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## District Executive

**Thursday 7th January 2021**

**9.30 am**

**Virtual Meeting  
using Zoom meeting software**

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The following members are requested to attend the meeting:

Jason Baker  
Mike Best  
John Clark  
Adam Dance  
Sarah Dyke

Peter Gubbins  
Henry Hobhouse  
Val Keitch  
Tony Lock  
Peter Seib

Any members of the public wishing to address the meeting at Public Question Time need to email [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk) by 9.00am on Wednesday 6<sup>th</sup> January 2021.

The meeting will be viewable online at: [https://youtu.be/CLINIOL\\_ZSo](https://youtu.be/CLINIOL_ZSo)

For further information on the items to be discussed, please contact [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk)

This Agenda was issued on Tuesday 29 December 2020.

*Alex Parmley, Chief Executive Officer*

**This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk) and via the mod.gov app**

## Information for the Public

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

Members of the Public are able to:-

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

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

### District Executive

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

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

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

## **Public participation at meetings (held via Zoom)**

### **Public question time**

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

Please email [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk) for the details to join the meeting.

If you would like to view the meeting without participating, please see: [https://youtu.be/CLiNIOL\\_ZSo](https://youtu.be/CLiNIOL_ZSo)

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

If you would like to address the meeting at Public Question Time, please email [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk) by 9.00am on Wednesday 6<sup>th</sup> January 2021. When you have registered, the Chairman will invite you to speak at the appropriate time during the virtual meeting.

### **Virtual meeting etiquette:**

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

# District Executive

**Thursday 7 January 2021**

## Agenda

### 1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on 3<sup>rd</sup> December 2020.

### 2. Apologies for Absence

### 3. Declarations of Interest

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

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

### 4. Public Question Time

### 5. Chairman's Announcements

#### Items for Discussion

### 6. Somerset Waste Partnership Annual Report and Business Plan Update (Pages 5 - 28)

### 7. Council Tax Support Scheme 2021/22 (Pages 29 - 76)

### 8. 2021/22 Draft Budget and Medium Term Financial Plan Update (Pages 77 - 90)

### 9. Somerset Recovery and Growth Plan (Pages 91 - 204)

### 10. Transformation Programme Assessment and Final Report (Pages 205 - 229)

### 11. Octagon Theatre Development (Pages 230 - 277)

### 12. District Executive Forward Plan (Pages 278 - 283)

### 13. Date of Next Meeting (Page 284)



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## Somerset Waste Partnership Annual Report & Business Plan Update

Executive Portfolio Holder: Sarah Dyke, Environment  
Strategic Director: Clare Pestell, Commercial Services and Income Generation  
Lead Officer: Chris Cooper, Environmental Services Manager  
Contact Details: Chris.cooper@southsomerset.gov.uk or 01935 462840

### Purpose of the Report

1. The Somerset Waste Board is required to annually approve a rolling five-year business plan and this report seeks approval to the draft business plan.
2. It also informs members about the changes to how garden waste payments will be taken in future and provides information about delegations that SWP will be seeking from partner authorities to underpin their enforcement capabilities.

### Forward Plan

3. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 7<sup>th</sup> January 2021.

### Public Interest

4. This report is to inform the Council of the work that is proposed to develop the waste and recycling functions across the area managed by the Somerset Waste Partnership which includes South Somerset and to seek agreement to the proposals.

### Recommendations

5. That the District Executive:
  - a) Approves the draft Business Plan 2020-2021
  - b) Notes the changes to how garden waste payments will be made in 2021, as agreed by the Somerset Waste Board
  - c) Approves the renewal of the delegation of powers required to underpin the SWP's advice, support and enforcement policy.

### Background

6. The Somerset Waste Partnership (SWP) is responsible for providing waste and recycling services on behalf of all six local authorities in Somerset. The partnership is governed through a Joint Committee known as the Somerset Waste Board (SWB). The SWB Constitution requires the preparation of a Business Plan on an



annual basis. The plan has a five year horizon with particular focus on the next 12 months, and it provides a framework within which the board can make decisions and steer the delivery of waste partnership services. The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved.

7. The Board's business planning cycle usually requires a draft report to be approved by the Board in December / January and is circulated to partners for comment prior to the adoption of the Board's Annual Budget the following February. Once approved or noted by all partners, the plan will be formally adopted by the Board to provide a framework within which the Board can make decisions and steer the delivery of Waste Partnership services.
8. The update of the business plan focusses on the progress that has been made, and continues to be made, following the procurement of a new collections contractor, the change in waste disposal methodology from landfill to an energy from waste facility and the subsequent implementation of Recycle More, which is planned for introduction in South Somerset in 2020 - 2021.
9. A verbal update / presentation will be made to the cabinet on this aspect of the business.

## Report

10. This report introduces the SWP business plan which focusses on delivering the following main outcomes:
  - Delivering excellent services
  - Changing behaviours
  - Tackling climate change
11. These are delivered by the following activities;
  - Waste reduction
  - Promoting Reuse
  - Recycling
  - De-carbonising residual waste
  - De-carbonising operations
  - Tackling non-household waste
  - Working with others
  - Improving the customer experience
  - Supporting wider goals in Somerset
  - And, through enabling activities
12. The business plan also identifies the main challenges and key risks which may impact on the business plan delivery, these include:



- The ongoing impact of Covid-19
  - Resource pressures on the SWP due to introducing the first phase of 'Recycle More'
  - Central Government policy changes in the Resources and Waste strategy
  - Brexit
  - Funding and financial pressures on local authorities
  - The future of local government in Somerset
13. This year the SWP set out to centralise garden waste payments in order to improve customers' experience of the scheme and to remove the need for garden waste stickers – and the work associated around this activity.
14. The change in how the payments are handled will not result in any increase in income to district councils, as demonstrated by the SWP's experience of delivering this for Mendip D.C. in 2020.
15. The change will also retain the customer channels available at present, whilst also enabling customers to sign up via the SWP website at any time, all year round.
16. Although this project has risks, the SWP will oversee this project over the coming months with input from partner I.T. and customer service teams. Section 151 officers have been consulted on the financial changes involved.
17. The SWP are also refreshing the policy on Advice, Support and Enforcement, and look to overcome the technicality currently existing which means that the SWP are unable to issue fixed penalty notices. This is not indicating a change in approach of working with customers to change behaviours, but to offer the alternative approach of being able to take enforcement action against the very small minority who persistently refuse to engage or cooperate with the service.
18. To enable this change to happen, the delegation of these powers by districts is needed.
19. The business plan gives detail on its focus of operations in the action plan contained within the document which is laid out in order of the associated activities.

## **Financial Implications**

20. The SWP's budget will, for the first time, show the costs and income, together, from garden waste subscriptions – although as highlighted earlier this will not affect the partner district's income from this service.
21. The roll out of 'Recycle More' is also scheduled for completion in February 2022. No savings resulting from the new contract will be taken from the SWP by any partner until the roll out costs are fully funded, this offers all partners equality of

return, regardless of their place in the roll out. Savings are expected in 2022/23 with overall savings anticipated at £2m per annum.

22. All partners agreed the capital borrowing to purchase vehicles at a cost of approx. £18m with a further £7m used to fund depot works, equipment and purchasing additional containers. Each partner borrowed £5m on behalf of the SWP at the Public Works Loan Board rate plus 1%, resulting in a £1.8m discount per annum on the collection contract from SUEZ.

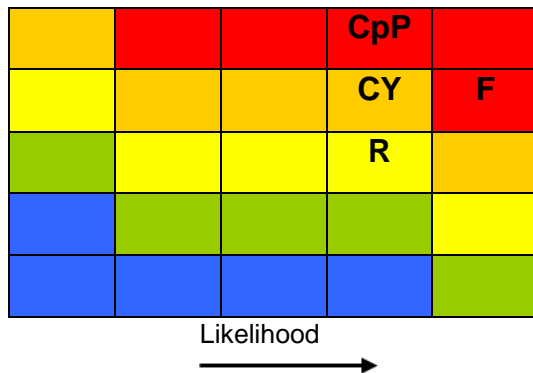
### Legal implications and details of Statutory Powers

23. Delegation of statutory powers under the Environmental Protection Act 1990 would provide Somerset County Council (as the administering authority) the power to act on behalf of the SWP on issues relating to domestic and commercial waste offences relating to kerbside collections, recycling centres and duty of care.

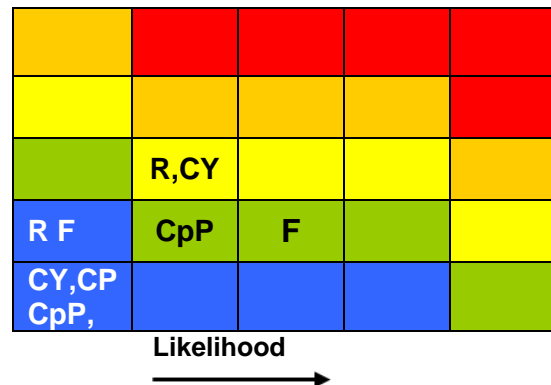
### Risk Matrix

The risk matrix shows risk relating to the Corporate Plan headings.

**Risk Profile before officer recommendations**



**Risk Profile after officer recommendations**



#### Key

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





## **Council Plan Implications**

24. The business plan plays a central point in working towards the Councils' aim to keep South Somerset clean, green and attractive and respond to the climate emergency and working in partnership to:
- Promote recycling and minimise waste

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

25. The Business Plan contains a key outcome of 'Tackling Climate Change' under which the actions contained in the plan all contribute towards tackling "greenhouse gas emissions from our own estate and operations and the wider carbon implications.

## **Equality and Diversity Implications**

26. Many of the actions in the business plan relate to the implementation of decisions already taken by the Somerset Waste Board and Equalities Impact Assessments were undertaken at the time.
27. EIA's will be carried out as appropriate as future review and actions arise.
28. The decision to carry out an EIA in most cases will be delegated to the SWP's Managing Director, or if significant, then they will be returned to the Somerset Waste Board prior to commencing development.

## **Privacy Impact Assessment**

29. Personal Data held by the SWP is fundamentally the same as currently managed and used. As technology is developed and used to assess customer behaviour to reduce waste and improve recycling, then impact assessments will need to be carried out by the SWP to ensure compliance with data protection regulations.

## **Background Papers**

- SWP Annual Report and Draft Business Plan – District Executive 20<sup>th</sup> Jan 2020
- SWP Business Plan 2019 - 2024
- SWP Business Plan 2021 – 2026



# **SWP Business Plan 2021 – 2026**

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Page 15	Draft Budget Table 2021/22

## About Somerset Waste Partnership

### Our vision and values

<b>Who we are:</b>	Somerset's Local Authorities working together as the Somerset Waste Partnership, ensuring that our household waste is reduced, collected, reused, recycled and effectively treated.
<b>What we do:</b>	<ul style="list-style-type: none"> <li>• Preserve our environment by making every effort to ensure our household waste is not wasted but reused as a valuable resource.</li> <li>• Deliver excellent customer service and value for money to create a more sustainable Somerset.</li> </ul>
<b>What we want to become:</b>	An exemplar for how we manage waste as a resource, work with others and support our residents to manage their household waste and make our service the best it can be.
<b>Our values:</b>	<ul style="list-style-type: none"> <li>• <b>Insight:</b> Working with our partners to understand how and why people behave as they do and use this knowledge to shape our service.</li> <li>• <b>Collaboration:</b> Treating everyone we work with as an equal, knowing we have greater success when we work together.</li> <li>• <b>Innovation:</b> Learning from others and constantly looking at new ways of working to give the best service we can.</li> <li>• <b>Quality:</b> Focusing on excellent customer service and making the best use of the waste we collect.</li> </ul>

### Background to SWP

Somerset Waste Partnership (SWP) was established in 2007 and manages waste services on behalf of Mendip, Sedgemoor, Somerset West and Taunton, South Somerset District Councils, and Somerset County Council. This made it the first county-wide waste partnership in the country. It has a history of innovation – the first to roll out food waste at scale, the first to publish an annual report showing exactly what happens to all its recycling, and is known for its commitment to collecting quality source separated recycling materials which are used as resources by UK industry.

SWP is accountable to the Somerset Waste Board (SWB), which consists of two members from each of the partner authorities. For further information about Somerset Waste Partnership and the Somerset Waste Board visit [www.somersetwaste.gov.uk](http://www.somersetwaste.gov.uk).

SWP has delegated authority to deliver household waste and recycling services throughout Somerset, including management of kerbside collections, recycling sites and disposal sites. These duties are in turn contracted to SUEZ (collections) and Viridor (recycling sites, landfill sites and treating food, garden and residual waste). 2020 saw a year of challenge for SWP with Covid-19 and also significant change – a new collection contractor (SUEZ), a move away from landfill to generating energy from waste, and the start of the Recycle More collection service model.

## Key Challenges and Opportunities

Political	<b>The impact of withdrawal from the EU:</b> Whilst SWP recycled 90% of its material in the UK, waste is a global business and this will have impacts, for example on recycle prices (and hence on our share of recycle income)
	<b>National legislative change (resources):</b> Further national consultations are expected in Spring 2021 with potential 2023 implementation.
	<b>National legislative change (planning):</b> National changes to planning policy may impact on our ability to ensure homes are built with recycling in mind.
	<b>Future of Local Government in Somerset:</b> Proposals for local government reorganisation may have a significant impact on SWP and business plan delivery.
Economic	<b>Financial pressure on partner authorities:</b> The financial environment in which we operate remains very tightly constrained.
	<b>Waste sector:</b> Both our current operators may change owners – Suez are the subject of a hostile takeover bid by Veolia and Viridor’s owners (KKR) are restructuring their business. Whilst our contracts define service specifications this may change the current positive relationships we have with our contractors.
	<b>Recyclate risk:</b> SWP will share risk with its collection contractor on recycle value. This will directly impact upon the SW:EEP behavioural change fund. Values of most materials have been falling recently.
	<b>Risk of recession:</b> The national economic outlook (given Covid-19 and Brexit) is uncertain. Periods of recession typically see lower levels of waste as a result of lower consumption, however, the past may not be a reliable guide to the future.
Social	<b>Demographic changes:</b> Somerset’s growing and ageing population inform our planning for the future, as do employment trends give our large workforce.
	<b>Covid-19:</b> The ongoing risks include elevated/variable tonnages collected, disruption to recycling centres, local/national lockdowns, changes to our working practices, disruption to services due to loss of staff. All of these put pressure on resources and may impact on business plan delivery. Conversely, there are positive changes in behaviour (e.g. higher kerbside recycling) that we will seek to embed.
Technological	<b>Social media:</b> Increasing use of social media presents an opportunity to reach more people, but raises expectations about speed of response.
	<b>Big data:</b> The ability to manipulate large data sets (be it around people’s behaviour or the life-cycle of resources and waste) can be powerful.
	<b>New materials:</b> New materials may emerge onto the market quicker than our ability to manage them at the end of their life.
Environmental	<b>Somerset’s Climate Emergency:</b> SWP led the ‘Waste & Resources’ workstream and aim to work more closely with partners to progress our wider vision. However, our ability to implement further change will be constrained by resources and capacity as we are already managing considerable change.
	<b>Public Awareness:</b> Many people are much more aware of climate change and keen to do more, and frustrated if they feel they cannot do more.

## Approach to Business Plan

Our Business Plan explains how we will work towards our Vision over the next five years, with a particular focus on next year. It contains three outcomes, beneath which sit a range of inter-linked activities which contribute to these outcomes:

<i>Theme</i>		<b>Delivering excellent services</b>	<b>Changing behaviours</b>	<b>Tackling climate change</b>
		<i>SWP effectively collects, recycles and treats waste</i>	<i>People manage waste as a resource</i>	<i>SWP maximises its contribution to tackling the climate emergency</i>
<b>1.</b>	<b>Waste reduction</b>			
<b>2.</b>	<b>Promoting Reuse</b>			
<b>3.</b>	<b>Increasing Recycling</b>			
<b>4.</b>	<b>Decarbonising residual waste</b>			
<b>5.</b>	<b>Decarbonising our operations</b>			
<b>6.</b>	<b>Tackling non-household waste</b>			
<b>7.</b>	<b>Working with others</b>			
<b>8.</b>	<b>Improving the customer experience</b>			
<b>9.</b>	<b>Supporting wider goals in Somerset</b>			
<b>10.</b>	<b>Enabling activities</b>			

The actions currently underway remain the most significant set of changes to Somerset's waste services since SWP's inception in 2007, covering all aspects of our services. We are also expecting the most significant set of changes to national resources and waste policy for a generation, local government may be reorganised in Somerset and we are still dealing with the impacts of Covid-19 (and the delays this has resulted in to actions we intended to undertake in 2020/21 – implementing Recycle More and dealing with Covid-19 will continue to take priority over other actions

In addition to the actions set out in the Business Plan, SWP propose to continue with the two charities we adopted in 2019 to support through staff fundraising and volunteering. Covid-19 has impaired our ability to volunteer and raise funds.

<b>Local Charity</b>	<b>National Charity</b>
<b>RAFT</b> (Refugee Aid from Taunton)	<b>WasteAid</b>
RAFT provide aid through donations to help refugees and displaced people wherever and whenever they are able, regardless of colour, culture and religion. It demonstrates an innovative approach to reuse.	70% of the plastic in the oceans comes from places with no waste management. WasteAid helps people turn their waste into useful products, sharing recycling skills to create green jobs, improve public health and protect the environment.

<b>1. Waste Reduction</b>			
In accordance with the waste hierarchy, reducing the amount of waste we generate in the first place is the best environmental (and financial) outcome			
<b>What</b>	<b>When</b>	<b>Why</b>	
<b>1.1 Food waste reduction</b>	Ongoing	Composition analysis shows us that c70% of food waste was avoidable and it is one of the most carbon intensive items in our waste. As set out in the climate emergency strategy, in the medium term we will seek to work with partners to develop food waste strategy for Somerset (to avoid food becoming waste in the first place), including prioritising a food waste reduction campaign across Somerset.	
<b>1.2 Refill campaign</b>	Ongoing	SWP coordinates the Refill campaign in Somerset, encouraging people to swap single use water bottles for reusable alternatives, and encouraging businesses to enable people to sign up to the app so that people know they can refill their bottle when out and about	
<b>1.3 Pledge against preventable plastic</b>	Ongoing	SWP promotes its Pledge Against Preventable Plastic primarily through the Schools Against Waste programme. It aims to harness the public interest in reducing plastic consumption but encourage people not simply to substitute another material for plastic	
<b>1.4 Signpost to zero waste shops</b>	2021/22	Building on SWP's crowd-sourced listing of zero/minimal waste shops across Somerset develop a tool which raises awareness of these shops and encourages their use	
<b>1.5 Reusable nappies</b>	Ongoing	Provide support to local cloth (reusable) nappy library groups to enable them to provide support and nappy loan kits to more families. Whilst we recognise reusable nappies will not be a solution for all, we want it to be easier for those considering their use to make it work for them.	
<b>1.6 Waste prevention campaigns</b>	Ongoing	Whilst Recycle More will be our priority campaign in 2021/22, we will seek to undertake campaigns focussed on particular target materials (e.g. targeting fast fashion/Love Your Clothes) with a high carbon impact. This may involve doorstep leafleting.	
<b>Links to other activities in SWP's Business Plan</b>			<ul style="list-style-type: none"> <li>• SWP's Waste Strategy will reflect the waste hierarchy and hence waste reduction.</li> <li>• Our Schools Against Waste programme is built around the waste hierarchy and will promote waste reduction to our young people.</li> <li>• Our proposed Green Business Support (funding dependent) will help businesses to make more resource efficient decisions</li> <li>• Waste composition analysis: helping us understand what Somerset residents are throwing away</li> <li>• Community Action Groups</li> <li>• Public sector procurement policy</li> <li>• SWP reports quarterly to the board on waste minimisation (total household arisings)</li> </ul>

<b>2. Promoting reuse</b>			
Reusing things that would otherwise become waste is better for the environment than recycling them. Across Somerset there is a vibrant network of organisations that deliver great social outcomes (be it tackling isolation, reskilling those far from the labour market, supporting refugees) as well as environmental ones, and SWP wants to explore how it can best work with that network.			
<b>What</b>	<b>When</b>	<b>Why</b>	
<b>2.1 Develop a reuse strategy</b>	2021/22	Working with both our contractors (Viridor and SUEZ) and commissioning external support (funded by our SWEEP fund) to improve reuse across Somerset, utilising the recycling centres and bulky waste collection service, and through more effective partnership working with the many reuse organisations/VCSE groups across Somerset (including furniture reuse groups, men's sheds, repair cafes etc). This will include considering whether an expanded network of reuse shops is the optimal approach.	
<b>2.2 Implementing reuse strategy</b>	2021/22 onwards	Implementing the approach developed in 2.1 subject to securing funding and a viable business case. Suez's social value commitments include diverting more bulky items for reuse and to seek to outsource bulky collection to a third sector/charity partner in 2024.	
<b>2.3 Monitor effectiveness of reuse</b>	April 2021	Restructure our quarterly board performance report so that it includes a page reporting on reuse to ensure that this remains high up our agenda	
<b>2.4 Reuse campaigns</b>	Ongoing	Whilst Recycle More will be our priority campaign in 2021/22, we will seek to undertake campaigns focussed on particular target materials (e.g. small WEEE) with a high reuse potential. This may involve doorstep leafleting (a social value commitment from Suez).	
<b>Links to other activities in SWP's Business Plan</b>		<ul style="list-style-type: none"> <li>• SWP's Waste Strategy will reflect the waste hierarchy and hence reuse.</li> <li>• Our Schools Against Waste programme is built around the waste hierarchy</li> <li>• Our proposed Green Business Support (funding dependent) will help businesses to make more resource efficient decisions (e.g. designing for repair and reuse)</li> <li>• Community Action Groups</li> <li>• Public sector procurement policy</li> <li>• Waste composition analysis: helping us understand what Somerset residents are throwing away that could be reused</li> <li>• SWP reports quarterly to the board on waste minimisation (total household arisings)</li> </ul>	



### 3. Increasing recycling

When waste can't be avoided or reused, the best thing that can happen to it is that it is recycled properly. SWP is committed to collecting quality recycle— with 90% currently staying in the UK. The National Resources and Waste Strategy is focussed on quality and held up SWP's kerbside sort approach as an exemplar.

<i>What</i>	<i>When</i>	<i>Why</i>
<b>3.1 Recycle More roll-out (all households)</b>	Now – Feb 2022	<p>This remains the most significant programme of change on SWP's agenda and will consume a significant part of our resources for the duration of the roll-out programme. The planned roll-out schedule is as follows:</p> <p>3.1.1 Phase 2 (South Somerset): end of June 2021</p> <p>3.1.2 Phase 3 (eastern parts of Somerset West &amp; Taunton): end of September 2021</p> <p>3.1.3 Phase 4 (Sedgemoor and western parts of Somerset West &amp; Taunton): end of February 2022</p> <p>Each phase is preceded by a substantial (3 month) programme of comms and engagement, with support provided during and after roll-out. The approach to roll-out will be informed by lessons learnt from previous phases and may be affected by external factors such as Covid-19. The roll-out timetable is dependent upon our depot build programme.</p>
<b>3.2 Ensuring homes are built with recycling in mind</b>	Ongoing	SWP has refreshed its Developer's Guidance so that the default for most communal properties built in the future should be to do this in such a way to enable them to access the kerbside service. Embedding this in local plans, engaging on planning applications and working with planners, developers and their agents will be critical to realising this.
<b>3.3 Food waste in communal properties</b>	2022/23	Communal properties will benefit from additional recycling as part of the roll-out of Recycle More (timetable as per 3.1). Through that process as many communal properties will be transitioned to our kerbside recycling as possible. Properties remaining on communal recycling service will be offered food waste collections via kerbside recycling where this is possible. A project in 2022/23 will aim to ensure all communal properties have access to food recycling.
<b>3.4 Rolling year garden waste subscriptions</b>	April 2021	Residents in Somerset will be able to subscribe to garden waste for a rolling year (i.e. a year from when they subscribe). This is enabled by centralising the payment system. This will not change the available channels (e.g. online or via District Council call centres) nor will it result in reduced income for District Council partners.
<b>3.5 Tackling hard to treat waste streams</b>	All 2021/22	3.5.1 Work with Suez to seek opportunities to trial the collection of additional hard to treat materials at the kerbside

			<p>3.5.2 Work with regional partners to explore whether a viable regional solution to mattress recycling can be developed</p> <p>3.5.3 Work with Terracycle to explore whether HWRCs can host collection points</p>
3.6	<b>HWRCs</b>	<p>2021/22</p> <p>Ongoing</p> <p>Ongoing</p>	<p>3.5.4 Signage review of all HWRCs to align with kerbside, ensure effective use of Energy from Waste and drive behavioural change</p> <p>3.5.5 Ongoing programme of maintenance and safety improvements to ensure our ageing network of sites remain effective</p> <p>3.5.6 Seek opportunities to improve our recycling centres, subject to development of viable solutions and robust business cases. Minehead, Frome &amp; Yeovil Recycling Centres are top priorities.</p>
3.7	<b>Waste composition and recycling participation analysis</b>	2022/23	<p>SWP last undertook a thorough waste composition and recycling participation analysis in 2018. Waste composition analysis helps us understand what Somerset residents are throwing away that could be reused or recycled, and recycling participation analysis helps understand more about people’s recycling behaviours and hence what we can do to improve that. Whilst sampling will help us understand the impact of Recycle More, it makes most sense to do a full survey once this has been fully implemented.</p>
3.8	<b>Recycling A-Z guide</b>	2021/22	<p>With expanding kerbside collections, around 40 materials recycled at HWRCs, Terracycle schemes and other options for people to recycle different materials it can be a confusing picture. A comprehensive, up to date and user friendly A-Z guide will help people understand their options in Somerset.</p>
3.9	<b>Targeted campaigns</b>	Ongoing	<p>Campaigns targeted at key peaks in waste (e.g. Christmas – food waste, packaging and plastics, Halloween – pumpkins, Easter – plastic packaging, Summer – garden waste and BBQs). The carbon impact of materials not being recycled varies (with food and textiles being the most carbon intensive, and the proportion of small electrical items and batteries expected to fall) and the composition of what is in our bins changes of time. Focussing on carbon-intensive materials in waste (as opposed to weight) is an important part of delivering our vision.</p>
<b>Links to other activities in SWP’s Business Plan</b>		<ul style="list-style-type: none"> <li>• Depot improvements</li> <li>• Partnership working (especially with parish councils)</li> <li>• Influencing national strategy and policy (noting that subject to future consultation there may be significant change in national policy in 2023)</li> <li>• SWP’s Waste Strategy will reflect the waste hierarchy and hence recycling</li> <li>• Our Schools Against Waste programme is built around the waste hierarchy (with tailored sessions developed to promote food waste recycling and Recycle More)</li> </ul>	

<b>4. Decarbonising residual waste</b>		
<p>Despite everything we do to reduce waste, encourage its reuse and recycling there will still be residual waste for the foreseeable future. The most important actions we can take to decarbonise our residual waste are therefore reduction, reuse and recycling. However, once we have this waste, we need to ensure it is dealt with in the least environmentally damaging way possible, whilst recognising that we operate within financial constraints. All our residual waste that can be is now processed through Viridor’s Resource Recovery Centre at Avonmouth.</p>		
<b>What</b>	<b>When</b>	<b>Why</b>
<b>4.1 Heat offtake from Avonmouth</b>	Ongoing	When Viridor opens their Plastics Processing Facility at Avonmouth it will utilise a proportion of the low level heat generated at the Energy from Waste facility. SWP will continue to work closely with Viridor to encourage the full use of heat – if Avonmouth operates as a combined heat and power facility it will be even more environmentally efficient.
<b>4.2 Carbon capture &amp; storage</b>	Ongoing	After decarbonising the inputs and optimising use of heat and power, the most viable emerging technology to reduce the carbon intensity of Energy from Waste facilities is carbon capture and storage. SWP will continue to work closely with Viridor to ensure that Avonmouth sees this technology installed at the earliest viable point.
<b>4.3 Educating the public about Energy from Waste</b>	2021/22	Work with Viridor to develop a virtual visitor centre which ensures that the public can understand about Energy from Waste and have transparent access to key data (e.g. on emissions).
<b>Links to other activities in SWP’s Business Plan</b>	<ul style="list-style-type: none"> <li>• All activities under waste reduction, promoting reuse and increasing recycling</li> <li>• SWP’s Waste Strategy will reflect the waste hierarchy and hence reuse.</li> <li>• Our Schools Against Waste programme is built around the waste hierarchy</li> <li>• Waste composition analysis: helping us understand what Somerset residents are throwing away that could be reduced, reused or recycled</li> <li>• SWP reports annually to the board on the carbon impact of our waste and recycling</li> </ul>	

<b>5. Decarbonising our operations</b>			
<p>What we do (i.e. recycling, decarbonising residual waste treatment etc) is a much more significant impact on our carbon footprint than how we do it, but it is still crucial for us to continuously improve in this area. Rolling out Recycle More (with fewer and more efficient vehicles driving far fewer miles) has made a substantial improvement to the carbon impact of our operations.</p>			
<b>What</b>	<b>When</b>	<b>Why</b>	
5.1 Roll-out electric supervisors vans	Spring 2021 – Spring 2022 subject to business case	SWP/Suez leased supervisor vans initially so that we could take advantage of maturing technology to procure electric vans suitable for operation across Somerset. The viability of this is dependent upon a business case being developed which involves additional capital expenditure with lower revenue costs giving a positive payback (and carbon savings). Roll-out will follow our depot infrastructure improvement programme, with Evercreech being retro-fitted first. Testing to date suggests electric vans are not viable for remote parts of the county, e.g. Exmoor, so some non-electric vans would continue to be required.	
5.2 Implement green infrastructure improvements to depots	Spring 2021 – Spring 2022 subject to business case	Surveys of sites and plans are being undertaken over winter 2020 in order to identify if there are suitable investments in depots which reduce their energy usage. This will include exploring energy efficiency measures as well as energy generating measures (e.g. solar and wind). The viability of these investments will depend upon the business case (i.e. a financial benefit through capital investment resulting in ongoing revenue savings as well as carbon benefits). Whilst improvements at Evercreech would need to be retro-fitted, it is hoped to include such measures within the plans for other depot rebuilds/improvements.	
5.3 Pilot alternative fuels in our fleet	2021/22	Work with our vehicle suppliers (primarily Romaquip for recycling vehicles and Dennis Eagle for refuse vehicles) to trial electric vehicles in Somerset	
5.4 Drive down carbon intensity of day to day fleet operations	Ongoing	Technology onboard our new fleet (CMS Supatrak) will enable monitoring of driving (harsh braking/acceleration, idling), and Suez will utilise this to work with crews to improve driver behaviour. Reduced fuel usage and carbon emissions associated with new Recycle More rounds will be monitored.	
5.5 Partial refleet of refuse vehicles	2022/23 - 2025	Learning from our trials and emerging technology will ensure that we maximise opportunities to have alternative fuelled refuse vehicles when we come to a partial refleet of our 2016 plate refuse vehicles in 2024. Note that a business case will need to be developed and the financial viability of alternative fuels cannot be predicted with certainty at this point.	
<b>Links to other activities in SWP's Business Plan</b>	<ul style="list-style-type: none"> <li>• Depot infrastructure improvements</li> <li>• Waste reduction, promoting reuse and increasing recycling (impact on vehicle/depot requirements)</li> <li>• Improving customer experience (resulting in less need for face to face contact and hence staff mileage)</li> </ul>		

## 6. Tackling non-household waste

SWP's delegated powers from District and County Councils are in relation to household waste and whilst for a number of years SWP has provided services to the majority of Somerset's schools, other than that our remit has not extended to the waste produced in our businesses and public sector offices. The joint work across the council to tackle the climate emergency we face has led to us expanding our remit to help drive improvement in this area. This builds on SWP's previous work to improve recycling in schools, whilst recognising that we are not resourced or responsible for non-household waste.

