature (with Openreach) to enablement (of the infrastructure to enable service) is approximately nine months. This will all depend on the amount and complexity of the infrastructure that needs to be deployed.

### **How much will it cost my community?**

This is dependent on the amount of infrastructure that needs to be deployed. And this will differ from community to community. A community will only be asked to cover costs above those of the BT commercial model. Once agreed, 50% of the gap funding must be paid prior to work starting and the final 50% on completion (once the infrastructure is in place it becomes part of the BT National Network). It is the responsibility of Openreach to maintain and update the infrastructure.

### **Will a community have a choice of which voice and fibre broadband supplier they have?**

Yes, Openreach provides access to its network on an equal basis. This means that wherever they deploy fibre, a whole range of different service providers can offer broadband, bringing plenty of choice to consumers and local businesses.

### **What bandwidths will be available?**

Bandwidths will range from up to 80 Mbit/s at a network level.

Final speeds are dependent on each property's distance from the fibre cabinet (typically they would expect a minimum of 15 Mbit/s at a range of approx. 900 metres from the cabinet). The speed will increase as the distance to the cabinet decreases (the closer you live the better the speed at a network level).

### **Can a community have either Fibre to the Premises (FTTP) or Fibre to the Cabinet (FTTC)?**

This depends on the local infrastructure and where you are. This will be explained as part of the initial engagement process.

### **Is it more expensive to fund FTTP?**

Yes, FTTP delivers the fibre from the exchange right to your property (instead of to the cabinet), which means installation and infrastructure costs are higher. In order to benefit from FTTP, the cabinet you are currently connected to for voice and broadband services will have needed to already be enabled for FTTC, so this challenge must be tackled first.

### **Demanding FTTC and FTTP**

From the end of March 2013, it became possible to order Fibre to the Premises (FTTP), cables which can offer up to 300Mb speeds, on demand. The local exchange will already

need to be FTTC enabled and prices are based on the distance from the properties to the local fibre point, which in a rural area could be some way.

Providers will be keen for fibre to 'catch on' and go to many households once it's at one in a local area, so demonstrating strong local community demand could help.

Other villages have done a similar thing by using very local ISPs to, essentially, unbundle their local exchange and install new equipment. In April 2010, for example, local investors raised £37,000 to bring fibre broadband to Lyddington, Rutland in this way. Three's Rural Broadband Working Group also provided 11 communities with free 3G access in August 2011.

### **Using an altnet to get connected**

Other villages have chosen to bypass BT altogether and ask a private company to install a local network. That can take the form of a high-speed wi-fi network - so the company will lay a fibre line to a transmitter on a high point like a public building and then subscribers in the local area buy their own aerials to pick up the signal - or a fixed line fibre network.

In Ashby de la Launde, Lincolnshire, for example, wi-fi has provided up to 70Mb broadband speeds and the Broadband for Rural North (B4RN) fibre project has bought 1Gb speeds to several villages in rural Lancashire.

### **Claverton Parish and CDS**

Claverton Parish Council is a particularly interesting case study because they are within the District of Bath and North East Somerset which means they are within the boundaries of the CDS programme. Not all areas in Devon and Somerset are included in the rollout scheme because of their rural location. This Parish Council were able to find out after a great deal of time and effort that they were not included in the scheme and pursued their own solution to A recent news story about a project led by Dr Rodger Sykes (CEO of a technology company in Claverton) has raised interest in alternative ways of receiving broadband in villages and rural areas. The Parish privately co-funded a local fibre network with BT Open Reach and the project took three years to complete (2012-2015). They knew as an area that they would have to wait for BT to roll out their scheme to them so they worked with BT to solve the problem and 'jump the queue'. Claverton was outside the original footprint for superfast broadband (CDS planned 90-95% coverage). In 2012 a state aid application was made and if an area was planned to be commercially covered then CDS were not allowed to invest in this area under European Commission state aid regulations. Claverton discovered it was not included in the BT rollout plans so decided to fund a new cabinet rather than wait to be included in a future scheme as this could have taken several years. BT proposed a co-funded model and the community raised the necessary monies that BT defined.

