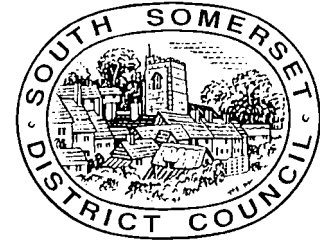


**South Somerset District Council**

*Notice of Meeting*



**South Somerset  
District Council**

*Making a difference where it counts*

**Thursday 13th October 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

This Agenda was issued on Wednesday 5 October 2016.

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

# South Somerset District Council Membership

**Chairman:** Mike Best  
**Vice-Chairman:** Tony Capozzoli

Clare Aparicio Paul  
Jason Baker  
Cathy Bakewell  
Marcus Barrett  
Mike Beech  
Neil Bloomfield  
Amanda Broom  
Dave Bulmer  
John Clark  
Nick Colbert  
Adam Dance  
Gye Dibben  
Sarah Dyke  
John Field  
Nigel Gage  
Carol Goodall  
Anna Groskop  
Peter Gubbins  
Henry Hobhouse

Kaysar Hussain  
Tim Inglefield  
Val Keitch  
Andy Kendall  
Jenny Kenton  
Mike Lewis  
Sarah Lindsay  
Mike Lock  
Tony Lock  
Paul Maxwell  
Sam McAllister  
Graham Middleton  
David Norris  
Graham Oakes  
Sue Osborne  
Tiffany Osborne  
Stephen Page  
Ric Pallister  
Crispin Raikes

Wes Read  
David Recardo  
Jo Roundell Greene  
Dean Ruddle  
Sylvia Seal  
Gina Seaton  
Peter Seib  
Garry Shortland  
Angie Singleton  
Alan Smith  
Sue Steele  
Rob Stickland  
Andrew Turpin  
Linda Vijeh  
Martin Wale  
William Wallace  
Nick Weeks  
Colin Winder  
Derek Yeomans

# 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.

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# South Somerset District Council

**Thursday 13 October 2016**

## Agenda

**1. Apologies for Absence**

**2. Minutes**

To approve and sign the minutes of the previous meeting held on Thursday, 18<sup>th</sup> August 2016.

**3. Declarations of Interest**

In accordance with the Council's current Code of Conduct (adopted July 2012), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the Agenda for this meeting. A DPI is defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) and Appendix 3 of the Council's Code of Conduct. A personal interest is defined in paragraph 2.8 of the Code and a prejudicial interest is defined in paragraph 2.9.

Members are reminded that they need to declare the fact that they are also a member of a County, Town or Parish Council as a Personal Interest. As a result of the change made to the Code of Conduct by this Council at its meeting on 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.

**4. Public Question Time**

**5. Chairman's Announcements**

*Items for Discussion*

**6. Chairman's Engagements (Page 6)**

**7. Senior Leadership Restructure (Pages 7 - 25)**

**8. Medium Term Financial Strategy and Plan - Flexible use of Capital Receipts (Pages 26 - 31)**

**9. Medium Term Financial Strategy and Plan - Four Year Settlement (Pages 32 - 38)**

**10. Membership of Committees - Appointment of New Councillor to the Regulation Committee and the Appeals Panel (Page 39)**

**11. Report of Executive Decisions** (Pages 40 - 44)

**12. Audit Committee** (Pages 45 - 46)

**13. Scrutiny Committee** (Pages 47 - 49)

**14. Motions**

There were no Motions submitted by Members.

**15. Questions Under Procedure Rule 10**

There were no questions submitted under Procedure Rule 10.

**16. Date of Next Meeting** (Page 50)

Members are asked to note that the next scheduled meeting of the Full Council will take place on **Thursday, 17<sup>th</sup> November 2016** in the Council Chamber, Council Offices, Brympton Way, Yeovil **commencing at 7.30 p.m.**

# Agenda Item 6

## **Chairman's Engagements**

### **9<sup>th</sup> September**

At the invitation of the Mayor of Crewkerne, Cllr. Robin Pailthorpe, Mike and Liz attended a performance of 'Calamity Jane' by the Crewkerne United Dramatic Operatic Society.

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

At the invitation of the High Sheriff of Somerset, Mr. Edward Bayntun-Coward Tony and Vivienne attended a Garden Party which was held at the American Museum, Claverton, Bath.

### **30<sup>th</sup> September**

Tony attended a celebration of the renovation of Montacute Village Hall. The Hall had received an SSDC Community Grant last year towards the cost of refurbishing it and the evening was a chance for the Village Hall Committee to thank everyone for their help.

### **1<sup>st</sup> October**

Tony and Vivienne attended a special service which was held in Wells Cathedral to welcome and install The Reverend Prebendary Simon Hill as the new Archdeacon of Taunton.

### **2<sup>nd</sup> October**

At the invitation of the Mayor and Mayoress of Burnham-on-Sea and Highbridge, Tony and Vivienne attended the Annual Civic Service at St. Andrew's Church, Burnham-on-Sea, during which the Civic Awards for 2016 were presented by the High Sheriff of Somerset.

### **9<sup>th</sup> October**

The Chapter of Wells Cathedral have invited Tony and Vivienne to attend a Service of Thanksgiving and Reflection at Harvest Time which is to be held in Wells Cathedral.

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# Agenda Item 7

## Senior Leadership Restructure

*Executive Portfolio Holder:* Ric Pallister (Jo RoundellGreene, Angie Singleton, Mike Lewis, Tim Inglefield, Dave Bulmer)

*Chief Executive:* Alex Parmley

*Lead Officer:* Alex Parmley

*Contact Details:* alex.parmley@southsomerset.gov.uk or 01935 462101

## Purpose of the Report

1. This report proposes a new senior leadership team (SLT) structure that aligns with and supports the implementation of the Future Operating Model (FM) for the council, as well as the delivery of the Council's ambitions, including income generation.

## Public Interest

2. All councils face serious challenge and change as a result of the significant reductions in and changes to central Government funding since 2010. South Somerset District Council (SSDC) has agreed to maintain as far as possible, the delivery of good quality services to residents and to continue being ambitious for the district, its residents and businesses. In order to achieve this, in March 2016 the Council agreed to implement a radical programme of change, the Transformation Programme, that will transform the way the Council operates and delivers its services. This included agreement to use the Future Model (FM) as the operating model for SSDC. This will lead to a very different way of delivering services across the Council. In addition, the Council has the objective of significantly increasing income generation over the next four years, by being more commercial, but without losing sight of the core purpose of the council, to serve the district, its residents and businesses.
3. Senior leadership is required to support the council through the period of transition into new ways of working. It is recognised that establishing the future senior leadership team (SLT) as early as possible is key to refining and delivering the Transformation Programme and meeting the other ambitions of the Council.

## Recommendations

4. That Council:-
  - I. Approve the revised senior leadership structure as set out in Appendix B.
  - II. Note the revised cost of the senior leadership structure which will produce a saving of £200,537 compared to current costs, this being a contribution towards the overall Transformation Programme savings target of £2,000,000.

## Background

5. The last change to the senior structure was agreed in July 2009. This reduced the number of directors from four to two, and created a third tier of six Assistant Directors; this is shown in Appendix A.
6. In 2010 a shared CEO was appointed however the senior structure remained the same. The shared CEO arrangement came to an end in June 2015.

7. From summer 2015 SSDC explored joint management arrangements and delivery options with neighbouring Councils. During this time the Council's senior leadership team operated under temporary arrangements.
8. In March 2016 the Council agreed to implement a radical programme of change, the Transformation Programme that will transform the way the Council operates and delivers its services. This included agreement to use the Future Model (FM) as the operating model for SSDC. This was followed in April by the decision to make a new permanent appointment of a Chief Executive.
9. Transformation will cover every aspect of the way the Council functions and recognises Income Generation as being a key element of the future operating model. That means adopting a robust business approach, without losing sight of the Council's core purpose, to serve South Somerset in the provision of both statutory and discretionary services and support, meeting the needs and aspirations of its residents.
10. An early action, building on the analysis and workshops that have taken place to date in preparation for transformation, is the creation of a streamlined senior leadership team. This team will lead and take forward the necessary changes at every level, aligned to the future needs and aspirations of a transformed Council **rather than based upon the traditional Local Government model.**

#### **Current structure**

11. The current senior leadership structure is shown in Appendix A. This consists of 1 Chief Executive, 2 Directors and 6 Assistant Directors. A request from one Director for voluntary redundancy has already been accepted and as a result, this post will be vacant from January 2017. The appointment of the permanent CEO was confirmed by Full Council in August 2016.

#### **Development of proposals for the new senior leadership team**

12. Senior leadership is required to support the council through the period of transition into new ways of working and to reflect the new roles that are required under the future operating model. It is recognised that establishing the senior leadership team (SLT) as early as possible is key to refining and delivering the Transformation Programme.
13. The proposals for the new SLT were developed by the Leaders' Group that was created by authorisation of Council (Leader, Deputy Leader, Leader of the Conservative group and Spokesperson for the Independents). Following the decision to terminate the contract with East Devon for CEO services in May 2015, the group was tasked with recommending future senior management arrangements to Council. Independent consultants Ignite, held workshop sessions with the Leaders' Group and the new Chief Executive, to develop the leadership structure that would best deliver the Council's aspirations and focus for the future on:
  - Continuous improvement – providing a customer centric service,. offering wider choice and enhanced access
  - Financial sustainability
  - Flexibility and ability to change
  - A more commercial approach that will deliver increased income to support the delivery of council services and ambitions



14. The sessions also addressed how the Strategy & Commissioning element of the model could protect both the uniqueness of the Council and the delivery of accessible services to all who need them. They also considered the role of the strategic leadership team and how it will work across other elements of the model to achieve the corporate objectives.
15. To arrive at the proposed structure, the following factors were considered:
  - The political objectives of the Council
  - The logical groupings of responsibilities across the Council and new ways of working
  - The purpose and focus of each area within the Future Model
  - The skills required to deliver the new ways of working and the Council's ambitions (Council Plan), and the experience required in each post
  - The contribution required from each senior management post to fulfil the Council's ambitions