<b>What</b>		<b>When</b>	<b>Why</b>
<b>6.1</b>	<b>Schools</b>	2021/22	<p>4.1.1 Transition to Recycle More for schools (separating fibre from other materials and adding in plastic pots, tubs and trays to the plastic bottles, cans, paper, card and food they can already recycle). The indicative timetable for this transition is:                      June 2021: Mendip and South Somerset schools                      September 2021: Sedgemoor and Somerset West and Taunton schools</p> <p>4.1.2 Continue with successful Schools Against Waste programme (free half day physical/virtual visits for primary schools) to embed behaviour change</p> <p>4.1.3 Develop a model to engage with secondary schools to embed behaviour change, working with Carymoor Environmental Trust and Suez</p> <p>4.1.4 Improving data and feedback: analysis of bin fullness to develop approximate recycling rates for individual schools (and using this data to drive improvement) and regular customer surveys to improve customer satisfaction.</p> <p>4.1.5 Improve customer services through introduction of dedicated online reporting for schools.</p> <p>4.1.6 Support improved recycling in schools through engagement of dedicated schools officer and provision of 'binrastructure' inside and outside of school buildings</p> <p>4.1.7 Encourage take-up of Eco-schools by launching a pilot grant funding scheme (indicatively £500 for 50 schools) to encourage embedding of this programme within Somerset schools, following feedback on the financial barriers schools face in taking action.</p> <p>4.1.8 Annual review of pricing model (working with Support Services for Education) so that we transition to a fuller 'producer pays' principle and incentivise behaviour change.</p>
<b>6.2</b>	<b>Public sector estate</b>		In 2019/20 SWP developed a business case which demonstrated the financial savings and environmental benefits from a coordinated approach to waste collection across the County Council and district partners – aligning that service more with the household service (i.e. a broader range of recycling and greater separation). This is not a service that the commercial waste sector currently provides at scale. Not only do we hope this project will enable the public

		2021/22	sector to lead by example, we hope it will shape the market for commercial waste in Somerset and hence make it easier for businesses to recycle more. Dependent upon securing Somerset climate emergency funding for the next phase of this project, the planned approach is:
		April 2022???	4.2.1 Procure a framework contract (meaning that wider partner eg police, parish and town councils etc) could also join 4.2.2 Enable public sector partners to call off against this contract. SWP would be likely to have an ongoing role in managing the framework contract
<b>6.3</b>	<b>Business waste</b>	Ongoing	4.3.1 Seek to pilot collaborative procurement for recycling and waste in one or more of Somerset's market towns – reducing costs for businesses, improving environmental outcomes and aligning with local needs (working jointly with the industry and supply chain workstream).
		2021/22	4.3.2 Work with business/ partners to identify what support and guidance can be provided to Somerset's businesses (e.g. food & drink producers, retailers/food outlets) be more resource efficient, and how best to provide that support. This is likely to be a joint project with the Devon, Somerset & Torbay Joint Trading Standard Service
		2021/22 – 22/23	4.3.3 Consider the potential changes to legislation for business waste recycling (subject to national consultation) around DRS, EPR, business waste recycling (inc food) and how SWP can work in partnership with others to shape Somerset to be an exemplar for household like recycling from businesses.
		2021	4.3.4 Launch an expanded 'think outside the box' campaign for Christmas 2021 to promote local businesses that are exemplars for sustainability
		2022/23	4.3.5 Ensure that businesses (inc. holiday lets) are not abusing the household service
<b>Links to other activities in SWP's Business Plan</b>			<ul style="list-style-type: none"> <li>SWP's Waste Strategy will help define our role in non-household waste and shaping the future of resource efficiency in Somerset, informed by the major changes expected in national resources and waste policy from 2023</li> <li>Our behavioural change SWEEP fund is driven by levels of recycling (Suez and SWP contribute 2% each into this fund) and this enables us to undertake activity such as Schools Against Waste.</li> </ul>

<b>7. Working with others</b>			
Partnership is at the heart of what SWP do.			
<b>What</b>	<b>When</b>	<b>Why</b>	
<b>7.1 Parish Councils</b>	Ongoing	Explore how we can share our toolkits and guidance (e.g. on composting, food waste, and setting up a plastic pot, tub and tray collection point) for those town and parish councils who want to take more local action on climate change. This will include evaluating whether a pilot scheme to work with a parish council to promote home composting (linked to our subsidised compost bin offer) is an effective way to promote home composting. Attending parish cluster meetings and meetings of environmentally motivated/interested groups is a key part of ensuring we remain close to our communities, particularly in the run-up to Recycle More.	
<b>7.2 Local data and engagement</b>	2021/22 2022/23	<ul style="list-style-type: none"> <li>Explore how we can use our data to be more accountable to local areas (e.g. parish/town councils), and to work in partnership with those areas to use this to drive improvement.</li> <li>Local Engagement Programme delivering 100 activities and interventions per year in deprived and poor recycling areas (Suez social value commitments)</li> </ul>	
<b>7.3 Developing partnerships</b>	Ongoing	With limited resources, we need to develop strong partnerships with others in order to ensure that we cost-effectively drive people to change behaviours. Developing strategic partnerships with others, especially third sector organisations working in areas with low recycling performance, is a crucial means to do this. SW:EEP funding will potentially help support behavioural change in communities. Suez have committed to an employee volunteering scheme (2 days per year for 10 employees).	
<b>7.4 Community action groups</b>	2022/23	Working with SUEZ to explore SW:EEP funded arrangements whereby we develop community capacity to reduce waste, increase reuse and recycling. Suez have made a social value commitment to have 15 such groups active by 2023-24.	
<b>7.5 Engagement with front-line staff</b>	Ongoing	Our people are our most important asset and act as our ambassadors. Working closely with Suez and Viridor it is important that SWP engages closely with our frontline staff.	
<b>Links to other activities in SWP's Business Plan</b>		<ul style="list-style-type: none"> <li>Public sector waste procurement (potentially available to parish councils and other bodies)</li> </ul>	

## 8. Improving the customer experience

SWP provides a universal service and delivering excellent customer service is a critical part of our vision. The scale and complexity of this is significant, with multiple complex systems interacting between contractors, SWP and partner authorities. We have over 20 million collections made each year, over 1.5m visits to recycling centres annually, around 100,000 customer contacts (with around 40% online), over 12,000 followers on facebook.

<b>What</b>	<b>When</b>	<b>Why</b>
<b>8.1 Fully utilise in-cab technology</b>	Ongoing	Using the exception reporting function to drive behavioural change amongst our residents (e.g. better sorting of boxes) and to identify and address unauthorised additional capacity).
<b>8.2 Growing our channels</b>	Ongoing	This will include innovation - developing our app, exploring how we can link key functions into smart speakers (e.g. Alexa), an automated website assistant that can answer queries. As part of this we will seek to continue to grow our following on Facebook (and develop a social media charter) and subscribers to our Sorted e-newsletter.
<b>8.3 Website review</b>	Ongoing	This will include reviewing how we support businesses, how we build trust (inc. a review of the Beyond the Kerb infographic).
<b>8.4 CRM system procurement</b>	2021/22 – 22/23	The contract with our current Customer Relationship Management (CRM) system (My Waste Services) expires in September 2022 and ahead of that SWP will review our approach.
<b>8.5 Processes and Policy</b>	2021/22	Implementing the action plan that resulted from the GDPR compliance audit that SWP requested to support our ongoing work in this area, refreshing our social media policy
<b>8.6 Assisted collection review</b>	2021/22	Periodic review of our database of assisted collections to ensure that customer still require the service.
<b>8.7 Improve processes around occupation of new homes</b>	2021/22	Implement process improvements to ensure that notification of new property occupation/home ownership is seamless and that we take advantage of this opportunity to change behaviours. This will potentially include procurement of a module (NLPG COU) for our CRM system which reduces the current 6 week lag in new properties being updated.
<b>8.8 Enforcement and householder support</b>	Ongoing	SWP work closely with contractors and partners to resolve complex issues, investigate complaints, find solutions to problems and clamp down on abuse (including trade waste abuse & side/excess waste). Enforcement remains the last option.
<b>8.9 Supporting our most vulnerable</b>	Ongoing	In addition to training all collection staff to be dementia aware (expected to be in early 2021), SWP will seek to identify other ways in which we can support the wider agendas of our partner authorities – for example how we can more effectively use the eyes and ears of our staff on the ground to better support vulnerable residents and streamline this process.
<b>Links to other activities in SWP's Business Plan</b>	<ul style="list-style-type: none"> <li>• Waste composition and participation analysis: helping us understand behaviours</li> <li>• SWP reports quarterly to the board on the customer experience</li> </ul>	



<b>9. Supporting wider goals in Somerset</b>		
<p>SWP spends approximately £50m of public money every year and our contractors employ well over 500 people. The close working relationships we have with all partners also provide a platform for progress on areas of common concern even where they are not within SWP’s delegated responsibilities (e.g. dealing with flytipping and recycling on the go). It is important that SWP looks beyond its delegated responsibilities to support the wider goals of all partners.</p>		
<b>What</b>	<b>When</b>	<b>Why</b>
<b>9.1 Tackling waste on the go</b>	Ongoing	Whist streetscene is a District Council responsibility, SWP wants to work with all partners to identify how we can learn from elsewhere to improve recycling on the go.
<b>9.2 Tackling flytipping</b>	Ongoing	Whilst managing fly-tipping is a District Council responsibility, SWP wants to work with all partners to identify how we can learn from other parts of the country (e.g. Hertfordshire) to improve the way we tackle fly-tipping.
<b>9.3 Supporting local businesses and those far from the labour market</b>	2021/22	<p>Ensuring we realise the social value commitments from Suez:</p> <ul style="list-style-type: none"> <li>• 5% of collection contract spend retained in Somerset, with increasing proportion spent with SMEs, micro-businesses and third sector organisations</li> <li>• 2 campaigns delivered each year to improve the capture of materials</li> <li>• 2 work placements per year (16 in total) from 2022-23 onwards for young people, including NEETs and care leavers,</li> <li>• 2 community payback scheme placements per year (16 in total) from 2022-23 onwards for low level offenders,</li> <li>• Ensuring 5% of staff are in apprenticeships every year of the contract</li> </ul>
<b>Links to other activities in SWP’s Business Plan</b>	<ul style="list-style-type: none"> <li>• All activities under waste reduction, promoting reuse and increasing recycling</li> <li>• SWP’s Waste Strategy will reflect the waste hierarchy and hence reuse.</li> <li>• Our Schools Against Waste programme is built around the waste hierarchy</li> <li>• Waste composition analysis: helping us understand what Somerset residents are throwing away that could be reduced, reused or recycled</li> <li>• SWP reports annually to the board on the carbon impact of our waste and recycling</li> </ul>	

<b>10. Enabling Activities</b>		
Some of SWP's less visible activities are essential to enable both our front-line services and our ambitious programme of change.		
<b>What</b>	<b>When</b>	<b>Why</b>
<b>10.1 Depot infrastructure improvements</b>	2021-22	Having completed the redevelopment and expansion of Evercreech depot, we need to upgrade our other depots ahead of rolling out Recycle More: <ul style="list-style-type: none"> <li>• Taunton: between Jan and September 2020 to become a primary materials handling facility</li> <li>• Bridgwater: Sept – Nov 2020 to become primarily a vehicle park</li> <li>• Williton: July – November 2020</li> </ul> A temporary vehicle parking area required in Bridgwater for part of this programme.
<b>10.2 Contract reviews</b>	2022/23 2022/23	<ul style="list-style-type: none"> <li>• To review the garden waste collection service following any national legislative change</li> <li>• To review the collection contract and recycling credits mechanism following the roll-out of Recycle More &amp; potential legislative change.</li> </ul>
<b>10.3 Health &amp; safety</b>	Ongoing	Given the significant health and safety risks inherent in our industry this is key.
<b>10.4 Contract Management</b>	Ongoing	Robust management of our two major contractors (Suez and Viridor) underpins everything we do. This may be particularly important given the potential for new owners for both companies.
<b>10.5 Influencing national policy</b>	Ongoing	With major central government consultations expected, it will be crucial that SWP uses its reputation as a sector leader, and by working through national bodies and regionally.
<b>10.6 Developing a long-term strategy</b>	2021/22 – 22/23	A long-term framework to 2050 is needed to align with Central Government's Resources and Waste Strategy to set out our ambition, the outcomes we want to achieve, our high-level targets and our over-arching approach.
<b>10.7 Embedding behavioural insights</b>	Ongoing	Using all the data at our disposal to understand behaviour is crucial to target interventions. Suez are required to develop a 6 monthly Performance Insights Report to draw together insights to inform targeted action.
<b>10.8 Business Continuity Planning</b>	Ongoing	Ensuring that robust Business Continuity Plans are in place and regularly reviewed: <ul style="list-style-type: none"> <li>o Manage the risk of cost increases due to the impact of Covid-19</li> <li>o Ensuring risk assessments and working practices are regularly reviewed</li> <li>o Ensure contingency plans are in place to mitigate the risk of Covid-1 impacting on business plan priorities whilst noting that not all eventualities can be successfully mitigated for</li> <li>o Review Business Plan priorities and target dates in light of the ongoing disruption and resource pressures that Covid-19 is causing</li> </ul>
<b>Links to other activities in SWP's Business Plan</b>	<ul style="list-style-type: none"> <li>• These enabling activities underpin all aspects of our business</li> </ul>	

## **SWP Budget 2021 - 22**

A draft Annual Budget for the forthcoming year will be brought to the December meeting of the Somerset Waste Board, with the final budget due in February 2021. A significant change in 2021/22 is that garden waste income will be collected by SWP rather than Districts. This is necessary in order to move to rolling year subscriptions, but it will also mean that the costs and income from garden waste are – for the first time – shown together in SWP's accounts.

### **Recycle More Implementation**

The roll-out of the new Recycle More collection service is scheduled to be completed in February 2022. No savings as a result of the new contract will be taken from the Somerset Waste Partnership by any partner until all roll out costs have been fully funded – ensuring that all partners benefit equitably. Savings are expected to be seen from Recycle More in 2022/23 once roll-out costs have been fully funded. The overall savings are anticipated to be over £2m per annum.

Page 27 All partners have agreed capital borrowing to purchase the vehicles (c£18m), fund depot works and equipment (c£7m), and purchase additional containers. Each district partner is borrowing £5.0m on behalf of the Somerset Waste Partnership at a return of the Public Works Loan Board (PWLB) rate plus 1%. In addition to this direct return to each borrowing partner (paid for through the contract), SUEZ are providing an additional £1.8m per annum collection contract discount reflecting the value to them of not having to borrow capital themselves.

The revenue costs associated with roll-out will be funded from a Recycle More Project Fund. This will cover the costs of recycling advisors (supporting people with the transition), communications and marketing and in-year transition costs (the additional costs of the current service model as opposed to Recycle More, based on forecast tonnage and material values. This also includes an allowance for risk (such as the risk that capital borrowing rates change before funds are actually drawn down). An equalisation reserve will be established after the roll-out period in order to smooth out potential fluctuations in recycle revenue, built up from 20% of forecast annual recycle revenue.

### **Covid-19**

It is unclear at this time whether Covid-19 will continue to have an impact on services (and hence costs and income) in 2021/22. SWP will work with all partners to ensure that any additional Covid-19 costs are appropriately recorded and managed.

**Annual Somerset Waste Board Budget 2021/22**

	SCC	MDC	SDC	SSDC	SWAT
<b>Expenditure</b>					
<b>Single Client Group</b>					
Salaries & on-costs	1,020,230	466,857	111,977	119,079	155,853
Salaries pension deficit	84,500	38,667	9,274	9,863	12,908
MDC customer services impact	7,090		7,090		
Travel & Subsistence	51,770	23,690	5,682	6,042	7,909
Admin, training, meetings & IT	85,420	39,088	9,375	9,970	13,049
Advertising & campaigns	47,000	21,507	5,159	5,486	7,180
Office rent & accommodation	70,380	32,206	7,725	8,215	10,751
<b>Support Services</b>					
Legal	10,400	4,759	1,141	1,214	1,589
Insurance	5,280	2,416	580	616	807
Finance	81,490	37,290	8,944	9,511	12,449
Internal Audit	10,920	4,997	1,199	1,275	1,668
Human Resources	5,200	2,380	571	607	794
ICT	5,360	2,453	588	626	819
Democratic Services	6,960		1,408	1,498	1,960
<b>Direct Services</b>					
<b>Waste Disposal</b>					
Disposal - Landfill includes clinical disposal	13,337,959	13,337,959			
Disposal - HWRCs	10,583,028	10,583,028			
Disposal - food waste	1,569,920	1,569,920			
Disposal - Hazardous waste	223,420	223,420			
Composting	1,941,890	1,941,890			
<b>Kerbside Recycling</b>					
Sort it+ SP5 all districts	9,840,830		2,027,596	2,028,291	2,770,735
<b>Communal Recycling SP5</b>	86,270		14,320	19,908	28,116
<b>Garden</b>	2,874,280		546,593	638,010	817,424
Garden sticker admin	18,000		3,435	4,013	5,070
<b>Household Refuse</b>					
Fortnightly	6,254,120		1,288,593	1,289,035	1,760,879
<b>Refuse - Communal SP5</b>	304,460		61,261	61,671	99,779
<b>Assisted Collections</b>	103,630		21,352	21,359	29,178
<b>Assisted Collection Review</b>	10,000		2,060	2,061	2,816
<b>Clinical Waste</b>	130,140		26,334	28,005	36,653
<b>Bulky Waste Collections</b>	91,450		19,973	17,942	28,871
<b>SWB Directed Collections</b>	3,400		688	732	958
<b>Day Works</b>	8,780		1,777	1,889	2,473
<b>Container Maintenance</b>	62,660		12,679	13,484	17,648
<b>Container Delivery</b>	185,660		38,153	39,638	48,179
<b>Container Supply</b>	488,020		98,092	117,222	117,857
<b>Admitted Body Pension Costs</b>					
Base pension cost	60,380				60,380
Incremental pension cost	8,620		1,744	1,855	2,428
<b>Depot Costs</b>	209,440		42,381	45,069	58,987
<b>Village Halls</b>	5,500			5,500	
<b>Inter Authority Transfers</b>					
<b>Transfer Station Offset Cost</b>	350,820	350,820			
<b>Payment in lieu of Recycling Credits</b>	2,729,740	2,729,740			
<b>Third party Recycling Credits</b>	30,910	30,910			
<b>Advance Payment Saving</b>	- 31,900		- 6,455	- 6,864	- 9,596
<b>Lease Repayments - Sort It Plus Vehicles</b>	262,430		58,580	47,800	68,890
<b>Fleet Maintenance</b>	140,000		35,000	35,000	35,000
<b>Total direct expenditure</b>	<b>53,375,857</b>	<b>31,443,997</b>	<b>4,464,870</b>	<b>4,585,622</b>	<b>6,730,676</b>
<b>Income</b>					
Kier Discount all Districts on SP5	- 80,000		- 16,188	- 17,215	- 22,531
Wilton Transfer Offset	- 350,820		- 70,990	- 75,492	- 98,806
Garden Income	- 3,105,560		- 590,070	- 688,630	- 885,180
Bulky Income	- 93,880		- 20,503	- 18,419	- 29,638
District Recycling Credits	- 2,729,740		- 575,429	- 548,678	- 764,327
<b>Total income</b>	<b>- 6,360,000</b>	<b>-</b>	<b>- 1,273,180</b>	<b>- 1,348,434</b>	<b>- 1,937,903</b>
<b>Total net expenditure</b>	<b>47,015,857</b>	<b>31,443,997</b>	<b>3,191,690</b>	<b>3,237,188</b>	<b>4,792,773</b>



## Council Tax Support Scheme 2021/22

Executive Portfolio Holder: Peter Seib, Finance and Legal Services  
Strategic Director: Netta Meadows, Service Delivery  
Lead Officer: Helen Morris, Specialist Team Manager, Service Delivery  
Contact Details: helen.morris@southsomerset.gov.uk or 01935 462033

## Purpose of the Report

1. To request that the District Executive recommend the implementation of an income banded Council Tax Support scheme with effect from 1 April 2021 to Full Council for approval.
2. Each year the Council is required to review its Council Tax Support Scheme in accordance with the requirements of the schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme or replace it.

## Forward Plan

3. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 7 January 2021.

## Public Interest

4. Council Tax Support (CTS) was introduced from 1 April 2013 when it replaced the Central Government funded Council Tax Benefit regime. From its inception, the funding available to the council from government has reduced year on year.
5. As with the majority of authorities within England, the District Council needs to make changes to the CTS scheme for working age applicants (the scheme for pension age applicants is prescribed by Central Government) in order to reduce the significant administrative burden placed on the Council by the introduction of Universal Credit.

## Recommendations

6. That District Executive recommend to Council to approve the introduction of a new income banded / grid scheme for working age applicants with effect from 1<sup>st</sup> April 2021, to increase the overall level of support for the lowest income families which will give stability for applicants and to reduce the administrative burden placed on the Council by the introduction of Universal Credit.

## Background

7. Council Tax Support (CTS) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of

the Department for Work and Pensions (DWP). As part of the introduction, the Government:

- Placed the duty to create a local scheme for **Working Age** applicants with billing authorities;
  - Reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
  - Prescribed that persons of **Pension age** would be dealt with under regulations set by Central Government and not the authorities' local scheme.
8. Since 2013 the Overview and Scrutiny Committee have commissioned a Task and Finish review of Council Tax Support each year, working in conjunction with officers to develop a local scheme.
  9. Since that time, funding for the Council Tax Support scheme has been amalgamated into other Central Government grants paid to Local Authorities and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.
  10. The current Council Tax Support scheme administered by the Council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.
  11. Pensioners, subject to their income, can receive up to 100 per cent support towards their council tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of CTS can only be made to the working age scheme.
  12. When Council Tax Support was introduced in 2013, for working age applicants, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. Due to the reduction in funding from Central Government, the Council also required all working age applicants, even those on the lowest income, to pay a minimum payment of 15%.
  13. Since that time other slight changes have been made to bring the scheme into line with either Housing Benefit or Universal Credit.

### **The main issues with the current scheme**

14. There are a number of issues with the current scheme that will need addressing if the system is to continue to provide effective support to low income taxpayers and also if the Council is able to provide the service in an efficient manner. The main issues are as follows:

- The need to assist low income households and assist in the collection of Council Tax
- The introduction of Universal Credit for working age applicants; and
- The need for a simplification of the scheme.

15. Each of the above are examined in detail below:

### **The need to assist low income households and assist in the collection of Council Tax**

16. Since 2013, the introduction of Council Tax Support, the majority of authorities, including the District Council have required all working age applicants to pay a minimum payment. Under the previous scheme (Council Tax Benefit) almost 75% of working age applicants would not have been required to pay any Council Tax and would have received full (100%) support.
17. As with a large number of authorities, there is a strong view that there should be an increase in the level of support to those households on the lowest of incomes. This view has gained momentum over the past few years but has been reinforced since the COVID-19 crisis which has had a major effect on incomes generally.
18. Whilst the principle of all working age households paying 'something' was initially thought to be an approach that would be central to the design of Council Tax Support, the reality is that, since its introduction, low income taxpayers, the poorest households, have been unable to pay the balance leading to additional costs, court and enforcement action and, in some cases, the amounts demanded have been written off as uncollectable.
19. The costs of administration of these cases by the District Council has increased significantly over the years. These costs are borne solely by the District Council. With the difficulties experienced, the relatively low level of payment and the high administration costs incurred, it no longer makes the amounts economically viable to collect. Notwithstanding the negative effects to those poorest households.

### **Council Tax Support and the roll out of Universal Credit**

20. The introduction of Universal Credit within the area has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Support and also the collection of Council Tax generally. All Councils have experienced the following:
- The reluctance of Universal Credit claimants to make a prompt claim for Council Tax Support leading to a loss in entitlement;
  - A high number of changes to Universal Credit cases are received from the Department for Work and Pensions requiring a change to Council Tax Support entitlement. On average 40% of Universal Credit claimants have between eight

and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays and the demonstrable loss in collection; and

- The increased costs of administration through multiple changes with significant additional staff and staff time being needed.

21. It is clear that the existing means tested Council Tax Support scheme, which is too reactive to change, will not be viable in the longer term now that Universal Credit has been rolled out fully within the area and with the substantial increase in Universal Credit claimants due to the COVID-19 crisis. The move to a new more efficient scheme from 2021 is now imperative.

### **The need for a simplified approach to the Council Tax Support Scheme**

22. Notwithstanding the introduction of Universal Credit, the existing scheme is based on an 'old fashioned;' means tested benefit scheme. It has major defects namely:

- It is complex for customers to understand and is based on a complex calculation of entitlement;
- The administration for staff is complex, with staff having to request significant amounts of information from applicants;
- Staff have to undergo significant training to be proficient in processing claims;
- The timescales for processing applications is lengthy, mainly due to the complexity and evidence required to support the applications; and
- The administration of the scheme is costly when compared to other discounts for Council Tax.

23. Clearly there is a need now to simplify the scheme, not only to mitigate the effects of Universal Credit, but also make it easier for customers to make a claim and to significantly reduce the costs of administration.

### **The proposed approach for the 2021/22 Council Tax Support Scheme**

24. In view of the problems being experienced by applicants with the current scheme, it is proposed that an alternative approach be taken from 2021/22. The approach has been to fundamentally redesign the scheme to address all of the issues with the current scheme and in particular;

- (a) The level of support available to the poorest households;
- (b) The problems with the introduction of full-service Universal Credit; and
- (c) The significant increase in administration costs due to the high level of changes received in respect of Universal Credit;



25. Work has been ongoing since early this year on a new scheme which is now complete. A consultation was undertaken with the public and major Precepting Authorities from the 23 September until the 3 November 2020. A breakdown of the consultation response is shown in the Overview and Scrutiny Council Tax Support Task & Finish report. If accepted by the Council, the new scheme will take effect from 1 April 2021.

26. The proposed new scheme has a number of features as follows:

- More support shall be given to those households on the lowest of incomes than in the current scheme;
- The changes can **only be made to the working age schemes** as the current schemes for pensioners is prescribed by Central Government;
- The current means - tested schemes will be replaced by a simple income grid model as shown below:

Discount Band	Discount	Single Person	Single person with one child	Single person with two or more children	Couple	Couple with one child	Couple with two or more children
<b>Income Ranges</b>							
Band 1	100%	£0 - £95.00	£0 - £160.00	£0 - £220.00	£0-£140.00	£0 -£205.00	£0 - £260.00
Band 2	75%	£95.01 - £155.00	£160.01 - £220.00	£220.01 - £290.00	£140.01 - £210.00	£205.01 - £270.00	£260.01 - £330.00
Band 3	40%	£155.01 - £190.00	£220.01 - £255.00	£290.01 - £345.00	£210.01 - £260.00	£270.01 - £310.00	£330.01 - £390.00
Band 4	25%	£190.01 - £235.00	£255.01 - £290.00	£345.01 - £440.00	£260.01 - £310.00	£310.01 - £360.00	£390.01 - £430.00
	0%	Over £235.00	Over £290.00	Over £440.00	Over £310.00	Over £360.00	Over £430.00

- It is proposed that the highest level of discount will be at a maximum level of liability (100%), Band 1, and all current applicants that are in receipt of a 'passport benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) receive maximum discount;
- All other discount levels are based on the applicant's (and partner's, where they have one) net income;
- The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants
- There will be no charges made where an applicant had non-dependants living with them. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where adult sons and daughters for example remain at home;
- To encourage work, a standard £25 per week disregard will be provided against all earnings. This will take the place of the current standard disregards and additional earnings disregards. The income levels in the 'grid scheme' are set at a higher rate for families.
- Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded;
- Where any applicant, their partner or dependent child (ren) are disabled, a further disregard of up to £30 will be given, thereby maintaining the current level of support to those with disabilities;
- Carer's Allowance and the Support Component of Employment and Support Allowance will be disregarded;
- Child benefit and Child Maintenance will be disregarded;
- The total disregard on war pensions and war disablement pensions will continue;
- Extended payments will be removed; and
- The capital limit will remain at £6,000.

### **How the new scheme will address the problems with the current Council Tax Support**

27. With the simplicity of the proposed new scheme and by taking a more 'Council Tax discount approach', it will address the problems associated with the increased administration caused by failings in the current scheme and Universal Credit as follows:

- **The scheme will require a simplified claiming process.** All applicants will see a significant reduction in the claiming process and, where possible, Council Tax Support will be awarded automatically. For Universal Credit applicants any Universal Credit data received from the Department for Work

and Pensions (DWP) will be treated as a claim for Council Tax Support. Where information is received from DWP, the entitlement to Council Tax Support will be processed automatically without the need to request further information from the taxpayer. These changes will have the following distinct advantages namely:

- **Speed of processing** – all claims will be able to be calculated promptly and largely automatically without the need to request further information which inevitably leads to delays;
- **Maximising entitlement to every applicant.** As there will no requirement for Universal Credit applicants to apply separately for Council Tax Support, and for all other applicants, the claiming process will be simplified significantly. Entitlement to Council Tax Support will be maximised with a reduced risk of loss of discount or the need for backdating;
- **Maintenance of collection rates** – the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining the high collection rates currently achieved. The increased level of discount will assist all those applicants on the lowest levels of income, again improving the overall collection rate;
- **The income bands are sufficiently wide to avoid constant changes in support.** The current Council Tax Support scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach will have the following advantages:
  - Only significant changes in income will affect the level of discount awarded;
  - Council Taxpayers who receive Council Tax Support will not receive multiple Council Tax demands and adjustments to their instalments; and
  - The new scheme is designed to reflect a more modern approach, where any discount changes it will be effective from the day of the change rather than the Monday of the following week.

## **Transition to the new scheme and the Exceptional Hardship Scheme**

28. The Council must be mindful that any change in scheme or a transition to a new scheme may have result in a change to the entitlement of certain applicants.

29. Inevitably, with any change in scheme, there will be some winners and losers although the proposed scheme has been designed to protect the most vulnerable. It is proposed that the new scheme will contain additional provisions to protect individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for an exceptional hardship payment. The Council will consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate further support will be given to the applicant.
30. This approach will enable individual applicants to be dealt with in a fair and equitable manner. The Exceptional Hardship Scheme will form part of the Council Tax Support scheme and fall to be paid through the Collection Fund.

### **Other Options considered**

31. The alternative to introducing a new scheme for Council Tax Support from 2021/22 is to leave the existing scheme in place. This would be a short-term option; lead to increasing costs of administration; and in the longer term, significantly affect the collection of Council Tax and the effectiveness of the scheme to support households within the District Council's area.

### **Financial Implications**

32. The current Council Tax Support scheme costs approximately £9.607m which is borne by the Council's Collection Fund. The costs are shared between the Council and all the Precepting Authorities.
33. The approach and 'shape' of the scheme is changing, and the overall approach will be to provide additional support to those households on the very lowest incomes. There is no intention to reduce the level of support available to other households. Based on latest modelling, were the new scheme to be in place at the current time, the costs would be £9.974m.
34. Financial modelling was undertaken throughout the project and this will be particularly important given the effect of the COVID-19 crisis on the incomes of households within the District Council's area.
35. Whilst the expected costs of the scheme for 2021/22 will be slightly higher, the overall level of Council Tax Support as a proportion of the Council Tax Base has reduced year on year since 2013 as shown below. The proposed changes for 2021/22 would still represent a significant reduction in the proportion of costs in real terms compared to the original Council Tax Support level:

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 (example on existing base)
<b>Gross Council Tax Base £M</b>	£104	£105	£107	£112	£118	£125	£132	£139	£139
<b>Council Tax Support awarded £M</b>	£9.47	£8.99	£8.40	£8.48	£8.52	£8.84	£9.0	£9.6	£9.9
<b>CTR (Percentage of tax base)</b>	9.11%	8.56%	7.85%	7.57%	7.22%	7.07%	6.82%	6.9%	7.12%

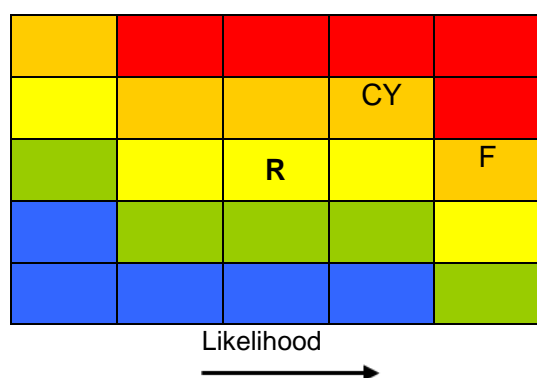
## Legal Implications

36. Schedule 1A (3) of the Local Government Finance Act 1992, states:  
Before making a scheme, the authority must:
- consult any major precepting authority which has power to issue a precept to it,
  - publish a draft scheme in such manner as it thinks fit, and
  - consult such other persons as it considers are likely to have an interest in the operation of the scheme.
37. In addition, in order to set a new scheme, the Council is obliged to make a resolution by 11<sup>th</sup> March of the year prior to the scheme coming into place.

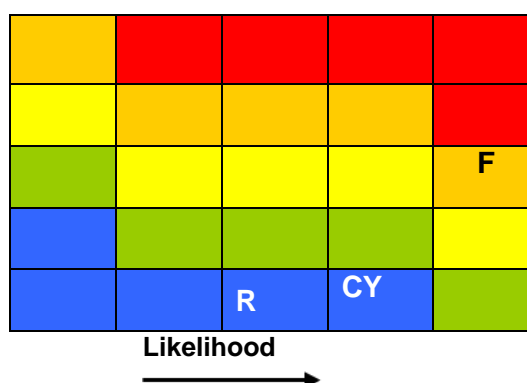
## Risk Matrix

38. The risk matrix shows risk relating to the Council Plan headings.

**Risk Profile before officer recommendations**



**Risk Profile after officer recommendations**



## Key

<b>Categories</b>	<b>Colours</b> (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

## Council Plan Implications

39. Healthy Self-reliant Communities – supporting residents through national benefit changes including universal credit and supporting residents facing hardship.

## Carbon Emissions and Climate Change Implications

40. None associated with this report.

## Equality and Diversity Implications

41. A First Stage Equality Impact Assessment is included at Appendix 1

## Privacy Impact Assessment

42. None associated with this report.

## Background Papers

Appendix 1 – Equality Impact Assessment

Appendix 2 – Overview and Scrutiny Council Tax Support Task & Finish Report

# Appendix 1

## Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

<b>Organisation prepared for:</b>	<b>South Somerset District Council</b>		
<b>Version:</b>	<b>First Stage Equality Impact Assessment</b>	<b>Date Completed:</b>	<b>7<sup>th</sup> September 2020</b>
<b>Description of what is being Equality Impact Assessed:</b>			
The proposed new Council Tax Reduction Scheme for working age applicants from 1 <sup>st</sup> April 2021			
<b>Evidence</b>			
<p><b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <a href="#">Office of National Statistics</a>, <a href="#">Somerset Intelligence Partnership</a>, <a href="#">Somerset's Joint Strategic Needs Analysis (JSNA)</a>, Staff and/ or <a href="#">area profiles</a>, should be detailed here</p> <p>To introduce a simplified Council Tax Reduction scheme with effect from 1<sup>st</sup> April 2021 and to increase the level of support to the poorest households.</p> <p>In addition, the implementation of Universal Credit within the area requires the Council to change its approach to Council Tax Reduction, given the high administrative burden of monthly changes and alterations to applicants' income.</p> <p>There is a requirement to introduce a simplified, more supportive scheme which can be easily administered without significant additional costs being placed on the Council. The current scheme is too reactive to minor changes in applicant's income leading to constant changes in Council Tax liability.</p> <p>The scheme changes will only apply to working age applicants, pension age applicants are covered by the Prescribed Requirement Regulations determined by Central Government.</p>			

The move to an income-based scheme (without the complexities of a full means tested as required by the current scheme).

The changes will provide the following:

- An increased level of support to households with the lowest income;
- Simplified claiming arrangements for all working age applicants;
- Certainty, at present, multiple changes are leading to some taxpayer's receiving a large number of Council Tax bills per year as their Council Tax Reduction is constantly amended;
- The maximisation of applicant's entitlement with clear straightforward messages to claim;
- Speed of processing - applications will be dealt with more efficiently and without the need for significant levels of evidence; and
- Reduced administration costs. The changes will prevent the administration costs from rising year on year which would be inevitable under the current scheme.

It should be noted that the overall costs of the scheme will increase however the overall level of Council Tax Reduction as a proportion of the overall Council Tax base, will be less than when Council Tax Reduction was introduced in 2013. The costs to the District Council will be in proportion to the Council's share of Council Tax.

**Who have you consulted with to assess possible impact on protected groups?** If you have not consulted other people, please explain why?