In regards to how much money they had to invest as a community, a statement from Claverton Parish Council in 2013 states:

*Cllr Sykes updated the Parish Council that the Claverton Broadband working group have now received the draft engagement offer from BT Openreach for the installation of the necessary cabinet equipment to enable the upgrading of the Broadband service to the village to Infinity (superfast broadband).*

The required community contribution cost is £40,081 exclusive of VAT. VAT at 20% will add a further £8,016 to the cost. The total cost including VAT is £48,097.20. This is a fixed price contract, providing it is accepted within a 60 day period. If the contract is signed by the end of August BT will also commit to the project being completed by May 2014.

It's worth pointing out that the final cost may have changed since then, not least because Openreach was in discussion with HMRC as to the necessity of charging VAT on projects of this type.

Below is a table of rural communities that have discovered that they are not covered under BT's rollout scheme or BDUK. There is no information online of how these communities found out that they were not included in any scheme and were eligible to apply for alternative funding.

**Communities that have taken different approaches to achieving superfast broadband in their area**

<b>Community</b>	<b>Approach</b>	<b>Achievement</b>
Village of Ashley, Northamptonshire	Ashley Broadband Funding Campaign: raised £15k to close the funding gap (50% each). This offer price was only available if they committed to being part of the work schedule for the 2 <sup>nd</sup> quarter or 2015. At a later date it would have cost £47k.	Guaranteed access to fibre broadband by Spring 2015. Download speeds from 30 Mbps to 80Mbps. Customer service speeds depend on the product, distance from cabinet and internal wiring in their property.
Lancaster Way Business Park, Ely	Discovered business park was not included in the Cambridgeshire rollout programme, met with Annette Thorpe (BT Regional Partnership Director for East of England) and agreed to privately fund a cabinet for the Park's residents. No figure provided for cost.	Tenants can receive download speeds of just under 60Mbps and upload speeds of around 20 Mbps.
Binfield Heath, Oxfordshire	Discovered they were not to be included in BT's commercial fibre roll-out plans because the economics of delivering fibre broadband were too challenging. Caversham local exchange already upgraded so residents raised £56k to contribute towards the cost of upgrading and rearranging the broadband network serving the village. They had 2 new cabinets installed and a fibre link back to Caversham exchange.	Residents and businesses have access to broadband speeds of up to 80Mbps.
Fell End, Cumbria	There are 58 properties spread over a remote 11k area. The project cost more than £100k and was a partnership between the local	Use an innovative engineering solution: the ducting that houses fibre optic cable is being laid using a technique

<b>Community</b>	<b>Approach</b>	<b>Achievement</b>
	community, Rural Community Broadband Fund, the Prince's Countryside Fund, the Holhird Trust, TalkTalk Digital Heroes and BT.	known as mole ploughing (mini diggers). Residents able to get FTTP download speed of 300Mbps
Islip village, Oxfordshire	Not included in BT's commercial fibre roll-out plans. Nearby Kidlington, the local exchange was already fibre-enabled. Residents joined a partnership with BT and raised £11k towards the cost of laying a new fibre network to the village.	Households and businesses can receive broadband speeds of more than 30Mbps
Little Wenlock, Shropshire	Discovered they were unlikely to get superfast fibre broadband through a commercial rollout or local authority upgrade they joined into partnership with BT and raised more than £30k from UK Coal's Community Fund with additional funds from OpenReach. Nearby telephone exchange Dawley already upgraded to fibre broadband.	Residents now receive download speeds of up to 80Mbps and upload speeds of up to 20Mbps.
Preston Village, Hertfordshire	The village committee wrote to the CEO of BT asking for help to increase their original band width (.25Mbps). BT claimed it was not commercially viable to connect them to their own cabinet and they were 5.5km from the exchange. The committee raised the money needed for BT to provide the cabinet.	Residents can now receive download speeds averaging 55Mbps
Frilford, Oxfordshire	Discovered they were not included in the Oxfordshire rollout programme so they teamed up with Gigaclear <sup>3</sup> who provided residents with fibre broadband for £100 per connection plus a monthly fee starting at £37 depending on speed required. Residents can also choose to lay a fibre cable from the boundary of their property to their home themselves or pay for an installer to lay the cable for around £85 for a 25m installation.	Superfast broadband speed of up to 1000Mbps delivered by Gigaclear
Darley, North Yorkshire	Local residents and the local council campaigned to secure funding from	New wireless network installed July 2012 by

<sup>3</sup> Gigaclear is a privately funded company who specialise in providing the infrastructure of ultrafast fibre to the premises (FTTP) broadband for rural communities. For villages and rural communities to be eligible for a Gigaclear connection they need to be underserved by another high speed broadband provider, have at least 400 properties and at least 30% of residents need to sign up for the service. Location also matters however, Gigaclear will confirm this for applicants, but communities need to be within 3km of a fibre backbone provider or an existing Gigaclear community.