### **Consultation**

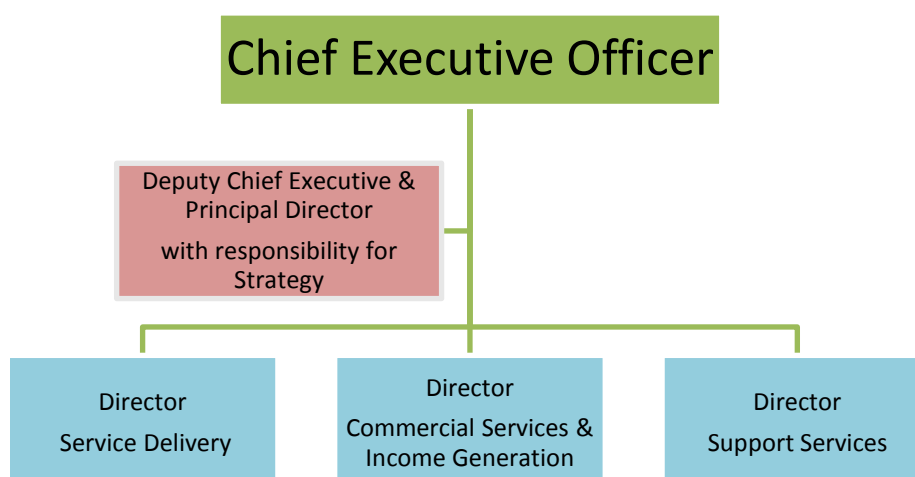
16. On 20th September 2016, a consultation document, outlining the proposals in relation to the Senior Leadership Team Roles, was given to all our current Assistant Directors and Director. Comments on the Senior Leadership proposals were invited in writing from these officers and through one to one discussions with Alex Parmley (CEO designate at the time). The deadline for all comments was 29th September 2016.
17. The comments which were received are summarised in Appendix C

### **Proposed new senior leadership structure**

18. The principles of the Future Model, as agreed by Council in March 2016 and as described in Appendix D, focus on activities undertaken. It follows that the structure and roles of the Council during and following the implementation of the Future Model, **do not follow the departmental service structures traditionally associated with councils.**
19. Four key elements support the delivery of the Future Model and form the basis of the proposed senior leadership structure. These are described below -
  - **Strategy and Commissioning** – provides focus on the organisation itself, its strategic objectives, external environment, governance and performance. This area converts the political will and ambition into what it is we do as a Council and how we can deliver it. It will translate insight (data, consultation results) and ambition (the agreed aims of Members) into the Council Plan and major strategies, ensuring that the council remains unique, accountable and capable. It will then ensure delivery of the ambitions through the council's services, policies, partnerships, programmes and projects.
  - **Service Delivery** - covers all aspects of the customer's contact with the council, from customer services and case management to the specialist input required to resolve requests and issues, from the simple to the very complex. Service delivery will focus on the customer relationship, ensuring that activities are delivering value to the customer in a timely and efficient manner. These areas work within the boundaries set by the Council's strategy, and will be measured against targets – again set by the Council's strategy.

- **Commercial Services and Income Generation (business units)** – covers the delivery of core services, for example street cleaning, management of the waste contract and major facilities such as the Octagon Theatre. These elements will focus on the delivery of commercial services, optimising revenue and grant opportunities aligned to the Corporate Plan. This post will be responsible for leading the delivery of a more commercial and business-like approach across all council services and projects, and in particular, will own the income generation targets as set by members and outlined in the Medium Term Financial Plan (MTFP)
- **Support Services** – covers those elements that focus on internal customers, and whose activities enable strategy and service delivery to happen. Support services will be business-like and designed to meet the needs of the internal customer using the same values, principles and behaviours as for external customers. They will focus on how they add value to what the Council delivers for residents, businesses and other stakeholders in the district.

20. The proposed new leadership structure, taking into account the results of consultation with the existing leadership team is set out below in Fig 1, and in Appendix B:



**Fig 1 Proposed senior leadership structure**

21. Areas covered by each of the senior leadership roles are shown in the table below. It is important to note that these areas **do not directly relate to the number of management roles reporting to the senior roles**. Those management roles are not included in this revised structure, the design of which will be undertaken by the CEO as Head of Paid Service, in consultation with the new senior leadership team.

Role Title	Specific Accountabilities
Chief Executive	<ul style="list-style-type: none"> <li>• Overall strategic direction of the council</li> <li>• Ensuring delivery of the Council's ambitions as set out in the Council Plan</li> <li>• Ensuring the council is financially sustainable over the medium term</li> <li>• As head of paid service ensuring all staff are well led, managed and supported and that the Council gets the best out of its staff</li> <li>• Ensuring modern efficient services and the delivery of business transformation and change</li> </ul>

Role Title	Specific Accountabilities
	<ul style="list-style-type: none"> <li>• Ensuring a commercial approach is developed and delivered</li> <li>• Ensuring the Council has clear and effective systems of governance and accountability</li> <li>• Ensuring elected Members are supported in fulfilling their roles effectively</li> <li>• To be lead for the Council at local, regional, national and international levels and advocate for the needs and aspirations of the communities of South Somerset</li> </ul>
Deputy Chief Executive & Principal Director with responsibility for Strategy Grade - Director	<ul style="list-style-type: none"> <li>• Developing and driving delivery of Corporate Strategy and associated plans and policies, including organisational development and alignment</li> <li>• Ensuring a robust system of performance and programme management to support delivery of ambitions for example Transformation</li> <li>• Building a strategic approach to the management and development of locality working</li> <li>• Leadership of service design and the development of digital services</li> <li>• Deputising for the Chief Executive as required</li> </ul>
Director Service Delivery JE Grade 14	<ul style="list-style-type: none"> <li>• Leading, managing and motivating a team of staff to deliver efficient and effective operational and customer focused services</li> <li>• Developing and delivering effective and responsive local operations and services</li> <li>• Leading and championing customer focus, high levels of customer service across the council and ensuring effective customer services</li> <li>• Ensuring effective case management systems that can deliver for varying customer needs</li> <li>• Leading the delivery of highly professional, customer focussed specialist services and ensuring effective contribution of specialists to corporate strategy, plans and policy</li> </ul>
Director Commercial Services & Income Generation JE Grade 14	<ul style="list-style-type: none"> <li>• Leading, managing and motivating a team of staff in the delivery of commercial services</li> <li>• Ensuring effective deployment of resources</li> <li>• Managing delivery of service against clear Service Level Agreements</li> <li>• Leading the development of a commercial approach across all services and projects of the council and delivery of the Council's income generation targets.</li> <li>• Develop Business cases</li> <li>• Managing and overseeing the delivery of a range of business units. The main examples are: <ul style="list-style-type: none"> <li>• Environmental Services &amp; Contracts</li> <li>• The Octagon and Westlands</li> <li>• Leisure &amp; Recreation</li> <li>• Asset Management e.g. Yeovil Innovation Centre</li> <li>• Crematorium / Cemetery</li> <li>• Other business units as agreed</li> </ul> </li> </ul>
Director Corporate Support Services JE Grade 14	<ul style="list-style-type: none"> <li>• Leading, managing and motivating a team of people to deliver business-like, efficient and effective Support Services</li> <li>• Leadership of people management and development</li> <li>• Ensuring a modern, business like legal service</li> <li>• Ensuring robust financial planning and management to support the delivery of the Council's objectives</li> <li>• Ensuring the Council is statutorily compliant on all financial matters</li> <li>• Strong and transparent governance of the Council and support for the role of Members</li> </ul>

## Costs and Savings

22. The current senior leadership structure is set out below. After adjustments taking into account unpaid leave and vacancies the budget for 2016-17 excluding PA support is £775,840. Currently between 3<sup>rd</sup> October and 31<sup>st</sup> December 2016, the structure consists of the CEO, 2 Directors and 6 Assistant Directors. Funding for the structure for this period, in anticipation of voluntary redundancy adjustments, has been taken from the general reserves.
23. The new CEO takes up his position on 1<sup>st</sup> October 2016 and as noted above, voluntary redundancy for one Director has already been accepted. If Members agree the recommendations set out in this report, this post will no longer exist in any event.
24. The **current structure**, post December 2016 removing the voluntary redundancy for one Director including employer costs:

Post	Current Salary 16/17 £	Salary including employer costs £
1 x Chief Executive	110,000	139,328
1 x Strategic Director	99,943	126,485
2 x Assistant Directors: Legal and Corporate Services; Finance and Corporate Services (at Grade 14)	76,975	190,331
4 x Assistant Directors: Health and Well-Being; Environment; Economy; Communities; (at Grade 12)	63,637	319,696
		<b>775,840</b>

The **revised structure**, again including employer costs:

Post	Current Salary £	Salary with employer costs £
1 x Chief Executive	110,000	139,328
1 x Deputy Chief Executive & Principal Director with responsibility for Strategy	99,943	126,485
3 x Directors - Service Delivery; Commercial Services and Income Generation; Support Services (3 FTE) (Grade 14)	76,975	291,465
		<b>557,278</b>

25. Salaries for the proposed new posts, without employer costs, are 'fixed salaries' i.e. no increments other than national pay awards, at current levels as follows: Deputy Chief Executive & Principal Director is at the top of the current Director grade and new Director posts are at the top grade 14.
26. The new structure represents a lower cost of the senior leadership team by £218,562 and once the cost neutrality agreed at Full Council in April 2016 is taken into account it gives a net saving of £200,537 per annum. This will form part of the total transformation savings and therefore, at this stage no reductions to the MTFP are planned pending further design of lower management tiers.

## Union Position

27. The proposals outlined within this paper have been discussed with representatives of both GMB and Unison. Union representatives were given copies of this report on 29 September 2016. Their comments with officer responses are attached in Appendix E.

## Proposed Timetable and implementation

28. If approved the implementation of the restructure and appointments will be made in accordance with the Council's Constitution (Part 4 rules 7-13) and the approved Council policies.

29. This includes the provision for assessments of prior claims and consideration of requests for voluntary redundancy. At this stage it is anticipated that the recruitment process will be completed by the end of November.

Process	Date
Full Council to consider proposals for senior leadership team	13 October
Notification to staff (Tiers 2 & 3) - Prior claims open	14 October
Prior Claims to be submitted	By 24 October
Prior Claims to be determined	By 28 October
Voluntary Redundancy requests submitted	From 14 October
Posts will be advertised from	2 November
Closing date for applications	16 November
Shortlisting	18 November
Selection for posts	w/c 21st November
Complete appointment of senior leadership team	By 30 November
Staff briefing on blueprint for new operating model and implementation plan	17th and 19th October
Staff consultation period on blueprint for new operating model and implementation plan	17th October to 11 November

## Financial Implications

30. Members agreed at full Council in April 2016 to appoint a new Chief Executive on the basis that Senior Management costs remained cost neutral. The overall cost of Senior Management without PA support was £ **775,840**

31. The cost of the new structure without PA support is £ **557,278** that is £200,537 net lower per annum once the cost neutrality approved in April 2016 is taken into account. This saving will form part of the £2,000,000 Transformation savings target.

32. Redundancy costs cannot be finalised at this stage but it will be met from the £2.4 million reserve already approved for the Transformation project.

33. The Government has outlined plans to introduce a cap on redundancy payments of £95K but the full details are not yet known and it is unlikely if agreed to be introduced until mid to late 2017 following further consultation.

## Council Plan Implications

34. This proposal supports all aspects of the Council Plan 2016-21, notably that the council 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.