Prior to any implementation, consultation **will** be undertaken with the following:

- Consultation has been undertaken with the Major Preceptors (Fire and Rescue, Police and the County Council) ; and
- A full public consultation was undertaken ending on 3<sup>rd</sup> November 2020



## Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>Working age applicants will be affected by the changes. This will largely be positive as the level of support will increase to potentially 100% (from the existing 85%), however some applicants may lose. Where they experience exceptional hardship, the applicants may apply for further support under the Council's exceptional hardship fund</li> </ul>	☒	☐	☒
<b>Disability</b>	<ul style="list-style-type: none"> <li>All disability benefits will continue to be disregarded in full and also an additional disregard against income will be where any member of the applicant's household is disabled</li> <li>Carers Allowance will also be disregarded in full under the new scheme.</li> <li>In some cases, the applicant may receive additional support due to the increase in maximum reduction allowed</li> </ul>	☐	☒	☒
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>No effect</li> </ul>	☐	☒	☐

<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"><li>• No effect</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"><li>• No effect</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	<ul style="list-style-type: none"><li>• No effect</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"><li>• No effect</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"><li>• No effect</li></ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"><li>• No effect</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>• Carers will receive additional support</li> <li>• Low income families and especially though on legacy benefits such as income support, Job seeker's Allowance (Income Based), Income Related Employment and Support Allowance will receive additional support</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Negative outcomes action plan</b> Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
Where any applicant has the level of support reduced, they may apply for additional help through the Council's Exceptional Hardship Fund. This will look at the household's income and expenditure and, where thought necessary, further assistance shall be provided	Continuous			<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
The new scheme shall be constantly monitored to ensure that it delivers the desired outcomes.				
<b>Completed by (Officer name and role):</b>	<b>Helen Morris</b>			
<b>Date:</b>	<b>8 December 2020</b>			
<b>Manager/Director Sign off (Name and position)</b>				
<b>Date:</b>				
<b>Equality Lead sign off (Name):</b>				
<b>Date:</b>				
<b>To be reviewed by: (officer name)</b>				
<b>Review date:</b>				



# **South Somerset District Council**

# Monitoring SSDC Council Tax Support Scheme

Report and Findings of the Overview  
and Scrutiny Task and Finish Group

December 2020

## Chair's Foreword

As part of Central Government's Welfare Reform Bill in 2012:

- Council Tax Benefit was abolished; the responsibility of helping low-income households pay their Council Tax was transferred to Billing Authorities. This was delivered with the creation of a local scheme to be known as Council Tax Support (CTS). The scheme had to protect pensioners as they were previously in 2012/13 but provided councils with autonomy to create a new scheme for working age households.
- Central Government reduced the grant to help low-income households pay their Council Tax by ten percent in 2013.

At this time the Overview and Scrutiny Committee recognised the significance and potential impact this could have on the residents of South Somerset and commenced a Task and Finish exercise that worked in parallel with officers to develop a local scheme.

Since the scheme was implemented in April 2013 Central Government have revised their funding arrangements. The grant that SSDC received to help low income households pay their Council Tax ceased to exist. From 2015/16 onwards the funding has been received as part of the Revenue Support Grant; no figure is prescribed or ring-fenced specifically for this purpose.

The Overview and Scrutiny Committee have commissioned a Task and Finish review each year since the introduction of Council Tax Support (CTS) to conduct specific monitoring work to ensure the scheme continues to be effective and balances the needs of Council Tax support recipients and all South Somerset Council Tax payers. This year the Task and Finish group's work has been fundamentally different with the focus looking forward to provide a resilient future proof scheme that:

- Reflects the changing needs of our customers and improve the customer journey.
- Builds on the officer team experiences and the lessons learned from other authority schemes to make the administration of the scheme and the collection of Council Tax more efficient
- Works better in the broader context responding to external influences that directly impact the delivery of the scheme and payment of Council Tax.
- Will successfully respond to the very different economic situation in South Somerset for the forthcoming year(s). Covid-19 related impact has been intrinsically built into the new scheme proposed in this report.

This report provides a summary of the group's work, presents key findings and makes recommendations for the 2021/22 scheme.

*Mr Rob Stickland*

Task and Finish Group Chair

**Task and finish group members:**

Charlie Hull

Tim Kerley

Sue Osborne

Rob Stickland – Task and Finish Chair

**Officers supporting:**

Joanna Gale – Scrutiny Specialist

Tamsin Gold – Benefits Specialist

Catherine Thompson – Benefits Specialist

Sharon Jones – People Lead – Service Delivery

Helen Morris – Specialist Team Manager – Service Delivery

David Airey - IRRV (Hons) Director ACS Support Ltd

**Background reports for information**

The original Council Tax Reduction Task and Finish report from 2013

<https://modgov.southsomerset.gov.uk/Data/South%20Somerset%20District%20Council/20130117/Agenda/7%20Appendix%201%20-%20Report%20and%20Findings%20of%20the%20Overview%20and%20Scrutiny%20Task%20and%20Finish%20Group%2017-01-2013.pdf>

The previous Task and Finish report - December 2019

<http://modgov.southsomerset.gov.uk/documents/s29255/CTS%20TF%20Report%20Dec%202019.pdf>

The Task and Finish group met virtually with officers and worked remotely to:

- Consider the actions required in response to the previous Task and Finish group's recommendations.
- Consider publications and statistics in relation to Council Tax Support (CTS) schemes.
- Assess the outcomes of the monitoring activity, with a particular focus on data specifically around trends that have emerged as a result of the Coronavirus pandemic.

- Work with David Airey – Consultant Revenues Specialist to understand the changing external influences that impact upon Council Tax Support schemes and Council Tax collection and therefore what makes an adaptable and successful scheme.
- Examine the national and local economic changes as a result of Coronavirus to make sure the scheme would be both affordable and effective for the forthcoming year(s).

### Monitoring activity

Appendix 1 summarises the routine monitoring activity and the progress and outcomes against the previous Task and Finish report recommendations to help inform the proposals for the South Somerset Council Tax Support scheme going forward.

Having undertaken the monitoring activity, the Task and Finish group concluded that the current scheme was still successful in achieving the previous Overview and Scrutiny Task and Finish groups ambitions and that there was no evidence to suggest the scheme disadvantaged any particular group or combination of household makeup in terms of qualification of support. However new evidence obtained this year by disaggregating the year on year collection rates and arrears between Council Tax payers and Council Tax payers who receive Council Tax Support (shown below) and investigation into sample case studies did suggest that the scheme may need to alter to try to provide more Council Tax Support for those households who have the lowest incomes.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Equivalent in-year Collection Rate CTS cases	83.39%	84.45%	83.59%	86.28%	86.18%	83.47%	79.11%
Actual in-year Collection Rate – All Council Tax Payers	97.4%	97.03%	97.24%	97.73%	97.80%	97.11%	96.91%

Where Council Tax Support is awarded, there is a lower collection rate. The group have attributed this to:

- Households changing circumstances impacting on the Council Tax collection processes, this is explained in detail later in the report.
- Changing external pressures
- People requiring more in terms of the basics to prevent vulnerability. Since 2013 when Council Tax Support (CTS) first came into being, residents have become more dependent on technology and can substantially be disadvantaged without it.

The hardship scheme has always been available to financially vulnerable households who need further support in addition to CTS to pay their Council Tax. The applications to access the hardship scheme have highlighted that it has been challenging for residents on the

lowest incomes to manage paying the 15% contribution to Council Tax (the current CTS scheme provides a maximum award of 85% of the Council Tax charge). There is also the issue of arrears of Council Tax accruing when the Council Tax instalments change and collection is consequently delayed due to the requirement to rebill. Therefore, the debt will roll forward to the following year.

The figures below show the level of outstanding Council Tax debt for each year, where Council Tax Support was/is payable – This is not a cumulative figure so the debt is predominantly growing year on year. At the time of writing, the current cumulative outstanding debt is £3,919,942.05 (for years 2013/14 to 2019/20 inclusive).

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Year End Balance Outstanding (net of costs) £	£466,609.74	£454,317.41	£509,012.79	£455,973.10	£501,093.94	£641,306.16	£891,628.91

Many households on the lowest incomes have debts for multiple years, it is at the point now where it is not feasible to collect this debt whilst the household pays Council Tax for the current year.

Collecting debt takes staff resources and what has become apparent is that sometimes the staff resource required is disproportionate to the outcome (amount of debt that is recovered) and therefore the Task and Finish group feel awarding more support from the outset to those on the lowest incomes makes more sense and could allow for debt from previous years to be recovered.

In addition to this, evidence of lower collection rates and outstanding debt for those in receipt of CTS, the Task and Finish group members felt that given the changing economic situation, that the original principle ‘everyone should contribute towards the cost of local services’ which underpinned the original 2013 Council Tax Support scheme and has been applied since for subsequent schemes, may no longer be appropriate. The original ambitions and principles were created at a time of national welfare reform, with low unemployment and a consistent relatively high level of job vacancies across numerous sectors in South Somerset. This is picked up again later in the report.

Again this year, the Task and Finish group felt greater stability needed to be built into the scheme structure to aid recipients to better manage their household budgets in response to external changes, and minimise their risk of falling into arrears and accumulating debt. This demands the scheme works better with two key external drivers:

- The changes in employment contracts being more flexible and in particular zero hours contracts.



- Universal Credit, in particular the frequency of changes to the level award (Universal Credit awards frequently change due to the real time link for earnings with HM Revenues & Customs (HMRC)).

With more frequent changes in an individual's income, altering the amount of Council Tax Support given and consequently the sum of Council Tax to be collected, the bill payer can be offered fewer instalments, making it more difficult to pay<sup>1</sup> and this can result in Council Tax being carried forward to the following year, causing debt to accumulate.

With more changes to income and consequently the Council Tax Support award, there is much greater staff administration time to manage these cases.

Currently there is little flexibility in the scheme to cope with these frequent fluctuations. Increasingly now Councils are looking to move, or are moving, to an income related banded scheme for CTS to provide stability for customers and to reduce the administration costs. It is expected that more than 105 councils will have such a scheme from April 2021. Over the last two years the Task and Finish group considered this option but timing has been key to learning the lessons and reviewing the success of other local authority schemes, particularly given the South Somerset scheme had been stable and successful in all other aspects.

### **External influences and Scheme adaptability**

The group completed a PESTLE<sup>2</sup> analysis to identify the external factors that have influenced Council Tax Support schemes over previous years, and will impact schemes and the payment of Council Tax going forward for low-income households who are in receipt of Council Tax Support.

**Political** - Impact of Brexit, projected higher living costs which stem from:

- a weaker pound, making imports more expensive
- the introduction of tariffs and an increase in non-tariff barriers, making imports more expensive
- increased labour costs, increasing the price of domestic goods

This could impact on some residents by pushing them from just managing into financial vulnerability. It could also directly impact some residents wages, or employment and income if they are self-employed, consequently there is potential for an increase in the number of households requiring CTS. It has been widely reported that Brexit is expected to impact on the financial resilience of many households across England<sup>3</sup>

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<sup>1</sup> We are required by law to provide a minimum notice period before collecting an instalment because of this customers can have fewer instalments to pay their Council Tax, for example if a customer has chosen to pay their Council Tax on the first of each and a change of income is processed on the 25<sup>th</sup> of the month altering the award of CTS and the amount of the next Council Tax instalment, the next instalment on the first of the month would not be taken, consequently the Council Tax liability will have to be split out across fewer instalments, making each instalment higher in value.

<sup>2</sup> A PESTLE analysis is a framework to analyse the key factors (Political, Economic, Sociological, Technological, Legal and Environmental) influencing an organisation or subject from the outside

<sup>3</sup> <https://www.jrf.org.uk/report/how-could-brexit-affect-poverty-uk>  
<http://policyinpractice.co.uk/the-impact-of-brexit-on-low-income-households/>

**Economic** – The roll out of Universal Credit, enabling an automatic claim for Council Tax Support may increase numbers of CTS recipients.

The direct link between Universal Credit and HMRC means there are many more changes to administer which can delay and adversely impact on Council Tax collection.

Anticipated significant increase in unemployment due to impact of the Coronavirus pandemic<sup>4</sup>, with young people in particular and women anticipated to be more impacted due to the nature of the employment and period of employment.

Due to changes in the local employment sectors in recent years, residents may need to retrain or upskill to gain employment in different areas. This could result in periods of worklessness.

**Social and Cultural** – We are aware that there is still a culture in South Somerset where some people try not to claim Council Tax Support as it is classed as a benefit, this can cause financial poverty.

The 24-hour service delivery culture in areas such as banking and shopping has changed the expectation of South Somerset residents, many now expect to access SSDC services online 24 hours a day and to be able to enter or maintain a claim for CTS.

Many of our working age residents have mortgages, rental agreements, loans, hire purchase agreements and monthly rental payments that they have committed to. These are commonly seen by residents as a much higher priority than paying Council Tax to provide quality of life. When people's income is reduced, payment of Council Tax is also likely to reduce, particularly whilst these contracts remain. This is where the short term hardship funding may be required. As a Council, it makes no ethical or financial sense to pursue a Council Tax debt if it is going to put someone at risk of becoming homeless or unable to work because they can't afford to either get to work or have an internet connection to work from home, and this is where the balance of the impact of charging and collecting Council Tax has to be carefully managed particularly for those on the lowest income.

**Technological** – There is now more than ever a real need to have digital access to obtain cost effective services, health advice, undertake training and seek employment. The Council Tax Support scheme needs to be easily accessible and less complex, so enabling those that can access services digitally and to self-serve to enter and maintain a claim for CTS, and hence freeing up staff resources to provide alternative delivery methods to those who cannot access digital services.

**Legal** – Lockdown periods will have a detrimental impact on a resident's earnings and income, so it is likely that the Council Tax Support scheme will see spikes during and after these periods.

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<sup>4</sup> <https://www.somersetrends.org.uk/covid-19-economic-impacts/>

Brexit - the changes are still not fully understood by some local businesses, so this could impact further on employment across South Somerset and potentially increasing the number of households requiring CTS.

**Environmental** – There is no direct environmental influence or pressure with regard to Council Tax Support, however there is a need to produce legal notices for the charge and collection of Council Tax. If we can change the CTS scheme to make it more stable for recipients, there will be fewer paper notifications. If we can make it much less complex and reduce administration costs it could potentially releasesome resources to focus on other Council priorities and projects.

The Task and Finish group worked with SSDC specialists and David Airey (Consultant Revenues Specialist) to examine how an income banded scheme could work better in response to external influences. The collective team worked to identify the advantages and disadvantages of the various approaches to income banded schemes and how these could work for the current South Somerset Council Tax Support working age customer base, and for the Council. The team also reviewed analysis of a projected customer base using modelling data from the peak of the Coronavirus pandemic (first wave) and allowed for growth in the customer base. The group evaluated each of the various approaches for:

- Accessibility to the scheme, ease of application process and maintenance of Council Tax Support claim.
- How easy it was for recipients to understand how changes in the household income will affect their Council Tax Support award.
- The prevention of financial vulnerability.
- The consistency of the award compared to current CTS scheme for different household types.
- The impact of changes between income bands, the variance in support amounts and the frequency of instalment changes.
- Potential risks and risk mitigation measures.
- The ease and of administration from a Council/staff perspective.
- The cost of the scheme to the Council.

The group also considered the shared insight of several councils of their experience of moving to, and operating, a banded/grid scheme and a report from Institute for Fiscal Studies – The impacts of localised council tax support schemes<sup>5</sup>

A summary of the insights is detailed below:

- The administration for banded scheme requires significantly less specialist knowledge to administer and is therefore more easily administered across a wider team of staff and less costly. (100% of the administration of CTS is met by the Council, the easier the scheme is to administer, the lower the costs in terms of staff time and software).

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<sup>5</sup> <https://www.ifs.org.uk/publications/13827>

- Using a means tested approach based on the Council Tax Benefit system pre 2013 to calculate awards of CTS is disproportionately more complex and expensive to administer compared to Council Tax discounts, exemptions and reductions.
- The fewer the income bands the easier for customers to understand and more easy to administer but the bigger the changes in CTS award, this could be considered as a deterrent for some people to increase their incomes.
- The transition from one form of scheme to another needs to be promoted and carefully explained to recipients and local support organisations, projected awards are helpful in advance to help recipients to budget accordingly.
- Take a holistic approach consider the customer and Council journey in terms of engagement, in terms of application, managing a claim and collection of Council Tax
- The removal of Housing Benefit for working age cases gives less incentive to keep the Council Tax Support schemed aligned with Housing Benefit rules.

85 Local Authorities across the country as at 1st April 2020 are operating a banded/grid scheme their collective feedback is summarised below.

### **Advantages**

- Simple for customers and staff compared to a means tested scheme
- Excellent for customers and easy to understand at customer services
- Ease of administration
- Move away from benefits and DWP, people are more likely to apply if it is seen as a discount
- Applications and changes processed by a much wider group of staff and this means being in a better position to meet fluctuations in demand.
- No need for complex forms making the scheme much more accessible
- Enables CTS to be granted automatically

### **Disadvantages**

- The simpler the scheme the less specific the award is to a customer's individual circumstances.
- COVID increases in benefits not catered for
- It cannot be applied to Pensioners
- Software suppliers' support was not good at the beginning (now income banded schemes have been used at multiple sites the technology is not in its infancy, is more developed and widely understood, so there's much less dependency/risk now)
- Software suppliers' costs – need to pay for new systems.

### **Review of Task and Finish review group principles/ambitions for the Council Tax Support Scheme**

The group reviewed the previous Task and Finish group principles listed below and considered the local economic environment for the forthcoming year(s) and concluded they should no longer in their entirety be the basis for a scheme going forward.

- Everyone should contribute something towards the cost of local services through Council Tax.
- All income should be included to ensure the scheme is fair
- Greater account should be taken of the total income of the household
- Provide incentives to encourage people into work or increase their hours.
- Provide protection for those who may become vulnerable under the scheme 'Unable to afford basic shelter, food, water, heating, lighting and essential transport'
- The scheme needs to provide stability to help recipients better manage their circumstances (household budgets) in response to external changes and minimise their risk of falling into debt.

The principles that the group have adopted to inform the forthcoming year's scheme (2021/22) are detailed below (some have been reapplied).

The South Somerset Council Tax Support scheme needs to:

- Work better with Universal Credit which has now been rolled out across South Somerset, (this provides support for households who have no or low income it also provides Housing Benefit for rent) having a greater consistency across the two schemes makes it much easier for customers to understand.
- Not delay Council Tax instalments being collected in response to every income related change.
- Provide protection for those who may become financially vulnerable under the scheme the group have defined this as 'Unable to afford basic shelter, food, water, heating, lighting and essential transport and digital connectivity to ensure competitively priced services, supplies and ease of access to work and study'.
- Provide stability to help recipients better manage their household budgets in response to external changes and minimise their risk of falling into debt.
- Be more easily administered to enable staff to be able to better manage peaks in demand and to be more cost effective (keep administration costs to an appropriate proportion of the Council's costs for the outcome achieved).
- Be easier for residents to understand and to improve the customer experience when applying for and managing their application for Council Tax Support.
- The scheme needs to operate in the interests of all South Somerset residents and be affordable, this means not cutting Council Services to provide subsidy.

Having set the principles/ambitions for the scheme and considered all the insight and data provided by the officer team and David Airey, the Task and Finish group with the officers proposed to the Portfolio Holder (Finance, Legal & Democratic Services) to consult on the proposals shown below:

1. To Introduce an income 'grid' scheme for all working age applicants replacing the current scheme which was based on the previous Council Tax Benefit Scheme. This will provide up to 100% support in certain cases (currently there is a maximum of 85%). This will increase the overall level of support to those households on the lowest income and also reduce the administration cost of the scheme generally. The changes will also make the scheme simpler. Please note that whilst the changes are intended to reduce the level and

cost of administration, the Council is not looking to reduce the total overall level of support available in fact for the lowest income households, the changes may increase the amount of support provided.

It is proposed that a simplified income 'grid' scheme will be introduced. The grid shows the level of discount available.

Discount Band	Discount	Single Person	Lone Parent with one child	Lone Parent with two or more children	Couple	Couple with one child	Couple with two or more children
<b>Weekly Income Ranges</b>							
<b>Band 1*</b>	<b>100%</b>	£0 - £95.00	£0 - £160.00	£0 - £215.00	£0 - £138.00	£0 - £202.00	£0 - £257.50
<b>Band 2</b>	<b>75%</b>	£95.01 - £120.00	£160.01 - £200.00	£215.01 - £255.00	£138.01 - £163.00	£202.01 - £227.00	£257.51 - £297.50
<b>Band 3</b>	<b>40%</b>	£120.01 - £145.00	£200.01 - £250.00	£255.01 - £300.00	£163.01 - £188.00	£227.01 - £252.00	£297.51 - £330.00
<b>Band 4</b>	<b>25%</b>	£145.01 - £170.00	£240.01 - £275.00	£300.01 - £345.00	£188.01 - £213.00	£252.01 - £277.00	£330.01 - £370.00
	<b>0%</b>	Over £170.00	Over £275.00	Over £345.00	Over £213.00	Over £277.00	Over £370.00

\*Where any applicant or their partner are in receipt of Income Support, Income-Based Jobseeker's Allowance or Income-Related Employment and Support Allowance, a Band 1 discount will be given (unless they have savings or capital over £6,000).

The key principles of the scheme are as follows:

- a. The level of discount (shown in the grid) will be based on the total net income (determined by the Council) of the applicant and their partner;
- b. Income levels can vary in accordance with household size;
- c. The maximum support available will increase to 100%;
- d. Certain aspects of the current scheme will be carried forward into the new scheme namely Disability Living Allowance, Personal Independence Payments and Child Benefit will continue to be disregarded;
- e. Child Maintenance will also be disregarded from the calculation;
- f. Applicants receiving Income Support, income related Employment and Support Allowance and Income-based Jobseeker's Allowance will receive a Band 1 discount. Where applicants are not in receipt of those benefits and their income is above the levels specified in Band 1, Council Tax Support shall be awarded at the appropriate level (Bands 2, 3 & 4);

**The benefits of changing the scheme:**

- It provides more support to those on the lowest incomes;
- It provides a simpler scheme, easily understood by all applicants;

- It will save significant increases in administration costs due to the introduction of Universal Credit; and
- It should provide greater stability to Council Tax Support recipients by reducing the number of Council Tax demands during the year. This will reduce multiple changes to monthly instalments as changes in Council Tax instalments will only be triggered when the applicant's weekly net income changes to a different band.

**The drawbacks of doing this are:**

- Whilst the Council will look to protect Council Tax Support recipients as far as possible, there may be a few winners and losers; and
- Some higher income households may receive less support.

2. Limiting the number of dependent children used in the calculation of support to two for all working age applicants to provide consistency with the Department for Work and Pensions benefit schemes.

**The benefits to the Council of doing this are:**

- Council Tax Support will be brought into line with the Department for Work and Pensions (DWP) benefits; and
- It is simple and administratively easy to incorporate within the scheme.

**The drawbacks of doing this are:**

- Applicants who have three or more dependent children may receive less Council Tax Support. However, this is offset by the Child Benefit not being counted and, if the applicants face exceptional hardship they may apply for additional support through the Council's Exceptional Hardship Scheme.

3. Removing Non-Dependant deductions – the current scheme makes a deduction for members of the household who are not financially dependent, e.g. adult children. In theory, the applicant should look to recoup this deduction from those adults. The Council cannot recover these charges from the non-dependant and must seek payment from the applicant, who will be in receipt of a low income or benefits.

**The benefit of this option is:**

- Applicants will not be penalised for having additional adults living with them (other than if they are living there commercially); and
- The change is simple and administratively easy to incorporate within the scheme. At present it is not possible to make sure that we have up to date and accurate information with regard to the Non-Dependants earnings, particularly as the applicant may not be aware of changes to the members of their household.
- Younger people who are living at home with their parents often do have varying income, e.g. zero hours contracts, making it more challenging to ensure the award is accurate. It is also this age group that has been predominantly sighted as the most adversely affected by the Coronavirus pandemic. The administration for this area of work if multiple changes are reported could be particularly resource intensive over the forthcoming year.

**The drawbacks of doing this are:**

- There may be an increase cost to the scheme with no non-dependant charges being made.

4. Disregarding the Housing Element of Universal Credit (in the same way that Housing Benefit is not considered income) and also disregarding the Support Component of Employment and Support Allowance and Carer's Allowance in the calculation of income.

**The benefit of this option is:**

- It will assist and support the most vulnerable; and
- The change is simple and administratively easy to incorporate within the scheme.

**The drawbacks of doing this are:**

- There may be a slight increase in the overall cost of the scheme.

5. Replacing the current earnings disregards (also known as a work allowance) with a standard £25 disregard for all applicants where they are in work. Currently, where applicants (or their partner if they have one) have earnings and work over 16 hours per week, an earnings disregard is applied depending on their individual circumstances. The standard disregards (only one is awarded) are £5 per week for a single person, £10 per week for a couple, £20 per week if they meet certain conditions such as disablement or part time special employments or £25 for lone parents. If they work additional hours, in some circumstances they may receive an additional £17.10 disregard per week. Also, if child care is paid by the applicant above that received free from Central Government, then further disregards can be made again earnings for monies paid out.

The proposed change to the scheme would introduce a standard, single disregard of £25 for the applicant where they work. The disregard will apply against earning only. All other disregards will be removed.

**The benefit of this option is:**

- The change is simple and administratively easy to incorporate within the scheme; and
- It makes the scheme easier to understand for Council Tax Support applicants and recipients.

**The drawbacks of doing this are:**

- There may be applicants with larger families and who have high child care costs (not met by Government schemes) who may see a reduction in support. (It should be noted that this is offset by the Child Benefit not being counted and that all applicants that face exceptional hardship may apply for additional support under the Council's Exceptional Hardship Scheme).

6. Where a person is disabled and in receipt of certain disability benefits, awarding an additional disregard from their income before calculating any entitlement to Council Tax



Support. This option replicates the rules which exist within the current scheme where by a person who is entitled to a Disability Premium, Enhanced Disability Premium, Severe Disability Premium or Disabled Child Premium will have their income reduced (for calculation purposes) by an amount of up to £30 per week.

**The benefit of this option is:**

- The change is simple and administratively easy to incorporate within the scheme; and
- It protects the most vulnerable applicants.

**The drawbacks of doing this are:**

- There are no drawbacks.

7. Removing the Extended Payment provision. In certain cases, where applicants have been in receipt of prescribed benefits (such as Income Support, Jobseekers Allowance or Employment and Support Allowance) and move into work which ends their entitlement, Council Tax Support can be paid for an additional 4 weeks after commencing work or increasing their hours. Similar provisions do not exist for Universal Credit claimants. As Universal Credit is to replace those existing (legacy) benefits, the Council feels that these provisions are no longer appropriate.

**The benefit of this option is:**

- It will treat all applicants in receipt of DWP benefits equally; and
- The change is simple and administratively easy to incorporate within the scheme.

**The drawbacks of doing this are:**

- Applicants who are still in receipt of legacy benefits and who move into work before being transferred to Universal Credit may lose any potential extended payment.

8. Calculating all new claims and changes in circumstances to be effective of the day of the change in line with the discount schemes, rather than the current (benefit based) weekly basis. This is a 'throwback' to previous benefit schemes that were weekly based. As Council Tax is a daily charge, the Council believes it makes more sense to change entitlement to Council Tax Support on a daily basis. It should be noted that, the proposed new scheme is designed to reduce the number of changes that will affect entitlement in any event.

**The benefit of this option is:**

- It is in line with the way that Council Tax is charged and operated; and
- The change is simple and administratively easy to incorporate within the scheme.

**The drawbacks of doing this are:**

- There are no draw backs to this option.

9. Allowing the discretion to backdate any discount up to 12 months where a good reason is provided. The current scheme limits the backdating of any application for Council Tax Support to 6 months before the date of application where continuous 'Good Cause' is proven. The backdating of applications of up to 12 months should allow for better alignment with the date that the applicant's circumstances changed and that the Council be given a general discretion to backdate any claim where a good reason is provided.

**The benefit of this option is:**

- This option will allow the Council more flexibility in granting support where the applicant has a good reason for not claiming earlier; and
- The change is simple and administratively easy to incorporate within the scheme.

**The drawbacks of doing this are:**

- There are no drawbacks to this change. It is unlikely to increase the costs of the scheme significantly.

**Consultation analysis and comments including the Task and Finish groups responses**

Members considered how best to consult the South Somerset community with regard to the options to amend the CTS scheme for 2021/22 and suggested:

- The consultation should be in plain English and have questions with regard to increasing Council Tax and cutting services to help pay for the Council Tax Support scheme costs.
- What could be included in the questions to aid public understanding of what is being proposed and the impact it would have on individual households.

The consultation was:

- Circulated to representatives of vulnerable groups and minority groups
- Widely publicised via social media, SSDC website and promoted in the Councillor and Parish newsletters so councillors could promote the consultation to their constituents.

**Post Consultation**

197 responses were received, 1 of these were representative of groups.




The group are satisfied with the level of response received although would have liked more representative groups to have participated. The Task and Finish group collectively reviewed each option/measure taking into account:

- Consultation results and comments
- Risk – The risks for South Somerset residents, Council Tax Support recipients and the Council

- Equalities – the group gave due regard to the characteristics as set out in the Equality Act 2010, in addition to this fairness and proportionality were considered




It was noted that the number of responses decreased throughout the survey, whilst this was disappointing members concluded that it was probably due to the technical nature of the subject and felt it was impossible to make the survey more engaging without in-person support which wasn't possible due to social distancing measures.

## Consultation results and summary of feedback

2. Should the Council keep the current Council Tax Support scheme? (Should it continue to administer the scheme as it does at the moment?)										Response Percent	Response Total
1	Yes									24.32%	36
2	No									57.43%	85
3	Don't Know									18.24%	27
Statistics	Minimum	1	Mean	1.94	Std. Deviation	0.65	Satisfaction Rate	46.96	answered	148	
	Maximum	3	Variance	0.42	Std. Error	0.05			skipped	49	

### Feedback/comments

There were several comments from those who are not in support of keeping the current scheme that suggested supporting vulnerable households at this time of a pandemic and job losses should be a priority. The comments from those that had said to keep the current scheme showed that some of the consultees had misinterpreted some elements of the new proposals. There were no specific points for the Task and Finish group to consider.

4. Do you agree with the changes to the scheme to introduce an income based banded discount scheme?										Response Percent	Response Total
1	Yes									73.79%	76
2	No									16.50%	17
3	Don't Know									9.71%	10
Statistics	Minimum	1	Mean	1.36	Std. Deviation	0.65	Satisfaction Rate	17.96	answered	103	
	Maximum	3	Variance	0.42	Std. Error	0.06			skipped	94	

### Feedback/comments




There were comments suggesting the proposed bands were too generous and a 100% support/discount would discourage work. Other respondents commented the income bands needed to be of higher value.

The Task and Finish group have reviewed the results and comments, the group recommend the income bands form the basis of the South Somerset CTS scheme going forward, the bands have been reviewed and are now more generous than what was proposed in the consultation.

The figures proposed for the bandings at the time of writing this report based on the latest set of data modelling are detailed below. The change in bandings from the original proposals included in the consultation are due to further modelling and the caseload changes that have occurred since going out to consultation. This is more generous (but overall the costs staying broadly the same).

Discount Band	Discount	Single Person	Lone Parent with one child	Lone Parent with two or more children	Couple	Couple with one child	Couple with two or more children
<b>Weekly Income Ranges</b>							
Band 1	100%	£0-95.00	£0-£160.00	£0 - £220.00	£0 - £140.00	£0 - £205.00	£0-£260.00
Band 2	75%	£95.01 - £155.00	£161.00 - £220.00	£220.01 - £290.00	£140.01 - £210.00	£205.01 - £270.00	£260.01 - £330.00
Band 3	40%	£155.01 - £190.00	£220.01 - £255.00	£290.01 - £345.00	£210.01 - £260.00	£270.01 - £310.00	£330.01 - £390.00
Band 4	25%	£190.01 - £235.00	£255.01 - £290.00	£345.01 - £440.00	£260.01 - £310.00	£310.01 - £360.00	£390.01 - £430.00
	0%	Over £235.00	Over £290.00	Over £440.00	Over £310.00	Over £360.00	Over £430.00

**6. Do you agree that increasing the maximum level of support from 85% up to 100% would help the most financially vulnerable households?**

								Response Percent	Response Total	
1	Yes							71.84%	74	
2	No							21.36%	22	
3	Don't know							6.80%	7	
<b>Statistics</b>	Minimum	1	Mean	1.35	Std. Deviation	0.6	Satisfaction Rate	17.48	answered	103
	Maximum	3	Variance	0.36	Std. Error	0.06			skipped	94




**Feedback/comments**

People who did not support the proposal to increase the level of support said:

- Most people prefer to make a contribution or should make pay something as they use the services.
- The new approach would encourage people to keep a low income and not work.

The Task and Finish group have reviewed the responses and appreciate that residents do like to contribute for the cost of services but recommend a 100% support for those households on the lowest incomes, this is based on affordability having reviewed the costs of living and considered the changing economic and employment profile for the area. The group also factored in the associated costs for the collection of Council Tax.

**Option 2 - To limit the number of dependent children within the calculation for Council Tax Support to a maximum of two for all applicants**

8. Do you agree with this change to the scheme?										
									Response Percent	Response Total
1	Yes								73.74%	73
2	No								18.18%	18
3	Don't Know								8.08%	8
<b>Statistics</b>	Minimum	1	Mean	1.34	Std. Deviation	0.62	Satisfaction Rate	17.17	answered	99
	Maximum	3	Variance	0.39	Std. Error	0.06			skipped	98

**Feedback/comments**

The respondents that commented primarily said that this proposal was unfair to larger families and could cause some children to live in poverty.




The Task and Finish group fully appreciate the concern of the respondents who are not in support of this proposal but felt the disregarded child benefit income would help mitigate the impact to an extent, and having the hardship scheme available to prevent any financial vulnerability would provide an effective safety net.

Based on the current caseload (households currently in receipt of CTS), the average change in support for couples with two or more children if we change to the proposed income banded scheme is a gain of £1.68 per week for those not on Universal Credit, and a loss of £0.50 per week for those receiving Universal Credit (UC).

The average change in support for a single adult with two or more children is a loss of £1.15 per week for those not on UC and a loss of £0.09 for those receiving UC.

The Task and Finish group felt the benefits of having the scheme methodology the same as Universal Credit to aid customer understanding was key, and therefore recommend this proposal is included in the scheme for 2021/22.

### Option 3 – To remove Non-Dependant Deductions from the scheme




10. Do you agree with this change to the scheme?										
									Response Percent	Response Total
1	Yes							56.70%	55	
2	No							31.96%	31	
3	Don't Know							11.34%	11	
<b>Statistics</b>	Minimum	1	Mean	1.55	Std. Deviation	0.69	Satisfaction Rate	27.32	answered	97
	Maximum	3	Variance	0.47	Std. Error	0.07				

### Feedback/Comments

The respondents that didn't agree with this change and commented predominantly suggested that working adults should contribute to the cost of services, and the Task and Finish members don't disagree with this. The challenge with the non-dependent deductions is ensuring the deductions are correct, a high proportion of non-dependents often do not inform the Council Tax Support applicant of any changes in their income to ensure the support is right. Now employment contracts are more flexible, and consequently income is fluctuating regularly, it is very difficult to ensure awards are correct. There's a challenge of balancing the cost of resources to outcome. Unfortunately, non-dependents income information is not available via Universal Credit of HMRC due to GDPR, so to be sure non-dependent deductions are applied correctly we would have to conduct regular reviews based on the stability of the non-dependents income.