Community	Approach	Achievement
	Government for the scheme, and partnered with LN Communications who provided the private funding and infrastructure. £90 installation fee (equipment and installation), router £50 (or can buy own) and prices range from £14.99 to £24.99 per month.	installing signal receivers at high points within the community to provide line of sight connections to houses and businesses. Once installed, residents can buy their own signal receiver. Speeds up to 50Mbps
Hambleton, Buckinghamshire	Area was a complete broadband not-spot until March, 2010. Residents raised £25k and received £5k from local council to establish a wireless broadband network for the village. Cost £49.50 for installation per household and £29.50 a month with small businesses able to get faster speeds for £50 a month. Village Networks <sup>4</sup> carried out installation at £222 per property without the funding subsidy.	6Mbps available for residents and 10Mbps for small businesses delivered by Village Networks, Wimax
Forest of Bowland and the Lune Valley, Lancashire	Residents of 8 parishes in Lancashire dug channels across fields and lay their own fibre cables. Project began in 2012 when local residents formed a community led company, Broadband for the Rural North (B4RN) <sup>5</sup> . BT estimate connections to property in the area around £10k, laying the cables themselves reduced this to £1k per property. Residents then pay £30pm	Residents receive broadband speeds of 1000Mbps at £30 per month after self-installation
Iwade, Kent	In March 2010 residents noticed that a local BT exchange was about to be upgraded to a FTTC service but their more rural exchange was not. Parish Council formed a partnership with BT and received £13k from Kent County Council's broadband fund to upgrade their exchange plus £75 per household to cover cost of installing a fibre service.	Able to receive up to 40Mbps (superfast fibre broadband) by being served by the neighbouring telephone exchange in nearby Sittingbourne

<sup>4</sup> Village Networks operates throughout Buckinghamshire: <http://173.254.28.86/~villagf5/index.html>

<sup>5</sup> B4RN, Broadband for the Rural North, is a not-for-profit company set up to provide community owned fibre networks to villages in Lancashire: <http://b4rn.org.uk/>

# Agenda Item 12

## **Establishment of Strategic Alliance between South Somerset and Sedgemoor District Councils**

*Executive Portfolio Holder:* Cllr. Ric Pallister, Leader, Strategy & Policy  
*Strategic Directors:* Rina Singh, Strategic Director (Place & Performance) & Acting CEO  
Kerry Rickards, CEO, Sedgemoor District Council  
*Contact Details:* rina.singh@southsomerset.gov.uk or 01935 462010  
kerry.rickards@sedgemoor.gov.uk or 01278 435423

### **Purpose of the Report**

This report puts forward work streams and ways of joint working that can be explored as part of the Strategic Alliance with Sedgemoor District Council.

### **Public Interest**

South Somerset District Council agreed to work with Sedgemoor District Council to form a Strategic Alliance with a view to contributing to efficiency savings, exerting influence and creating resilience. This report informs elected members about the work done to date and seeks approval for next steps.

### **Recommendations**

Members are requested to:-

1. Note the progress made by the South Somerset Working Group in creating a Strategic Alliance with Sedgemoor District Council;
2. Note the agreed joint protocol for recruitment by both authorities;
3. Approve the work streams as outlined in sections 3.2 and 3.3 of this report;
4. Approve the high level route map attached in Appendix 1.

## **1. Background**

1.1 Members will recall that between October 2015 and February 2016 both South Somerset and Sedgemoor District Councils undertook the development of business cases to explore the opportunities of joint working. The conclusion of this work was the resolution to continue work to explore the establishment of a strategic alliance between the partners.