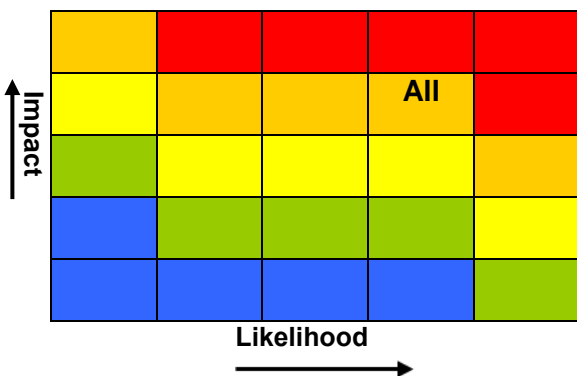
## Risk Assessment

35. It is recognised that a reduction in numbers could impact on capacity at a strategic level. However the new design is more aligned to the Council’s priorities for the future and the increased emphasis on customer choice and access, efficiency, commercial services and income generation.

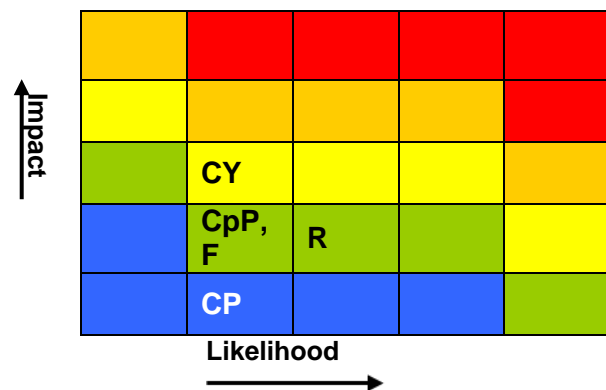
36. Similarly, in not agreeing to the proposals set out in the paper, the organisation increases the risk of failing to deliver the Council Plan, including its major efficiency and income generation programmes that are designed to meet the challenging financial targets ahead.

37. The Transformation Board regularly monitors all risks and actions to mitigate them.

Risk Profile before officer recommendations



Risk Profile after officer recommendations



## Key

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

## Carbon Emissions and Climate Change Implications

38. None from this report

## Equality and Diversity Implications

39. No adverse equality impacts have been identified within the proposed leadership structure.
40. The proposed new leadership structure will ensure fair, effective and consistent selection decisions by following all current recruitment and selection policies and procedures, including employment policies.
41. Any changes to, or proposals for, new policies and/or processes in relation to employment, or fair recruitment and selection will undertake an Equality Analysis to identify any potential impact or disadvantage.

### **Privacy Impact Assessment**

42. None from this report – Any personal information in this report is already in the public domain as the Council published details of its staffing structure and the salaries of its senior managers through the annual Statutory Senior Pay Policy report to Council.

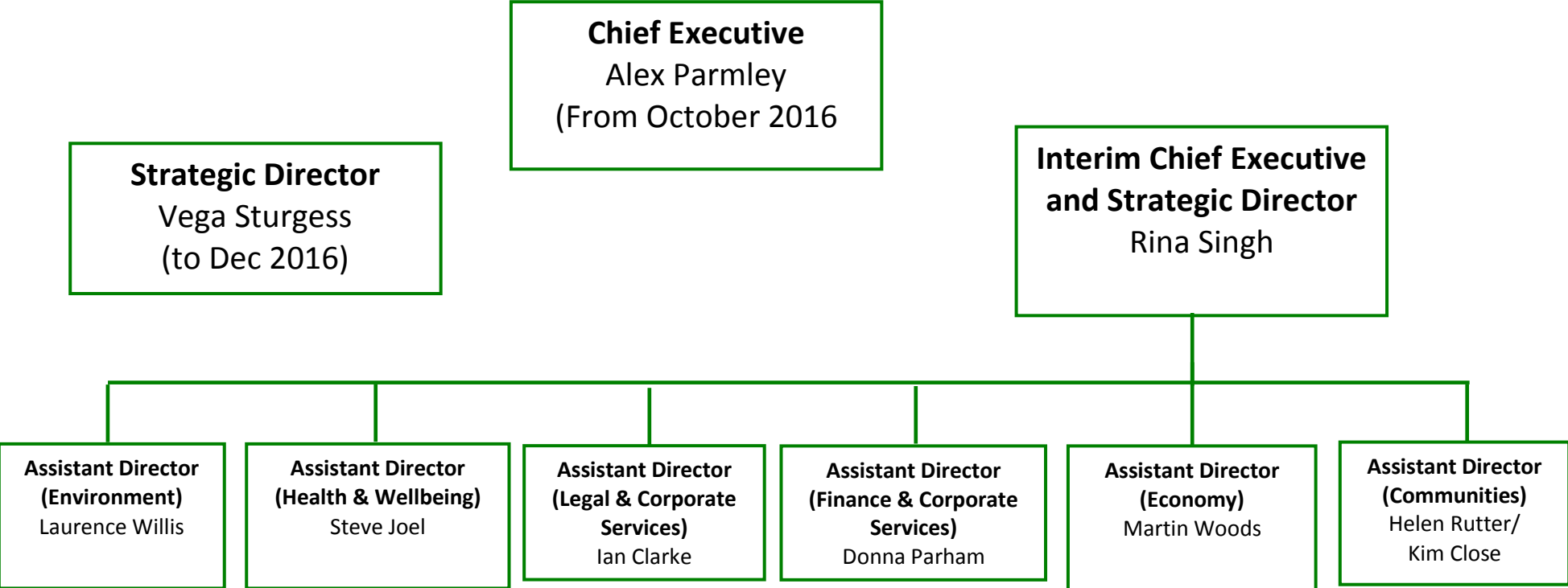
### **Background Papers**

- Transformation Programme – Initial Business Case District Executive March 2016
- Appointment of CEO Full Council August 2016

### **Appendices**

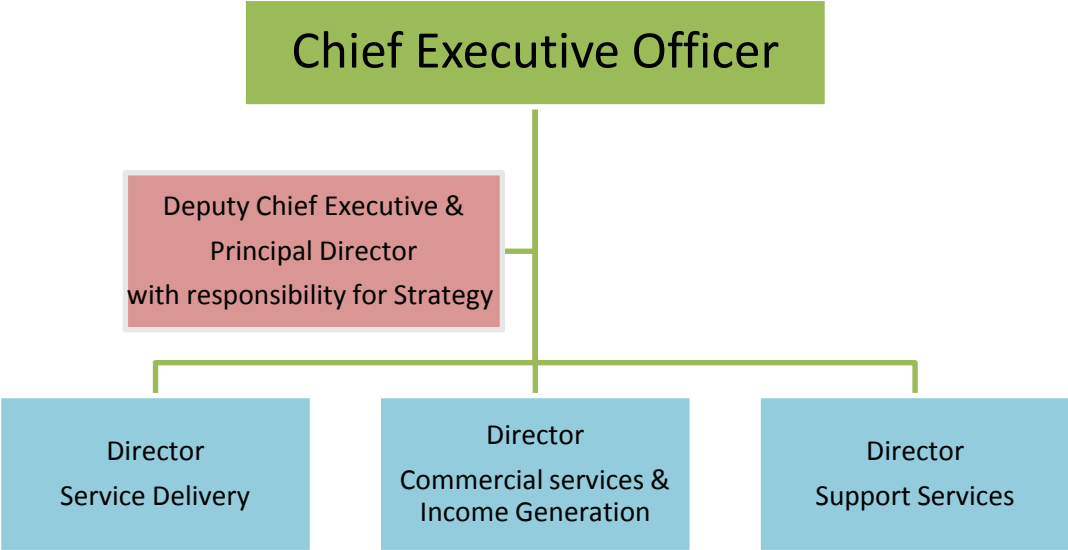
- A - Current structure
  - B - Revised structure
  - C - Comments received from current Director and Assistant Directors
  - D - Summary Future Model
  - E - Comments from Union
-

Appendix A – Current senior management structure September 2016





**Appendix B – South Somerset District Council - Proposed new senior leadership structure**



## Appendix C

### Main issues raised by Director and Assistant Directors and Response

The below represents a summary of the main issues arising and is not a comprehensive list of comments. A number of comments included in the responses from consultees were at the more detailed level and will be fed in to detailed design and implementation.

Comment	Response
<p>1. The approach seems to be top-down – putting in place the senior team first, rather than bottom-up, starting with the customer. Is this the right way around?</p>	<p>The approach is not top down. Considerable work has been undertaken in terms of data analysis and workshops to clarify how the Council currently serves its customers, changes that could be made and what the Council's ambitions are. The proposed structure is responding to the results of this and seeks to put in place a structure that will support delivery of services in a different way for customers through adoption of the Future Model and meet the Council's ambitions.</p> <p><b>Action:</b> No changes to proposals however, ensure the thinking behind the structure is reflected in communications.</p>
<p>2. The senior manager positions relate to the model but does this result in all councils ending up with the same structure regardless of their ambition and resources?</p>	<p>It is correct to say that the structure reflects the model. However, a key part of the model and approach is to reflect the particular circumstances of each organisation and in particular, to take account of their ambition. As a result, all councils that have adopted and indeed, adapted the model, have differing senior leadership team structures.</p> <p><b>Action:</b> No changes to proposals, however, ensure this is reflected in future communications.</p>
<p>3. Is it the right time to introduce a new senior management structure? Other councils introduced the structure further in to the process and introduction now may leave the organisation short of capacity at a critical time.</p>	<p>It is imperative that the Council progresses the implementation of the transformation programme with some degree of urgency. Delay costs the council in terms of efficiency savings foregone and is potentially damaging to the objective of ensuring financial sustainability. The pace of implementing change will need to quicken from this point. Learning the lessons from other councils, whilst many did wait longer to introduce the senior teams, this had a negative effect on the delivery of change as capacity to change and ownership of that change was severely limited. In introducing the senior team at this point, it will ensure there is a leadership team in place to design and shape the transformation and deal with all the issues that arise through change, notably, staffing and communications. In other councils, teams coming in have not always been involved in designing their areas of responsibility and therefore have felt less ownership and wanted to make further changes during and after implementation, which is both disruptive and costly.</p> <p><b>Action:</b> No change to structure but ensure the rationale for introducing the changes to the senior team, including the lessons from other councils, is well communicated. Include a transition plan in each phase, to ensure the Council maintains the capacity to deliver priority services and projects.</p>
<p>4. The consultation does not include the detail of what management roles and capacity will sit beneath each of the</p>	<p>This is deliberate and the process adopted is to ensure the occupiers of the senior management roles will be able to help design and shape their areas so that they are satisfied they have the capacity in their areas to deliver the services</p>