The current caseload shows we have, 899 Working age claims but 448 of these households are in receipt of Universal Credit and not all of these cases have a deduction in the current scheme as the claimant is in receipt of Personal Independence Payments or Disability Living Allowance. The vast majority of non-dependents are in the age group that is projected to be most adversely affected by the economic impacts of the Coronavirus pandemic, the Task and Finish group recommend this change is included in the new scheme for 2021/22.

**Option 4 – Disregarding Carers Allowance, the Support Component of the Employment and Support Allowance and the housing element of Universal Credit**

12. Do you agree with this change to the scheme?										
									Response Percentage	Response Total
1	Yes								70.53%	67
2	No								20.00%	19
3	Don't Know								9.47%	9
<b>Statistics</b>	Minimum	1	Mean	1.39	Std. Deviation	0.65	Satisfaction Rate	19.47	answered	95
	Maximum	3	Variance	0.43	Std. Error	0.07			skipped	

**Feedback/comments**

The majority of comments that respondents provided were supporting the proposal. Only a couple of comments were provided from those who did not agree with the proposed change and these explained that they felt it was not fair as it increases costs for Council Tax payers.

The Task and Finish group considered the evidence and consultation feedback and concluded this would apply to a small proportion of recipients, and therefore the associated costs would be low, and it is providing help to those who are vulnerable. Therefore the Task and Finish group recommend this option is included in the South Somerset District Council, Council Tax Support scheme for 2021/22.

**Option 5 – Removing the current earnings disregards and replacing them with a standard £25 disregard for all working applicants**

#### 14. Do you agree with this change to the scheme?

									Response Percent	Response Total
1	Yes								76.34%	71
2	No								11.83%	11
3	Don't Know								11.83%	11
<b>Statistics</b>	Minimum	1	Mean	1.35	Std. Deviation	0.68	Satisfaction Rate	17.74	answered	93
	Maximum	3	Variance	0.47	Std. Error	0.07			skipped	104

#### Feedback/comments

The were no comments that the Task and Finish group needed to consider in terms of equality or impact of the scheme proposal. Some comments showed that those who had disagreed with the proposal misunderstood how it would impact the level of support awarded. Therefore, the group recommend this proposal is included in the scheme for 2021/22.

#### Option 6 - To allow further income disregards where an applicant, their partner or any dependant is in receipt of a disability benefit

#### 16. Do you agree with this change to the scheme?

									Response Percent	Response Total
1	Yes								86.67%	78
2	No								8.89%	8
3	Don't Know								4.44%	4
<b>Statistics</b>	Minimum	1	Mean	1.18	Std. Deviation	0.48	Satisfaction Rate	8.89	answered	90
	Maximum	3	Variance	0.24	Std. Error	0.05			skipped	107

#### Feedback/Comments

There was one comment that questioned if this was providing double support as people can apply for a Council Tax banding reduction. The band reduction is not given on the basis of someone in the household being in receipt of disability benefits, it is based on the adaptation made to the property. This proposal is replicating the additional support provided in the current scheme for households in receipt of a disability benefit.

The Task and Finish group recommend this proposal forms part of the scheme for Council Tax Support scheme for 2021/22.

#### Option 7 – Removing the Extended Payment provision



### 18. Do you agree with this change to the scheme?

									Response Percent	Response Total
1	Yes								71.59%	63
2	No								17.05%	15
3	Don't Know								11.36%	10
Statistics	Minimum	1	Mean	1.4	Std. Deviation	0.68	Satisfaction Rate	19.89	answered	88
	Maximum	3	Variance	0.47	Std. Error	0.07			skipped	109

#### Feedback/comments

All the comments received from respondents disagreeing with this option said that this support was required to help people during the transition period moving into employment, especially where they are paid a salary in arrears. The Task and Finish group considered this feedback but felt the CTS scheme should ensure all Council Tax Support recipients are treated equally, and having worked through a case scenario understand customers have the option of four payment dates for Direct Debit, so could select a payment date that would come out after their salary is paid.

The group recommend this option is included in the CTS scheme for 2021/22.

#### Option 8 – Any new claim or change in circumstances which changes Council Tax Support entitlement will be made from the date on which the change occurs, (rather than on a weekly basis as at present)

### 20. Do you agree with this change to the scheme?

									Response Percent	Response Total
1	Yes								93.10%	81
2	No								3.45%	3
3	Don't Know								3.45%	3
Statistics	Minimum	1	Mean	1.1	Std. Deviation	0.4	Satisfaction Rate	5.17	answered	87
	Maximum	3	Variance	0.16	Std. Error	0.04			skipped	110

#### Feedback/comments

There were no comments that the group needed to consider with regard to this option. The group recommend this option is included in the CTS scheme for 2021/22.

#### Option 9 – Extending the ‘backdating’ provisions within the scheme

**22. Do you agree with this change to the scheme?**

									Response Percent	Response Total
1	Yes								84.88%	73
2	No								11.63%	10
3	Don't Know								3.49%	3
<b>Statistics</b>	Minimum	1	Mean	1.19	Std. Deviation	0.47	Satisfaction Rate	9.3	answered	86
	Maximum	3	Variance	0.22	Std. Error	0.05			skipped	111

**Feedback/comments**

Three respondents commented that current backdating arrangements were adequate. The Task and Finish group recommend that the scheme should allow flexibility where good cause is demonstrated, and that the extended 12-month backdating provision is included in the scheme for 2021/22.

**Alternatives to changing the Council Tax Support Scheme**

**24. Increase the level of Council Tax to cover the rising administration costs.**

									Response Percent	Response Total
1	Yes								10.47%	9
2	No								80.23%	69
3	Don't Know								9.30%	8
<b>Statistics</b>	Minimum	1	Mean	1.99	Std. Deviation	0.44	Satisfaction Rate	49.42	answered	86
	Maximum	3	Variance	0.2	Std. Error	0.05			skipped	111

**25. Find the additional administration costs by cutting other Council Services.**

									Response Percent	Response Total
1	Yes								18.60%	16
2	No								70.93%	61
3	Don't Know								10.47%	9
<b>Statistics</b>	Minimum	1	Mean	1.92	Std. Deviation	0.53	Satisfaction Rate	45.93	answered	86
	Maximum	3	Variance	0.28	Std. Error	0.06				

## **Summary of recommendations**

The Task and Finish group recommend:

- All of the proposals put forward in the consultation are taken forward to provide a new income banded Council Tax Support scheme for 2021/22 (supporting the changes to the bands as detailed in this report following the remodelling of the caseload).
- The transition to the new scheme is widely promoted with recipients and partner support organisations across the district to raise awareness and to help recipients budget for the changes.

The Task and Finish group request officers:

- Maintain monitoring of key data as detailed in Appendix 1 to ensure the scheme and associated processes are effective.
- Devise monitoring systems to capture customer feedback to ensure the customer journey for the new scheme is accessible and easy to navigate.

Investigate software that enables automatic calculation of Council Tax Support based on the new sch

## Appendix 1

### Progress and outcomes against previous Task and Finish group recommendations

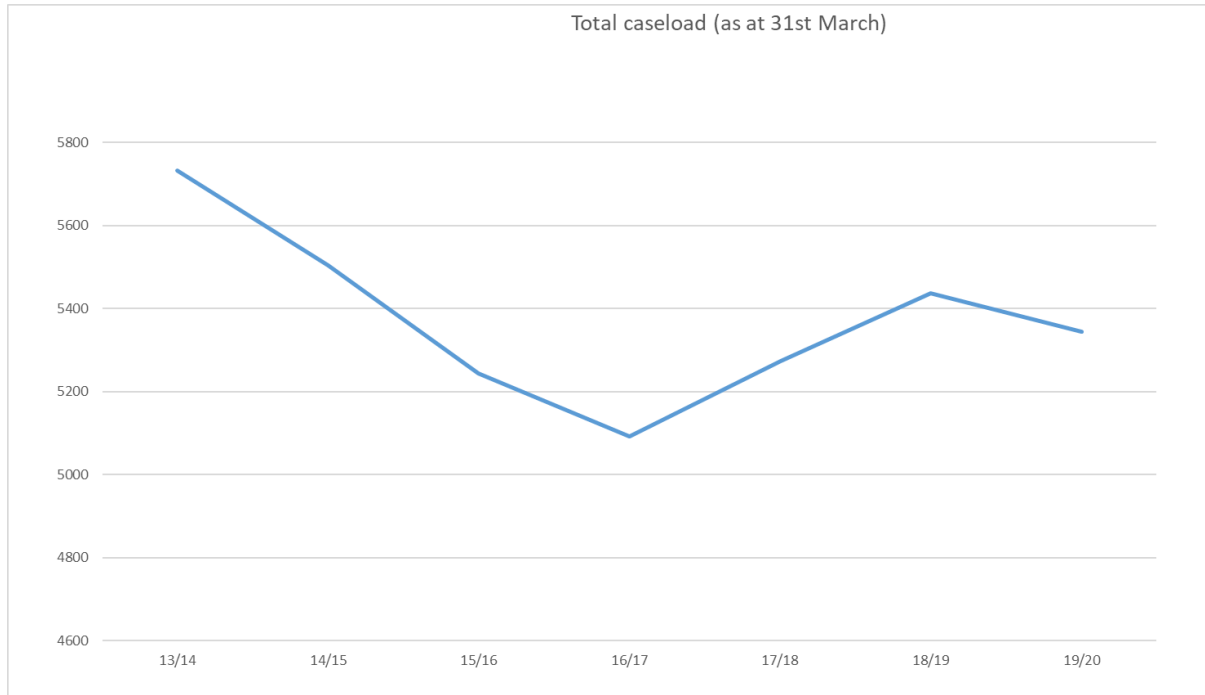
Recommendation	Progress and Outcomes
<p>In preparation for the 2021/22 scheme officers conduct a detailed impact analysis comparing the current scheme with forms of banded scheme by examining sample cases over a year long period that cover a wide sample of differing types of households and income type to assess:</p> <ul style="list-style-type: none"> <li>• Accessibility of the schemes</li> <li>• Outcomes for the customer's overall awards, variance in support amounts, frequency of instalment changes</li> <li>• Administration costs for the council</li> <li>• Impact of risk of financial vulnerability in Council Tax Support recipients and potential new approaches to mitigation.</li> </ul>	<p>The Task and Finish group considered case studies which clearly illustrated customer outcomes which the Task and Finish group were happy with for the banded scheme proposed. With a banded scheme there is a decrease in the number of Council Tax Instalment changes enabling more instalments to be collected. There was also a corresponding decrease in administration time which is due to the policy being simpler, this will hopefully offset the additional time required to manage the growth in the numbers of people requiring Council Tax Support as a result of the economic impacts of the Corona virus pandemic. A case study is provided for information at appendix 2</p> <p>There is a discretionary hardship fund to help mitigate financial vulnerability, if the scheme agreed provides up to 100% support this will also help mitigate financial vulnerability.</p>
<p>For consideration to be given to a corporate approach/policy to managing customer debt, it was evident in some case studies that arrangements with customers had to be repeatedly revised due to changes but also due to SSDC wanting to collect other debts from the same individual. Members felt a single point of contact would provide a more efficient and customer friendly service.</p>	<p>Work has commenced on a revised and updated 'Corporate Debt Policy' it is envisaged this will be ready to be presented to members for consideration early in 2021.</p>
<p>The Hardship scheme budget is reviewed to assess if it will be adequate to accommodate the anticipated increase in people applying as a result of wider promotion and the caseload no longer decreasing as a result of increased take up in Council Tax Support due to the roll out and promotion of Universal Credit.</p>	<p>The hardship scheme was reviewed but no increase was made to the provision. The up to date figures are provided later in this appendix.</p> <p>Any resident who had an active CTS claim at 1<sup>st</sup> April 2020 received an additional award of up to £150.00 CTS. New claims for CTS made within this financial year will also be eligible and are picked up at every bill run.</p> <p>The new scheme structure being proposed is different so that the Hardship element forms part of the overall scheme funded by all preceptors.</p>

<b>Recommendation</b>	<b>Progress and Outcomes</b>
<p>That for the 2020/21 scheme annual uprating's are implemented as usual:</p> <ul style="list-style-type: none"> <li>• Personal allowances and premiums are uprated in line with those for Housing Benefit;</li> <li>• Non-dependent deductions are uprated in line with the annual percentage increase in Council Tax;</li> <li>• Non-dependent income bands are increased by the same percentage as those in the Prescribed Requirements relating to pensioners</li> </ul>	<p>This activity was concluded last year for the 2020/21 scheme.</p>
<p>The Task and Finish group who review the scheme for 2021/22 seek advice from an expert on successful schemes across the country and further consider feedback from those who have:</p> <ul style="list-style-type: none"> <li>• Introduced fixed periods moving forward – benefit on not altering instalment plans and reduction in number of customer notices- help mitigate upset and reduce avoidable contact/response.</li> <li>• Changed to an income banded scheme with specific focus on the customer experience, vulnerability, collection rates and stacking arrears.</li> <li>• Still award or have reverted to awarding 100% CTS in some circumstances.</li> </ul>	<p>The Task and Finish group sought advice and concluded fixed periods should not be included in a revised scheme given the current unpredictability of people's wages and employment caused by the Coronavirus pandemic. The group felt fixed periods could cause issues, if there was a delay in payment of support where a household's income had decreased it could potentially cause financial hardship and vulnerability and if there was a delay in administering a decrease in support, the delay in the notification and collection of additional Council Tax could prevent effective budgeting and causing arrears to begin to accumulate.</p> <p>Evidence and feedback with regard to income banded schemes has been thoroughly considered and progressed, recommendations to introduce this are included in this report.</p> <p>Options of reverting to awarding 100% CTS have been considered and modelled for those households in receipt of the lowest levels of income, recommendations to introduce this are included in this report.</p>

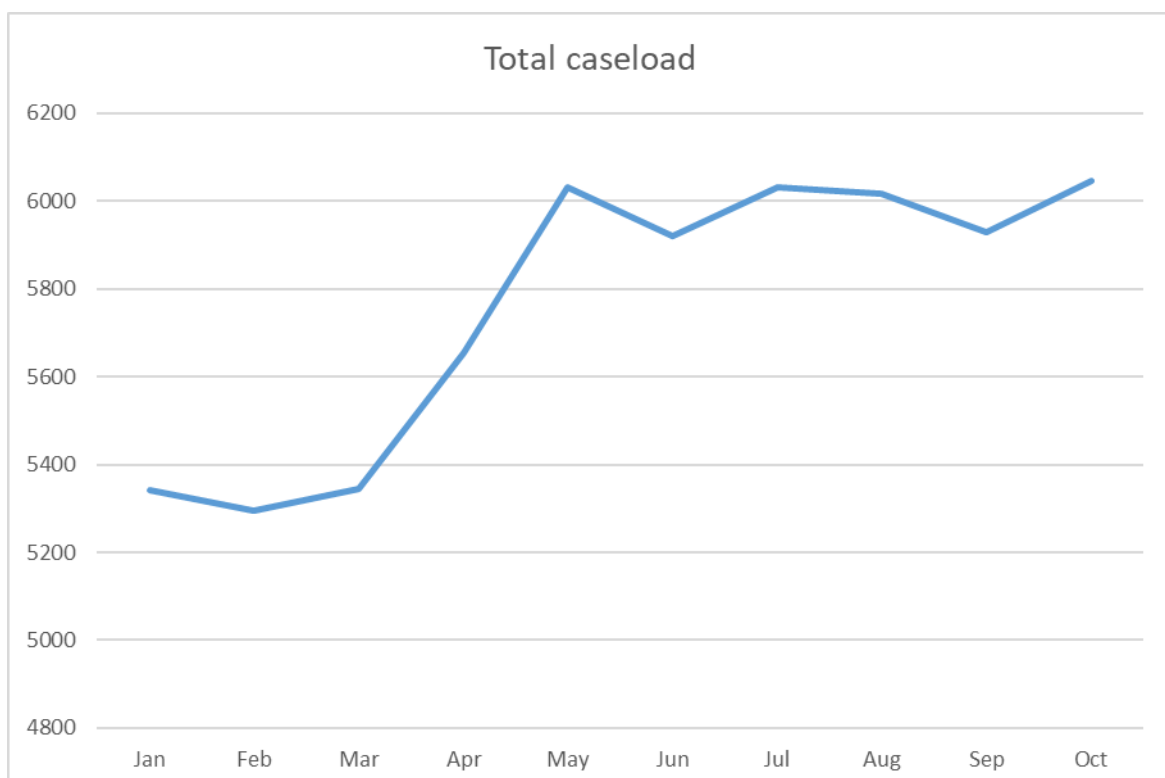
## Monitoring

### Number of CTS Recipients

Number of Council Tax Support recipients from the start of scheme through to End of March 2020



Number of Council Tax Support recipients from January – October 2020



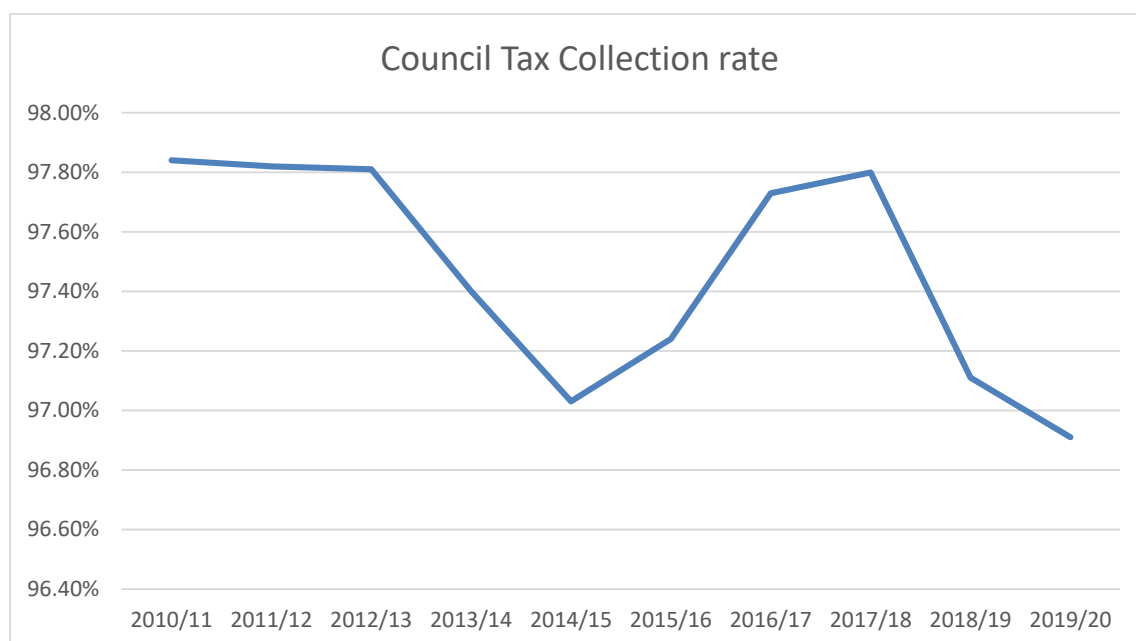
Since the start of the scheme we saw an overall decline in the numbers of working age people claiming Council Tax Support, this was thought to be due to less households being out of work and increasing their working hours due to the correlation with local employment figures and the incentives offered by Government for free childcare. Previously the group had reported an anticipated rise in the numbers of working age Council Tax Support recipients due to the full Universal Credit roll out.

The graph above shows the increase this year in caseload and there is a clear correlation with the growth in working age CTS recipients with the period of the Coronavirus pandemic. The number of recipients has increased beyond the levels at the start of the scheme in 2013. Officers have projected costs of the scheme based on the caseload at the peak of the pandemic at the end of July 2020 for financial resilience.

The key thing in terms of the CTS scheme is that all Council Tax Support costs will increase irrespective of whether the scheme changes or not. The increase in CTS costs is being experienced by all local authorities irrespective of how their scheme is designed or the level of support. Therefore it's about making sure we have a scheme that works best in this new environment and can be easily administered to quickly help those who need the support, and efficiently respond to the changes in household incomes to help householders to be able to budget accordingly.

### Council Tax Collection Rate

In the original Task and Finish report members recommended that Council Tax collection rates were monitored. (The collection rate is the proportion of all net collectable council tax that has been collected; this shows how much of a gap there is between what SSDC needs to collect and the amount actually collected). This was to assess if the council has adopted appropriate methods to successfully collect Council Tax from new Council Tax payers and to prevent the authority from any financial risk; the monitoring is carried out every quarter and reported in the Medium Term Financial Plan Quarterly monitoring.



	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Average Collection rate for England<sup>6</sup></b>	97.3	97.4	97.0	97.0	97.1	97.2	97.1	97.0	96.8
<b>SSDC Collection rate</b>	97.82	97.81	97.4	97.03	97.24	97.73	97.8	97.11	96.91

### **The cost of the Council Tax scheme since it has been in operation**

2013/14 £9.359 million

2014/15 £8.882 million

2015/16 £8.219 million

2016/17 £8.496 million

2017/18 £8.417 million

2018/19 £8.773 million

2019/20 £9.6 million, this is a year-end projection as at October 2020

At the time of writing this report we are anticipating more households in South Somerset will apply and qualify for CTS, so it is difficult to predict what the cost of the scheme will be at the end of the financial year. We do know however it is going to be the most expensive yet due to the rising numbers of residents requiring the support as a result of the economic impact of the Coronavirus. This would be the same for every local authority as the growth in the number of working age recipients will increase the cost of every type of scheme. An advantage South Somerset has relating to costs is that the overall Tax Base has grown, so an increase in costs will be offset by this to hopefully make the proportional cost to be no more than it was in 2013.

To date, the scheme has been affordable whilst maintaining the objectives in the Council Plan and the ambitions of the Task and Finish group. With the reduction in the collection rate and changing external pressures, we always have to be reviewing the approach to this support and learning from good practice. The Task and Finish group have sought the advice of an external expert and learned from the experiences of others to prepare a scheme that should both efficiently and effectively meet the anticipated demands for CTS across South Somerset for forthcoming year(s).

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<sup>6</sup> Department of Communities and Local Government



## Council Tax Arrears where Council Tax support is awarded

Council Tax arrears arise when a resident falls behind with their Council Tax payments. The approach councils take to pursue missed payments or incomplete payment varies. The statutory procedure is for a council to send up to two reminders about unpaid Council Tax before embarking on further collection and enforcement strategies. This may include asking for the entire year's liability to be paid in one instalment (a "Final Notice"), before making an application to the magistrate's court for a liability order. An order permits the council to use a range of measures such as, an attachment of earnings or benefits (where the council collects Council Tax direct from the household's wages or DWP benefits). They may proceed also with enforcement measures, such as debt collection by Enforcement Agents.

The total amount of Council Tax outstanding by year since the CTS scheme when live where CTS was or is in payment at the time of debt accruing is provided below:

## Outstanding amounts relating to current CTS Scheme applicants

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Year End Debit (net of costs) £	£2,808,972.57	£2,922,420.09	£3,102,117.91	£3,322,284.05	£3,625,907.23	£3,880,371.58	£4,268,890.17
Year End Payments Received £	£2,342,362.83	£2,468,102.68	£2,593,105.12	£2,866,310.95	£3,124,813.29	£3,239,065.42	£3,377,261.26
Year End Balance Outstanding (net of costs) £	£466,609.74	£454,317.41	£509,012.79	£455,973.10	£501,093.94	£641,306.16	£891,628.91

This is the first time we have been able to extract this level of data and this has formed a key part of the evidence for the groups recommendation to increase the level of support to those households on the lowest income from 85% to 100%.

### Discretionary Hardship

The original Task and Finish report recommended, creating a hardship fund for those people who are financially vulnerable (unable to afford a basic standard of living - shelter, heat, light, water and food) and that awards are monitored in terms of identifying trends.

Year	No. of requests	Awarded	Not Awarded	Total paid £
13/14	171	121	50	11,292.82
14/15	152	115	37	11,581.32
15/16	163	136	27	14,551.14
16/17	152	128	22	16,540.95
17/17	107	84	23	14,211.00
18/19	123	98	25	14,362.37
19/20	122	107	15	18,173.23
2020/21				As of end Q2, spend was £10834.00

The Task and Finish group last year requested officers conduct a review of the applications made to the Hardship Fund to identify if there were any trends, in terms of the numbers and age of people in the household and what type of income they were in receipt of to identify any trends. No trends were identified this year and the group were satisfied that the relatively low numbers of awards and the disparity to who they were awarded, gave no indication the scheme was the cause of any financial vulnerability.

Members have requested monitoring of the hardship rewards continue. Monitoring this fund is the best internal way to identify real financial vulnerability, potential issues arising because of external changes and subsequent Council Tax collection problems.

This year there has been no specific focus on promoting the Council Tax discretionary hardship scheme as the previous Task and Finish group suggested, however it is advertised on all official Council Tax related notices and this year the Covid -19 Hardship Support funding provided for all customers of working age, who qualify for Council Tax Support during the 2020/21 financial year to receive an additional reduction of up to £150 for the year.

### **Costs of collecting Council Tax**

Whilst it is important that SSDC collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient.

The Task and Finish group have reviewed information and data from a number of authorities who mentioned the administration savings realised by moving from a means tested scheme to a banded scheme, there has been no specific quantities given to this although some had spoken about additional tasks that staff were now able to undertake. Given the economic forecast it may be that the reduction in administration time will enable existing staff resource to manage the growth in applications for Council Tax Support.

### **Future monitoring**

The Task and Finish group request monitoring of:

- Discretionary Hardship rewards continue to identify any trends of financial vulnerability affecting any particular group.
- Arrears for cases where Council Tax Support is being given, this is to best manage the scheme and have an effective and efficient approach to collection and recovery.
- Costs of collecting Council Tax - It is important to ensure the balance is correct, whilst we must ensure we collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient.
- Other Local Authority schemes and lessons learned and National Best Practice to consider if the South Somerset scheme could be improved upon.

The Task and Finish group request officers:

- Assess the costs of collection of Council Tax arrears to ensure we have the assessment of affordability and financial vulnerability correct for the CTS scheme and

that appropriate sums of tax payers' money is being spent collecting unpaid Council Tax.

### **Future Risks**

The risk is now a continual decline in the local economy and therefore significant numbers of people needing Council Tax Support and this is not possible to mitigate, it is just a case of adopting a policy and working practices that achieve the best collection rate whilst protecting those who are financially vulnerable. We have already made provision for this by modelling the scheme preparing for increased numbers of recipients.

There are some groups suggesting CTS is unfair and too much of a postcode lottery and suggesting a national benefit or discount scheme should be reintroduced. We contacted neighbouring authorities to look to collectively consider exploring a joint Council Tax Scheme, unfortunately there was not time to pursue this option this year, however Somerset West and Taunton, East Devon, are already operating an income banded scheme and we have listened to their feedback to prepare the recommendations in this report so there has been progress to reduce the local variations.

Food costs increase as a result of leaving the EU, making people financially vulnerable. We will continue to publicise and monitor the hardship scheme, we work with numerous local agencies offering debt advice so we will be able to detect early any impact. We will signpost customers to receive the best support and advice whilst considering the scheme and affordability for our customers, we may need to revise the scheme awards and increase the hardship fund.

## Appendix 2

### Case Study – Working Age Universal Credit & Working

Mr B is a single person and has his adult son & daughter aged 26 & 29 also living in the property.

Mr B works an average of 5 hours a week but his hours can vary. He is a full time carer for his elderly mother and receives Carer's Allowance and Universal Credit top up.

His son & daughter are also both claiming Universal Credit and looking for work.

Universal Credit (£689.81 converted to weekly figure) £159.19

Earnings £50.00

Carer's Allowance £67.25

Total weekly income £276.44

The weekly council tax charge is £25.02. A non-dependent deduction of £8.14 is applied in the current Council Tax Support scheme and he currently receives Council Tax Support of £13.12 leaving her with an annual bill of £618.80 and monthly instalments of £51.00

Each month Mr B's Universal Credit is recalculated in line with the changes in his earnings but the net effect is minimal.

SSDC receives monthly updates from the Department of Work and Pensions and recalculates his Council Tax Support in line with the changes in UC. This generates a bill every month and as the amount payable changes, consequently the instalments are automatically recalculated.

This has the unintended effect of "stacking" the instalments to the remaining months in the financial year.

Mr B struggles to understand why his monthly payments keep changing and often he is rebilled with instalments starting the following month as his direct debit cannot be collected on time. (We are required to provide 14 days' notice in advance of changing a direct debit).

This means that although the changes to the annual charge are very minimal, the instalments are collected over fewer months.

Each time the Council Tax Support is recalculated, the amount he is told he must pay increases as the remaining number of instalments to pay decreases.

There is also the issue that SSDC are unable to take further action to collect any arrears as every time the Council Tax Support is adjusted, the billing process is reset so reminders are never issued.

In the new Income Banded scheme, Mr B would have an income of £83.44 (UC less tapered housing costs and Carer's Allowance disregarded) plus an earnings disregard of £25 per week leaving £58.44. No non-dependent deductions would apply under the new scheme so this would place him in Band 1 with a 100% discount so he would have nothing to pay.

Should his earnings fluctuate, he would only receive a new bill if he were to move into Band 2 and, given the minimal changes in his earnings, this is unlikely.



## 2021/22 Draft Budget and Medium Term Financial Plan Update

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

### Purpose of the Report

1. The purpose of this report is to provide an update for the 2021/22 Draft Budget and Medium Term Financial Plan estimates for the period 2021/22 to 2025/26, together with an update on the Capital Programme.

### Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of February 2021, this January 2021 report is therefore a supplementary update following the announcements in the Provisional Settlement.

### Public Interest

3. This report is an update on progress towards setting the Council's budget for the next financial year 2021/22 and the Council's longer term financial sustainability.

### Recommendations

4. That the District Executive:
  - a. Notes the current estimates and next steps in respect of the Draft Budget for 2021/22 and the Medium Term Financial Plan.
  - b. Notes the current the Capital bids in Appendix A to be finalised for the February District Executive report.
  - c. Notes the changes to the budget estimates in respect of the initial pressures and savings included within the report (para 17). These will also be finalised in the February report.
  - d. Recommends that Full Council approves an increase in Council Tax by £5 in 2021/22 for a Band D property.

## Background

5. The Financial Strategy and Medium Term Financial Plan estimates for the period 2021/22 to 2025/25 were originally approved and noted on 6 August 2020 and then updated on 3 December 2020.
6. Last year, the Ministry of Housing Communities & Local Government (MHCLG) issued a Technical Consultation on the 2020/21 Financial Settlement in October 2020 which provided additional information to inform assumptions within the Council's MTFP. This year, the Consultation paper has been produced alongside the Provisional Settlement. This means we were unsighted to the prospective contents of the Provisional Settlement before it arrived.
7. This report provides Members with a progress update on the preparation of draft estimates for 2021/22 and progress towards achieving a balanced budget over the medium term.

## The Provisional Local Government Finance Settlement 2021/22

8. On 19 December 2020 we received the Provisional Settlement. This is very late in the Budget Setting process but we can confirm that our core assumptions had been correct. We were also pleased to see that an additional grant had been added to the core funding, the Lower Tier Services Grant. This new grant for 2021/22 is unringfenced – allocated to councils with responsibilities for services such as homelessness, planning, recycling, refuse collection and leisure.
9. Table 1 below shows the changes from the earlier assumptions we had for 2021/22 and those proposed in the Provisional Settlement.

**Table 1 – Provisional Settlement updated estimates:**

Funding Source	Pre-Settlement Assumption (£)	Provisional Settlement Allocation (£)	Difference (£)
Rural Services Delivery Grant	166,284	174,496	8,212
New Homes Bonus	899,981	1,171,010	271,029
Lower Tier Services Grant (New Grant)	0	156,176	156,176
	<b>1,066,265</b>	<b>1,501,682</b>	<b>435,417</b>

## 2021/22 Budget and MTFP Update

10. The last update presented to Members was at District Executive in December 2020 and we presented the following Budget position.

**Table 2 - Medium Term Financial Plan (as previously reported at December 2020)**

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Total Budget Requirement	15,991	14,584	15,018	15,821	16,200
Total Funding	-15,416	-14,232	-14,581	-14,665	-15,156
Budget Gap (Cumulative)	575	352	437	1,155	1,045
Budget Gap Increase/Decrease(-) on Prior Year		-223	85	718	-111

11. A range of estimates have been updated since the December report was prepared, and are reflected in the up to date MTFP position set out below. It is important to emphasise that the budget estimates and medium term forecasts remain indicative at this stage, and further updates will be included in the final budget information presented for approval in February 2020.

**Table 3a – Medium Term Financial Plan – Net Budget Requirement Estimates**

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
<b>Base Budget B/F</b>	<b>15,207</b>	<b>16,466</b>	<b>14,901</b>	<b>15,397</b>	<b>16,129</b>
Incremental Changes:					
Employment Cost Inflation	819	336	436	352	TBC
Inflation allowance on contracts	174	179	180	180	180
Unavoidable budget pressures	315	200	200	200	200
Planned savings	-21	-90	-148	-59	0
Investment Income & Revenue effects of Capital Programme	-990	-1,100	58	59	TBC
Other	963	-1,090	-230	0	0
<b>Total Budget Requirement</b>	<b>16,466</b>	<b>14,901</b>	<b>15,397</b>	<b>16,129</b>	<b>16,509</b>

NB: The Total Budget Requirement is 'carried forward' as the Base Budget at the start of the following year, and adjusted for approved budget changes (e.g. funding for inflation is added to the base budget) to arrive at the Total Budget Requirement for each year.