1.2 This alliance would be developed to generate efficiencies and savings either by reducing costs or increasing income, strengthening resilience for the partners and increasing their joint voice nationally and regionally. The resolutions agreed by Council on 25<sup>th</sup> February 2016 are provided below:

- 1.2.1 not to create a Joint Authority at this time;



- 1.2.2 to request that the Working Group investigates a Strategic Alliance between the two authorities and brings forward proposals for the scope of such an alliance to Full Council in May 2016;
- 1.2.3 to retain the Joint Leaders Advisory Group to drive and monitor progress on the creation and implementation of a Strategic Alliance;
- 1.2.4 to review the proposals again against the emerging regional situation in December 2016;
- 1.2.5 that initial priorities for inclusion in any strategic alliance are:
  - A Joint Income Generation Board to generate ideas and seek potential joint initiatives.
  - To continue monitoring of opportunities across the two authorities so that, where possible, vacant posts are filled in either council without the need for external recruitment.
  - A review of potential opportunities for alternative means of service delivery that would be unaffected by the scope of transformation.

## **2. Progress to date**

- 2.1 Since the resolutions were passed in late February preliminary work has been undertaken to explore opportunities and identify areas in which the alliance could be most meaningful. This work takes into account the three initial priorities in 1.2.5 above.
- 2.2 The Joint Leaders Advisory Group (JLAG) considered that in order to develop a meaningful strategic alliance both parties need to agree two key things, what they wish to work together on and how they will ensure that the operational infrastructure is in place to deliver it. Both of these issues are explored more fully in sections 3 and 4.
- 2.3 Consideration has also been given to work that is ongoing in each of the authorities, particularly where income through trading is being increased or companies are being established to enable service expansion or diversification.
- 2.4 In summary the group believes there are three key work-streams.
  - Look at what we do well now and do more of it
  - Realise opportunities and sell, either assets or services
  - Realise opportunities and develop, either assets or services

## **3. Key Areas to Develop a Strategic Alliance**

- 3.1 The creation of a strategic alliance could have the potential to strengthen each partner without the need for whole scale restructuring. Discussions within the group have concluded that greatest benefit could be achieved by identifying a small number of primary work packages rather than seeking to address a wide menu of service areas. These primary work packages would be those on which the alliance would be judged. In addition they could be supplemented by a number, again small, of secondary work streams which may be more opportunistic or lower profile in nature.
- 3.2 Primary work streams – The key area that has been identified in the past is the focus on income generation. The aim of each would be to either increase income generation potential or reduce the net cost of each authority.

- Housing development and lettings – establishment of a company structure to support this.
  - Expansion of the trading opportunities for services delivered by the Sedgemoor clean surrounds and South Somerset street scene teams.
  - Explore joint opportunities to work with an energy company to become a local energy supplier.
- 3.3 Secondary work streams – these have the same priority but perhaps more operational; they could include
- Joint response to consultation documents
  - Sharing specialist plant and vehicles
  - Procurement
- 3.4 The JLAG felt that clear plans including a route map should be developed. This would also include the identification of resources and targets against success would be managed. A high level route map has been developed (Appendix1).

#### **4. Sharing and Resilience**

- 4.1 During the work on the business cases it was recognised that benefits could be achieved in the two workforces working more closely together. This does not require a full review of structures or bringing those structures together in a new form. However, both councils are facing financial challenges and risks to their resilience. As a consequence a protocol (Appendix 2) for filling vacant posts was agreed to allow for the sharing of expertise and also to give greater protection and opportunity for staff. In order for the strategic alliance to gain traction and recognition by staff, it is recommended that joint protocols or agreements be developed to support closer working and reduce duplication.
- 4.2 By developing a range of protocols it is hoped that officers' confidence in the alliance would be strengthened. This could include
- Recruitment
  - Training
  - Sharing best practice
  - Sharing specialist officers, e.g. drainage, conservation, risk, procurement, scrutiny

All of the above should support increased resilience between the partners.

- 4.3 In addition it is recommended that both strategic / extended management teams (including Group Managers and Assistant Directors) meet quarterly to discuss key issues and share experience. Again this should increase trust, allow for sharing of experience, thinking and resources and therefore enhance resilience and strengthen the voice of the alliance.
- 4.4 Currently both authorities have member and officer boards to deal with key priorities.

South Somerset District Council has three boards:-

- Regeneration Board
- Income Generation Board
- Transformation Board

Sedgemoor District Council has:-

- Income Generation
- Staff savings
- Third party expenditure

The JLAG would receive regular update reports from individual Council Boards.