Comment	Response
senior management roles. Various questions and comments about the detail of what services sit where.	required and the Council's ambitions. <b>Action:</b> No change to proposals. Ensure next steps of transformation include reference to senior roles sponsoring the design and implementation of their areas.
5. The merging of roles does not reflect the workloads currently and concern it will have an impact on capacity to deliver services and projects, at least during transformation.	It is important to recognise that the proposal does not seek to merge current roles. These are completely new roles that reflect the delivery of the Future Model and the Council's ambitions. In implementing the new roles, a transition plan will be developed to take account of existing work commitments of the current Management Team. In addition, work will be undertaken with Portfolio Holders and other Members to clarify priorities within services and projects, to reflect that organisational capacity will be required to deliver transformation but recognise that priority services and projects still need to be delivered. Where appropriate, additional temporary capacity will be brought in to the council to deliver transformation and other projects. <b>Action:</b> No change to proposals. Ensure that transition plan reflects capacity needs of transformation programme, priority services and projects.
6. Why are the roles called Assistant Directors? They seem to be Director posts as they report directly to the Chief Executive.	Agreed – these are different posts to the Assistant Director positions and the role titles should reflect this. <b>Action:</b> Amend proposals to call the new roles “Director”.
7. Below the Chief Executive, why is one role more senior than the others and do we need a Deputy Chief Executive?	The Future Model that the council has adopted presupposes that the Council becomes a “strategy driven” organisation. This means that the strategy area of the council will analyse data, customer views and member ambition, and turn this into strategy and policy of the council. It will then drive the delivery of the strategy through the other services of the Council. This role therefore has more weight to it than the other roles under the Chief Executive and this is reflected in the proposal. In addition, it is considered desirable by the Chief Executive and the Leader to have a nominated Deputy Chief Executive to cover and be a point of contact in the absence of the Chief Executive. It is considered that the role heading up strategy is the most appropriate place for this designation to lie. <b>Action:</b> Amend proposal to name role “Deputy Chief Executive and Director of Strategy”.
8. The AD Corporate Support Services role is too large and should be split in to two roles to reflect current demand on the senior roles here.	It should be recognised that this is a new role within a very different way of working, not a merger of existing roles. Through the implementation of the Future Model it will be important to ensure that the management and other roles below this reflect the capacity needed within the Corporate Support area in terms of numbers, skills and experience. <b>Action:</b> No change to proposals. Ensure concerns are reflected in the next stages of detailed design of the Corporate Support area.
9. Various comments were made about the Commercialisation and Income	The ambitions are reflected in the role title. However, all role descriptions are a work in progress and will be finalised before recruitment to the posts.

Comment	Response
<p>Generation role including that there is no reference to the commercialisation and income generation ambitions of the council and various suggestions about the content of this role.</p>	<p><b>Action:</b> Review role descriptions to ensure they fully reflect their purpose and the ambitions of the Council.</p>
<p>10. The consultation document does not reflect the achievements of the Council over many years including meeting savings targets.</p>	<p>It is important to reflect the history and achievements of the Council. However, it is also important to recognise that if it is to avoid cutting services to residents, the Council needs to urgently transform the way it delivers services. <b>Action:</b> Ensure future communications reflect the proud history and achievements of the Council but also emphasise the urgency of the need for change if the Council is to continue to achieve for its communities in the future.</p>
<p>11. General comments were made against the need to implement the Future Model, including that the Council has overlooked changing the service offer as a means of making savings.</p>	<p>This has not been overlooked, but was not considered sufficient to meet the challenge of the scale of savings targets required whilst meeting the Members desire to maintain the ambition and level of service the Council possesses. In March 2016 the Council agreed that the best way of meeting savings whilst delivering the Council's ambitions is to rethink and redesign comprehensively the way the Council delivers services and make use of technology to enable different ways of organising and delivering services more efficiently. This will be through implementation of the Future Model. <b>Action:</b> Ensure the reasoning behind the Council's choice of direction in redesigning services is well communicated.</p>
<p>12. S151 and Monitoring Officer roles not explicit and concern as to whether these roles will be demoted.</p>	<p>It is believed these roles could fit with a number of positions and this will be determined through the process. <b>Action:</b> Ensure S151 and Monitoring Officer roles are considered in the process and that they have sufficient authority to be conducted successful and support the good governance of the Council.</p>
<p>13. Various comments of support for the vision and objective to transform the Council, to utilise technology better, enhance area working, and become more strategy driven.</p>	<p>The support for the vision and direction of the Council is welcome.</p>
<p>14. There may be a case for grouping the Director for Strategy and the AD Service Delivery together, at least during the transformation, due to the synergies that will be required.</p>	<p>The Future Model relies on and supports a more collaborative approach across the Council to delivering services and corporate objectives, as opposed to services sitting in "silos" that operate in relative independence from each other. Therefore, there is not necessarily a need for one set of services to be grouped with another for them to work effectively together to deliver Council objectives including transformation. <b>Action:</b> No further action at this time, although keep the effectiveness of working between the different areas of the Council under review during implementation of transformation and following implementation.</p>

# Appendix D – The South Somerset Future Model

## Vision

The SSDC Transformation Programme will create a new way to engage with individuals and communities. Work in the community across services will be brought together under new joined-up locality working.

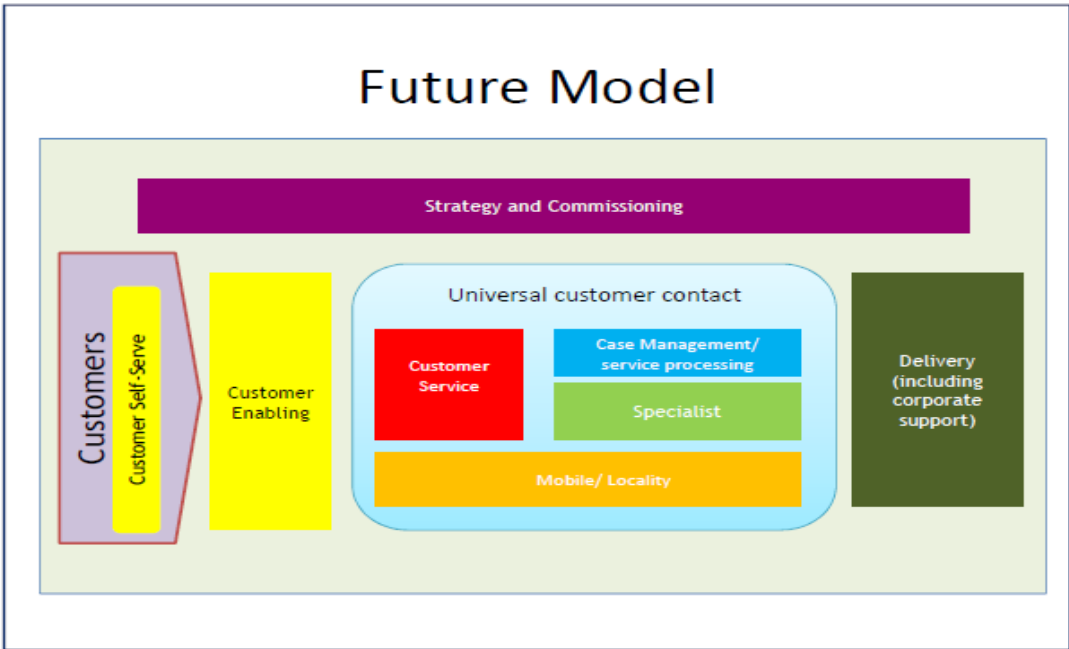
The proposed “Future Model” Transformation Programme puts forward a radical redesign of the way the whole council operates so that we will be able to:

- 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
- 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
- Promote take up of existing and new digital services
- Reduce handling in the back offices through automation
- Reduce avoidable contact and manage customer demand
- 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.

## The Future Model

The new operating model (below) shows how services are delivered and how customers interact with the council to ensure the delivery of our strategic objectives. Taking a design led approach will create and maintain a system that works for people (inside and outside of the organisation) rather than people having to ‘work the system’.

The Future Model is citizen centric, which promotes the take-up of digital services, protects face-to-face service for those who need this most, joins up our local service delivery wherever possible and helps create the capacity that the council requires to achieve its aims for local health and well-being, economic development and income generation.



The main elements of the new operating model are summarised below - these are also set out in the business case approved by Full Council in March 2016.

**Strategy and Commissioning** is both the activity and resource to translate insight and ambition into the Council Plan and major strategies ensuring that the council remains unique, accountable and capable.

**Universal Customer Contact** covers all aspects of the customers contact with the council, from customer services and case management to the specialist input required to resolve requests and issues from the simple to the very complex.

- **Customer Enabling** - is an activity or function. It is about helping the community and customers to help themselves, whether by increasing local capacity or preventing demand. It can also cover those areas where the council wants to increase take up.
- **Customer Services** - handling the significant majority of first time contact and resolving enquiries as early as possible where possible without further referral.
- **Case Management** - handling the requests for service, which take time or have a number of stages through rules based processing.
- **Specialists** - covering decision making, particularly where judgement is required and the design of the system to ensure the right outcomes for the council and customer. Specialists will also input into other areas of the council's work that require expert advice.
- **Mobile Locality** work - helping to provide services as efficiently as possible, together with a visible 'joined up' presence in local areas.

**Delivery (business units)** - covering delivery of core services such as street cleaning, management of the waste contract and major facilities for example the Octagon Theatre. Delivery units may exist where there are strong commercial opportunities for income generation or external grants.

**Support Services** - designed to meet the needs of the internal customer using the same values, principles and behaviours as for external customers.

For further detail, please refer to the Full Council report – March 2016

<http://modgov.southsomerset.gov.uk/documents/s9733/Transformation%20Programme.pdf>

## Appendix E

**South Somerset Local Government Branch  
The Council Offices, Brympton Way, Yeovil, Somerset,  
BA20 2HT**

Please find below UNISON South Somerset Local Government Branch's response to the 'South Somerset District Council, Senior Leadership Team Consultation.'

**Recommendation: The decision on the structure of the Senior Leadership Team should be delayed by at least one month**

Firstly, we find it unacceptable and challengeable that up until now there has been a distinct lack of meaningful consultation in regards to the Transformation Programme. We have been continually told that there is nothing to be consulted on but this document has been prepared with a total disregard to the opinion of the unions.

**Council Response:**

*This document has been prepared with the Group Leaders, Portfolio Holder and CEO after extensive sessions led independently by Consultants Ignite. Consultation with the 7 officers started formally on 20<sup>th</sup> September. The report will be discussed at Full Council on 13<sup>th</sup> October 2016.*

SSDC's Redundancy and Severance Pay, Policy and Procedures states that 'Consultation with the appropriate recognised trade union(s) must take place at the earliest practical opportunity before any redundancy is to take effect.'

**Council Response:**

*No redundancies have been agreed as a result of this proposal. Consultation will be undertaken as per our policies.*

We understand that the Leader of the Council did not want the unions to see the document before it was released to the members due to the sensitivity but we feel this is an inadequate reason for not releasing the document as we had agreed that the report would remain confidential between the staff effected and the Unison representative and we would not disclose any information to any other member of staff or third parties. This resulted in the unions being denied time to properly consult our members who are affected by this report.