**Table 3b – Medium Term Financial Plan – Funding and Budget Gap Estimates**

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
<b>Total Budget Requirement (per Table above)</b>	<b>16,466</b>	<b>14,901</b>	<b>15,397</b>	<b>16,129</b>	<b>16,509</b>
<b>Funded By:</b>					
Revenue Support Grant	0	327	327	327	327
Rural Services Delivery Grant	-175	-175	-175	-175	-175
New Homes Bonus Grant	-1,171	-441	0	0	0
Business Rates Retention	-5,654	-3,695	-3,773	-3,851	-3,976
Collection Fund Deficit - Business Rates	8,994	319	319	0	0

Council Tax - SSDC	-10,831	-11,275	-11,633	-12,004	-12,385
Less: Council Tax Paid to Somerset Rivers Authority (SRA)	113	115	117	118	120
Collection Fund Deficit - Council Tax	122	70	70	0	0
<b>Sub-total: Funding</b>	<b>-8,601</b>	<b>-14,754</b>	<b>-14,748</b>	<b>-15,584</b>	<b>-16,088</b>
<b>Other Reserve Transfers</b>					
MTFP Support Fund Reserve	521	41	-350	0	0
BRR Volatility Reserve	-8,994	0	0	0	0
Other Earmarked Reserves	608	300	300	300	300
General Reserves	0	0	0	0	0
<b>Sub-total: Reserves</b>	<b>-7,865</b>	<b>341</b>	<b>-50</b>	<b>300</b>	<b>300</b>
<b>Total Funding</b>	<b>-16,466</b>	<b>-14,413</b>	<b>-14,798</b>	<b>-15,284</b>	<b>-15,788</b>
<b>Budget Gap / (-)Surplus</b>	<b>0</b>	<b>488</b>	<b>599</b>	<b>845</b>	<b>721</b>
<b>Budget Gap Increase on Prior Year</b>		<b>488</b>	<b>111</b>	<b>246</b>	<b>-124</b>

12. As the updated MTFP estimates show, the progress in delivering the Council's agreed financial strategy continues to make a positive impact on the financial position. The estimates provided illustrate a balanced budget position for 2021/22 based on a number of assumptions.
13. It is important to note that the above position is not the final position. We are on track to set a balanced budget in 2021/22 and at the same time set aside funds in reserve to manage financial risks. Whilst we have made excellent progress to date, we still face a medium term deficit. The ongoing and increased success of the commercial strategy is pivotal in addressing this gap to enable the Council to maintain its ambition of protecting frontline services from the impact of funding reductions.
14. We are also mindful of the ongoing impact of the Covid-19 pandemic and our need to support our communities in the longer term. We propose to set aside funds to support our response and there will be some significant calls on our reserves as part of the ongoing recovery.

### 2021/22 Draft Budget Estimates - Main Changes to Date

15. The main financial planning assumptions underpinning the MTFP forecasts were set out in the report to District Executive in August and December. This includes explanations around costs pressures such as staff pay award, pension costs, etc. The majority of the assumptions are unchanged.
16. The changes included in the forecasts since December in respect of 2021/22 are summarised in the table below. This provides a reconciliation of the change from December to January estimates:



**Table 4 – Budget Changes since December 2020**

	2021/22 £'000	2021/22 £'000
<b>Budget Gap Estimate – 3 December 2020</b>		<b>574.7</b>
Pay adjustments including in year adjustments and incremental movement. Salary estimates based on 2%	391.8	
Removal of Fees and Charges fee increase target (1 year only)	75.0	
Removal of small contingency in “unavoidables” budget	8.8	
<b>Sub-total: Changes to Budget Requirement</b>		<b>475.6</b>
Removal of negative Revenue Support Grant (RSG) 21/22	-327.3	
Provisional CT estimates 4 Dec 2020	-233.2	
CT assumption £5	-96.3	
Remove change in BR Multiplier (will be compensated by *S31)	38.2	
BR Deficit spread from 21/22	8,419.4	
CT Fund Deficit	-156.7	
Transfer from BR Smoothing (S31 monies from 20/21)	-8,994.2	
Increase in Rural Services Delivery Grant	-8.2	
Lower Tier Services Grant (New in 2021/22)	-156.2	
New Covid Recovery Reserve	464.1	
<b>Sub-total: Changes to Funding and Reserves</b>		<b>-1,050.4</b>
<b>Budget Gap Estimate – 18 December 2020</b>		<b>0</b>

\*S31 Grant compensates local authorities where Central Government have brought in temporary reliefs under section 47 of the Local Government Finance Act 1988.

The main changes are explained as follows:

- Pay and Pensions have been updated following completion of work on the detailed salaries estimates for 2021/22. Figures have been amended in relation to pensions which have seen an increase in the lump sum contribution, based on the triennial pension fund valuation confirmed in February 2020.
- It is proposed to remove the Fees and Charges annual increase target of £75k due to the impact of the pandemic. We will still increase charges in some areas in line with inflation but further increases will be suspended for one year.
- As anticipated, the Provisional Settlement confirmed that the negative (clawback) of Revenue Support Grant (RSG) would be funded centrally as with the previous years. We expect the ongoing negative RSG situation to be clarified in the Fair Funding Review.
- We have provided the preceptors estimates of our Council Tax taxbase and this has shown an unexpected growth bringing an additional £233k to the Council. These figures are provisional and based on November data so will be updated in the final iteration of the budget.
- The Provisional Settlement confirmed that shire districts are able to increase their Band D Council Tax by £5. This has been assumed in this budget forecast. The £5 increase is used in the Government’s Core Funding calculations.

- The business rates position for 2020/21 which impacts on 2021/22 is complex. This is described in more detail in sections 29 and 30.
  - The Lower Tier Services Grant is detailed in section 9. It is new for this year and seeks to mitigate some of the pressures we have funded this year. At this stage we are assuming this is for one year only.
  - As referenced in section 13, we are very aware that the effects of the pandemic, though primarily impacting 2020/21, will have long term consequences for the local economy and the need for the Council to support our community. With this in mind we are seeking to set aside sums, to ensure we can support our recovery plans and direct the funds to the most pressurised areas. We propose therefore to set up a Covid Recovery Reserve.
17. It is important to state at this stage that this reflects changes to draft budget estimates to date, and is not the final position. Final budget proposals will be reported to District Executive and Full Council in February 2021.

## Unavoidable Pressures and Savings

18. The following table summarises the pressures and savings that are reflected in the current draft budget estimates. District Executive is requested to approve in principle the retention of these items within the draft budget for 2021/22, subject to approval of the final budget in February 2020.

**Table 5 – Unavoidable Pressures for 2021/22**

	2021/22 £'000	2021/22 £'000
<b>Unavoidable Pressures</b>		
Waste contract allowance for growth in demand (new properties)	21.3	
Increase in Careline contract	99.0	
Increase in Kennelling Contract	25.0	
Reduced Rights of Way Income	16.5	
Reduction in Churchfield Income due to Disposal (Rent and Service charge)	4.6	
Unachieved Letting Room Income at Lace Mills	3.5	
8x8 Omni-channel Cloud Based Telephony	39.0	
Removal of Rental Income Brympton Way Offices	66.7	
Removal of Service Charge Income Brympton Way Offices	39.0	
<b>Total Allowance for Unavoidable Pressures</b>		<b>314.6</b>

**Table 6 – Savings for 2021/22**

	2021/22 £'000	2021/22 £'000
<b>Savings</b>		
Countryside - Ninesprings Centre - Sales increase per capital investment	-5.0	
Countryside - Yeovil Rec - Sales increase per capital investment	-16.0	
<b>Total Planned Savings</b>		<b>-21.0</b>



19. It is likely that further changes will be included in final budget proposals, however the above reflects changes identified to date.

## **Investment Income & Revenue effects of Capital Programme**

### **Investment Income - Commercial**

20. Members will recall the approval of the Interim Commercial Strategy in September 2019. This report was an update to the Commercial Strategy agreed in August 2017. The original Commercial Strategy detailed plans to generate significant additional income from commercial investment in order to mitigate the cuts to Government grant funding and protect the Council's delivery of services to the community.
21. The strategy is now three years into its four-year programme. Since the introduction of the first Commercial Strategy, SSDC has continued to purchase a number of investment properties, with a significant degree of success in its objectives. The Financial Strategy agreed by Members in August 2020 focused on the impact of Covid-19 on the Council's finances. It also reiterated the importance of our Commercial investment programme which has been instrumental in mitigating the effect of the Central Government cuts to core funding and has performed extremely well during the year despite the difficult economic climate. The investments made to date are making good progress towards the revised £3.35m per annum net income target for 2021/22.
22. We are continuing to update the MTFP in relation to our latest Commercial investment acquisitions and the finalised position will be presented in February. NB. The budget reflects net income – after deducting capital financing costs (debt repayment and interest).

### **Investment Income – Treasury Management**

23. As part of the agreed Financial Strategy, the Council also annually reviews its approach to treasury management. The updated Treasury Strategy for 2020/21 was presented to District Executive on 19 November 2020. The approach to our treasury investments continues to follow the principles of the Prudential Code and Guidance issued by CIPFA.
24. The 2020/21 budget included an increase of £100,000 in investment income expected for the year, which reflected an expected increase in returns through a diversified range of investments in higher earning financial instruments. This expectation has been impacted by the effect of the pandemic and our pooled funds have seen a marked reduction in returns. It is important to stress that these funds are of a long term nature and as such, it is not viable to relinquish them in the short term. We are pleased to note that they have started to show signs of recovery which will have a positive impact on the returns for the remaining quarter of the



year. We are therefore confident that a further increase of £100,000 for 2021/22 is achievable and this is included in our estimates.

25. The Council will continue to use advice from Arlingclose to manage its portfolio of investments effectively. In 2020/21 the Council set aside £150,000 into a Treasury Risk Management Reserve, to provide some resilience to volatility in capital values and/or budget variations on investment income. The MTFP assumes transfers to the reserve of £50,000 for 2021/22 and each year thereafter. This will be regularly reviewed to ensure it reflects the level of risk.

### **Revenue Effects of Capital Programme**

26. The revenue effects of capital comprise the interest cost (interest on loans) and loss of interest on investments. The current estimates reflect the assumed loss of interest as reserves are used to support already approved capital schemes, plus a contingency for new schemes to be considered for next year's capital programme.
27. The increase in 2021/22 reflects the financing of the Council's commercial investment property acquisitions to date. This includes a Minimum Revenue Provision (MRP) charge to the revenue budget to set aside funds to repay debt, plus interest costs on capital borrowing. As at December 2020 the Council uses both its own cash reserves (internal borrowing) and loans from other local authorities (external borrowing) to fund its Capital Financing Requirement. We have no borrowing with the Public Works Loan Board (PWLB).

## **Funding and Reserves Estimates**

### **New Homes Bonus (NHB)**

28. We are aware that as part of the Fair Funding Review the Government intends to replace the New Homes Bonus Grant system with a new incentivising grant regime. No details are yet known on how this will operate. We are pleased to see that we have been awarded another £1.171m this year which we set aside in the MTFP Support Fund for use in future years and to mitigate the potential loss of this funding stream.

### **Business Rates**

29. The current draft budget reflects business rates income estimates completed in December 2020. Updated estimates will be finalised in early January 2021 and reflected in the final budget report.
30. It is important to highlight the effect that the Government's approach to supporting businesses has had on our retention levels in-year. Members will be aware that many businesses have received a 100% reduction in their 2020/21 business rates bill. This is good news but causes cashflow issues to us as the collector of the funds and also an accounting anomaly whereby the deficit in business rates collection is reimbursed (in relation to business rates relief) by Central Government

by way of S31 Grant. This significant deficit is accounted for in the following 3 years with the bulk being shown in year 1. The S31 grant is payable in 2020/21 from Central Government. This means that at the end of the current year (2020/21) we will set aside this large sum which we anticipate to be in excess of £9m and we will draw this down in the following year (2021/22) to offset the deficit. This treatment is reflected in the MTFP tables.

### **Business Rates Pooling**

31. The Business Rates Pool reverted to the 50% BRR system for 2020/21. Business Rates on this basis has been built into the budget for 2021/22. Although we have applied to continue in a Business Rates Pool with our district and county partners, we are currently reviewing the latest forecasts to ensure this is the right course of action. This will be finalised in January and a decision made promptly before the deadline for withdrawal.
32. It is prudent therefore not to include an estimated pooling gain in our figures for 2021/22 but will be considered again during January and finalised in the February budget report.

### **Council Tax**

33. The S151 Officer approved the provisional 2021/22 Council Tax Base in early December, which is set at 61,152.95 Band D Equivalents. This is higher than previously estimated as we had anticipated a greater level of Council Tax Support applicants and higher default.
34. The Council Tax income estimate is therefore calculated as follows:

	<b>2021/22</b>
Council Tax Base – Band D Equivalents	61,152.9
SSDC Council Tax Rate per Band D Estimate (not yet approved)	£177.11
Council Tax Income Estimate (Tax Base x Tax Rate)	£10,830,786

35. The Council Tax Rate includes £175.26 for SSDC services and £1.85 levied on behalf of the Somerset Rivers Authority (SRA). Therefore, of the council tax income figure shown in the table above, £113,133 will be passported to the Somerset Rivers Authority.

### **Earmarked Reserves**

36. The S151 Officer will finalise a review of earmarked reserves in January, and include an updated reserves position with the final budget reports in February. We expect the Covid-19 pressures to impact on our reserves and we will be assessing this in-year alongside our Quarter 3 budget monitoring.

37. The current draft budget for 2021/22 includes net transfers from earmarked reserves of £7.709m. This includes:

Reserve	To (£)	From (£)	Net (£)
Treasury Risk Reserve	50,000		
Commercial Investment Risk Reserve	250,000		
Business Volatility Risk Reserve*		8,994,120	
MTFP Support Fund	521,010		
Covid Response Reserve	464,136		
			<b>7,708,974</b>

\*See paragraph 30

### General Reserves

38. The current approach to setting the budget for 2021/22 aims to achieve a balanced budget without the need to use funds from general balances. The current estimates indicate we are on track to meet this aim.
39. The adequate minimum General Reserve requirement was reviewed in August 2020, and was approved to be £2.8m. The balance reported in September is as follows:

	£'000
Balance at 1 <sup>st</sup> April 2020	-5,099
Area & Economic Development Balances	121
2020/21 Carry Forwards	341
Commitments	252
Current Estimated overspend in 2020/21 (worse case call on reserves)	4,206
Support for 2020/21 Budget	944
COVID Grant Funding Balance	-1,511
<b>Unallocated General Fund Balance at 30<sup>th</sup> September 2020</b>	<b>-746</b>
Income Compensation Claim to date	-471
<b>Unallocated General Fund Balance at 30<sup>th</sup> September 2020 (Including claim)</b>	<b>-1,217</b>

40. The position will be reviewed as part of the Quarter 3 Budget monitoring. We expect the position to show an improvement with a further tranche of grant funding being released by Central Government and the next instalment of the Income Compensation Claim due in January. An updated position will be brought to District Executive in February but we anticipate returning to above the minimum required level.

### Capital Programme

41. The Senior Leadership Team has reviewed the capital bids for 2021/22. A summary of these bids is included within Appendix A. Appendix A divides the bids into those deemed to be essential, and the other bids that fall outside of these



categories. Notes have been added to show where reserves can be used to fund some of the projects.

### **Summary of Items to be Finalised for the 2021/22 Budget**

42. Unavoidable costs: We are aware that new pressures may emerge before we finalise the budget setting process as we evaluate the ongoing effects of the pandemic and our response to it. We are also aware of various resourcing pressures due to the high level of activity in certain areas such as housing and homelessness. We will finalise the estimates in January.
43. Revenue Effects of Capital: The MTFP has been updated to reflect the revenue implications for commercial property investment, but will need to be updated for the capital programme bids for 2021/22. A contingency sum is included pending finalisation of the agreed programme.
44. Business Rates Retention (BRR): The detailed budget estimates for BRR will be completed in January, and will inform final estimates.
45. Collection Fund: The final estimates for the 2020/21 deficit for council tax and business rates will be finalised in January, and feed into final budgets for 2021/22.
46. Council Tax: The MTFP assumes the tax rate will increase by £5 and this will need to be approved by Full Council.
47. The Council Taxbase will also be finalised in January 2021.

### **Public/Stakeholder Consultation**

48. It is recommended that individual savings and additional income plans that are approved in principle are consulted upon where there is partnership, economic or equalities issues to consider.

### **Budget Scrutiny**

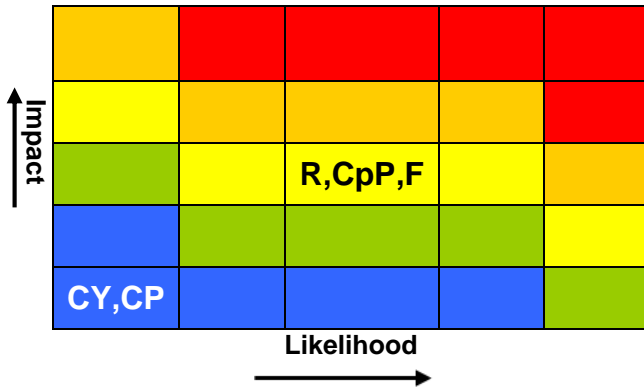
49. This report will be presented to Scrutiny Committee on 5 January 2021, with the final proposed budget presented to Scrutiny on 2 February 2021 before being considered for approval by District Executive on 4 February 2021 and Full Council on 18 February 2021.

### **Financial Implications**

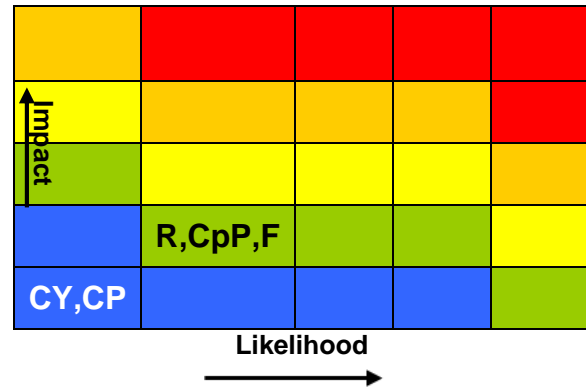
50. This report contains financial implications throughout.

## Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



### Key

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

## Council Plan Implications

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

## Carbon Emissions and Climate Change Implications

52. Not applicable within this report.

## Equality and Diversity Implications

53. Not applicable within this report.

## Privacy Impact Assessment

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





## **Background Papers**

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

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

Bid No.	Scheme Name	Brief Description of Scheme	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000	Funding information / options
<b>SSDC IT Schemes</b>										
2021-01	Online Form Building Package (SX)	To procure a form building package for use across the council. Currently we use either Civica or Umbraco to build forms for our websites and portals. A commercially available e-form package has been identified that is considerably easier to use.	18						18	
2021-02	Meeting Room AV Upgrade	In light of the Covid-19 Pandemic and associated new working practices there is a requirement to upgrade the Meeting Rooms and Council Chamber Audio Visual systems in Brympton Way to become compatible with new digital systems such as Microsoft Teams and Zoom etc.	50						50	
2021-18	Organisational Performance Management and Appraisal / Engagement System	Investment in an integrated performance management system with cascade of targets and KPI development and reporting owned directly by directorates and teams. End-to-end digital engagement for organisational activity and resilience. 360 degree appraisals and reviews.	40						40	
2021-20	Fleetmaster Replacement	Upgrade the Fleetmaster System which is essential in ensuring that SSDC 'O' licence fleet information is secure and available if required by the Traffic Commissioner. We have used this system for over 20 years and is now out-dated.	57						57	
2021-22	Digital Capital Reserve Programme	To give the Council the ability to respond to changing ITC requirements in a timely and responsive way by maintaining and extending the IT Capital Reserve for a further 2 years.	135	65					200	
<b>Subtotal</b>			<b>300</b>	<b>65</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>365</b>	
<b>SSDC Council Portfolio Schemes</b>										
2021-04	Prigg Lane Garage Roof Renewal	SSDC own nine lock up garages at Prigg Lane, South Petherton. The garages are let at a sub market rent reflecting their poor general condition. This bid seeks approval to re-roof seven of the garages, following a successful pilot project to refurbish two of the garages last year.	10						10	
2021-05	Chard Business Park, Roadway Adoption	SSDC have an historic obligation at Chard Business Park to construct a roadway and have it adopted by County Council. The roadway was constructed in the early 1990's, but the adoption process was not completed. Additional works have also been identified on adjacent SSDC owned roads regarding defective street lighting.	125						125	
2021-06	Access Easement, Stoke Sub Hamdon	The Property Team have identified a site in Stoke Sub Hamdon that could support a single detached dwelling. A planning application has been submitted and a favourable result is expected shortly. Capital funding required to unlock an access easement over 3rd party land to the development site.	20						20	
2021-07	Demolition of Public Conveniences, West Street, Crewkerne	SSDC own a former public conveniences in West Street car park, Crewkerne. The building has been vacant since 2018. The purpose of the request is for funding to demolish the building and create three additional car parking spaces in the car park.	20						20	
2021-08	Footbridge Assessment & Works	A number of bridges across the district fall under SSDC ownership. These are mostly timber structures but the large ones have steel beams. The first stage would be to appoint consultant engineers to carry out a structural assessment for each bridge and identify a planned renewal programme and budget.	10	30					40	
2021-09	Rowan Way Embankment Landslip	A section of steep embankment on SSDC open space land has slipped down to impinge into the fence and garden of the adjoining residential property in Rowan Way, Yeovil. Assessments are in hand to scope the structural design and evaluate drainage implications. This needs to be followed by implementation of remedial works to restore stability to the bank.	50						50	
2021-10	West Hendford Car Park Crime Reduction Improvements	This car park is an underground car park that we lease from Tesco since 1993 under a 125 year term. The car park has for years now suffered from the effects of anti-social behaviour. In recent months, the seriousness of the criminal activity has increased. The Police would like us to implement these measures to secure the site as soon as possible.	50						50	
2021-11	Lufton Depot Surfacing, Drainage Works & Security Improvements	Over the years the HRA surfacing has deteriorated to the extent that a significant area requires resurfacing. There is also an amount of work need to the rear parking area again to create a safe parking environment for staff and operational vehicle parking. CCTV also requires upgrading.	85						85	
2021-13	Yeovil Town Centre Walking and Cycling Package	The proposal would extend existing cycle ways into the town centre combined with the creation of new on road cycle lanes and off road segregated cycling and walking routes. This bid is outside of the funding allocated to Yeovil Refresh.	251	942					1,193	
2021-14	Lyde Road Strategic Cycleway	To enable the creation of three sections of the Lyde Road Cycleway in Yeovil. The main objective of which is to encourage a modal shift from car journeys to walking and cycling.	279						279	
2021-15	Operational Buildings Improvement Works	Brympton Way – Chambers new external lobby - Profiled 22/23 Multiple buildings – access to solar panels. Wincanton Sports Centre – alarm panel.	65	100					165	
2021-16	Decarbonisation of Operational Buildings	To implement a range of projects across all major SSDC Operational Buildings to progress to a stage where they can be operated as carbon neutral.	400	800	800	800	750	1,450	5,000	
2021-17	Access for all footpaths within various open Spaces	To undertake the installation of a selection of 'Access for All' compliant hard surfaced footpaths within various open spaces across the district in order to improve pedestrian routes, green travel and healthy opportunities for all user groups. Seating / resting facilities at various locations in association with these new footpaths. Screening and shading landscape planting. A range of adult outdoor gym equipment.	134	84					218	
2021-19	Yeovil Small Business Centre Roof Renewal	The building requires investment in the roof and the external doors, both of which are now failing and creating issues that cannot be resolved with minor repairs.	65						65	
<b>Subtotal</b>			<b>1,564</b>	<b>1,956</b>	<b>800</b>	<b>800</b>	<b>750</b>	<b>1,450</b>	<b>7,320</b>	
<b>Other Schemes</b>										
2021-12	Digital Upgrade of Yeovil Town Centre CCTV Cameras	To upgrade the remaining 24 cameras and include supplementing with extra cameras if appropriate to the network, will also include for installing an extra camera in an area known for crime issues to provide additional coverage.	65						65	
2021-21	Careline Product Development	To improve the overall customer experience and level of service as well as meet the Careline services target of 5% yield under the SSDC Commercial Strategy, some changes are needed to the service. These changes include adapting operational structure as well as implementing some new financial controls and new resources to support the service.	20						20	May qualify as expenditure that can come from the Better Care Fund capital grant money. SSDC currently has £1.1m in BCF reserves.
No Ref	Private Sector Housing Grants	To continue to provide Private Sector Housing Grants in 2021/22 across the district.	60						60	
<b>Subtotal</b>			<b>145</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>145</b>	
<b>Non-Scoring</b>										
	Area Committee Funding	Historically have always provided the Area Committee's with a top up of capital funds of £25K each.	100						100	Useable Capital Receipts would have to be allocated.
<b>Total of All New Capital Bids</b>			<b>2,109</b>	<b>2,021</b>	<b>800</b>	<b>800</b>	<b>750</b>	<b>1,450</b>	<b>7,930</b>	
<b>Total Loss of Interest @ 2%</b>			<b>42.2</b>	<b>40.4</b>	<b>16.0</b>	<b>16.0</b>	<b>15.0</b>	<b>29.0</b>	<b>158.6</b>	

## Somerset Recovery and Growth Plan

Executive Portfolio Holder:	John Clark, Portfolio Holder for Economic Development including Commercial Strategy
Director:	Martin Woods, Director of Place
Lead Specialist:	Peter Paddon, Lead Specialist Economy
Specialist:	Joe Walsh, Specialist Economic Development
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## Purpose of the Report

1. The report presents the Somerset Recovery and Growth Plan for approval from District Executive.

## Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 07/01/2021.

## Public Interest

3. The Somerset Recovery and Growth Plan sets out the vision, key outcomes, priority projects and action plan to economically recover from Covid 19 and deliver growth and prosperity across Somerset.

## Recommendations

4. That District Executive:-
  - a. Approve the Somerset Recovery and Growth Plan.
  - b. Delegate authority to the Economy Lead Specialist to make any necessary final amendments to the Somerset Recovery and Growth Plan in association with the appropriate Director(s) and the Portfolio Holder for Economic Development including Commercial Strategy.

## Background

5. In response to the Coronavirus pandemic, existing challenges and future growth opportunities the five Councils across Somerset have worked in partnership to prepare an Economic Recovery and Growth Plan for Somerset.
6. Appendix A sets out the full plan. The Somerset Recovery and Growth Plan has not been created in isolation and takes into account national and regional recovery strategies. It aligns itself well with the Heart of the South West Local Enterprise

Partnership's 'Route Map to Recovery' and supports the UK Government's efforts to restart, revitalise and grow the national economy.

7. Importantly, the Somerset Recovery and Growth Plan has clear synergies with South Somerset District Council's Economic Development Strategy 2019-2028 and our Economy Recovery Plan.
8. On the 14<sup>th</sup> July 2020, an outline of the Somerset Growth and Recovery Plan was submitted to Simon Clark MP (at the time Minister of State - Regional Growth and Local Government) and acknowledgement was received. The final plan will be submitted to MP Luke Hall – (current) Minister for Regional Growth and Local Government.
9. Due to the developing nature of the Coronavirus, and the subsequent local restrictions the report may be subject to small final alterations.

## Report Detail

### Introduction

10. Despite the challenges that have been presented through Coronavirus, Somerset is uniquely placed to drive the economic recovery for the region. A programme of activity has been developed that focuses on a cleaner more inclusive recovery leading to us achieving our pre-Coronavirus growth aspirations at a faster rate. The programmes we deliver throughout the coming years will build on our emerging sector strengths of Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Food. Through targeted interventions we will increase social mobility and accelerate our pre-Coronavirus levelling up ambitions.
11. **Appendix A** contains the full Somerset Recovery and Growth Plan for review and approval from Members.

### Development of the Somerset Recovery and Growth Plan

12. The plan has been produced by external consultants, Hardisty Jones Associates, with considerable input from the 5 Somerset Councils, local key organisations / stakeholders and representative business organisations.
13. The plan has been developed to bring a shared vision across Somerset for Economic Recovery and Growth, this is vital to ensure that we work in a common strategic direction. It also helps us to make the most of partnership working and creates the best opportunities to attract external funding for economic projects.
14. Extensive stakeholder workshops have been convened with Economic Development Teams, Portfolio Holders, business representative organisations, private sector businesses and third sector representatives.

15. The Plan has been underpinned by research of the relevant databases and policy documents. The latest available data was used to help develop an assessment of the local economy. Significant amounts of economic data relating to Covid 19 have informed the plan drawing on research from Oxford Economics and the University of Exeter.

#### Economic Impact of Covid 19

16. Oxford Economics were commissioned in July to produce a report based on the economic impact in Somerset. The following scenarios do not take into account the November lockdown:
- a) Oxford Economics has forecast the impact of the pandemic and associated lockdown measures on the Somerset economy<sup>5</sup>. The baseline scenario finds that by 2025 GVA will be 1.8% lower pre- pandemic forecasts. This outcome is based on an 8% decline in 2020 followed by a 7.4% increase in 2021 and continuing growth (albeit at a slower pace) up to 2025.
  - b) Under the baseline scenario it is estimated that there will be over 10,000 jobs lost in 2020, with the unemployment rate increasing to 5% (from 3% in 2019). The unemployment rate is forecast to fall from this 2020 peak year-on year up to 2025 with a return to pre-pandemic levels by 2022. The claimant counts in Somerset rose significantly between March and August of 2020. As changes are introduced to the Coronavirus Job Retention Scheme and Self Employment Income Support Scheme throughout the summer it is likely that fewer workers will be furloughed, and whilst some will go back to work, this is likely to lead to an increase in claimants. However, the extension of the UK furlough scheme to March 2021 could delay a more significant drop in employment.
17. In addition to the Oxford Economics Report the impact of Coronavirus and the associated lockdown on businesses in Somerset has been assessed through a survey conducted by Somerset's local authorities. Just over 50% of businesses have reported that turnover has fallen by at least half. Profitability has been impacted even further with just over 40% of businesses reporting they have made zero profits, and almost a quarter reporting they have made 50% profits or less. Almost 70% of businesses are not confident that their profitability will return to pre-pandemic levels in 2020.
18. KPMG have also projected the economic growth of local areas in 2020<sup>8</sup>. The projections for Somerset's Districts show a loss of between 6.8% and 10% of GVA in 2020, with a recovery of between 3.6% and 4.6% in 2021.
19. To summarise, Somerset has been severely impacted by the Coronavirus in similar ways to other areas of the UK. The data re-enforces the need for a co-ordinated approach to recovery and future growth.

#### Aims and objectives of the Somerset Recovery and Growth Plan

20. To address the immediate challenges of the Coronavirus crisis and the longer-term underlying opportunities and challenges the plan sets out the following aims:

- a) Safeguarding jobs in our bedrock sectors and creating new and better jobs
- b) Ensuring that our residents can find and have suitable skills for new, sustainable, rewarding jobs
- c) Support existing businesses and nurture start-up businesses from our bedrock and growth sectors
- d) Delivering new affordable homes across Somerset
- e) Promoting a green recovery and a low carbon economy
- f) Levelling up and delivering an inclusive economy for all residents of Somerset

21. In addition to the above, the Recovery and Growth Plan identifies four key stages; Lockdown, Restart, Revitalise and Grow. Following a second wave of Coronavirus a second England-wide lockdown has been implemented. It is unlikely that recovery will be linear, and there may be several periods of lockdown and restart, with a gradual transition into a period of revitalisation then growth.

22.

<b>Lockdown</b>	<b>Restart</b>	<b>Revitalise</b>	<b>Grow</b>
<p><b>Minimise negative impacts</b></p> <ul style="list-style-type: none"> <li>• Minimise loss of businesses, jobs and productivity</li> </ul>	<p><b>Support bedrock industries and the workforce</b></p> <ul style="list-style-type: none"> <li>• Re-open businesses</li> <li>• Get newly unemployed back to work</li> <li>• Retrain unemployed for opportunities that are available</li> <li>• Tackle inequality and exclusion</li> </ul>	<p><b>Accelerate recovery through local interventions</b></p> <ul style="list-style-type: none"> <li>• Starting to build back better</li> <li>• Support to bedrock and growth sectors</li> <li>• Promote economic growth (GVA)</li> <li>• Create new jobs</li> <li>• Train residents to enable access to jobs</li> <li>• Reshaping of High Streets and town centres</li> <li>• Delivery of more and more affordable housing</li> <li>• Tackle inequality</li> </ul>	<p><b>Moving to a new (better) economy</b></p> <ul style="list-style-type: none"> <li>• Higher GVA and productivity</li> <li>• High value jobs in global growth sectors</li> <li>• Innovation and R&amp;D</li> <li>• Low carbon economy</li> <li>• Digital Reduction in carbon emissions</li> <li>• Reshaping of High Streets and town centres</li> <li>• Delivery of more and more affordable housing</li> <li>• Tackle inequality</li> </ul>

The Recovery and Growth Plan has four overarching growth themes with activities and projects associated with them. These will help meet the aims and objectives above. The four growth themes include:

- a) Supporting employment, skills and economic inclusion
- b) Helping businesses and sectors to grow and become more productive

- c) Providing the infrastructure needed to enable growth
- d) Creating attractive places and homes to live

23. The projects listed within the plan have been developed by the nominated lead authority (Appendix B). Although the nominated lead has been responsible for designing the project plan, they will not necessarily lead on delivering the project. As identified in the plan, some projects are more aligned with specific geographies however implementation will benefit the wider Somerset area.

#### Next Steps

24. As mentioned, the Somerset Recovery and Growth Plan will act as an enabling document for further funding. Project plans will continue to be developed to a standard where we have 'shovel ready' projects to react quickly and appropriately to funding opportunities.

25. Officers will be required to work on projects where the outcome will benefit South Somerset and the wider geography.

26. To submit to MP Luke Hall - Minister for Regional Growth and Local Government

27. The approved plan will be published online, on each of the five Somerset Council websites.

#### **Financial Implications**

28. There are no financial implications that relate directly to this report.

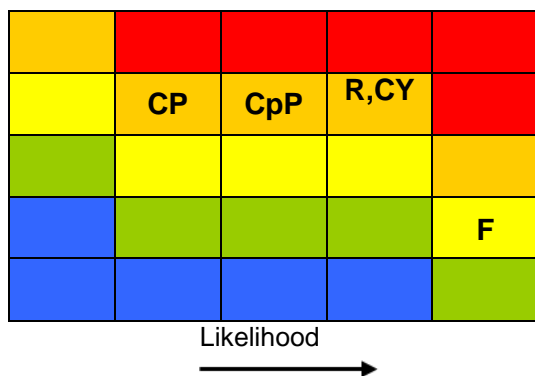
#### **Legal implications and details of Statutory Powers**

29. There are no legal implications that relate directly to this report.

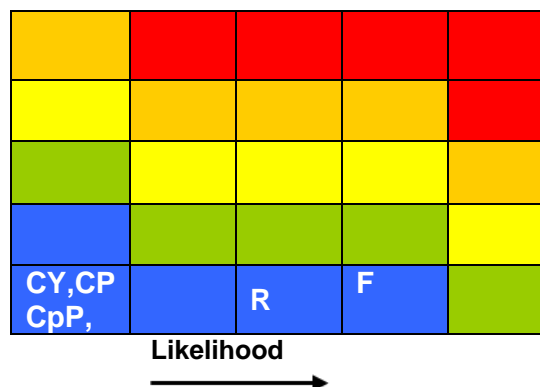
## Risk Matrix

30. The risk matrix shows risk relating to the Corporate Plan headings.

Risk Profile before officer recommendations



Risk Profile after officer recommendations



### Key

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

## Council Plan Implications

31. The Somerset Recovery and Growth plan will be a key policy document for the Council. It will help to deliver 4 of the 5 Council Plan themes and Areas of focus (2019/20) and contribute to 5/6 of the Priority Projects (2019/20). It will also help us achieve all 6 Key Performance Indicators (2019/20) used by Council to measure the local economy, as well as positively impacting the Council's Area Chapters.