A mechanism for involvement of staff of both authorities through a joint Income Generation Board will be established as agreed by Council (Section 1.2.5) JLAG will act as the potential clearing house for all potential opportunities for joint income generation decisions.

### **Financial Implications**

There are no additional financial implications in scoping the projects that are set out in Appendix 1. Any costs will be kept to a minimum and found within existing budgets.

### **Council Plan Implications**

None directly arising from this report.

### **Carbon Emissions and Climate Change Implications**

None directly arising from this report.

### **Equality and Diversity Implications**

See attached report – Appendix 3.

### **Privacy Impact Assessment**

None directly arising from this report.

### **Background Papers**

None.

## STRATEGIC ALLIANCE – ACTION PLAN

Project	Lead Officers SSDC/SDC	Scoping Completed by:-
Housing development and lettings – establishment of a company structure to support this.	Steve Joel (lettings) Martin Woods (Rina Singh) (housing development)/Allison Griffin	1 September 2016
Expansion of the trading opportunities for services delivered by the Sedgemoor clean surrounds and South Somerset street scene teams.	To be confirmed/Adrian Gardner	1 September 2016
Explore joint opportunities to work with an energy company to energy company to become a local energy supplier.	Laurence Willis/Teresa Harvey	1 September 2016
Transformation Share Knowledge and experience	Rina Singh/ Bob Brown	1 September 2016
Nuclear	Martin Woods/Doug Bamsey	1 September 2016
Joint response to consultation documents	Angela Cox/Claire Faun	1 September 2016
Sharing specialist plant and vehicles	Vega Sturgess/Richard Stokes	1 September 2016
Procurement	Donna Parham/Bob Brown	1 September 2016
Income Generation	Laurence Willis/Doug Bamsey	1 September 2016

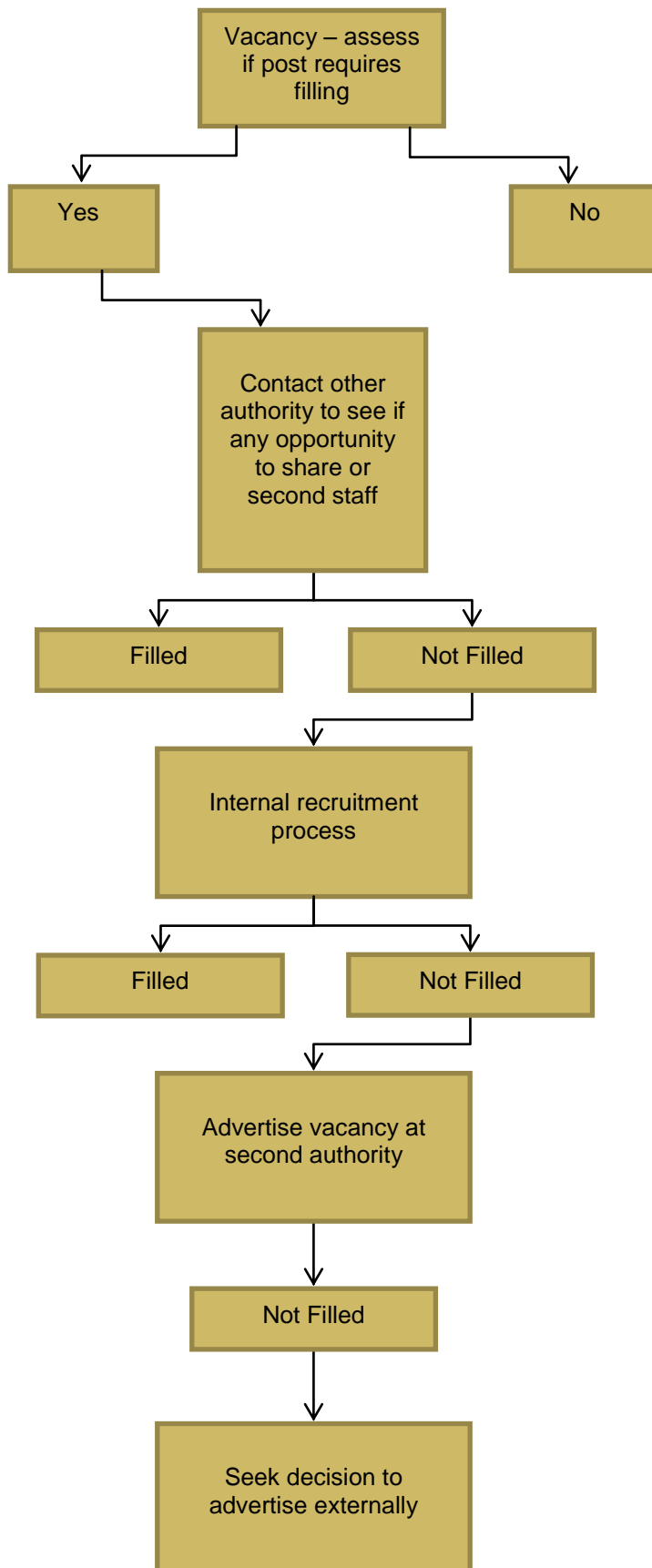
**Reciprocal arrangements between South Somerset District Council and Sedgemoor District Council for the efficient management of staff resources**