**Council Response:**

*The senior management structure is a member decision. It was therefore appropriate that the Leaders' working group approve the draft proposals first. We welcome Unison's assurances in relation to confidentiality.*

With regards to the proposed structure, we would like to ascertain why it was decided that SSDC would have a three tier structure rather than a two tier structure similar to that in other councils such as Eastleigh. Is this the best structure to not only deliver the transformation programme but to achieve the savings that the programme promises? It seems that the Director of Strategy role has been slotted into the structure with no clear and comprehensive rationale. The job description appears to be vague and could be argued to have no more responsibility than the three Assistant Director roles. If this role is required, which is arguable because shouldn't this role sit with the Chief Executive, why does it have to sit above the other three roles?

**Council Response:**

*The 3-tier structure proposed is a Group Leaders proposal that will be put to Full Council for all members to approve. It was always envisaged that the proposed future senior management structure would shrink from 2 Directors plus a half time CEO to a senior leadership team of 2. What is now proposed holds to that original intention  
You will recall that staff and unions did not wish for a structure to be lifted from another Council and the proposed structure is an SSDC version.*

*The Eastleigh model you refer to also has a Director of Strategy in addition to the Chief Executive. The two roles have considerable responsibilities and workloads.*

We would question as to how fair and equitable it is for the lead officer on transformation to have their job ring-fenced. We agree that the four roles should be ring fenced but why can't the current assistant directors apply for the Director role? All of their current roles have elements of deciding and implementing the strategy of the Council and all have recently been 'acting up' as deputy chief executive during the temporary arrangements. All of the current Director and Assistant Director roles have elements of deciding and implementing the strategy of the Council and all have recently been 'acting up' as deputy chief executive during the temporary arrangements. The job description for the Director role seems to have been written so that the current Directors have a prior claim to new role yet all of the other roles that have been proposed have been significantly changed so the current Assistant Directors must re-apply.

**Council Response:**

*No post is ring fenced. All recruitment will follow the same process as will be applied to ALL staff i.e. prior claim assessment, formal recruitment.*

It seems that there is a rush to push this structure through and we would question why the report is going to full council to make a decision on the senior management structure just 10 days after the new CEO officially start's his role and has had no opportunity to spend real time in the authority, with both staff and elected members, to inform his recommendations.

**Council Response:**

*The Chief Executive has been working with members and consultants since July, immediately after he was selected. In the intervening 2.5 months, he has been fully involved in working with the Leaders' Group. The Leader promised Full Council that no revised senior management structure would be brought before Council until it had been endorsed by the incoming CEO. That has occurred.*

At Eastleigh the full consultation on change was issued prior to the consultation on the senior management roles. This seems more of a logical approach than the one being taken here at SSDC and is another example of the rushed approach that is being taken at SSDC.

**Council Response:**

*Eastleigh Borough Council's approach was very different. They did the blueprint with officers and commissioned consultants before they took a report to Council. Our members wished to approach it differently and we have said several times we would not lift a model from another*



*Council without amending it to suit SSDC. Our approach gives the new top tiers 1-3, once appointed, the opportunity to influence the structure for the rest of the organisation.*

On the 29 September the unions met with the new CEO it was clarified that a 'Transition Plan' would be introduced to ensure that a pragmatic approach to adopting the new structure would be taken. He stated that there would be no set timetable and it would depend on which applicants got the roles as to whether notice period would be required. We are disappointed that this information is not included in the report as it is pivotal to the success of the restructure. It has been documented by other authorities who have introduced Future Model that a lack of resources and losing expertise too early on in the process has a detrimental effect on the whole process. Consequently, causing a severe deterioration on our services.

**Council Response:**

*There will be a transition plan. Full details will be developed with the new Management Board. We are and will continue to consider all learning from other councils but will devise a plan that suits SSDC and its members.*

There is an oversight in the job descriptions in that it does not define who will take the lead on Health and Safety. Perhaps this hasn't been considered or perhaps it is seen that no one Director or Assistant Director should be responsible but that the responsibility is to be shared. We have worked hard with the senior management team to ensure that Health and Safety is a corporate issue and we would not like to see this hard work undone by this structure.

**Council Response:**

*Agree Health and Safety is important and we will consider your comments.*

It is reminded that an Equality Analysis should be undertaken at each stage of implementation.

**Council Response:**

*This has been done*

In light of the above **our recommendation is that the decision on the structure of the Senior Leadership Team should be delayed by at least one month.** This would give the new CEO time to evaluate and consider all of the feedback that he received from the Directors and Assistant Directors on the 29 September. It would also allow the new CEO to settle into the organisation and assess what he believes the needs of the organisation are and the structure of his management team rather than a structure that he has little involvement in establishing.

**Council Response:**

*The CEO has been fully involved in this and agreed the structure for recommendation to Council. Comments from both Unions and relevant officers have been considered and changes made as appropriate. There is no reason to delay the programme.*

# Agenda Item 8

## **Medium Term Financial Strategy and Plan – Flexible use of Capital Receipts**

*Executive Portfolio Holder:* Peter Seib, Finance & Corporate Services  
*Assistant Director:* Donna Parham, Finance & Corporate Services  
*Service Manager:* Catherine Hood, Finance Manager  
*Lead Officer:* Jayne Beevor, Principal Accountant - Revenues  
*Contact Details:* Donna.parham@southsomerset.gov.uk or 01935 462225

### **Purpose of the Report**

1. To advise members of the new ability to utilise new capital receipts to fund revenue projects.

### **Public Interest**

2. This report outlines the advantages of greater flexible use of the Council's resources.

### **Recommendations**

3. That full Council agrees to utilise the capital receipts outlined in the Efficiency Strategy attached at Appendix A for revenue costs.

### **Background**

4. This report follows on from the initial Medium Term Financial Strategy and Medium Term Financial Plan reported to members in September 2016. The decisions that required full Council approval were deferred until a meeting was held with the Department for Communities and Local Government regarding the four-year settlement. An update on that meeting is being reported elsewhere in this agenda. This report will be presented to District Executive on 6<sup>th</sup> October and their recommendation will be communicated to all Members at the conclusion of that meeting.

### **The Current Position**

5. Currently the MTFP shows a projected budget gap for each year of the plan. The figures include all estimates for pay awards, council tax, government grant, and inflation. The plan currently shows a shortfall in funding of £2.8 million over the five years of the plan. This is after the expected £2 million for Transformation has been delivered. The plan is based on the figures outlined in the 4-year settlement.

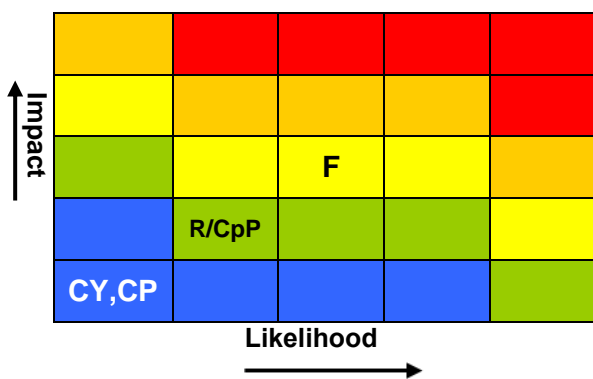
### **Efficiency Strategy**

6. Central Government outlined in December 2015 that local authorities will be able under certain circumstances to utilise capital receipts for revenue expenditure for certain purposes. Contact with the department has confirmed that this flexibility replaces any new grant funding rounds for the following types of initiatives:-
  - Sharing back-office and administrative services with one or more other council or public sector bodies;
  - Investment in service reform feasibility work, e.g. setting up pilot schemes;

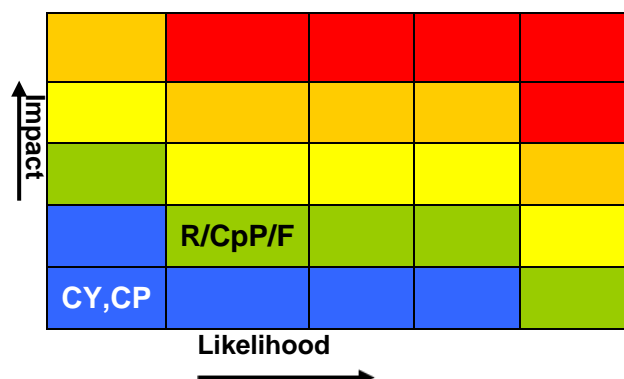
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
  - Sharing Chief-Executives, management teams or staffing structures;
  - Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
  - Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, selling services to others).
7. SSDC would benefit from this approach over the next three years particularly with regard to setting up commercial or alternative delivery models, and transformation. The key areas that could be funded from capital receipts but are classified as revenue expenditure are redundancy costs and the legal costs of setting up of commercial or alternative delivery models.
8. The requirement will be to list each project that plans to make use of the capital receipts flexibility, and that it details the split of up front funding for each project between capital receipts and other sources, with a project by project basis a cost benefit analysis is included to highlight the expected savings. The strategy in future years will monitor the performance of projects approved in previous years.
9. The Strategy as attached at Appendix A must be approved by Full Council. A revised strategy may be replaced by another during the year.

### Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



### Key

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

### Council Plan Implications

10. As outlined in the body of the report.

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

11. Not applicable.

### **Equality and Diversity Implications**

12. None arising from the recommendations outlined in this report.

### **Background Papers**

13. District Executive reports , September and October 2016

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## SOUTH SOMERSET DISTRICT COUNCIL – EFFICIENCY STRATEGY

### FLEXIBLE USE OF CAPITAL RECEIPTS

1. SSDC has embarked on an ambitious Transformation Programme. The capital costs have been estimated at £1.3 million and the revenue costs at £3.1 million including redundancy. Currently only £1.6 million of the revenue costs have been funded leaving almost £1.5 million that has temporarily been offset against the Revenue Support Reserve. Utilising up to £0.5 million in new Capital Receipts would ease the pressure on the General Fund over the next three years. Only capital receipts from the sale of property, plant, and equipment can be utilised.
2. The Future Model approach to Transformation and its key principles reflect SSDC's own ambitions to be an organisation consistently delivering improving quality of life in South Somerset. It will do that by providing well managed cost effective services valued by its residents.
3. The headline business case clearly illustrates a significant range of benefits for the council, the community and staff through taking a 'whole council' approach and by leading and resourcing a significant change programme.
4. The key design principles of the Future Model include:
  - Managing and reducing customer demand
  - Delivering as much customer service as possible through a universal contact method
  - Drawing on expert skills and knowledge only where appropriate
  - Managing the organisation in an efficient and streamlined way.
5. The Future Model provides an approach to thinking about the way the Council operates, with a focus on:
  - The relationship with customers and the wider community
  - Staff roles and structures
  - Technology and processes
  - Culture and ways of working
  - Costs
  - Outcomes
6. The overall estimated savings are expected to be £2 million.
7. The expected payback is 2 years and 4 months.
8. The table below shows a breakdown of estimated costs and savings:-