## Carbon Emissions and Climate Change Implications

32. There are no implications at Strategic Level associated with this report. However, implications will be assessed for all projects.

33. The Somerset Recovery and Growth Plan includes projects that seek to tackle climate change challenges.

34. The plan outlines a commitment to encouraging clean growth within existing and new businesses in the Somerset area.

## Equality and Diversity Implications

35. Contact the Equalities Officer for assistance in completing this section. Please note: key policies must have undergone an equality impact assessment.



## **Privacy Impact Assessment**

36. The economic data used in the preparation of this plan is sourced from documents that are within in the public domain.
37. Where information has been obtained through consultation with individuals or organisations we have:
- a) only collected the data necessary for the production of the Somerset Recovery and Growth Plan
  - b) secured permission to use the information and opinions
  - c) acted in accordance with the General Data Protection Regulations 2018

## **Background Papers**

Appendix A – Somerset Recovery and Growth Plan

Appendix B – Somerset Recovery and Growth Plan Project Summaries



# Somerset Recovery and Growth Plan

## Final Plan

Prepared by Somerset's Local Authorities

December 2020

## Summary of Our Plan

Somerset's economy has been hard-hit and is vulnerable to further economic decline because of the Covid 19 crisis, with Oxford Economics forecasting a severe recession in Somerset in 2020, exacerbated by a second lockdown. Working together with Government we can tackle these challenges and *build back better* than before. Recovery and growth in Somerset will contribute to levelling up the UK economy. Our future growth will be greener and more inclusive, building on Somerset's innovative, high-value strengths in Clean Growth, Aerospace & Advanced Manufacturing, Digital & Environmental Data, and Agri-Food. Our plan outlines how we will work with Government to restart, revitalise and grow Somerset's economy.

**People:** Many Somerset residents have been furloughed, lost their jobs, or may not find employment. We already have low skills, productivity and wages; and deprivation and economic exclusion. However, we can work with Government to help the newly unemployed find jobs; support entrepreneurs to become self-employed; help people transition into sectors which are hiring in rural and urban areas; create local employment opportunities; create a more highly skilled and motivated workforce; and make sure people have the right skills for these jobs. Our experience from the West Somerset Opportunity Area can be rolled-out across Somerset, but we need support from Government to do this. With more flexibility to spend the Adult Education Budget we can help adults develop the skills needed in the future and investment in our FE sector will help adults and young people gain the skills needed to access employment and start their own enterprises.

**Businesses and sectors:** Our bedrock sectors have been badly hit, in particular the visitor economy, hospitality and retail. Businesses are closing and jobs being lost. The Coronavirus crisis and changes in demand have exposed weaknesses in some manufacturing companies in Somerset, leading to redundancies in this sector too. With an enhanced Growth Hub we can help businesses reopen and thrive in a socially distanced economy. We will develop and support our Voluntary, Community and Social Enterprise (VCSE) sector to deliver benefits and add value to existing sectors, for example care and children related services. Working with Government to deliver new workspace in our towns and rural areas will help businesses start up and grow. We will invest alongside Government to deliver innovation zones across the county, with innovation centres, high-value business support and supply chain development for our high growth sectors of Clean Growth, Aerospace & Advanced Manufacturing, Digital & Environmental Data, and Agri-Food.

**Infrastructure:** The economic and social impacts of Covid 19 have been exacerbated by constrained digital and physical connectivity in Somerset, but we can grow greener and faster with better infrastructure, helping to deliver the National Infrastructure Strategy and meet the aims of the Energy White Paper/Ten Point Green Plan. Investment in walking and cycling infrastructure will reduce car journeys in our towns. County-wide broadband coverage will help people in rural and urban areas engage in online activity, learn and work from home. Delivering our strategic employment sites, including the Gravity Enterprise Zone, will help create thousands of new jobs in our high growth sectors. Improved strategic road and rail connections will help us access national and international markets. New flood defences will protect existing places and enable new homes and business premises to be built. All of these actions will help to create a more inclusive and sustainable economy.

**Places and homes:** Footfall in our towns has fallen during the Covid 19 crisis, and ongoing social distancing will constrain recovery. We will work with Government to make our towns places where people want to stay, raise their families and start businesses. Funding our four Future High Street Fund and Town Deal bids will help deliver regeneration in our major towns, making the town centres the hubs of our

communities where the VCSE sector can deliver support in a focused way. Benefits must also accrue to the rural hinterlands, and must not be displaced from smaller towns and rural areas to our larger towns. We need to unlock our major residential and employment opportunities and unleash private investment through borrowing to establish a Revolving Infrastructure Fund, and a Getting Building Fund. Funding to deliver infrastructure such as schools will enable the private sector to deliver homes; but we also need preferential PWLB borrowing to enable us to directly deliver new homes.

With Government funding and support to enact these plans, together we will make a significant contribution to building back better, levelling up across the UK and our rural and urban areas, and delivering a greener UK economy.

# 1 Introduction

- 1.0.1 In response to the Coronavirus pandemic, existing challenges and future growth opportunities we have prepared a recovery and growth plan for Somerset's economy. This document sets out the plan, with more detail in the appendices. Our plan is fully consistent with the recent submission of shovel-ready infrastructure projects by the Heart of the South West (HotSW) LEP and the LEP's *Route Map to Recovery*<sup>1</sup> and *Build Back Better Programme*.
- 1.0.2 Our plan will support the UK Government's efforts to restart, revitalise and grow the national economy, helping to meet the aims set out in the recently published National Infrastructure Strategy, Energy White Paper and Ten Point Plan for a Green Industrial Revolution.
- 1.0.3 Despite the challenges that have been presented through Coronavirus, Somerset is uniquely placed to drive the economic recovery for the region. A programme of activity has been developed that focuses on a cleaner more inclusive recovery leading to us achieving our pre-Coronavirus growth aspirations at a faster rate. The programmes we deliver throughout the coming years and will build on our emerging sector strengths of Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Food. Through targeted interventions we will increase social mobility and accelerate our pre-Coronavirus levelling up ambitions.

## 1.1 Coronavirus challenges

- 1.1.1 It is important to note that the socio-economic impact of Coronavirus is not wholly correlated to the public health impact. Somerset saw a relatively low number of cases during the first wave of Coronavirus, but experienced a significant socio-economic impact due to the first UK-wide lockdown; the supply chain and market effects caused by national and global economic impacts; and the significance of sectors such as leisure and tourism in Somerset's rural and urban areas, which are dependent on visitors to the county. This pattern is continuing during the second and subsequent waves of the Coronavirus health crisis.

### Reduced economic activity

- 1.1.2 The IMF<sup>2</sup> expects the global economy to contract by 4.4% in 2020, much worse than during the 2008–09 financial crisis. There will be reduced economic activity in the UK economy, with the Chancellor of the Exchequer quoting OBR projections of UK GDP shrinking by up to 12% in 2020<sup>3</sup>, with peak unemployment not expected until at least Q2 2021 and in Q1 2022 under a downside scenario. Latest OBR projections suggest that in the best-case scenario GDP recovers to pre-pandemic levels in Q1 2021 and grows in-line with original forecasts<sup>4</sup>. In the worst-case, there is longer term economic scarring and GDP does not recover to pre-pandemic levels until Q3 2024.
- 1.1.3 There is no reason to believe that Somerset will fare better than the UK economy, and the sectoral composition of its economy along with the rural and coastal nature of the county mean it may fare worse. Work undertaken early in the crisis for the Heart of the South West LEP suggests a decline in output of 35% in Q2 of 2020, which is more severe than in many other parts of the UK<sup>1</sup>.

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<sup>1</sup> Heart of the South West LEP Covid-19 - Route Map to Recovery, HotSW LEP (2020)

<sup>2</sup> World Economic Outlook, October 2020: A Long and Difficult Ascent, IMF (October 2020)

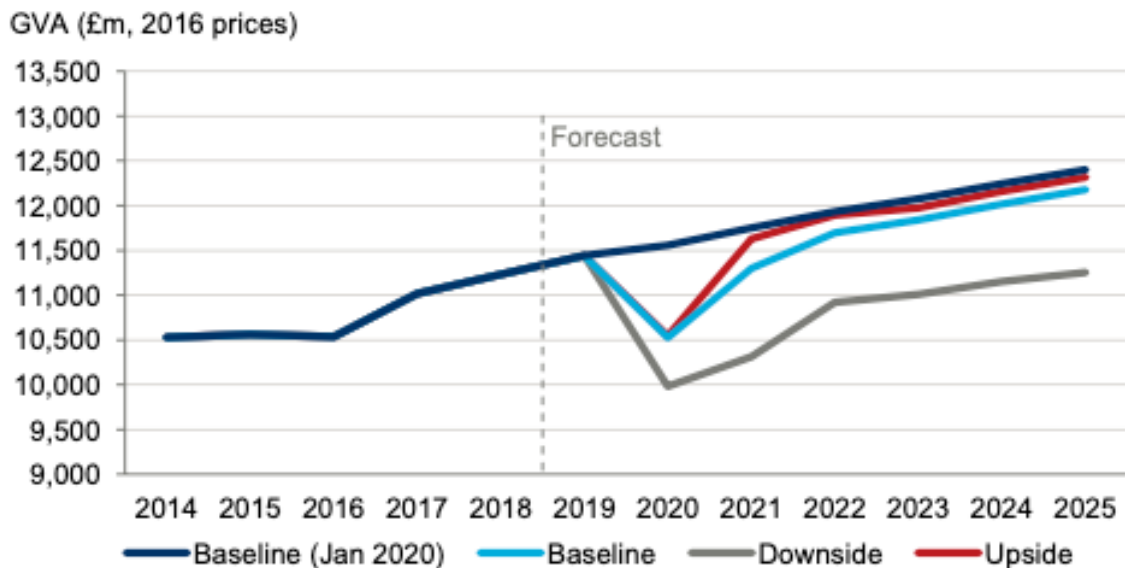
<sup>3</sup> Chancellor of the Exchequer (November 2020) Spending Review, quoting OBR (November 2020) Economic and Fiscal Outlook

<sup>4</sup> Fiscal Sustainability Report, Office for Budget Responsibility (July 2020)

1.1.4 Oxford Economics has forecast the impact of the pandemic and associated lockdown measures on the Somerset economy<sup>5</sup>. The baseline scenario finds that by 2025 GVA will be 1.8% lower pre-pandemic forecasts. This outcome is based on an 8% decline in 2020 followed by a 7.4% increase in 2021 and continuing growth (albeit at a slower pace) up to 2025.

1.1.5 Figure 1.1 below shows the impact of coronavirus on Somerset GVA, and a comparison to the pre-pandemic forecast. This shows that Somerset is forecast to lose at least £1 billion of GVA in 2020 compared to pre-pandemic forecasts. It should be noted that this modelling does not explicitly include the impact of the second wave of Coronavirus and the second national lockdown in November 2020.

**Figure 1.1 - Impact of Coronavirus on the Somerset Economy**



Source: Oxford Economics (July 2020)

**People and employment**

1.1.6 In its report on the impact of the pandemic on the Somerset economy undertaken in July 2020, Oxford Economics forecasts changes to employment under three scenarios<sup>5</sup>. Under the baseline scenario it is estimated that there will be over 10,000 jobs lost in 2020, with the unemployment rate increasing to 5% (from 3% in 2019). The unemployment rate is forecast to fall from this 2020 peak year-on-year up to 2025 with a return to pre-pandemic levels by 2022.

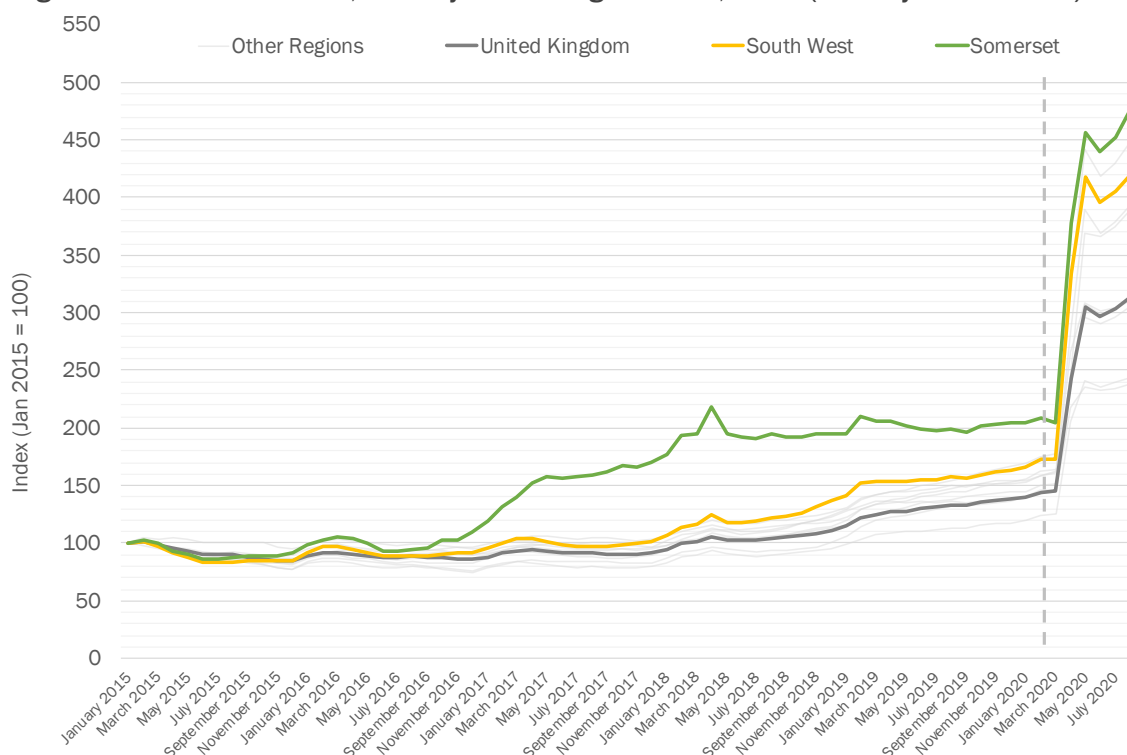
1.1.7 The claimant count in Somerset rose significantly between March and August of 2020. As changes are introduced to the Coronavirus Job Retention Scheme and Self Employment Income Support Scheme throughout the summer it is likely that fewer workers will be furloughed, and whilst some will go back to work, this is likely to lead to an increase in claimants. However, the extension of the UK furlough scheme to March 2021 could delay a more significant drop in employment.

1.1.8 The Institute for Fiscal Studies (IFS) has published a report on the geography of the Coronavirus crisis in England<sup>6</sup>. This report considers Somerset to be very vulnerable, placing us in the fourth quintile of most vulnerable counties.

<sup>5</sup> Oxford Economics (July 2020) Coronavirus: Economic Impact Scenarios for Somerset

<sup>6</sup> The geography of the COVID-19 crisis in England, Institute for Fiscal Studies (June 2020)

**Figure 1.2: Claimant Count, January 2015–August 2020, Index (January 2015 = 100)**



Source: HJA analysis of ONS Claimant Count (2020)

- 1.1.9 The Coronavirus Jobs Retention Scheme (CJRS) was launched on 20 April, with the Self-employment Income Support Scheme (SEISS) following on 13 May. Reliable data on uptake of both schemes is available from the beginning of each scheme up until 31 May and then for each subsequent month.
- 1.1.10 By 31 May Somerset had 64,400 employments furloughed through the CJRS and 23,100 claims made to the SEISS. Figure 1.3 below shows the data from each scheme for the following months.

**Businesses and sectors**

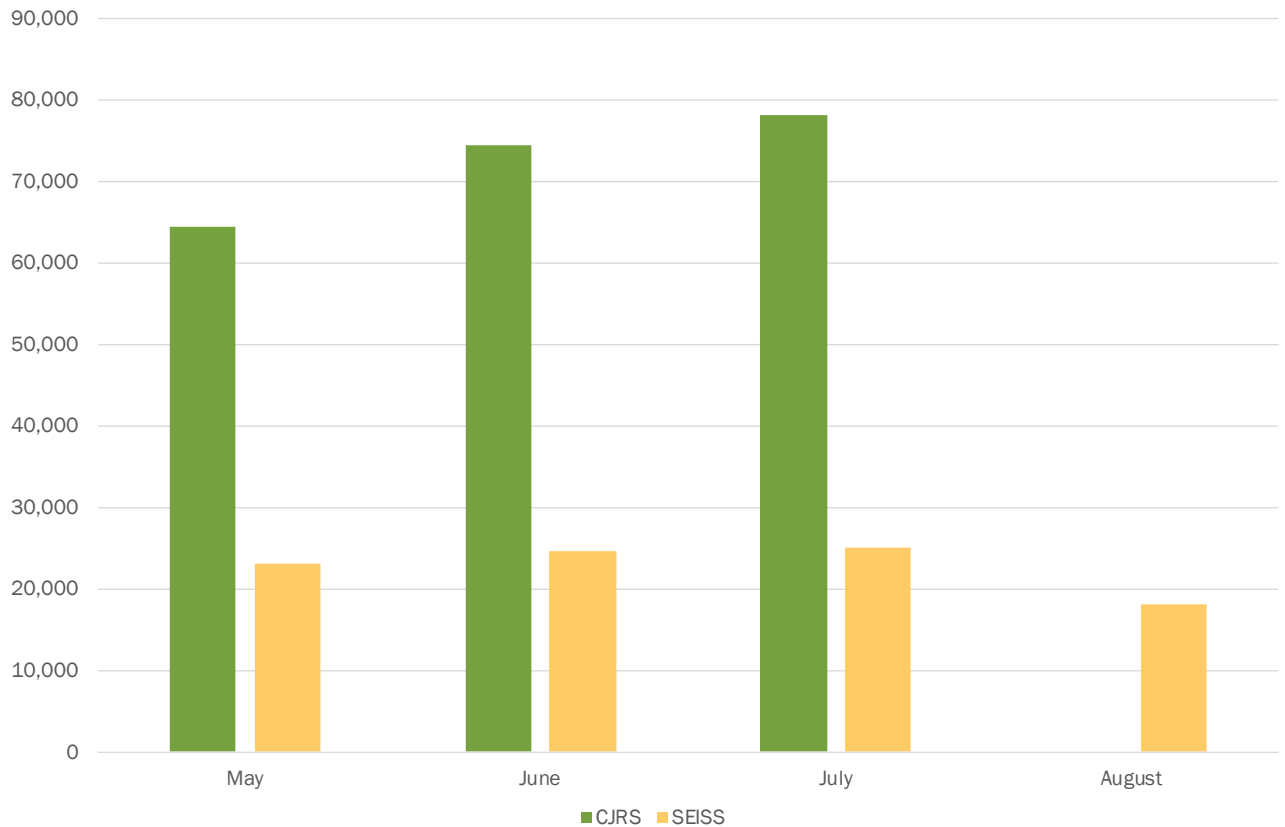
- 1.1.11 A regular Coronavirus impact survey undertaken by the ONS shows that businesses in Arts, Entertainment & Recreation and Accommodation & Food Services are most likely to be temporarily closed<sup>7</sup>.
- 1.1.12 The impact of Coronavirus and the associated lockdown on businesses in Somerset has been assessed through a survey conducted by Somerset’s local authorities. Just over 50% of businesses have reported that turnover has fallen by at least half. Profitability has been impacted even further with just over 40% of businesses reporting they have made zero profits, and almost a quarter reporting they have made 50% profits or less. Almost 70% of businesses are not confident that their profitability will return to pre-pandemic levels this year. The VCSE sector has faced particular challenges from social distancing, as many of its workforce/volunteers are older people who could not or did not feel safe to continue in work. As a consequence many such organisations could not continue to operate.

<sup>7</sup> ONS Business Impact of COVID-19 Survey (BICS) published 8 June 2020, covering the period 18 May to 31 May

1.1.13 Social distancing and cash flow issues are reported as the most significant challenges facing businesses in Somerset. Of the 408 businesses that responded to the question, just over half indicated that financial support would be the most helpful thing to support their business.

1.1.14 Just over 30% of businesses agreed/strongly agreed that poor digital connectivity had posed a challenge for conducting business.

**Figure 1.3 - Uptake of Government Support Schemes in Somerset**



	CJRS	SEISS
May	64,400	23,100
June	74,600	24,600
July	78,300	25,000
August	-	18,200

Source: HMRC coronavirus (COVID-19) statistics

**Places**

1.1.15 KPMG has projected the economic growth of local areas in 2020<sup>8</sup>. The projections for Somerset’s Districts show a loss of between 6.8% and 10% of GVA in 2020, with a recovery of between 3.6% and 4.6% in 2021.

1.1.16 In April 2020 the Centre for Progressive Policy analysed the economic impact on a local authority basis by applying the methodology used by the OBR to reach the figure of a 35% GDP contraction

<sup>8</sup> UK Economic Outlook: Hard Times, KPMG (June 2020)

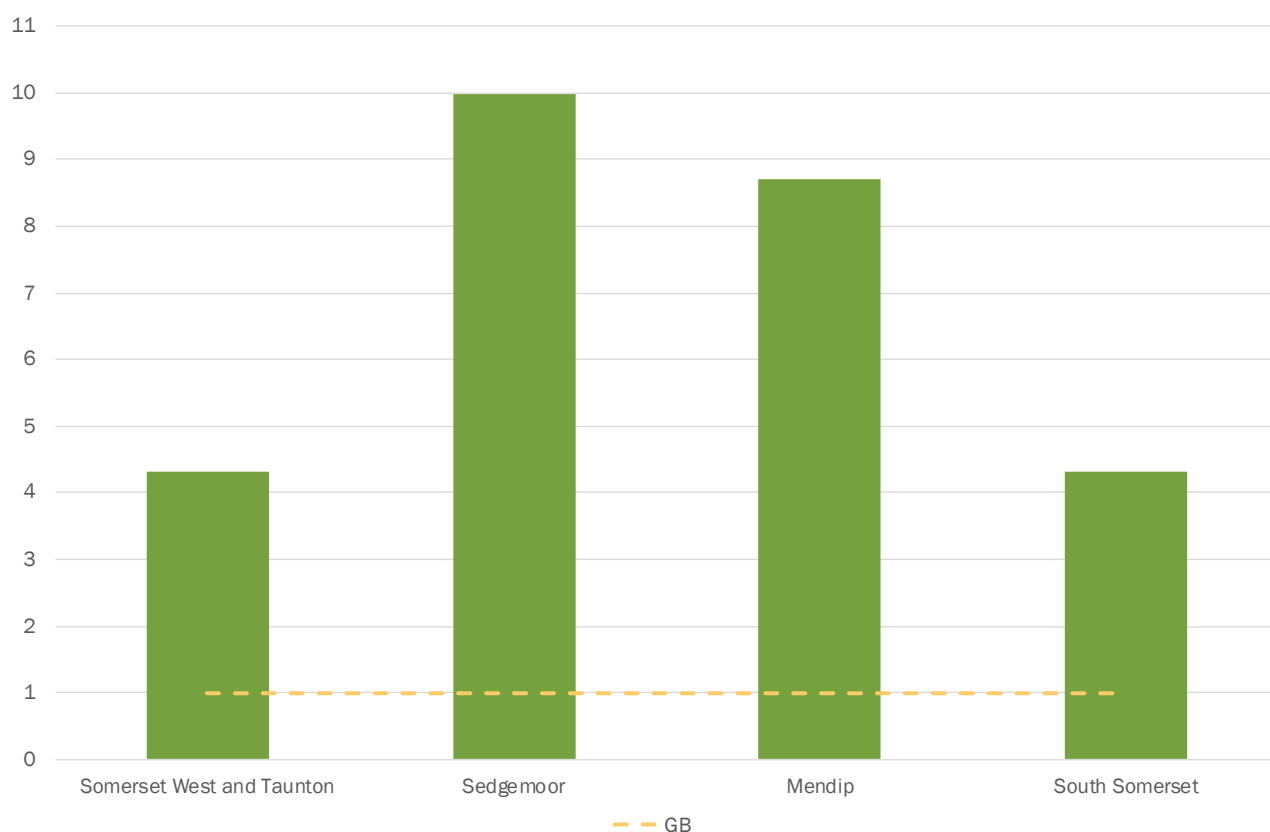


for the whole of the UK in Q2 2020<sup>9</sup>. Each of Somerset’s Districts is forecast to see a decline of between -30% and -41% of GVA during this period.

1.1.17 The Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) has carried out research on the localised impact of the pandemic on employment. This shows that between 26% and 28% of all jobs are at risk in each of Somerset’s Districts<sup>10</sup>.

1.1.18 The RSA analysis suggests that, in a Somerset context, Sedgemoor and Mendip are exposed to the greatest level of jobs at risk with Somerset West and Taunton and South Somerset also above the average level of job risk for GB. Figure 1.4 below shows jobs at risk in each of the local authority areas relative to GB.

**Figure 1.4 - Jobs at Risk Relative to GB (GB=1)**



Source: Royal Society for the encouragement of Arts, Manufactures and Commerce (2020)  
*N.b. This data has not been calculated for the county of Somerset*

1.1.19 The Centre for Towns has analysed the economic exposure of towns in England and Wales to Coronavirus lockdown measures<sup>11</sup>. Minehead has the sixth highest proportion of local jobs in the four most vulnerable sectors (48%). Street and Wells are also listed in the top 5% of vulnerable towns, and Shepton Mallet is listed in the top 10%.

<sup>9</sup> Which local authorities face the biggest immediate economic hit?, Centre for Progressive Policy (April 2020). Available at <https://www.progressive-policy.net/publications/which-local-authorities-face-biggest-immediate-economic-hit> [Accessed 19 June 2020]

<sup>10</sup> Which local areas are most at risk in terms of impacts of Coronavirus on employment?, RSA (April 2020)

<sup>11</sup> The effect of the COVID-19 pandemic on our towns and cities, Centre for Towns (April 2020)

1.1.20 In general, it is thought that less prosperous areas are more vulnerable to Coronavirus because fewer people are able to work from home, more people travel on public transport, households tend to be larger and living in higher density, and more people have underlying health conditions.

## 1.2 Underlying opportunities and challenges

1.2.1 As well as the immediate challenges posed by the Coronavirus crisis, there are underlying opportunities and challenges we face, which will affect our future economic growth.

### Opportunities

1.2.2 Our Growth Sectors are: Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Tech. There are also significant housing and growth opportunities in Somerset's towns, including the plans for Taunton Garden Town.

### Challenges

1.2.3 There are a number of underlying challenges which need to be tackled to stimulate future growth and inclusion in Somerset, including:

- Infrastructure and connectivity challenges, including broadband, road, rail, public transport
- Low productivity and wages
- Labour market pressures in the longer term linked to an ageing population
- Poor housing affordability
- Rurality and low population density
- Deprived communities lacking opportunities, and not benefitting from the economic growth that has taken place
- An under-developed and under-utilised VCSE sector which could play a greater role

1.2.4 Many of these underlying challenges will be exacerbated by the Coronavirus crisis, as jobs are lost, new jobs are not created, and public transport usage falls, reducing the opportunities to tackle deprivation and social exclusion.

## 1.3 Our plan

### Aims

1.3.1 In response to the immediate challenges of the Coronavirus crisis and the longer-term underlying opportunities and challenges we have set out the following aims for our Recovery and Growth Plan:

- Safeguarding jobs in our bedrock sectors<sup>12</sup> and creating new and better jobs
- Ensuring that our residents can find and have suitable skills for new, sustainable, rewarding jobs
- Support existing businesses and nurture start-up businesses from our bedrock and growth sectors
- Delivering new affordable homes across Somerset
- Promoting a green recovery and a low carbon economy

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<sup>12</sup> Our bedrock sectors are: Health & Care, the Visitor Economy, Hospitality & Leisure, Retail, Food & Drink, and general manufacturing/supply chains. Agriculture and Construction are also important sectors in Somerset. Our Growth sectors are: Clean Growth (low carbon energy), Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Tech.

- Levelling up and delivering an inclusive economy for all residents of both rural and urban Somerset

1.3.2 By achieving these aims in Somerset we will make a significant contribution to levelling up the economy of the UK. We will help the Prime Minister to achieve his aim to *build back better, build back greener, and build back faster*. Our plan will help to meet the levelling-up objectives set out in the National Infrastructure Strategy. With the HM Treasury Green Book being revised to place more emphasis within investment decisions on supporting policy objectives and delivering growth outside London and the South East, Somerset can play a greater role in achieving this policy ambition.

### Objectives

1.3.3 The objectives to support these aims differ as we restart, revitalise and grow the Somerset economy. Following a second wave of Coronavirus a second England-wide lockdown has been implemented. It is unlikely that recovery will be linear, and there may be several periods of lockdown and restart, with a gradual transition into a period of revitalisation then growth.

**Figure 1.5: Objectives of the Recovery and Growth Plan**

Lockdown	Restart	Revitalise	Grow
<p><b>Minimise negative impacts</b></p> <ul style="list-style-type: none"> <li>• Minimise loss of businesses, jobs and productivity</li> </ul>	<p><b>Support bedrock industries and the workforce</b></p> <ul style="list-style-type: none"> <li>• Re-open businesses</li> <li>• Get newly unemployed back to work</li> <li>• Retrain unemployed for opportunities that are available</li> <li>• Tackle inequality and exclusion</li> </ul>	<p><b>Accelerate recovery through local interventions</b></p> <ul style="list-style-type: none"> <li>• Starting to build back better</li> <li>• Support to bedrock and growth sectors</li> <li>• Promote economic growth (GVA)</li> <li>• Create new jobs</li> <li>• Train residents to enable access to jobs</li> <li>• Reshaping of High Streets and town centres</li> <li>• Delivery of more and more affordable housing</li> <li>• Tackle inequality and exclusion</li> </ul>	<p><b>Moving to a new (better) economy</b></p> <ul style="list-style-type: none"> <li>• Higher GVA and productivity</li> <li>• High value jobs in global growth sectors</li> <li>• Innovation and R&amp;D</li> <li>• Low carbon economy</li> <li>• Digital</li> <li>• Reduction in carbon emissions</li> <li>• Reshaping of High Streets and town centres</li> <li>• Delivery of more and more affordable housing</li> <li>• Tackle inequality and exclusion</li> </ul>

### Growth themes and activities

1.3.4 We have identified four themes and a number of activities within them that will help to meet these aims and objectives. They are discussed in more detail in the rest of this Outline Plan:

- Supporting employment, skills and economic inclusion (**Chapter 2**)
- Helping business and sectors to grow and become more productive (**Chapter 3**)

- Providing the infrastructure needed to enable growth (**Chapter 4**)
- Creating attractive places and homes to live in (**Chapter 5**)

### Cross-cutting themes

1.3.5 There are also a number of cross-cutting themes that link together activities in each of these areas. For example, we will:

- Tackle the impacts of Coronavirus by supporting businesses to reopen and get people back to work, improve walking and cycling accessibility to and within our towns, ensure that there is full digital coverage across Somerset and that people and businesses can use it. We want to continue the reduction in carbon emissions that we have seen during the crisis
- Promote employment and productivity growth in our bedrock sectors through a combination of skills development, business support, and capital investment in infrastructure and workspace
- Develop the employment and productivity contribution of our Growth Sectors, through targeted investment in our existing and emerging innovation zones including skills development, innovation support, and new infrastructure and promoting green growth
- Promote greater inclusion for all residents across the whole of Somerset through improving skills, supporting improved social mobility, helping people into jobs, supporting business growth and job creation supporting the VCSE sector to provide volunteering and employment opportunities, improving digital and physical access to learning and employment, and delivering affordable housing
- Make our towns better places to live and work by improving the physical environment, supporting business and employment growth, making them more accessible, delivering affordable housing and reducing carbon emissions

### Fit with HotSW LEP's Build Back Better Programme

1.3.6 It is important that our plan is aligned with the LEP's Build Back Better Programme, contributing to a LEP-wide coordinated programme of recovery and growth. Where there are common challenges across the LEP area then shared efforts to deliver, for example business support and digital infrastructure, will be more efficient and effective. Activities within our plan will contribute to the LEP's goals of:

- **Energy futures**, e.g. our support for the Gravity development as part of a clean growth cluster, and a clean energy innovation zone, contributing to the ambition to become an exporter of low carbon energy
- **Engineering futures**, e.g. our support for iAero and an aerospace innovation zone, contributing to the Future of Flight Programme
- **Digital futures**, e.g. our support for the Taunton Digital Innovation Centre and a digital innovation zone, contributing to the HotSW's data analytics and digital capabilities programme
- **People**, e.g. our activities to support employment, skills and inclusion in Chapter 2
- **Business environment**, e.g. our support for businesses in the bedrock and growth sectors set out in Chapter 3
- **Ideas**, e.g. our support for innovation zones and innovation centres
- **Places**, e.g. our plans to deliver workspace, homes and transformation in a number of our towns
- **Infrastructure**, e.g. our proposals to invest in broadband, mobile, cycling, walking, rail and roads

## 2 Employment, Skills and Economic Inclusion

### Overview

#### Employment

Employees in many businesses have been furloughed, but others are being, and will be made redundant, across a range of sectors. Sustaining employment, creating new jobs and supporting people into these jobs is critical for Somerset's economy.

During the two *lockdowns and restart* Government has provided some direct financial support to businesses, for the employed, and to the self-employed. We are supporting those facing redundancy, using our BRRP funds, although the expected peak in job losses is now likely in 2021 rather than 2020. We are starting to create a network of Employment Hubs to help people to find work or move into self-employment.

Through this period and as *revitalisation and growth* happen we will help to maximise the opportunities for local people to work in Somerset. We will support the redeployment of people into the sectors that are short of workers or growing, match people to the job opportunities that exist, and support people into new roles. We will extend the Skill Up service, and support businesses to create apprenticeships and traineeships.

#### Education and Skills

Low skills have historically contributed to low productivity in Somerset. People, particularly the young, need the right skills to access employment opportunities both now and in the future.

During the *lockdowns and restart* we will use BRRP funds to support the work of the EBP and the Careers Hub to provide enhanced careers, education, information, advice and guidance to young people. We will extend CEIAG to the whole population that aligns with Somerset's employment opportunities.

Through *restart, revitalisation and growth* we will work with our training providers to enhance post-16 education, training and re-training; ensure that every young person has access to high quality education or training; and extend skills provision to adults so they can access job opportunities. We will support capital investment across training providers.