**Purpose**

To recommend a practical approach to the filling of vacant posts in support of the Strategic Alliance between our two Councils. Whilst our two organisations will continue to maintain their autonomy, there is nevertheless an opportunity to be gained from retaining and developing the reciprocal arrangements between us in terms of staff resources.

It would continue to make sense, where practicable, that both Councils explore opportunities to share or second staff as a means to filling a vacant post. (see process overleaf)

Both authorities will ensure that early discussions are had with their counterpart service to explore possible opportunities for sharing staff resources, partnering or the like ahead of advertising opportunities internally and before any form of external advertising is agreed.



**Equality Analysis – Establishment of Strategic Alliance between South Somerset and Sedgemoor**

<b>Impact</b>	Unable to determine at this stage	<b>Lead Officer</b>	SSDC/SDC
<b>Date of EqA</b>	10/05/16	<b>EqA Review Date</b>	10/05/16

**Why are you completing the equality analysis?** - Financial Savings

**What are the main purposes of the policy, strategy or service area?**

South Somerset District Council agreed to work with Sedgemoor District Council to form a Strategic Alliance with a view to generate efficiencies and savings either by reducing costs or increasing income, strengthening resilience for the partners and increasing their joint voice nationally and regionally.

Between October 2015 and February 2016 both South Somerset and Sedgemoor District Councils undertook the development of business cases to explore the opportunities of joint working. The conclusion of this work was the resolution to continue work to explore the establishment of a strategic alliance between the partners.

The initial priorities for inclusion in any strategic alliance are identified as:

- A Joint Income Generation Board to generate ideas and seek potential joint initiatives.
- To continue monitoring of opportunities across the two authorities so that, where possible, vacant posts are filled in either council without the need for external recruitment.
- A review of potential opportunities for alternative means of service delivery that would be unaffected by the scope of transformation.

The key work stream plans are to focus on income generation:

- Housing development and lettings – establishment of a company structure to support this
- Expansion of the trading opportunities for services delivered by the Sedgemoor clean surrounds and South Somerset street scene teams
- Explore joint opportunities to work with an energy company to become a local energy supplier

Secondary work streams to potentially include:

- Joint response to consultation documents
- Sharing specialist plant and vehicles
- Procurement

**Supporting Documentation/Links**

[www.local.gov.uk/shared-services-map](http://www.local.gov.uk/shared-services-map)

Recruitment protocol, reciprocal arrangements between South Somerset District Council and Sedgemoor District Council for the treatment of vacant posts

**Conclusion and potential impacts****Please note:**

The conclusions being drawn are based on the proposed Establishment of a Strategic Alliance between South Somerset and Sedgemoor report only, and the information provided within that document and associated Appendices. There may be wider impacts identified within projects as they are developed.

Proposals within the Recruitment Protocol could offer greater protection and opportunities for staff across the two authorities and SSDC has a fair recruitment and selection policy that will, be followed so equality considerations will be adhered to by the council.

As stated, it is difficult to fully explore potential impacts at this point, as the projects have not been developed.

Moving forward, once a decision is made and subsequently policy and procedural changes start to be initiated, further EqAs for each project, will need to be carried out to demonstrate due regard and compliance with The Equality Act 2010; this will ensure that no one group is affected more than another.