## Capital

Item	2016/17 £	2017/18 £	2018/19 £	Totals £
<b>Software and software implementation</b>	228,250	456,500	228,250	<b>913,000</b>
<b>Provision for API connectors</b>	25,000	50,000	25,000	<b>100,000</b>
<b>Internal Project Team/ backfilling</b>	50,000	100,000	50,000	<b>200,000</b>
<b>Contingency 10%</b>	25,325	50,650	25,325	<b>101,300</b>
<b>Total Capital Costs</b>	<b>328,575</b>	<b>657,150</b>	<b>328,575</b>	<b>1,314,300</b>
Funded from:				
Capital Receipts	328,575	657,150	328,575	1,314,300

## Revenue Once off

Item	2016/17 £	2017/18 £	2018/19 £	Totals £
<b>Training</b>	5,000	10,000	5,000	<b>20,000</b>
<b>Organisational change management consultancy</b>	125,000	250,000	125,000	<b>500,000</b>
<b>Internal Project Team/ backfilling</b>	40,000	80,000	40,000	<b>160,000</b>
<b>Contingency 10%</b>	17,000	34,000	17,000	<b>68,000</b>
<b>Project Revenue Costs</b>	<b>187,000</b>	<b>374,000</b>	<b>187,000</b>	<b>748,000</b>

<b>Allowance for redundancy costs</b>	600,000	1,200,000	600,000	<b>2,400,000</b>
<b>Total Revenue Costs</b>	<b>787,000</b>	<b>1,574,000</b>	<b>787,000</b>	<b>3,148,000</b>

Funded from:

Transformation Reserve	687,000	1,374,000	587,000	2,648,000
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Target for Flexible

Capital Receipts	100,000	200,000	200,000	500,000
<b>Total Funding</b>	<b>787,000</b>	<b>1,574,000</b>	<b>787,000</b>	<b>3,148,000</b>

<b>Salary Savings</b>		<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>
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## OTHER OPPORTUNITIES

9. In addition Members are exploring different commercial options that will require some revenue set up costs. This Strategy will be updated to reflect those projects as they come forward.
10. The Government has outlined that authorities may use new capital receipts to fund revenue costs for these purposes with approval at Full Council. A cost benefit analysis needs to be shown as part of that approval. Only receipts received within the three-year time horizon may be utilised. Right- to-Buy receipts must be excluded from this. It is very difficult to pinpoint exact receipts that will be received over the next three years and therefore members are asked to approve the principle that all applicable receipts received over the appropriate time period can be utilised up to the value of £0.5 million. To date £93k in receipts have been or are expected to be received in 2016/17 for sales of a workshop and some public conveniences.
11. An update of the strategy will be made to full Council each February as part of budget setting.

## IMPACT ON SSDC'S PRUDENTIAL INDICATORS

12. New receipts are normally put forward each year to fund new capital schemes. If members approve the use of some of those receipts for capital it can decide to either approve fewer new schemes or release a higher level of retained receipts. Only utilising a higher level of retained capital receipts will affect the Council's Prudential Indicators. This can be demonstrated as follows:-

### Prudential Indicator 12 - Incremental Impact of Capital Investment Decisions:

13. This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>
Increase in Band D Council Tax	0.29	0.01	0.05

14. And if members approve the flexible use of capital receipts:-

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>
Increase in Band D Council Tax	0.30	0.02	0.06

# Agenda Item 9

## **Medium Term Financial Strategy and Plan – Four Year Settlement**

*Assistant Director:* Donna Parham, Finance & Corporate Services  
*Lead Officer:* Donna Parham, Finance & Corporate Services  
*Contact Details:* Donna.parham@southsomerset.gov.uk or 01935 462225

### **Purpose of the Report**

1. To advise members of the outcome of the meeting with Marcus Jones MP – the Parliamentary Under Secretary of State (Minister for Local Government) and recommend to full Council the Efficiency Plan.

### **Public Interest**

2. This report outlines the advantages and disadvantages of accepting a fixed grant over the next three years.

### **Recommendations**

3. That full Council decides whether or not to accept the 4-year settlement deal offered by the Department for Communities and Local Government and agree the publishing of the Efficiency Plan attached at Appendix A.

### **Background**

4. This is an update to follow the report made to District Executive in September on the Medium Term Financial Strategy following the meeting with the Department for Communities and Local Government. This report will be presented to District Executive on 6<sup>th</sup> October and their recommendation will be communicated to all Members at the conclusion of that meeting.

### **Introduction**

5. The Medium Term Financial Strategy (MTFS) and the Medium Term Financial Plan (MTFP) were presented to District Executive in September 2016. The decision as to whether to request approval to full Council to accept the Government's 4 year settlement was deferred pending a meeting with Marcus Jones MP – the Parliamentary Under Secretary of State (Minister for Local Government). The decision to utilise capital receipts for revenue purposes was therefore also deferred to enable both to be considered by full Council at the same time.

### **The Current Position**

6. Currently the MTFP shows a projected budget gap for each year of the plan. The figures include all estimates for pay awards, council tax, government grant, and inflation. The plan currently shows a shortfall in funding of £2.8 million over the five years of the plan. This is after the expected £2 million for Transformation has been delivered. The plan is based on the figures outlined in the 4-year settlement.

### **Efficiency Plan**



7. In addition local authorities were also invited to accept a multi-year settlement by the 14<sup>th</sup> October 2016 so long as they had a published Efficiency Plan. The Efficiency Plan must show how the authority will benefit from the four year settlement and must have reference to the Council Plan, the Medium Term Financial Strategy, the Asset management Plan and any devolution bid.
8. In effect this would fix the following grants and provide some certainty in funding:-

	<b>Revenue Support Grant (RSG) £'m</b>	<b>Rural Services Delivery Grant £'m</b>
2016/17	1.675	165.3
2017/18	0.803	133.4
2018/19	0.269	102.6
2019/20	-0.330	133.4

9. In addition, tariffs and top-ups in 2017-18, 2018-19 and 2019-20 will not be altered for reasons related to the relative needs of local authorities, but in the final year may be subject to the implementation of 100% business rates retention. Any increase in tariff reduces the amount of business rates an authority can retain in a particular year.
10. SSDC Members were particularly concerned about the “negative” RSG in year four. The way in which RSG has been reduced has been by adding together Council Tax income and the overall grant settlement and then using a scaling factor to calculate the reduction in grant. This would mean in effect that £330k from local taxation would be returned to central Government to be redistributed to other authorities (the equivalent of a 3.7% increase in Council Tax). The DCLG had already removed any negative RSG from the settlement for 2017/18 and 2018/19. Of the 168 authorities affected 146 are shire districts and the “negative” RSG redistributes £152.9 million of some authorities funding to other local authorities.
11. Correspondence with the DCLG had made clear that all four years must be accepted and that under no circumstances will any authority be better off by not accepting the offer. After further correspondence outlining SSDC’s concerns, Marcus Jones, the Parliamentary Under Secretary of State (Minister for Local Government) offered SSDC a meeting on the 6<sup>th</sup> September to answer questions about the offer. The Leader, Finance and Legal Portfolio Holder, the shadow Finance and Legal Portfolio Holder, and the Assistant Director Finance and Corporate Services attended. The discussion outlined the following:-
  - The Minister outlined that he would want as many authorities to accept the offer as possible as the DCLG required it to ensure that settlement discussions could not be renegotiated by the Treasury. He also expected the take up to be high amongst local authorities;

- Although they had removed the negative RSG for 2017/18 and 2018/19 they did not have sufficient funding to remove it for 2019/20, the year in which SSDC becomes affected by the change;
- He outlined that it was likely that the introduction of 100% retention of business rates and the funding review would change how local authorities were funded in 2019/20. He urged SSDC to respond the consultations on 100% Retention of Business Rates and the Fairer Funding Review;
- The Minister reiterated that authorities not accepting the offer could have their funding reduced;
- The minister outlined that he was hoping to add more to the offer for those that accepted;
- He responded no to a question regarding whether he would consider delaying the offer until after the Autumn Statement;
- He noted that South Somerset currently receive lower per capita funding from central government than neighbouring authorities where urban service delivery costs are lower, but where taxpayer wages are typically much higher than those in a rural area. The minister responded by asking if SSDC had utilised the ability to raise Council Tax by £5 had been taken up for 2016/17.

12. Members may also wish to consider whether in reality further cuts could be made if only a small number of authorities decide not to accept.

## **Conclusion**

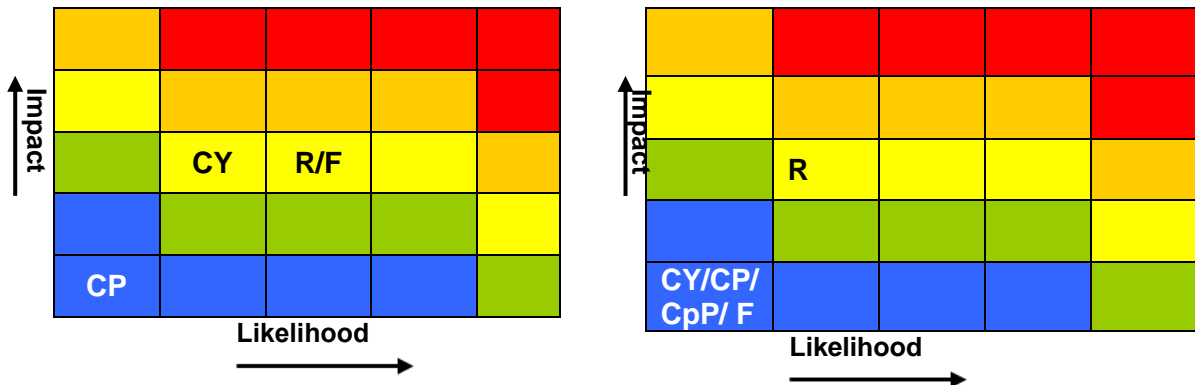
13. The overall sum involved is £11.6 million over the next three years, around 26% of SSDC's income next year and 20% in year 3. Although the current offer is not a "good deal" for South Somerset my advice is to accept the offer to give SSDC certainty and some stability to the Medium Term Financial Plan. Turning down the offer will not give SSDC the ability to negotiate settlements over the next three years nor to fix the inequalities in the current funding system.

14. Members may also wish to consider accepting the offer given the uncertainty caused by the UK exiting the EU, the financial pressures on other tiers of local authorities, and the Treasury perhaps seeking further savings from Government Departments (although the deficit target reduction has been removed). Year four may be amended in any case if the 100% Retention of Business Rates is introduced in 2019/20.

15. If members wish to accept the offer it must publish the attached Efficiency Plan at Appendix A and submit it to the DCLG by the 14<sup>th</sup> October 2016.