#### Economic Inclusion

Those living in deprived communities, and our young people, are at greater risk of economic exclusion. They need additional support to engage in training and work, helping levelling-up within Somerset.

During the *lockdowns and restart* we will provide support to increase employment, improve educational attainment and improve skills in our excluded communities. We will develop a strategy to support our Young People and other impacted groups. We will apply to extend the Access to Learning and Support Grant to help individuals overcome barriers to learning and employment; and work with training providers to ensure access to learning for all. We will use BRRP funds to improve digital access. We will ensure that support is provided to those young people at risk of, or who are, NEET. This will contribute to *revitalisation and growth* of the Somerset economy.

## 2.1 Challenges and opportunities

2.1.1 The UK Government is providing significant support for employees and the self-employed throughout lockdowns, saving many jobs. However, many have also been lost as businesses have, and continue to, fail. We will help the Government to get people back to work by identifying local employment opportunities and ensuring that the people of Somerset have the right skills and support to access these jobs.

2.1.2 In his speech on 30 June the Prime Minister called for the UK to have the most motivated and highly skilled workforce, promising £1.5 billion of investment in further education. We will help to deliver that workforce. The Prime Minister promised an apprenticeship, or in-work placement, for every young person. We will help to deliver that. We will also support the local implementation of those packages of support announced through the CSR20.

2.1.3 Below we set out the key challenges for each of our themes:

### Employment

2.1.4 Somerset is a predominantly small business economy with around 90% of businesses employing less than 10 people and has high levels of self-employment. As a rural county, Somerset has a far greater proportion of businesses in agriculture, and higher levels than nationally in the retail, manufacturing and tourism/leisure sectors. These sectors employ a significant proportion of the workforce in Somerset and are those hardest hit by Coronavirus. Some sectors, including agriculture and food processing, are more reliant on overseas workers and Coronavirus travel restrictions have made it more difficult for them to recruit. This is exacerbated by the exit from the EU. This does create a demand for workers in Somerset, and an opportunity for employment.

2.1.5 Around 70% of Somerset businesses have furloughed some of their staff, over half of Somerset's manufacturers believe they will have to cut jobs, and one in three small businesses say they will need to make redundancies. 35% of closed small businesses are not sure whether they will reopen. Around 90% of businesses within the tourism/leisure sector have been closed during the Coronavirus lockdown periods with more than a third having to lay off staff and/or enforcing unpaid leave. We are experiencing high levels of unemployment seen in a high claimant count alongside a lack of new employment opportunities. As the Job Retention scheme is wound down, we do not know how many of those on furlough will retain their jobs and therefore what the impact on employment will be.

### Skills

2.1.6 Somerset has a long-term issue of low skills, low productivity and low wages leading to a disconnect between supply and demand for labour. Somerset has a slightly lower proportion of the population with higher level skills, although this is skewed slightly by inward migration of older people retiring to the area, particularly in our rural areas. Our deprived areas have low skills levels. Young people and adults with lower qualifications will likely be the hardest hit, which will be exacerbated because sectors recruiting these individuals are also those hardest hit. Younger workers are at particular risk with 16-24 year olds twice as likely to be furloughed as middle-aged workers. Supporting people back into employment will be essential, but they will need the right skills.

### Economic Inclusion

2.1.7 Long-term challenges around deprivation and low levels of inclusion in a number of our towns, rural and coastal areas will be intensified as a result of Coronavirus. Somerset has several areas

with high levels of deprivation, with West Somerset identified as the worst area for social mobility across England.

- 2.1.8 The impact of educational disruption for young people in Somerset will be significant likely leading to increased numbers at risk of or being not in employment, education or training (NEET). Somerset has already seen a steep rise in NEETs over recent years, with a 2.8% percent increase in the three-year period to February 2019. This is combined with existing challenges for progression routes into higher education, and lack of employment and apprenticeship opportunities.

## 2.2 Our Response

- 2.2.1 In the short-term we will build on existing activity to support those most impacted and at risk including young people, displaced workers and those with barriers to work. In addition to ongoing activity, we are investing £750,000 from the Somerset Business Rates Retention Pilot (BRRP) to develop and implement immediate support for individuals. This is short-term funding and activity which needs sustaining longer term where appropriate. Many of our immediate responses, where demand remains, will need to be continued as we restart and revitalise the economy.
- 2.2.2 As we restart and revitalise the economy we will review all activity in delivery. We will continue, or reshape, programmes where there is continued demand and evidence of need and we will end programmes that are no longer relevant. As we move into revitalisation and growth, we will work with employers to encourage the creation of jobs, particularly in our higher value growth sectors, which are accessible to local people. We will work with training providers to ensure we have an appropriately skilled workforce and we will continue to raise awareness of future opportunities to establish a future workforce pipeline. The BRRP funding is largely funding our short-term response, but ongoing, and new activity will need resourcing longer term.
- 2.2.3 Below we set out our key proposals to address the challenges and opportunities highlighted in the above.

### Employment

- 2.2.4 We are working with partners to provide immediate support for those who are at risk of redundancy or who have lost their job as a result of Coronavirus. We will implement local Response to Redundancy Taskforces, following our Response to Redundancy Framework. We will put in place a comprehensive package of support to individuals which will be available as an online resource and supplemented with direct support where needed. This support will be aligned with that on offer from key partners such as Job Centre Plus, National Careers Service, SERCO and others. Businesses will also be supported through the redundancy process and support will be available for their ongoing resilience and growth.
- 2.2.5 We are working with partners to improve local employment support through a number of activities.
- 2.2.6 We will create a network of Employment and Skills Hubs to provide support to individuals who are seeking work, considering self-employment or who are seeking an alternative career route. We will ensure that they have suitable employability and personal skills through these hubs. We will match people to job opportunities and help individuals to apply for these jobs. In doing so we will work with Job Centre Plus, National Careers Service, SERCO and other jobs brokerage partners; the Hinkley Point C Job Service with a view to extending this more widely across Somerset; and align with the Skill Up service to ensure appropriate signing posting to skills provision. Once we are able,

these hubs will be developed as physical locations where all partners can be brought together as a single point of contact for individuals.

- 2.2.7 We will work with partners to develop a joined-up approach to redeployment into sectors where employment opportunities exist, such as the care sector, and through major projects such as HPC, creating a workforce pipeline for the future and also supporting individuals to retrain for relevant roles.
- 2.2.8 We have developed the Step Up Somerset website bringing together a range of employment support into a single access point. The website will hold all electronic resources in relation to the above activities and will sign post out to partner services. We will continue to develop this website into the medium/long term identifying any gaps in provision and seeking to fill these.
- 2.2.9 We will provide support to improve local employment opportunities.
- 2.2.10 We will work with employers to maximise opportunities for local employment within our growth and across our bedrock sectors, specifically encouraging clean growth, and support individuals to access these opportunities ensuring they have the appropriate skills to do so. We will create a logistics academy to help local residents to train for opportunities as warehouse operatives, forklift truck drivers and LGV/HGV drivers. We will support our VCSE sector to help people to bridge the gap between unemployment and employment. For major projects within Somerset we will use planning and procurement processes to secure employment of local workers and for investment in their ongoing skills development e.g. using and extending local labour agreements. We will need enhanced capacity to enforce this through planning and effective contract management of procurement. This will support revitalisation and growth in Somerset.
- 2.2.11 Skill Up Somerset is currently funded through the BRRP and through our ESF funded, Skills for the Workforce Programme, we will continue and extend the Somerset Skill Up Service, delivered by DSTPN, until 2023. Skill Up works with business to encourage them to create apprenticeship and traineeship opportunities, supporting the government’s Opportunity Guarantee for Young People, but also ensuring people of all ages have access to apprenticeships and training. Skill Up will work with business to support recruitment into apprenticeships and traineeships. We will work with the DSTPN to ensure appropriate provision is available and seek resources to improve the sustainability of these programmes. Our training providers will support the delivery of all employment related skills-based training programmes including traineeships and apprenticeships, underpinned by incentives to employers.

**Figure 2.1: Employment**

Response	Offer	Ask
Redundancy Support	Implementation of our Response to Redundancy Framework which provides coordination, and development, of a comprehensive package of support to business and individuals facing redundancy	DWP/JCP to be able to proactively share intelligence on redundancy announcements once HR1s are received  Improved communications on large business making redundancies nationally/regionally where there is local impact



Response	Offer	Ask
		<p>To ensure that national programmes of activity engage with local partners to ensure coordination</p> <p>Contribution towards strategic capacity totalling £80k per annum</p>
Employment Support	<p>Creation of a network of physical Employment and Skills Hubs across Somerset matching people to job opportunities and helping individuals apply for these jobs.</p> <p>We will support redeployment into sectors where employment opportunities exist , such as health/care and HPC</p> <p>We will provide guidance and support to apprentices who have been impacted</p> <p>Supplementing the physical hubs, we have developed Step Up Somerset website bringing together a range of employment support into a single access point</p>	<p>£400,000 per annum of ongoing revenue funding for three years to support ongoing delivery of these initiatives</p> <p>Contribution towards strategic capacity totalling £80,000 per annum</p>
Improve Local Employment Opportunities	<p>We will work with employers to create employment opportunities within our bedrock and growth sectors, specifically encouraging clean growth, and support individuals to access these opportunities ensuring they have the appropriate skills to do so.</p> <p>We will support the development of a logistics training academy in partnership with a local logistics company.</p> <p>We will embed local labour agreements across all planning and procurement processes and encourage our supply chain to invest in their workforce</p>	<p>Contribution towards strategic capacity totalling £80k per annum</p> <p>Implement a range of funding and rule changes to 16-24 traineeship, apprenticeship and adult offers to facilitate training opportunities for all</p> <p>Employer incentives of up to £3,000 per apprentice, with an increase on non-levy funding allocations to match</p>

Response	Offer	Ask
	Continue and extend the Skill Up Somerset service, through DSTPN, to encourage creation of apprenticeship and traineeship opportunities. Skill Up will work with business to support recruitment into apprenticeships and traineeships	
<b>Outputs and impacts</b>	Those made redundant have access to appropriate support Increase in apprenticeship and traineeship opportunities Increased employment of local residents in local businesses	

## Education and Skills

- 2.2.12 We are working with partners to provide enhanced careers, education, information, advice and guidance (CEIAG) to all Somerset residents, including raising awareness of apprenticeships, traineeships and T Levels as a viable post-16 option. We will create clear route maps, and escalators of progression, into and through our core sectors. These pathways will align with our employment support programmes and, working with colleges and training providers, we will ensure individuals can access the right training meeting the needs of employers.
- 2.2.13 During school closures the Somerset Education Business Partnership (EBP) moved all resources online and rolled out a programme of virtual work experience and careers events accessible to all young people across Somerset. We will seek funding to continue the services of the EBP which is essential to sustain and develop careers advice and engagement between employers, schools, young people and their parents/guardians. The EBP will continue to work in very close partnership with the Heart of the South West Careers Hub. To enable continuation of both of these activities locally we will need additional revenue funding. Ongoing activity will need to be aligned with local labour market intelligence as the post-Coronavirus landscape continues to change and develop. In the short-term we will utilise the BRRP funding to cover a proportion of these costs.
- 2.2.14 We have developed the Step Up Somerset website (mentioned above), bringing together all CEIAG support available across Somerset. We will coordinate and implement an enhanced CEIAG offer accessible to all through this website. We will continue to develop this website in the medium/long term, identifying any gaps in provision and seeking to fill these.
- 2.2.15 We will work with partners to enhance our post-16 education.
- 2.2.16 We will seek to extend skills provision for adults alongside our European Social Fund Skills Support for the Workforce, which will provide training support to those in, or close to, employment.
- 2.2.17 We will work with our colleges and training providers through the Devon & Somerset Training Providers Network (DSTPN), to enhance post-16 education, including re-training for the unemployed and greater flexibility in course offer and start dates. This will help to ensure that residents have the skills needed to contribute to revitalisation and growth in the economy. We need greater flexibility in the use of the Adult Education Budget (AEB), around eligibility, age and amount of funding assigned to a qualification in respect of Co-funding. We seek support, including through flexibilities, to allow easy access to training for adults who have been made redundant, such as the National Retraining Scheme. This skills provision will range from short courses to

higher level qualifications, including additional support for digital literacy, outreach and workforce mobilisation across distressed sectors. We will build on existing provision to deliver more blended learning and local delivery in remote areas.

- 2.2.18 We will work with our colleges and training providers to ensure every young person has access to high-quality education or training, funded to meet their needs. Funding needs to be flexible to allow students to start throughout the year. We seek support to allow young people to access digital learning technology.
- 2.2.19 We will deliver higher skills for the Growth Sectors, aligned to the HotSW Local Industrial Strategy. We ask for greater flexibility in the use of funding to allow re-training and up-skilling in Growth Sector areas. This will include digital skills across all sectors. We will seek investment towards the development of innovation and skills opportunities with a focus on high growth and clean growth innovation and high value employment. We seek support to develop new curriculum to support adults into employment into these key sectors. We seek support for marketing and communication of upskilling and reskilling programmes for adults.
- 2.2.20 We will work with the Education & Skills Funding Agency (ESFA) and wider partners to support measures around sustainability and growth including with financial hardship amongst training providers, and costs around modification and diversification as a result of Coronavirus. We seek an increase in the AEB funding rates to support the recruitment of specialist staff and additional cost related to Coronavirus, such as smaller groups and safety measures.
- 2.2.21 We will seek funding to support capital improvements within our colleges and across the training provider network including resources to enhance digital connectivity across the network to provide virtual learning to rural and urban areas and modernise assets. We seek investment for maintenance of training facilities. With greater flexibility and funding, we will be able to further develop delivery of blended learning opportunities (immersive online and face-to-face) and local delivery of post-16 education in less accessible places such as West Somerset.

**Figure 2.2: Education and skills**

Response	Offer	Ask
Enhanced CEIAG	<p>We will provide enhanced careers, education, information, advice and guidance to Somerset residents and raise awareness of apprenticeships, traineeships and T Levels</p> <p>We will create route maps and escalators of progression into and for our core sectors</p> <p>We will continue the services of the Somerset EBP and develop a sustainable local partnership model for beyond 2021</p> <p>We will continue to work with the HotSW Careers Hub and will provide an interim contribution</p>	<p>DfE to meet the full costs of the HotSW Careers Hub from 2021/22, to sustain provision</p> <p>Funding to continue the EBP post 2021.</p> <p>Contribution towards strategic capacity, totalling £80,000 per annum</p>

Response	Offer	Ask
	<p>to fund the shortfall in 2020/21 budgets</p> <p>We will align the CEIAG resource with our employment support programmes and will host all information on the Step Up Somerset website</p>	
<p>Enhanced Post-16 Education (16-19 Year Olds)</p>	<p>We will enhance the education and training of 16-19 year old learners to increase their contribution to the labour market and enhance their employment opportunities. Ensuring that every young person has access to high quality education or training</p>	<p>Funding to expand the education for 16-19 year olds to successfully deliver against our offer</p> <p>Support for 16-18 year olds to access education through the provision of free transport, in line with other parts of the Country such as London and Manchester</p> <p>£800,000 to provide all learners with access to a personal device and connectivity to access online learning</p>
<p>Enhanced Post-16 Education (Adults)</p>	<p>We will deliver the ESF funded Skills in the Workforce programme to support those in employment to increase their skills</p> <p>We will support those who are out of work to receive funded training to up/re-skill in a sector aligned to economic growth and/or bedrock sector and greater flexibility in course offer and start dates</p> <p>We will build on existing provision to deliver more blended learning and local delivery in remote areas</p> <p>We will deliver higher skills for Growth Sectors to enhance and accelerate economic strategies. We will develop a Systems Leadership approach and pilot this through the Yeovil Place Leadership Group</p>	<p>We ask that flexibilities are considered so that 19+ learners are given further support to incentivise participation in training development</p> <p>Repurpose balances of ESF to provide responsive and tailored programmes for adults within the community to re-train and re-skill</p> <p>Investment to develop and deliver programmes such as sector-based work academies</p> <p>Ensuring that training providers are embedded into JCP/DWP delivery</p> <p>Enhance the Adult Education Budget together in one budget line with the National Retraining Scheme, the National Skills Fund and the Shared Prosperity Fund ensuring balances are sufficient to meet increased demand to counter the impact of reduced</p>

Response	Offer	Ask
		<p>income if full-funding flexibilities are implemented</p> <p>Early release of a proportion of the National Skills Fund to support flexible learning. Fully fund 24+ adults to undertake subsequent L3 programmes or units in priority sectors</p> <p>Simplification of the funding rates and rules that training providers work to in order to have flexibility to meet demand</p> <p>Where needed, deliver a front-loaded payment profile for training providers to allow for intensive upfront delivery</p> <p>Support for colleges and training providers with development funds to assist the development of individual provider's strategy to adapt and become the provider of the future</p> <p>£800,000 to provide all learners with access to a personal device and connectivity to access online learning</p>
College and Training Provider Sustainability and Growth	<p>We will ensure colleges and training provider needs are reflected within local investment discussions and will seek funding for improvements to the physical assets within our training network, including support for ongoing sustainability of providers</p> <p>We will deliver modification and IT set-up to deliver blended learning</p>	<p>Support for colleges and training providers facing financial hardship and additional costs as a result of Coronavirus</p> <p>Funding to replace category C&amp;D accommodation within our colleges</p> <p>Release 20% of the £1.5bn capital fund for IT equipment, software and building modification for all providers</p>
<b>Outputs and impacts</b>	<p>Young people, and the wider population, understand the learning and employment opportunities open to them</p> <p>Training is available for young people, and the wider population, to help them to progress</p>	

Response	Offer	Ask
	Colleges and training providers have facilities that are suitable to deliver training and education People in more remote areas can access training People of all ages have the skills that local businesses need	

## Economic inclusion

- 2.2.22 Promoting economic inclusion is an important outcome of restarting, revitalising and growing the Somerset economy. To promote inclusion we will address unemployment, under-employment, and in-work poverty.
- 2.2.23 We need funding to help people to prepare for, and access, learning and work through the extension of the Access to Learning and Employment Grant that we have delivered in the West Somerset Opportunity Area. This is a flexible grant to individuals to help overcome any barriers to learning or work e.g. childcare, training, transport or suitable workwear/clothes.
- 2.2.24 We will work with training providers to ensure that the whole population has access to learning through localised provision, particularly in our rural and deprived areas where transport and connectivity issues are a concern. This will include a blended and distance learning approach, accessible via local learning hubs.
- 2.2.25 We will provide targeted support for in-work poverty to ensure that people already in work are able to access training for upskilling, enabling them to move into better paid jobs. We will ensure that other responses highlighted in the plan help to achieve this. We will also provide support to businesses to train and upskill their staff through our Skill Up service, enabling individuals to move into better paid roles. We will support the VCSE sector, which is more inclusive than mainstream businesses, to increase the opportunities for economic and social inclusion it can offer to Somerset residents.
- 2.2.26 Building on the pilot in South Somerset, we will develop a Somerset-wide coaching and support programme to help families to help themselves and support children from deprived backgrounds in improving their educational attainment and accessing employment.
- 2.2.27 We will continue to improve digital skills and access to broadband throughout the population to enable people to access digital services, support and apply for jobs. We are rolling out a pilot programme to loan devices, with broadband access, to residents who are seeking employment. If demand is proven, we would require funding to extend and widen this service. We will also work with our training providers to ensure learners have appropriate devices and broadband access for learning. Through our Skills Programme we will ensure individuals has access to appropriate digital training.
- 2.2.28 We will develop a strategy that considers the challenges faced by young people in the current climate. We will develop a programme of interventions, aligned where appropriate to wider interventions, to ensure that young people have access to employment and training opportunities. We will coordinate and act as a gateway to the DWP Kickstart Scheme within Somerset. We will encourage and support employers to offer placements and ensure every young person engaged has access to appropriate wrap-around support.

2.2.29 We will deliver our £1.3 million ESF NEETs programme to ensure that young people at risk of, or who are, NEETs re-engage in education or can access employment opportunities. We will seek additional funding to ensure that all young people can access support they need to continue to engage.

2.2.30 We will develop a strategy to support the over-50s, or other adversely affected groups, who are 50% more likely than other age groups to be unemployed 12 months after losing their job.

**Figure 2.3: Economic inclusion**

Response	Offer	Ask
<b>Short-term</b>		
Address Un/Under Employment and In-Work Poverty	<p>We will apply for funding to extend the Access to Learning and Employment Grant, currently delivered in West Somerset, across Somerset</p> <p>We will support access to learning for those in and out of work and encourage local delivery of training by extending the Skill Up Here model and supporting a blended learning approach/distance learning particularly in rural areas</p> <p>We will provide target support, via coaching, for in-work poverty and support deprived families to improve their employment prospects</p>	<p>£400,000 per annum for two years for the access grant</p> <p>£1 million for capital investment in local/remote facilities (learning hubs)</p> <p>Investment in training provider facilities to enable enhanced blended/distance learning</p> <p>£1 million per year for three years for a county-wide coaching programme</p> <p>Contribution towards strategic capacity totalling £80,000 per annum</p>
Digital Skills and Access	<p>We will continue to promote and deliver digital skills training for all</p> <p>Working with our colleges and training providers ensure that all learners have access to devices and internet to support their learning</p> <p>Extend the pilot scheme to loan devices and internet to individuals seeking work</p>	<p>£800,000 to provide all learners with access to a personal device and connectivity to access online learning</p> <p>Capital funding to extend access to devices at a total cost of £9,000 per 10 devices. This can be scaled to meet demand</p>
Young People Support	<p>Develop a strategy and define the interventions we will roll out for Young People</p> <p>Coordinate, and act as a gateway for, the DWP Kickstart Scheme</p>	<p>Support to implement any appropriate interventions identified through the Young People Strategy</p> <p>For national schemes to engage fully with local stakeholders to ensure alignment of delivery</p>

Response	Offer	Ask
	<p>£1.3 million of ESF funds for the Somerset NEETs Programme: Somerset Works, supporting young people into education or employment</p>	<p>£190,000 urgent funding for pastoral and academic activity to support 16 year olds back into study to enhance the ESF programme</p> <p>Establish a pool of funding to support students at risk of becoming NEET to include one-to-one tutorial support/mentoring and the establishment of bursaries to remove barriers to education</p>
<p>Over 50s (or any other adversely impacted individuals) support</p>	<p>Develop a strategy and define the interventions we will roll out for those adversely impacted</p>	<p>Support to implement any appropriate interventions identified through the Strategy</p>
<p><b>Outputs and impacts</b></p>	<p>Increased skills levels, especially within deprived areas            People in deprived areas have improved access to job opportunities, hence greater social mobility            Significant reduction in NEETs            Young People have access to employment and training opportunities            Over 50s (or any other adversely impacted groups) are able to re/up-skill and have access to employment opportunities</p>	



## 3 Helping Businesses and Sectors to Grow

### Overview

Businesses across the Somerset economy are suffering from the direct impacts of the Coronavirus pandemic such as lockdowns and the need for social distancing, but also from drastic changes in markets and demand. This is leading some business to struggle and others to close.

#### Bedrock sectors

During the **lockdowns and restart** we will provide support to the visitor economy, extending the work we have already undertaken under the BRRP. We will extend the support provided by the HotSW Growth Hub to businesses in all sectors; and the BRRP funded business support that we are providing.

We will support and encourage local procurement by the public and private sectors, and encourage the expansion of the VCSE sector to ensure that benefits to the local economy and residents are maximised during **revitalisation and growth**. We will continue to deliver enterprise centres and work hub space in Bruton, Burnham/Highbridge, Chard, Glastonbury, Wellington and Yeovil.

#### Growth sectors

We are already delivering innovation support through the Somerset Catalyst Programme and Regional Entrepreneurship Acceleration Programme. We will extend inward investment support activity that we are already providing under the BRRP.

Our support for the growth sectors in Somerset's economy is part of an ongoing process of working with the HotSW LEP to promote innovation and drive up productivity in the **revitalisation and growth** of the economy. We are delivering innovation centre infrastructure at the Somerset Energy Innovation Centre, iAero and the Taunton Digital Innovation Centre. We are formulating plans for innovation zones for Clean Growth, Aerospace, Digital and Agri-Tech.

### 3.1 Challenges and opportunities

- 3.1.1 The HotSW LEP is formulating a business and sector-based response to the Coronavirus crisis, set out in its *Route Map to Recovery*. This Somerset plan supports the activity being undertaken by the LEP, and that set out in the Local Industrial Strategy.
- 3.1.2 Many businesses are unable to trade either in part or in whole, with a particular impact on the visitor economy, hospitality, retail and care sectors. This will inevitably lead to business closures and job losses, which are likely to increase after the end of Government support for employees and the self-employed. As the lockdown is eased businesses need support to adapt to social distancing and other constraints.
- 3.1.3 In the longer-term Somerset has significant opportunities in our Growth Sectors, and it is important that we support the development of businesses in these sectors. As well as creating employment, development of the Growth Sectors will help to drive up productivity and wages in Somerset.

## 3.2 Responses

3.2.1 The UK Government is working to stimulate economic activity whilst keeping people safe. We will help the Government to re-open and revitalise the Somerset economy.

### Safeguarding and creating jobs in the bedrock sectors

3.2.2 During lockdowns and restart we will provide particular support to the tourism sector, extending work that we have been doing under the Business Rates Retention pilot. Award of a Tourism Zone and providing further support for the sector are necessary for this. Farm diversification is important to rural areas.

3.2.3 During this period we will enhance and expand the Growth Hub support to businesses, to enable the service to support more businesses throughout Somerset. This will help businesses to survive and grow, safeguarding and creating jobs, and help new-start businesses that are established.

3.2.4 We will continue and expand the activities delivered in Somerset that are currently funded by the Business Rates Retention pilot to promote economic growth and productivity, including support for the visitor economy, start-up support, scale-up support, business clusters, networks and peer-to-peer support, inward investment, access to finance, apprenticeships and other supporting activity. This will help businesses to survive and grow.

3.2.5 As revitalisation and growth takes place we will support and encourage local procurement activity, to help small businesses and VCSE organisations to access larger customers and encourage large organisations in the public and private sectors to develop local supply chains. As well as helping business survival and growth this activity will provide employment opportunities for local people, thus supporting inclusion. We will encourage social value to be incorporated into local procurement activity, with the inclusion of local authority contracts and spend. We will support projects such as the South West Food Hub that is currently being piloted, to promote new approaches to public sector food procurement.

3.2.6 We want to increase social capital and social innovation and build on the support for social capital and social innovation delivered through the Somerset Social Enterprise Fund and ERDF funded LEP wide Enhance Social Enterprise Programme to deepen and extend the impact of Social Enterprise across Somerset. We have great examples of social enterprise in action, in places like Watchet (Onion Collective), Glastonbury (Red Brick Building) and Frome, and we want to nurture social innovation and entrepreneurship, working with the likes of these exemplars to deepen and extend the impact of social enterprise across Somerset.

3.2.7 We will deliver new enterprise centre and work hub space in towns where there is a shortage of workspace and support for new and small businesses. We have proposals for new centres in Chard, Bruton, Wellington, Burnham on Sea and potentially other towns. This will build on the network and infrastructure that we have established throughout Somerset to ensure provision across the county. These centres will help the establishment of new businesses and their survival, creating local employment opportunities and inclusion.

**Figure 3.1: Safeguarding and creating jobs in the bedrock sectors**

Response	Offer	Ask
Enhance and expand the Growth Hub support	Somerset local authorities will promote Growth Hub through all available channels and provide local service delivery points	BEIS funding to the LEP to support this service

Response	Offer	Ask
Support to tourism businesses	Use of the balance of the Small Business Grant Fund to provide grants, advice and support	Additional dedicated funding for tourism businesses Designation by DCMS of a South West Tourism Zone
Local procurement activity	Somerset local authorities will work with business organisations to review opportunities linked to public procurement and promotion/celebration of local purchasing in our communities	--
Increase social capital and social innovation	Build on existing social enterprise innovation projects in Frome, Glastonbury and Watchet	Capital and revenue funds to support social enterprise and innovation
Deliver new enterprise centres and work hub space	Re-use/redevelopment of existing local authority land and property assets to provide space Local capital investment Reinvestment of income streams in business support to occupants and businesses in the wider local community Targeting of new investment towards centres highly impacted by Coronavirus. We will deliver enterprise centres in: <ul style="list-style-type: none"> <li>• Bruton</li> <li>• Burnham/Highbridge</li> <li>• Chard</li> <li>• Glastonbury</li> <li>• Wellington</li> </ul> And co-working space in Chard and Yeovil	Government investment in future programme via Local Infrastructure Stimulus Fund/MHCLG call for LEPs for shovel ready schemes and future funding sources e.g. UK Shared Prosperity Fund, Town Deals
<b>Outputs and Impacts</b>	Safeguarded businesses Safeguarded jobs A robust tourism sector Greater local procurement and local supply chains More, and more innovative, social enterprises Workspace to enable business growth and job creation	

### Supporting growth and productivity in the Growth Sectors

3.2.8 The Energy White Paper and the Ten Point Plan for a Green Industrial Revolution have set out comprehensive and ambitious plans for the future of energy production and use in the UK, including investment in the nuclear power industry to encourage Small Modular Reactors and Advanced Modular Reactors; support for renewable and low carbon energy, including offshore wind; and encouragement of net zero aviation. Somerset has huge potential in these areas and can play an important role in the national effort. We can help to overcome the *indefensible gap in opportunity and productivity and connectivity between the regions of the UK* that the Prime Minister identified.

- 3.2.9 We will continue to develop Somerset’s innovation ecosystem through the delivery of the Somerset Catalyst Programme and the Regional Entrepreneurship Acceleration Programme in partnership with MIT and BEIS. Both programmes seek to accelerate the delivery of entrepreneurship and encourage the use of technology to increase productivity. Direct outcomes include new business start-ups who have the expertise and knowledge to grow their business in the local area and contribute positively to the Somerset Economy.
- 3.2.10 The HotSW LEP will take the lead in this area, supported by the local authorities. Activity will include support for Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Tech. This will include grants, capital and revenue funding and inward investment support. More activity in the Growth Sectors will create job opportunities for local people, and also drive up productivity and wages. This will be complemented with training to ensure that people have the right skills for these jobs. Work will be undertaken to understand and meet the skills needs of these sectors. This is covered in the section on People and Skills.
- 3.2.11 Support is already being delivered to the nuclear and low carbon energy supply chain. Further commitments will help to continue delivery and expand this activity. Support will help with supply chain diversification into areas such as renewable energy. This will help with the long-term sustainability of these high-value sectors in Somerset.
- 3.2.12 We will ensure the delivery of innovation infrastructure projects to support the high growth sectors, including the iAero aerospace innovation centre in Yeovil and the Taunton Digital Innovation Centre. This will support the survival and growth of businesses and jobs in high-value sectors, driving up productivity in Somerset.
- 3.2.13 We will also deliver new innovation zones in Somerset, containing innovation centres along with specialist business support to enable innovation and R&D. The Clean Growth innovation zone around Bridgwater, Hinkley Point C and the Gravity enterprise zone is already established, and there are further opportunities to capture local growth. An Aerospace innovation zone around Yeovil is our next priority. The Firepool Digital innovation zone will include the Taunton Digital Innovation Centre. An Agri-Tech innovation zone is also being developed, and we are working with the HotSW LEP on early ideas for a coastal innovation zone. We will prepare Local Development Orders for these zones to simplify the planning process and speed-up their delivery. These zones will help to support new businesses, employment and higher productivity. This is a strategic ambition for Somerset and we have established a group of stakeholders to develop plans for this activity. We are planning to provide more detail on this in the Spring of 2021.
- 3.2.14 We are preparing a submission to Government and the UK Atomic Energy Authority (UKAEA), proposing Somerset as the location for the Spherical Tokamak for Energy Production (STEP) nuclear fusion project, including a research centre, test reactor, technology park, and associated training and skills centres.
- 3.2.15 We will also continue to deliver support to Somerset businesses for inward investment and export, and continue to deliver the Somerset Catalyst programme, which could be extended further.

**Figure 3.2: Supporting growth and productivity in the Growth Sectors**

Response	Offer	Ask
Delivery of innovation infrastructure projects	Complete the delivery of the iAero Innovation Centre	£0.5 million for iAero as part of Local Infrastructure Stimulus Fund/MHCLG call for LEPs

Response	Offer	Ask
Deliver new innovation zones (Clean Growth; Aero; Digital; and Agri-Tech)	We will deliver simplified planning through LDOs £4 million of match funding is already secured for the Taunton Digital Innovation Centre	£7.3 million for the Taunton Digital Innovation Centre as part of the LEP pipeline of shovel ready schemes for Local Infrastructure Stimulus Fund
STEP Nuclear Fusion Project	We will build on the infrastructure, ecosystem and collaborative teams already in place in place for the UKs only new building nuclear power station.	Government to locate this world leading project in Somerset, making the most of the attributes already in place and contributing to the levelling up agenda.
Additional inward investment promotion and support activity	Inward investment activity funded under the BRR pilot will be deployed to develop Somerset's key investment propositions linked to Clean Growth; Aero; Digital; and Agri-Tech	Build better working relationship with DIT
Somerset Catalyst programme	Delivery of an entrepreneurial ecosystem across Somerset	Additional funding to continue to deliver this programme after March 2021
<b>Outputs and Impacts</b>	Delivery of infrastructure to enable further growth in high-value exporting sectors New innovative businesses New high-quality jobs Increased innovation, R&D and GVA	

## 4 Providing the Infrastructure to Enable Growth

### Overview

Somerset is largely rural, and limited infrastructure in some areas is exacerbating the negative impacts of lockdown and constraining the restart, revitalisation and growth of the economy. There are some infrastructure-related actions we can take immediately, but many will be delivered over the medium to longer-term.

### Reducing carbon emissions through travel and energy efficiency

During the *lockdowns and restart* we have delivered temporary cycling and walking infrastructure, and we are now seeking to deliver permanent infrastructure within and between some of our towns. In the medium to longer-term we will retrofit energy efficiency technology to buildings, with an initial focus on social housing, supporting *revitalisation and growth* in our economy. We will introduce digital accessibility to our demand responsive transport in rural areas, and support decarbonisation of travel and transport within Somerset.

### Improving digital and physical connectivity

We have already helped to improve broadband and mobile connectivity across Somerset, and will continue to invest in helping to deliver these throughout the county, which are critical to the *restart, revitalisation and growth* of the economy. We will continue to promote improvements in our strategic road infrastructure, including the A38, A39, A303 and A358, our motorway junctions, and critical local road projects, including main access routes into Bridgwater and Taunton. We are seeking to improve rail connectivity including a new station at Wellington as well as improved services.