**Please comment/explain how you will meet the General Equality Duty (GED)?**

It is envisaged that strategic / extended management teams (including Group Managers and Assistant Directors) will meet quarterly to discuss key issues and share experience.

Both authorities have established Member and Officer project boards to deal with key priorities:

South Somerset District Council has three boards:

- Regeneration Board
- Income Generation Board
- Transformation Board



Sedgemoor District Council has:

- Income Generation
- Staff savings
- Third party expenditure

A mechanism for involvement of staff from both authorities through a joint Income Generation Board will be established as agreed by Council (Section 1.2.5) the Joint Leaders Advisory Group (JLAG) will act as the potential clearing-house for all potential opportunities for joint income generation decisions.

Staff briefings and awareness sessions have been undertaken by both SSDC and Sedgemoor, and information, key messages and Frequently Asked Questions have been shared on internal websites for both authorities. This is in line with the Joint Meeting Schedule and Communication Activity Plan.

**Lead Officer Sign Off**

Jo Morgan, Angela Farmer

**Date** 10/05/16

# Agenda Item 13

## **Report of Executive Decisions**

*Lead Officer:* Angela Cox, Democratic Services Manager  
*Contact Details:* [angela.cox@southsomerset.gov.uk](mailto:angela.cox@southsomerset.gov.uk) or (01935) 462148

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

No Portfolio Holder decisions have been taken since the last Council meeting report and the District Executive is due to meet on 12<sup>th</sup> May 2016 therefore the recommendations of the reports are listed in the attached appendix.

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

## **Background Papers**

All Published

*Ric Pallister, Leader of the Council*  
*Angela Cox, Democratic Services Manager*  
*[angela.cox@southsomerset.gov.uk](mailto:angela.cox@southsomerset.gov.uk) or (01935) 462148*

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## Appendix

Portfolio	Subject	Decision	Taken By	Date
Property and Climate Change	Enforcement Proposal for Council car parks	<p>(1) That the Council enters into a 2 year contract with Bemrose Booth for the 'intelligent enforcement' offer subject to agreement of the terms and conditions of the contract.</p> <p>(2) That the guaranteed maximum 10% uplift of car park income is noted where the system is installed in accordance with the terms and conditions of the contract for the next two years.</p> <p>(3) That Bemrose Booth receives any excess of the 10% uplift in point 2 above in accordance with the terms and conditions of the contract for the next 2 years.</p> <p>(4) That the potential increase in car park income will be capped at 10% for the next two years above the agreed baseline income figures.</p> <p>(5) That this Council commits a maximum of £20,000 from the capital budget already approved in the car park enhancement programme to amend and alter the carpark entrances and exits to accommodate the ANPR cameras.</p>	District Executive	12.05.16
Strategic Planning (Place Making)	Community Infrastructure Levy – Draft Charging Schedule	This report was recommended to Council and appears elsewhere on the agenda.	District Executive	12.05.16
Strategy & Policy Property & Climate Change	Restrictive covenant removal - Dunster House, Castle Cary (Confidential)	This item is due to be considered in confidential session.	District Executive	12.05.16
Property & Climate Change Area South Chair	The Provision and Maintenance of Bus Shelters in the Yeovil area (Confidential)	This item is due to be considered in confidential session.	District Executive	12.05.16

# Agenda Item 14

## **Audit Committee**

This report summarises the items considered by the Audit Committee on 28 April 2016.

### **External Audit Plan for 2016/17**

Elizabeth Cave, Director of Grant Thornton, presented the Audit Plan for 2016/17 as detailed in the agenda report. She noted the plan was in the same format as previous years, and highlighted several elements for the year including:

- reference to devolution
- a challenge would be the earlier timetable for closure of the accounts
- development and requirements

During a brief discussion, the Director of Grant Thornton and the Assistant Director (Finance and Corporate Services) responded to points of detail including an explanation of the term materiality and aspects of the valuation of assets.

The Chairman suggested it would be beneficial for the Audit Committee to have a separate discussion about the valuation of assets. It was agreed an item would be added to the Forward Plan for July. Members were content to note the Audit Plan.