## Risk Matrix

Risk Profile before officer recommendations      Risk Profile after officer recommendations



### Key

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

### Council Plan Implications

17. As outlined in the body of the report.

### Carbon Emissions and Climate Change Implications

18. Not applicable.

### Equality and Diversity Implications

19. None as a result of the recommendation.

### Background Papers

20. District Executive, September 2016

**SOUTH SOMERSET DISTRICT COUNCIL – EFFICIENCY PLAN**

1. This Efficiency Plan sets out SSDC's proposals that are required to be submitted to Central Government to receive the offer of a fixed four-year settlement that includes the current financial year. In effect this would fix the following grants and provide some certainty in funding:-

	<b>Revenue Support Grant (RSG) £'m</b>	<b>Rural Services Delivery Grant £'m</b>
2016/17	1.675	165.3
2017/18	0.803	133.4
2018/19	0.269	102.6
2019/20	-0.330	133.4

2. In addition, tariffs and top-ups in 2017-18, 2018-19 and 2019-20 will not be altered for reasons related to the relative needs of local authorities, but in the final year may be subject to the implementation of 100% business rates retention. Any increase in tariff reduces the amount of business rates an authority can retain in a particular year.
3. It has been made clear that all four years must be accepted and that under no circumstances will any authority be better off by not accepting the offer. This is a difficult decision for SSDC Members to make as the offer includes a "negative" RSG in year four.

**Savings**

4. This Efficiency Plan takes into account the Council Plan, the five-year Medium Term Financial Strategy, and the Asset Management Plan. The current shortfall over the time period of the offer is £2.8 million. This shortfall assumes that the approved Transformation Programme will deliver £2 million savings over the next two years. The key delivery of savings will be made through:-

Transformation Board – members approved a report in March 2016 which outlined £2 million efficiency savings with a reduction of approximately 63 staff around 17% of the current workforce;

Income Generation Board - actively increasing our income, earning income through new sources, and marketing existing services – target set for £800k over 4 years;

Strategic Alliance with Sedgemoor District Council – reviewing ways of joint working and joint initiatives for savings and efficiency – currently there are 9 projects in scope;

Management Board – procurement, assets and other savings.

5. Although the savings target is challenging plans are clearly underway to find the savings required. An advantage of accepting the offer is that at least government grant is fixed to enable SSDC to plan and deliver those savings more effectively over the next three

years. Unexpected reductions usually mean the use of balances and reserves to avoid making snap decisions on cuts to budgets as even provisional announcements are not made until the middle of December. In the past it has not been unusual to have to amend the District Executive report to full Council after Executive members have approved it in February.

## **Delivery of the Council Plan**

6. However, this Efficiency Plan requires an outline of more than savings and how key aspects of the Council Plan will be delivered. The Council Plan contains the following priorities:-

### High Quality Effective Services

In order to protect front line services we will:

- Transform customer services through technology.
- Actively manage assets and resources to ensure the best financial or community return.
- Seek business opportunities for the council.
- Work with partners to achieve economies, resilience and influence

### Economy

To promote a strong economy with thriving urban and rural businesses we will:

- Work with businesses and use our assets to grow our economy.
- Advise and support initiatives that ensure worker skills meet the employers' needs.
- Lobby for and support infra-structure improvements to enable growth.
- Capitalise on our high quality culture, leisure and tourism opportunities to bring people to South Somerset.

### Environment

To keep South Somerset clean, green and attractive we will:

- Increase recycling.
- Maintain Country Parks and open spaces to promote good mental and physical health.
- Keep streets and neighbour-hoods clean and attractive.
- Continue to address the impact of flooding.
- Promote a high quality built environment in line with Local Plan.
- Support communities to develop local, parish and neighbourhood plans.

### Homes

To work with partners to enable the provision of housing that meets the future and existing needs of residents and employers we will:

- Minimise homelessness and rough sleeping.
- Work with the private rented sector to improve the standard and availability of rented accommodation.

- Tackle fuel poverty.
- Enable people to live independently for as long as they are able.

### Health and Communities

To build healthy, self-reliant, active communities we will:

- Support communities so that they can identify their needs and develop local solutions.
  - Target support to areas of need.
  - Help people to live well by enabling quality cultural, leisure, play, sport & healthy lifestyle facilities & activities.
  - Work with partners to tackle health issues such as diabetes and hypertension.
  - Help keep our communities safe
7. Annual action plans are approved as part of the Medium Term Financial Plan to ensure that delivery of the Council Plan is affordable and achievable. Agreeing to a four year settlement will enable the Council to have some certainty over funding and delivery of the Council Plan. In previous years funding has not been confirmed until mid-February and the Medium Term Financial Plan has required updating between District Executive and Full Council as a result. This has led to uncertainty and does not aid sound decision making. It has also led to a higher use of General Fund Balances at times as a result.
  8. Certainty over funding will also aid the public consultation process and ensure that the Council Plan can be delivered to our community.

### **Delivery of the Asset Management Plan**

9. Annual action plans are approved as part of the Medium Term Financial Plan to ensure that delivery of the Asset Management Plan is affordable and achievable. Agreeing to a four year settlement will enable the Council to have some certainty over funding and delivery of its Asset management Plan.

### **Devolution**

10. SSDC is a partner in the Heart of the South West devolution bid. The bid is expected to be put forward in the autumn of 2016. Work is currently underway on finalising the financial costs and contributions from authorities to fund the bid. Agreeing to a four year settlement will enable the Council to have some certainty over its own funding to be able to commit to the final bid should it wish to.

# Agenda Item 10

## **Membership of Committees – Appointment of New Councillor to the Regulation Committee and the Appeals Panel**

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

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

To confirm a change to the Regulation Committee and the Appeals Panel appointments following the resignation of Councillors Shane Pledger.

### **2. Public Interest**

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

### **3. Recommendation**

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

1. Councillor Tiffany Osborne be appointed to the Regulation Committee.
2. Councillor Neil Bloomfield be appointed to the Appeals Panel.

### **4. Report**

The membership of committees and working groups for 2016/17 was approved at the Annual Council meeting on 19<sup>th</sup> May. Since then, Councillor Shane Pledger, a member of the Conservative group, has resigned as a District Councillor.

The Conservative group have now indicated they would like to appoint Councillors Tiffany Osborne and Neil Bloomfield to the two vacancies created on these committees/panels.

### **5. Background Papers**

Minutes of Council – 19<sup>th</sup> May 2016

# Agenda Item 11

## **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 August 2016. The decisions are set out 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
Strategy & Policy	Consent for disposal of a property in Pen Selwood by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to confirm consent for the proposed disposal of number 1, Grove Close, Coombe Street, Pen Selwood by Yarlington Housing Group.	Portfolio Holder	26/08/16 Executive Bulletin No. 684
Finance & Legal Services	SDDC Medium Term Financial Strategy and Plan	<p>District Executive:</p> <ol style="list-style-type: none"> <li>1. approved the current Medium Term Financial Strategy and Efficiency Plan;</li> <li>2. agreed that £104,000 in Council Tax Reduction Grant be passported to support Town and Parish Councils' Precepts;</li> <li>3. approved in principle that South Somerset District Council remains in the Somerset Business Rates Pool for 2017/18 with a final decision delegated to the Assistant Director – Finance and Corporate Services in Consultation with the Leader and Finance Portfolio Holder;</li> <li>4. noted the current position and timetable for the Medium Term Financial Plan.</li> </ol> <p>District Executive recommended to full Council:</p> <ol style="list-style-type: none"> <li>5. approval to utilise the capital receipts outlined in the Efficiency Strategy attached at Appendix A for revenue costs;</li> <li>6. to note that a 4-year Rate Support Grant settlement deal has been made available by the Department for Communities and Local Government and that the terms offered for South Somerset includes a negative grant in 2019/20 whereby £330k would be collected locally for return to the Government;</li> <li>7. to authorise the Leader and/or Portfolio Holder for Finance and Legal Services to make representations to the Department for Communities and Local Government, and others, to seek to improve the 4 year deal RSG offer.</li> </ol>	District Executive	01/09/16

<b>Portfolio</b>	<b>Subject</b>	<b>Decision</b>	<b>Taken By</b>	<b>Date</b>
Strategy & Policy	Affordable Housing Development Programme	<p>District Executive:</p> <p>a. noted the outturn position of the Affordable Housing Development Programme for 2015/16 [ref section 11];</p> <p>b. confirmed that the Council continue to use the hybrid rent model when acting as the sole source of grant funding for four or five bedroom properties and for all property types in certain higher value rural locations, but otherwise accept the affordable rent model for the majority of new grant funded homes [ref section 10.8 ];</p> <p>c. de-allocated £373,000 from Stonewater for the scheme at West Hendford, Yeovil [ref section 13 ];</p> <p>d. confirmed retention of £375,000 allocation for underwriting of the LD project by Stonewater [ref section 13 ];</p> <p>e. confirmed allocation of £1,040,000 to Stonewater for the scheme at North Street, Crewkerne subject to appropriate planning permission being in place [ref section 14 ];</p> <p>f. confirmed the creation of a new rural contingency fund of £500,000 [ref section 15].</p>	District Executive	01/09/16
Strategic Planning (Place Making)	South Somerset Authority Monitoring Report (September 2016)	<p>District Executive:</p> <p>1. endorsed the Authority Monitoring Report (2016) (at Appendix A); and</p> <p>2. delegated responsibility to the Assistant Director for Economy in consultation with the Portfolio Holder for Strategic Planning to make any final minor text amendments which may be necessary to enable the Authority Monitoring Report to be published.</p>	District Executive	01/09/16
Strategy & Policy	Quarterly Corporate Performance and	District Executive noted the report.	District Executive	01/09/16

Portfolio	Subject	Decision	Taken By	Date
	Complaints Monitoring Report - 1st Quarter 2016/17			
Strategy & Policy	Consent for disposal of a property in Charlton Musgrove by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to advise Yarlington Housing Group that, SSDC does not support their proposed disposal of number 3, St Johns Cottages, Barrow Lane, Charlton Musgrove.  The Portfolio Holder further notes the objections of the ward member to the potential for deployment of funds outside of South Somerset and the future implications of this proposed disposal on number 2, St Johns Cottages, Barrow Lane, Charlton Musgrove.	Portfolio Holder	02/09/16 Executive Bulletin No. 685
Strategy & Policy	Consent for disposal of a property in Ilminster by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to confirm consent for the proposed disposal of number 3, Berrymans Lane, Ilminster by Yarlington Housing Group.	Portfolio Holder	23/09/16 Executive Bulletin No. 688
Strategy & Policy	Consent for disposal of a property in Chiselborough by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to advise Yarlington Housing Group that, SSDC does not support their proposed disposal of number 17, Taylors Orchard, Chiselborough.	Portfolio Holder	23/09/16 Executive Bulletin No. 688
Strategy & Policy	Consent for disposal of a property in Knole by Yarlington Housing Group	The Portfolio Holder for Strategy and Policy has agreed to advise Yarlington Housing Group that, SSDC does not support their proposed disposal of number 2, Council House, Knole, Langport.	Portfolio Holder	30/09/16 Executive Bulletin No. 689
Property & Climate Change	Castle Cary Market House – approval of priority works	The Portfolio Holder for Property and Climate Change has agreed to the early commencement of priority work up to the value of £31,163 from within the £45,000 funds allocated, in lieu of a short-medium term programme of repairs and maintenance for Castle Cary Market House.	Portfolio Holder	30/09/16 Executive Bulletin No. 689
Strategic Planning (Place Making)	Community Right to Bid Quarterly Update Report	Recommendation:  District Executive members comment on and note the report.	District Executive	06/10/16