**RESOLVED:** That members noted the Audit Plan for 2016/17.

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### **Accounting Policies for 2015/16 Statement of Accounts**

The Principal Accountant presented the report that asked the Audit Committee to approve the accounting policies for 2015/16 in order that the Statement of Accounts could be prepared. She noted there were no changes to the policies since last year.

During a brief discussion, the Principal Accountant and Assistant Director (Finance and Corporate Services), provided further information in response to points of detail raised. At the conclusion of discussion, members were content to approve the Accounting Policies.

**RESOLVED:** That members approved the Accounting Policies for 2015/16 Statement of Accounts.

Councillor Derek Yeomans  
Chairman of Audit Committee

# Agenda Item 15

## **Scrutiny Committee**

The Scrutiny Committee met on 10<sup>th</sup> May and considered the following items:

### **Equality Objectives Report**

Members were pleased to note the progress in this important area and the ongoing work to ensure compliance with statutory requirements. Members recommended that existing standards of accountability and transparency are maintained as our decision making processes continue to evolve.

### **Superfast Broadband Report**

Members were grateful to the officers who attended Scrutiny at short notice to discuss the important local issue with members of the Scrutiny Committee. This report is included elsewhere in this agenda and the comments of the Scrutiny Committee have been circulated to all members in advance so as to inform debate.

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### **Reports to be considered by District Executive**

The Scrutiny Committee considered the reports included in the May District Executive Agenda and made the following comments:

#### **Intelligent Enforcement Proposal for Car Parks**

- Members requested that any potential SMS charges are made very clear in all communications – especially those relating to receiving confirmation text messages.

#### **Community Infrastructure Levy**

- Members noted the modifications to the scheme as noted in the report and that the viability of the proposed levy would be thoroughly assessed by the Independent Examiner.
- Members were pleased to note that the charging schedule will be reviewed in 2-3 years to take account of market changes.

#### **Monthly news Snap shot**

No comments

#### **District Executive Forward Plan**

- Members noted that at the last Full Council meeting it was agreed that monthly updates would be submitted to District Executive outlining progress in the CEO

recruitment process – this has not been factored into the Forward Plan and no update has been included in this agenda.

- Members also note that on occasion significant reports (such as the Superfast Broadband, Strategic Alliance, Management Arrangements) are going straight to Council and so are not included in the Forward Plan. The Forward Plan is an essential document for Scrutiny, allowing us to plan our work programme and fulfil our function of holding the Executive to account, and if key reports are not included, this can make our role difficult. We would like to suggest that reports that are destined to go straight to Full Council are incorporated into the Forward Plan or that a Forward Plan for Council reports is created.
- As our decision making structures evolve with the creation of various themed Boards, there will be a need for regular updates on their progress to enable effective Scrutiny. Scrutiny Committee requests that District Executive give some thought to this and would like to suggest at least monthly updates.

## **Confidential Items**

### **Dunster House - Covenant removal**

No comments

### **Provision and Maintenance of Bus Shelters**

Members supported the recommendations as the best solution at this current time.

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## **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**

The first meeting of this Group has been held to agree the review parameters – it would be beneficial to increase the membership of this group to ensure a cross section of views and experiences are fed into the review. If any member wishes to join the group please contact either of the Scrutiny Managers.

### **Discretionary Housing Payments**

This group was due have an initial meeting on 13<sup>th</sup> May where they planned to set the review Terms of Reference and scope.

### **Consent to Dispose of Housing Stock / Local Connections Allocation Policy**

These two Task and Finish Groups have combined for the purpose of meeting with senior officers from South Somerset's 5 key Housing Association Partners. This evidence gathering session was scheduled for 11<sup>th</sup> May and has been designed as an opportunity for members to meet directly with the Housing Providers and discuss the various issues associated with this topic.

**National Non Domestic Rate (NDR) discretionary relief policy review**

The changes from the revised policy have taken effect from 1<sup>st</sup> of April, this has resulted 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.

Councillor Sue Steele  
Chairman of Scrutiny Committee

# Agenda Item 18

## **Date of Next Meeting**

Members are asked to note that the next scheduled meeting of the Full Council will take place on **Thursday, 21<sup>st</sup> July 2016** in the Council Chamber, Council Offices, Brympton Way, Yeovil **commencing at 7.30 p.m.**

The reserve Council date of 16<sup>th</sup> June 2016 will only be engaged if there is any business to discuss.

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