<b>Portfolio</b>	<b>Subject</b>	<b>Decision</b>	<b>Taken By</b>	<b>Date</b>
Area West Committee Chair & SAFC Champion	Somerset Armed Forces – Overview of Progress 2016	Recommendation:  District Executive discuss and note the report.	District Executive	06/10/16
Finance & Corporate Services	Medium Term Financial Strategy and Plan – Flexible use of Capital Receipts	Recommendation:  That the District Executive recommends to full Council the approval to utilise the capital receipts outlined in the Efficiency Strategy attached at Appendix A for revenue costs.	District Executive	06/10/16
Finance & Corporate Services	Medium Term Financial Strategy and Plan – Four Year Settlement	Recommendation:  That the District Executive decides whether or not to recommend to full Council the acceptance of the 4-year settlement deal offered by the Department for Communities and Local Government and the publishing of the Efficiency Plan attached at Appendix A.	District Executive	06/10/16
Environment & Economic Development	Infrastructure Projects and Funding for Feasibility Studies	Recommendation:  District Executive is recommended to:  i. Delegate to the Strategic Regeneration Board the re-prioritisation, as and when required, of the 'Investing in Infrastructure' programme of projects originally agreed by District Executive Committee, using the criteria approved by District Executive.  ii. Delegate the spend of the remaining Infrastructure Reserve to the Portfolio Holder for Environment and Economic Development in consultation with the Strategic Regeneration Board, with £150,000 allocated to area schemes including £50,000 to the 'Yeovil Refresh'.  iii. Approve the application form set out in Appendix 1 as the basis for allocation of feasibility funding.	District Executive	06/10/16

# Agenda Item 12

## **Audit Committee**

This report summarises the items considered by the Audit Committee on 29 September 2016. There was no meeting of the Audit Committee in August 2016.

### **2016/17 SWAP Internal Audit Quarter 1 Update**

The Assistant Director of SWAP presented the report as detailed in the agenda, which provided an update on the position of the Internal Audit Plan at the end of Quarter 1 2016/17. She highlighted key elements of the report including:

- The Internal Audit Work Programme
- Changes to the Audit Plan
- An explanation of the Healthy Organisation Audit

The Chairman noted there might be some confusion regarding the meaning of the terms 'non opinion' and 'no assurance', and suggested rewording of the terms should be given some consideration.

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

**RESOLVED:** That the Audit Committee noted the progress made with the Internal Audit Plan 2016/17.

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### **Treasury Management Practices (Agenda Item 7)**

The Principal Accountant presented the report which requested the Audit Committee to consider approving the Treasury Management Practices as detailed in the agenda. She provided a brief overview of the report and noted there were no material changes to this standard report.

There was no discussion and members were content to approve the Treasury Management Practices.

**RESOLVED:** That the Audit Committee approved the Treasury Management Practices, as detailed in appendix 1 of the agenda report.

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### **Treasury Management Performance to June 2016 (Agenda Item 8)**

The Principal Accountant presented the report which requested the Audit Committee to review the treasury management activity and the performance against prudential indicators for the three months ended 30 June 2016. She explained in a little more detail about the drop in capital value of the CCLA fund, as detailed in paragraph 20 of the report.

During a brief discussion members expressed concern about the timeframes involved with reporting of figures as it was currently the end of September but the report referred to figures as at the end of June. In response, the Principal Account explained that the report had been due in August but that meeting had been cancelled. She reassured members that the Assistant Director (Finance and Corporate Services) would make the Audit Committee aware if there were any urgent issues of concern.

At the conclusion of discussion members were content to note the Treasury Management Activity and the position of individual prudential indicators.

**RESOLVED:** That the Audit Committee:

- Noted the Treasury Management Activity for the three-month period ended 30 June 2016.
- Noted the position of the individual prudential indicators for the three-month period ended 30 June 2016.

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### **Audit Committee Forward Plan (Agenda Item 9)**

The Chairman reminded members that earlier in the meeting it had been agreed to cancel the October meeting. Therefore the report on the Treasury Strategy would be moved to the November meeting.

Members queried if the procurement work was being covered in the absence of the Procurement Officer. In response, the Principal Accountant advised members that contract related work was being covered by the Fraud and Data Manager, and any other elements were being overseen by the Assistant Director (Finance and Corporate Services).

Acknowledging the response provided by the Principal Account and the circumstances involved, members requested that reports on risk management continue to be made to the Committee in order to provide reassurance that risks continue to be monitored.

There were no further updates to the Audit Committee Forward Plan, and members were content to note the report.

**RESOLVED:** That the Audit Committee Forward Plan be noted.

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Councillor Derek Yeomans  
Chairman of Audit Committee

# Agenda Item 13

## **Scrutiny Committee**

The Scrutiny Committee met on 4<sup>th</sup> October and made the following comments on the reports due to be considered by District Executive on 6<sup>th</sup> October:

### **Community Right to Bid**

Members noted the content of the report and agreed with the suggestion from Portfolio Holder, Angie Singleton, that 6 monthly updates would be appropriate going forward.

### **Somerset Armed Forces Covenant**

Members asked for clarification on paragraph 16 of the report where it states that with the exception of three service areas, SSDC knows very little about the Armed Services community within the district. Members asked what specific actions are being taken to address this and how they could contribute suggestions or questions?

Members also queried where responsibility now lies for maintaining Commonwealth War Graves in the district?

### **Medium Term Financial Strategy and Plan – Flexible Use of Capital Receipts**

Members supported the recommendations in the report.

### **Medium Term Financial Strategy and Plan – Four Year Settlement**

Members considered the report and an additional paper supplied by the Portfolio Holder. Scrutiny members acknowledged the differing points of view expressed by the Section 151 Officer and the Portfolio Holder, noting that the authority is in a very difficult position, with neither option being particularly favourable. The Committee discussed the potential impact of accepting the 4 year settlement and not accepting it and noted the S151 Officer's confirmation that DCLG had reiterated that no authority would be better off if they did not accept the deal. Consideration was also given to the reputational risks of informing the public that the council had willingly accepting a negative RSG position versus informing them we had not accepted three years of certainty in defence of a principle.

Further discussion was about whether it would be possible to follow the example of Wokingham (and example provided by the Portfolio Holder) whereby the period of certainty offered within the deal is accepted but the negative RSG is not. Members concluded that this 'cherry picking' approach would not be appropriate and instead noted that in making our application to DCLG, SSDC should strongly reiterate our opposition to the principle of negative RSG.

Members did not indicate a preferred option at this stage, but did feel that members had sufficient information upon which to base a decision at Council on 13<sup>th</sup> October.

## **Infrastructure Projects and Funding for Feasibility Studies**

Members accepted the need to ensure that internal decision making processes effectively balance timeliness and the principles of transparent and accountable decision making. They sought clarification that any Executive Decisions were being delegated to the Portfolio Holder in consultation with the Strategic Regeneration Board (rather than to the Regeneration Board itself) and that any decisions would be published and subject to Scrutiny in line with existing procedures.

### **Devolution presentation.**

In addition to the District Executive reports, members received a presentation from the Scrutiny Committee Vice Chair, Cllr John Clark, on the subject of Devolution. Cllr Clark informed members that at the invitation of the Leader he had attended a Leaders and CEO's meeting about Devolution and subsequently felt that a presentation to Scrutiny would aid the work of the Task and Finish Group established to look at this subject.

Members thanked Cllr Clark for his very detailed presentation which outlined the context of Devolution and the potential risks and benefits to South Somerset. Members noted that Devolution is currently paused awaiting any announcements in the Autumn statement and that the issue would be revisited by the Task and Finish Group following the statement.

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### **Task and Finish Work**

The following Task and Finish Groups are currently in progress:

- **Consent for Disposal of properties** – This group is now re-focusing on the impact of the disposal of properties by Housing Providers on SSDC's Rural Letting's Policy. Following evidence gathered by the Task and Finish Group it is clear that Yarlinton Homes in particular are committed to continue to dispose of rural properties and that SSDC must now seek to mitigate the impact of this as far as it possible.
- **Discretionary Housing Payments** – This group has collected a significant amount of evidence from key agencies and will be meeting on 4<sup>th</sup> November to review the data and comment on a draft policy.
- **Rural Services Network – Rural access to health project** – The Somerset CCG have provided a written response to the questions set which will be incorporated into a report for submission to the RSN national project.
- **Street Trading** - This group have now had their first meeting and have agreed the review Terms of Reference. Further meetings are scheduled for 4<sup>th</sup> and 29<sup>th</sup> November with the aim on producing a draft policy that will be sent to all interested parties for a 12 week consultation period at the end of November 2016.



- **Devolution** – As referenced above, this review is held in abatement pending any announcements made in the Autumn Statement.
  - **Council Tax Support** – This group has met on several occasions reviewing extensive evidence. At the last meeting members took the decision to extend the consultation period regarding the options to amend the scheme going forward to try to encourage a better response and in particular for representatives of vulnerable and minority groups to participate.
  - **National Non Domestic Rates Discretionary Relief** – the group last met on the 12<sup>th</sup> September with Revenue Officers to discuss the effectiveness of the current scheme and considered if and how the scheme may need to be amended for the forthcoming year. The changes around Small Business Rate relief are key and the impact of this will be discussed at the next meeting on 31<sup>st</sup> October.
  - **Right to Buy Clawback** - Following the request from Garry Orr, CEO of Yarlington Homes, that members reconsider the approach taken with the monies obtained through the Right to Buy Clawback Agreement, an invitation has been sent to all members to participate in a Task and finish group to consider:
    - o The impact on the Capital Programme in terms of the other significant projects that this Council wants or needs to deliver on behalf of the community.
    - o How best to allocate the clawback monies to best meet those in housing need on the Housing Register.
    - o Other housing priorities and areas of spending such as Disabled Facility Grants and grants to Houses of Multiple Occupation.
- 

Sue Steele  
Chairman of Scrutiny Committee

# Agenda Item 16

## **Date of Next Meeting**

Members are asked to note that the next scheduled meeting of the Full Council will take place on **Thursday, 17<sup>th</sup> November 2016** in the Council Chamber, Council Offices, Brympton Way, Yeovil **commencing at 7.30 p.m.**

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