### Reducing flood risk to enable growth

To enable *revitalisation and growth* in the Somerset economy we need to improve flood resilience and protect against flooding and coastal erosion to protect our homes, towns, infrastructure and employment sites. Schemes such as the Bridgwater Barrier, Taunton flood attenuation, and Blue Anchor protection will help us to do this.

### Delivering strategic employment sites

We will support the delivery of the Gravity Enterprise Zone, a regionally and nationally significant opportunity to deliver a clean growth campus, supporting our growth sectors. This could become part of a wider freeport zone in the South West. We will promote the delivery of other strategic employment sites in Somerset through investment from our revolving infrastructure fund.

### Climate Emergency Strategy

We have recently prepared a Climate Emergency Strategy for Somerset. Delivery of this will help to decarbonise the public sector, make Somerset carbon neutral, and improve our resilience to the impacts of climate change.

## 4.1 Challenges and opportunities

4.1.1 Somerset is a largely rural county and the provision of infrastructure is limited in some areas, particularly in the more rural parts of the county. The economic and social impacts of the Coronavirus crisis have been exacerbated by the constraints to digital and physical connectivity in the county.

4.1.2 Key challenges include:

- Poor broadband and mobile coverage in parts of the county
- Relative inaccessibility of many of the more rural parts of the county
- Poor public transport provision, particularly in the more rural parts of the county, which has been exacerbated during the Coronavirus crisis
- Lack of capacity and resilience of some of the major road and rail links into and across the county
- Fluvial and coastal flooding and flood risk
- Lack of capacity in the electricity transmission and distribution network

4.1.3 There are also opportunities that will help to deliver further growth in Somerset, including:

- Opportunities for improved rail access and service provision
- Opportunities to reduce carbon emissions through green travel and improved energy efficiency

## 4.2 Our responses

4.2.1 The recently published National Infrastructure Strategy sets out an ambition to support recovery and levelling-up whilst delivering a net-zero economy. Priorities set out in the plan include the delivery of new roads (including the A303 and A358) and local road maintenance; new freeports; digital and broadband infrastructure; flood and coastal protection; and support for zero carbon vehicles and the charging infrastructure that they need. The Energy White Paper and Ten Point Plan for a Green Industrial revolution underline the focus on green public transport and active travel by cycling and walking; the use of zero emission vehicles and the delivery of electric vehicle charging infrastructure to support this; and the construction of greener buildings and retrofit of green technologies to older buildings.

4.2.2 The following interventions will help to tackle the challenges and ensure benefit from the opportunities listed above.

### **Reducing carbon emissions through travel and energy efficiency**

4.2.3 Following the temporary introduction of more cycling and walking infrastructure we will deliver permanent cycling and walking infrastructure within and between towns including Bridgwater, Radstock-Frome, Taunton, Walton-Street-Glastonbury, and Yeovil; and the Eastover pedestrian prioritisation scheme in Bridgwater. This needs to be undertaken soon to build on lower carbon mobility trends that have emerged during lockdown, as well as to improve connectivity, enable non-motorised travel and so reduce carbon emissions. Some funding has been secured, and further funding is needed to deliver this infrastructure.

4.2.4 We will retrofit energy efficiency technologies to buildings to reduce running costs and carbon emissions, with a particular focus on social housing. The focus of this initial project will be on council-owned social housing as a pilot to test a number of approaches and find the best one for Somerset, with the aim of:

- Reducing carbon emissions from the building stock
- Reducing the cost per unit of retrofit, through the application of new approaches and technologies, before rolling this out more broadly
- Creating new businesses and jobs

4.2.5 The ask is for £1 million to find the best approach, with the aim of then rolling out the solution across Somerset and the Heart of the South West. There are also opportunities to introduce technologies for energy storage in rural areas where there are renewable generation opportunities but insufficient links to the grid.

4.2.6 We will deliver digital demand rural transport and electric car and bus infrastructure to enable people to travel throughout Somerset using low carbon vehicles. This will improve connectivity to work, learning and leisure opportunities, and reduce carbon emissions. We have submitted a bid to DfT for a DDRT trail, and the award of £1.5 million will help to progress this.

4.2.7 We are working on a strategy for the decarbonisation of the travel network and fleet, to help Government to achieve its targets. This will be ready in the autumn of this year. This will include proposals for electric vehicle charging as well as significant increases in the use of electric bicycles and scooters.

**Figure 4.1: Reducing carbon emissions through travel and energy efficiency**

Response	Offer	Ask
Deliver cycling and walking infrastructure	Plans in place for delivery of new infrastructure	At least £10 million of capital funds
Retrofit energy efficiency technologies to buildings	Utilisation of the social housing stock to pilot and find the best approach	£1 million for a pilot project
Digital demand rural transport and electric car and bus infrastructure	We have developed a proposal for a DDRT trail	£1.5 million of funds from DfT
Decarbonisation of the travel network and fleet	We are developing a strategy, to share with you in the autumn	--
<b>Outputs and impacts</b>	New innovative approach to retrofit Reduced carbon emissions Modal shift to green transport New businesses and jobs created	

**Improving digital and physical connectivity**

4.2.8 We will deliver broadband and mobile connectivity across the whole county. We will build on work already undertaken to roll-out out of broadband across the county through *Connecting Devon & Somerset* (CDS), and complete Somerset-wide coverage. This will enable people in our rural and urban areas to engage in online activity, learn and work from home, which is likely to become more prevalent after the Coronavirus crisis. It will also support the setting up of new businesses and growth of existing businesses that draw on Somerset’s strengths and key sectors. We are proposing to deliver training and skills to ensure that people make the best use of this digital infrastructure.

4.2.9 We will work with Highways England and the local highways authority to deliver strategic road infrastructure improvements, including upgrades to the A303, A358, A39, M5 junctions 22 and 23. This will improve accessibility within Somerset and to strategic economic locations outside the



county, including airports and the major cities of Bristol and Exeter, thus making Somerset a more attractive place for investment and in which to do business. We have already developed schemes, but need at least £1 million to complete this, and funding of more than £100 million will be needed for the works.

4.2.10 We also need support to deliver important local road projects including the Cannons/Cross Rifles junction in Bridgwater and Toneway in Taunton. Funding has been allocated for several schemes, but greater flexibility over the timing of delivery is needed, whilst we need additional funding to deliver others.

4.2.11 We are working towards improving rail connectivity in parts of Somerset to increase connectivity and inclusion, and reduce road traffic, congestion and carbon emissions. Feasibility work is being undertaken on new stations at Wellington, Shepton Mallet, and Langport/Somerton. Significant funding is needed to deliver these stations. We also want to increase service provision to Bridgwater and need to explore a new rail link to the Gravity Enterprise Zone.

**Figure 4.2: Improving digital and physical connectivity**

Response	Offer	Ask
Deliver broadband and mobile connectivity across the whole county	Build on coverage delivered under CDS. Support further roll-out with skills to make use of digital	Capital funds to complete the delivery of broadband and mobile coverage across Somerset
Deliver strategic road infrastructure improvements	We have plans in place for major road improvements	£1 million to complete technical work, and £100 million to deliver these schemes
Deliver important local road projects	We have plans in place for significant local road improvements	Greater flexibility to spend funds that have already been allocated, and the allocation of additional funds e.g. £5 million for Cross Rifles
Improving rail connectivity	We are undertaking feasibility work on new station infrastructure throughout Somerset	Funding for new stations and existing station improvements
<b>Outputs and Impacts</b>	Full digital connectivity across Somerset Overcome infrastructure constraints to development and growth Improved attraction for inward investment	

**Reducing flood risk to enable growth**

4.2.12 By improving flood resilience and flood and coastal erosion defences we will protect our towns, existing homes and employment sites and be able to deliver new homes and employment development in the protected areas. We have developed proposals for strategic flood defences at Bridgwater, the Bridgwater Barrier, a £100m scheme and need £10 million of additional funds to deliver this in partnership with the Environment Agency. An application for a Transport Works Act Order has been submitted to DEFRA and an early positive decision on this will enable rapid delivery. We also have significant project proposal for Frome, Taunton and the West Somerset coast, which we need £13 million to deliver. Methods of natural flood management will be considered for the longer-term.

**Figure 4.3: Reducing flood risk to enable growth**

Response	Offer	Ask
Improving flood resilience and flood and coastal erosion defences	Delivery of Bridgwater Barrier	Additional £10 million for Bridgwater Barrier, plus honouring existing EA offer. Early decision on the Transport and Works Act Order submitted in December 2019 £2.6 million for short-term measures for Taunton flood attenuation £3.55 million for Blue Anchor protection scheme
<b>Outputs and Impacts</b>	Delivery of major flood protection infrastructure Protection of towns, homes and employment sites Enabling more residential and commercial development	

**Delivering strategic employment sites**

- 4.2.13 We have been progressing the delivery of the Gravity Enterprise Zone for several years, to support delivery of a smart campus focusing on Clean Growth principles with the stated ambition being to create a multifunctional campus with digital connectivity, smart mobility, including rail restoration, designed to reduce the need to travel and enhance wellbeing. The EZ also has the potential to support the Freeport proposal at Bristol with opportunities to support advanced manufacturing facilities as part of a wider Freeport Zone for the South West. Forward funding for infrastructure, including the reinstatement of a rail link into the site, will help to stimulate the development of high technology and energy-related businesses on the site, creating thousands of high-quality jobs and improved productivity.
- 4.2.14 There are a number of other significant employment sites that we are working on with development partners, including Nexus 25 at Taunton and the Bunford Innovation Park at Yeovil. Funds for these sites will stimulate private sector investment in delivering premises for new high value businesses, creating hundreds of new jobs and productivity in high technology sectors. These will be supported through the Revolving Infrastructure Fund discussed below.

**Figure 4.4: Delivering strategic employment sites**

Response	Offer	Ask
Delivery of the Gravity Enterprise Zone	Use of retained business rates to forward-fund site infrastructure Delivery of a Local Development Order to accelerate delivery of the site and provide fast track and agile planning processes aligned to investor timescales and occupier needs Create innovation space and test bed on Gravity	Inclusion of Gravity in the Freeport Zone for the South West £10m for acceleration of WPD grid reinforcement from Bridgwater to site £2 million demonstrator and incubator space to attract first occupiers to site and to demonstrate smart campus concept DfT investment into rail restoration project to enable rail connection to the site (£50 million)

Response	Offer	Ask
		Government support to promote the site as a location for a Gigafactory £5m for smart mobility centre to provide transport innovation and mobility solutions on and off site
<b>Outputs and Impacts</b>	Delivery of a significant regional employment site Creation of 4,000 new jobs Attraction of inward investment, including FDI Which contributes to the Freeport Zone in the South West	

### Climate emergency

4.2.15 We have prepared a climate emergency strategy that will be approved by Somerset’s five local authorities in the autumn of 2020. This sets out our activities to support improvement to the natural environment. We have three goals:

- To decarbonise the local authorities and the wider public estate to reduce our carbon footprint
- To make Somerset carbon neutral by 2030
- To prepare for and be resilient to the impacts of climate change

4.2.16 We have identified nine sectors in which we will respond to climate change. These are:

- Energy, including and energy plan for Somerset
- Transport, including walking, cycling and electric vehicles
- The built environment, including energy use
- Business, industry and supply chains
- Natural environment
- Farming and food
- Water
- Waste and resources
- Communications

## 5 Creating Attractive Places and Homes

### Overview

Lockdown, ongoing social distancing, and unwillingness to visit have significantly reduced footfall in many of our towns and villages, having a particular impact on retail, leisure, hospitality and tourism businesses. Ongoing social distancing and Coronavirus concerns will continue to suppress footfall. This is accelerating the gradual decline in the prosperity and vitality of town centres. Housing affordability and the struggle to deliver new development also affect the revitalisation of our towns and rural areas.

### Improving the environment in Somerset's towns

We have been undertaking marketing and promotion to encourage people into our towns as we **restart** the economy after lockdowns.

We are developing integrated regeneration and development programmes for the towns of Bridgwater, Glastonbury, Taunton and Yeovil, seeking support from the Towns Fund and Future High Street Fund to help **restart, revitalise and grow** our towns. We would like to establish a similar fund to support similar integrated regeneration in our smaller towns.

### Enabling the private sector to deliver development

We have a number of major development opportunities in Somerset that need some financial support to get started. Stimulating these will help with the **revitalisation and growth** of the Somerset economy. We would like to establish a revolving infrastructure fund to invest in enabling infrastructure, which would be repaid and re-used to support ongoing development. We would also like to establish a fund to invest directly in delivering some infrastructure and public realm where the opportunity for recycling is not possible.

### Direct delivery of housing

Delivery of housing for the residents of Somerset is one of our highest priorities. We want to establish a fund to invest in the direct delivery of homes in our towns and rural areas. As well as delivering affordable homes for our residents, this construction activity will be an important part of the economic **restart, revitalisation and growth** of Somerset.

### 5.1 Challenges and opportunities

- 5.1.1 Lockdown, ongoing social distancing, and unwillingness to visit have significantly reduced footfall in many of our towns and villages, having a particular impact on retail, leisure, hospitality and tourism businesses. Ongoing social distancing and Coronavirus concerns will continue to suppress footfall. This is accelerating the gradual decline in the prosperity and vitality of town centres. It is particularly challenging in the coastal and rural areas that are prevalent in the county, although a number of the larger town centres have also been highlighted as being vulnerable.
- 5.1.2 Longer-term, Somerset, like most places, has an underlying issues of poor housing affordability but housing provision can grow significantly, being in a huge opportunity area between Bath, Bristol, Exeter and Plymouth. Housing affordability in rural areas, where wages are often lower, is a particular problem.

- 5.1.3 There are opportunities for significant development and regeneration in our town centres, leading to increased residential density, population and workspace; and development opportunities in new communities on the edge of some towns. New development will help to promote inclusion for all of Somerset's residents.
- 5.1.4 The quality of the natural environment in Somerset is of a particularly high standard. Within the Somerset Levels and Moors, there are various locations of national and international significance for wildlife. However, in light of a court Judgement in August 2020 (known as Dutch N), Natural England has recently advised that new development should not give rise to additional phosphates within the catchments of the Rivers Tone, Parrett, Brue and Axe. The impact of this has been that affected planning applications cannot be determined unless developers are able to provide evidence that their development does not cause an impact, and future developments will have to prove neutrality.

## 5.2 Our responses

- 5.2.1 The National Infrastructure Strategy sets an ambition for thriving communities, and in his speech on 30 June the Prime Minister said that the Government will invest in the town centres of left behind places, promoting growth outside the cities and the metropolis. We will help to achieve this in Somerset's towns. We will help to achieve the Prime Minister's ambition that our towns become *places that people have the confidence to stay, to raise their families and to start businesses*. The Prime Minister talked about building new homes on brownfield land, delivering low carbon homes, and speeding up the house-building process. We will do all of this in Somerset, delivering tens of thousands of new homes.

### Improving the environment in Somerset's towns

- 5.2.2 During the restart of our economy after lockdowns we will undertake marketing and promotion activity to encourage people back into towns and encourage night-time activity. Stimulating footfall will encourage vitality and help our town centre businesses to recover from the effects of Coronavirus and grow further, safeguarding existing employment and creating new employment.
- 5.2.3 We are developing integrated programmes of activity for major town centre redevelopment in Bridgwater, Glastonbury, Taunton and Yeovil. Securing £38 million of Future High Street Funds for Taunton and Yeovil, and up to £50 million of Towns Deal funds for Bridgwater and Glastonbury will draw in match funding and investment from other partners. These programmes will deliver thousands of new jobs and homes in these town centres, turning them into vibrant and sustainable places which provide opportunities for many of our excluded residents.
- 5.2.4 We are also planning to promote integrated regeneration in a number of other towns, including Chard, Shepton Mallet, Watchet and Wincanton, which can potentially be developed into Town Deals. This will build on existing initiatives including a new masterplan for Shepton Mallet. These regeneration schemes will help to create jobs, opportunities and greater inclusion in these towns, and to their rural hinterlands. We have plans for development in towns across Somerset and need at least £25 million of flexible funds to unlock match funding from other partners and private investment. This is a strategic ambition for Somerset and we have established a group of stakeholders to develop plans for this activity. We are planning to provide more detail on this in the Spring of 2021.

**Figure 5.1: Improving the environment in Somerset's towns**

Response	Offer	Ask
Integrated programmes of activity for major town centre redevelopment	We are developing plans for integrated development in Bridgwater, Glastonbury, Taunton and Yeovil	£38 million of FHSF £50 million of Towns Deal funding
Integrated regeneration in a number of other towns	We have plans for the integrated development of other towns, in partnership with the private sector and VCSE sector	£25 million fund to deliver growth across Somerset towns impacted by Coronavirus through a distributed town deal
<b>Outputs and Impacts</b>	Major regeneration of our town centres Increased footfall, spend, vitality and economic sustainability More homes in sustainable town centre locations	

**Enabling the private sector to deliver development**

5.2.5 We have a number of major residential and commercial development opportunities in Somerset which need enabling infrastructure to get started. In some case the cost of the infrastructure can be repaid by the development, but in other cases it cannot.

5.2.6 We want £150 million grant-in-aid (repayable to Government upon cessation) to create a Revolving infrastructure Fund to invest in enabling infrastructure to kick-start new developments. As development is delivered, we will invest in further enabling infrastructure. Along with parallel investment in training and skills, these projects will create employment for local people in construction, helping to increase inclusive growth. This is a strategic ambition for Somerset and we have established a group of stakeholders to develop plans for this activity. We are planning to provide more detail on this in the Spring of 2021.

5.2.7 In some places in Somerset we need to invest in new infrastructure and public realm developments on a non-repayable basis in order to enable new development by the private sector. These will stimulate the delivery of new homes, new employment opportunities, employment opportunities in construction, and greater inclusion. Many new residential developments result in the need to deliver new schools, additional classrooms and educational infrastructure for the new population. We know from experience that the level of CIL/S106 funding that we can achieve in Somerset from new housing developments is insufficient to fund educational infrastructure as well as other essential infrastructure. Therefore, we are requesting funding to allow us to build school places, so they are ready for new housing. CIL collected from these housing developments will then be used to help fund future schools, moving us from always experiencing a funding gap to proactively providing school places.

**Figure 5.2: Enabling the private sector to deliver development**

Response	Offer	Ask
Revolving infrastructure Fund to invest in enabling infrastructure to kick-start new developments	Accelerated delivery of new homes and new jobs	£150 grant-in-aid repayable borrowing to create the RIF
Investment in new infrastructure, including the funding of new school places and public realm developments	Accelerated delivery of new homes and new jobs	£57m of new funding for schools in Somerset to be built and ready for the academic year starting Sept 2024 at the latest
<b>Outputs and Impacts</b>	Delivery of new infrastructure, schools and public realm Enabling the delivery of new homes	

### Direct delivery of housing

- 5.2.8 Delivery of housing for the residents of Somerset is one of our highest priorities. As local authorities we have delivered significant numbers of new homes and can deliver many thousands more homes in our urban centres, towns and rural areas. To maintain momentum in the delivery of new homes as well as bringing forward additional sites that have been stalled (e.g. harder to deliver brownfield sites), the councils need access to low cost secure lending. Our proposal is that Government creates a facility within the PWLB, at a preferential rate, that allows significant borrowing specifically to deliver new homes. This is a strategic ambition for Somerset and we have established a group of stakeholders to develop plans for this activity. We are planning to provide more detail on this in the Spring of 2021.
- 5.2.9 Recognising the impact that phosphate assessments could have on housing delivery and recovery the Councils have moved swiftly to review existing applications to assess which are still viable for determination, and to commission work to develop a phosphates calculator to be launched in early 2021. This will allow applicants to calculate their phosphate budget and mitigations so that the development does not adversely affect the Somerset Levels and Moors Ramsar Site. Going forward a Phosphates Strategy for Somerset will also be delivered by the councils to enable economic growth to continue in compliance with both the legal ruling and our aspirations for clean growth.

**Figure 5.3: Direct delivery of housing**

Response	Offer	Ask
Loan funding to enable delivery many thousands of affordable homes in our towns and rural areas	Delivery of thousands of new homes	A borrowing facility with a PWLB rate close to BoE base rate
Overcome phosphates related constraints on the delivery of housing	Develop a phosphates calculator and phosphates strategy for Somerset	--
<b>Outputs and Impacts</b>	Delivery of thousands of new homes	

## 6 Strategic Delivery and Implementation

6.0.1 Our Recovery & Growth Plan set out how we are responding to the socio-economic challenges of Coronavirus, along with shaping the longer-term growth of Somerset. We are already providing support to the residents and businesses of Somerset, often in partnership with organisations such as the HotSW LEP, and have set out plans to do more.

6.0.2 To meet our aims and objectives set out in Chapter 1, the preceding chapters set out three types of activity:

- Immediate responses, which are already being delivered. These projects will help with the restart and revitalisation of the Somerset economy
- Projects and programmes already being developed, which will be delivered in the short to medium-term. These projects will support revitalisation and longer-term growth
- Strategic ambitions, which we are developing into projects and programmes, through consultation with other stakeholders. These are medium to long-term projects that will help us to build back better, and contribute to long-term structural change in the Somerset economy towards a green recovery and low carbon economy

### 6.1 Immediate responses

6.1.1 Working closely with other organisations including the HotSW LEP, we are ensuring the local delivery of national programmes. In several cases, we present the opportunity to extend the delivery of these activities. This includes:

- Support to those made redundant or at risk of losing their job
- Local delivery of the Careers Hub
- Local delivery of the Growth Hub, support to the visitor economy, and business support including inward investment support
- Investment from the Getting Building Fund in projects such as Taunton Digital Innovation Centre and iAero

### 6.2 Developing the readiness of projects and programmes

6.2.1 We have or are developing business cases and implementation plans for investment in a range of projects and programmes that will help to revitalise the Somerset economy, and help with the long-term transition towards a greener and more equal society. Examples of activities that we are preparing include:

- Capital investment to enhance and enable the delivery of post-16 education and training
- A range of enterprise centres and work hubs in many of Somerset's towns
- Digital demand responsive transport solutions
- Local road and rail projects
- Flood attenuation projects
- Town regeneration bids for funding from the Towns Deal and Future High Streets Fund

6.2.2 We have set out plans for the development of regionally significant projects, such as the Gravity Enterprise Zone.



6.2.3 Our plans support national ambitions to promote a greener and fairer recovery set out in the National Infrastructure Strategy, Energy White Paper and Ten Point Plan for a Green Industrial Revolution. We call on the Government to enable our contribution to national recovery and growth through support from the Levelling Up Fund and UK Shared Prosperity Fund.

### **6.3 Developing our strategic ambitions**

6.3.1 In preparing this Recovery & Growth Plan we have identified some major opportunities for investment in Somerset that will stimulate long-term growth and transition. Local authorities have stepped forward to lead groups of stakeholders who will develop business cases for investment in these opportunities.

6.3.2 Whilst these ambitions are being developed for Somerset, they could be delivered at the LEP level or other strategic geography.

#### **Multi-centre town deal**

6.3.3 We are developing plans for an integrated multi-centre town deal across a number of towns not currently bidding for Towns Deal and Future High Streets Fund. We will identify the towns, and are seeking £25 million to add to the match funding already committed.

#### **Revolving infrastructure fund**

6.3.4 We are exploring the potential for a revolving fund to deliver enabling infrastructure, to kick-start development. We will re-invest all receipts as projects are delivered, enabling us to continue to stimulate development across Somerset. We anticipate a fund of around £150 million.

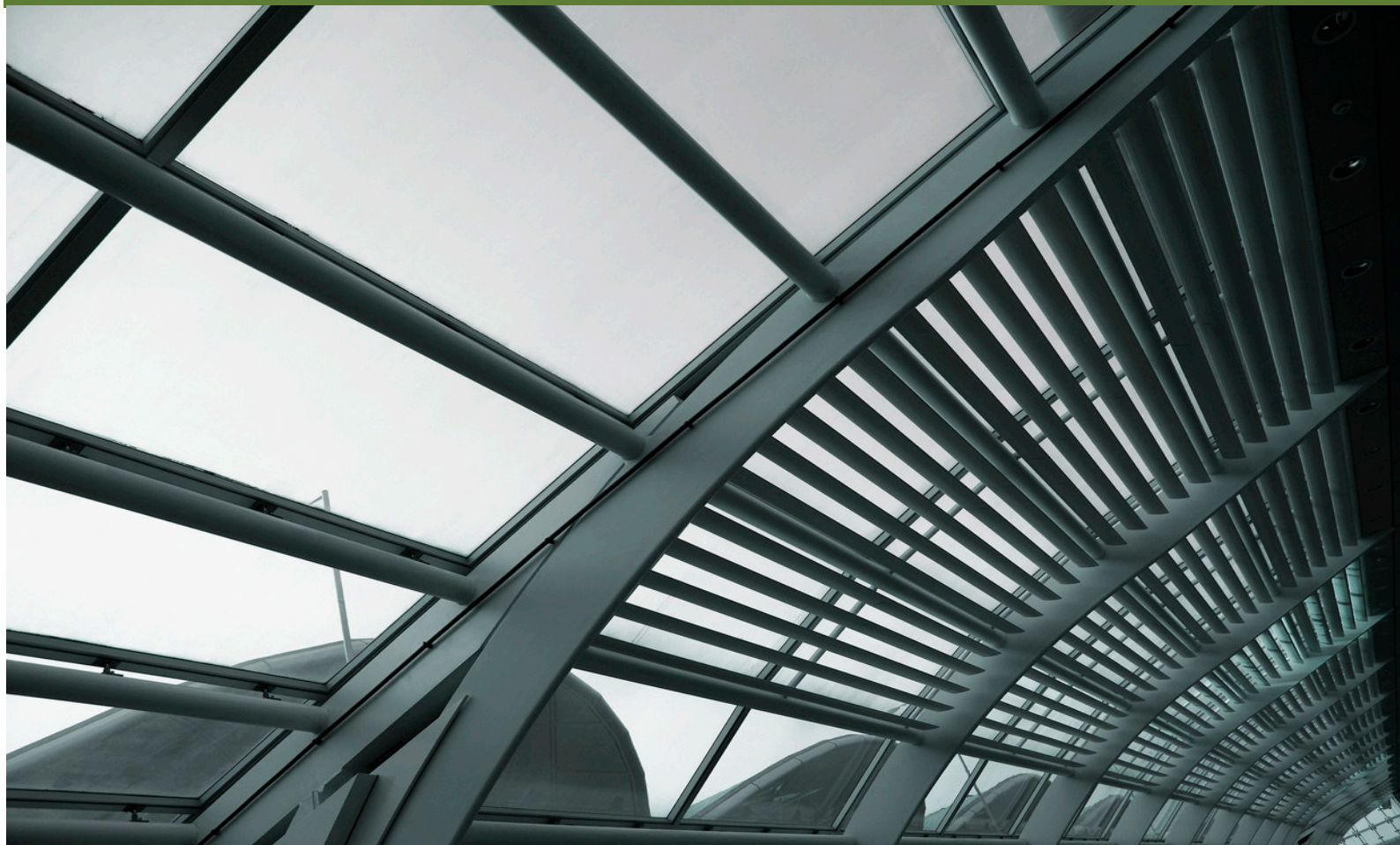
#### **Innovation zones**

6.3.5 We are developing proposals for a series of innovation zones to provide comprehensive support to our high growth potential sectors, including revenue funded activity such as business support, to complement capital investments in infrastructure. These zones would be thematic rather than specifically spatial. They include:

- Clean growth
- Aerospace
- Digital
- Agri-tech

#### **Direct delivery of affordable housing**

6.3.6 We would like to establish a fund to enable the direct delivery of affordable housing across Somerset.



# Somerset Recovery and Growth Plan

## Summary of Areas of Activity

Prepared by Somerset's Local Authorities

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# 1 Introduction

- 1.0.1 This document sets out a short summary of each of the areas of activity proposed in the Somerset Recovery & Growth Plan. For many of these more detail is provided in a full project template which is available as a separate document.

## 2 Employment, Skills and Economic Inclusion

2.0.1 The activities included in this theme are divided into three areas: employment; education and skills; and economic inclusion. These are summarised in the figure below.

**Figure 2.1: Activities to Support Employment, Skills and Economic Inclusion**

<b>Employment</b>
Redundancy support
Employment support
Improve local employment opportunities
<b>Education and skills</b>
Enhanced careers, education, information advice and guidance (CEIAG)
Enhanced post 16 education
Training provider sustainability and growth
<b>Economic inclusion</b>
Address unemployment, under-employment and in-work poverty
Digital skills and access
Young people support

### 2.1 Redundancy Support

#### Overview

2.1.1 We are working with partners to provide immediate support for those who are at risk of redundancy or who have lost their job as a result of Coronavirus. We will implement local Response to Redundancy Taskforces, following our Response to Redundancy Framework. We will put in place a comprehensive package of support to individuals which will be available as an online resource and supplemented with direct support where needed. This support will be aligned with that on offer from key partners such as Job Centre Plus, National Careers Service, SERCO and others. Businesses will also be supported through the redundancy process and support will be available for their ongoing resilience and growth.

2.1.2 Key objectives of this programme are to ensure:

- A coordinated response to redundancies across partners following the Response to Redundancy Framework
- That all appropriate information and support is easily accessible by individuals and business

#### Offer

2.1.3 Using BRRP funding, short-term capacity has been secured for the following activity.

2.1.4 We will develop, roll out and maintain a Response to Redundancy (R2R) Framework which sets out how partners should work together to provide a coordinated response to support businesses (including survival, their ongoing sustainability and longer-term growth) and the individuals impacted.

2.1.5 We will bring together all advice and guidance available from partners in respect of redundancy support and publish it in a single, accessible, place on the Step Up Somerset website. This will act as a one-stop-shop for all relevant information. We will identify any gaps in provision and will work with partners to develop additional support where needed.

2.1.6 We will coordinate a multi-partner group (the Unemployment Support Group) to oversee redundancy announcements and the implementation of the R2R Framework. We will continue to pull together the services available across key partners.

#### **Ask**

2.1.7 That DWP/JCP are able to proactively share intelligence on redundancy announcements and HR1 details with the USG and/or key partners in a timely manner and that the Taskforce is fully engaged in early discussions with the business. This is key where the business may need business support alongside the support on offer to individuals.

2.1.8 To ensure that national programmes of activity are fully engaged with local partners, and work in parallel, under the R2R Framework so we are able to provide a coordinated response and support package to business. There is a significant risk of business receiving fragmented support if this is not achieved.

2.1.9 Additional funding, to continue this activity post September 2021, is required as set out below.

#### **Readiness and Deliverability**

2.1.10 The R2R Framework, Step Up Somerset and USG are all in progress.

#### **Next Steps**

2.1.11 To review and refine the R2R Framework based on learning from early implementation.

2.1.12 To continue to pull together support offers from across partners and include on the Step Up Somerset website.

2.1.13 Identify any gaps in provision or capacity issues across partners as numbers of redundancy increase. Ensure we have the right provision available and seek investment where appropriate.

2.1.14 Promote the support available directly to individuals, particularly where the business has closed without engaging through the R2R Framework, using social media and other channels.

#### **Timing**

2.1.15 Ongoing.

#### **Funds**

2.1.16 This activity has been delivered within the strategic capacity provided under the BRRP funding (1 FTE coordinator and 1 FTE project/comms officer). This capacity is currently funded until September 2021. Ongoing support will be required post September 2021 at an approximate annual cost of £80,000.

2.1.17 Step Up Somerset has been developed and funded through the BRRP and costs covered until September 2022. Ongoing development of the portal will be provided within the strategic capacity, but hosting costs and additional functionality of the website will cost between £500-£1,000 per annum depending on the requirements.

## **2.2 Employment Support**

#### **Overview**

2.2.1 We are working with partners to create a package of support to those seeking work, considering self-employment or who are seeking an alternative career route. We will ensure that they have

suitable employability and personal skills. We will ensure that individuals are aware of the roles and opportunities available to them, match them to these opportunities and help them to apply for these jobs. This support will closely align with the Redundancy Support and the Skills Support programmes.

#### **Offer**

- 2.2.2 Using BRRP funding short-term capacity has been secured for the following activity.
- 2.2.3 We will develop and maintain the Step Up Somerset website which brings together a range of employment support into a single point of access. This is an online resource that will be supplemented by other delivery mechanisms.
- 2.2.4 We will create a network of employment and skills hubs across Somerset. Building on services already available across our partners and developing new provision where appropriate. The hubs will bring together partners who are already working with individuals to provide advice/guidance on all aspects of employment, applying for jobs, upskilling and self-employment such as Job Centre Plus, National Careers Service, SERCO and others. Advisors will be available to provide 1-2-1 support, matching individuals to job opportunities, and helping them through the application process. The hubs are intended to provide a physical access point for services hosted on the Step Up Somerset website.
- 2.2.5 Through Skill Up, we are providing guidance and support to apprentices who have been directly impacted by Coronavirus. Working with training providers and employers, advice will be provided to ensure the individual can continue on their apprenticeship journey, where possible, or is supported into another employment/training opportunity.
- 2.2.6 We will work with partners to develop a joined-up approach to redeployment into sectors where employment opportunities exist, such as the care sector and through major projects such as HPC, creating a workforce pipeline for the future and also supporting individuals to retrain for relevant roles. Under the Enhanced CEIAG Programme, we will develop a suite of route maps, and escalators of progression, into and through our core sectors.

#### **Ask**

- 2.2.7 Additional funding, to continue this activity post September 2021, is required as set out below.

#### **Readiness and Deliverability**

- 2.2.8 This is work in progress.

#### **Next Steps**

- 2.2.9 To review and refine the Step Up Somerset website, continue to develop content as appropriate and continue to raise awareness of the site and the services available through it.
- 2.2.10 Continue to roll out the physical employment and skills hubs across Somerset so they are operational before the end of the employment support schemes.
- 2.2.11 Identify any gaps in employment support and consider, with partners, how these can be filled.
- 2.2.12 Deliver three virtual jobs/apprenticeship fairs early in 2021 aligned with the Enhanced CEIAG Programme.

#### **Timing**

- 2.2.13 Ongoing.

## **Funds**

- 2.2.14 This activity has been delivered within the strategic capacity provided under the BRRP funding (one FTE coordinator and one FTE project/comms officer). This capacity is currently funded until September 2021. Ongoing support will be required post September at an approximate annual cost of £80,000.
- 2.2.15 To continue the delivery of the employment and skills hubs we would require £400,000 of annual revenue funding.
- 2.2.16 Step Up Somerset has been developed and funded through the BRRP and costs covered until September 2022. Ongoing development of the portal will be provided within the strategic capacity, but hosting costs and additional functionality of the website will cost between £500-£1,000 per annum depending on the requirements.

## **2.3 Improve Local Employment Opportunities**

### **Overview**

- 2.3.1 We will work with employers to maximise opportunities for local employment within our growth and across our bedrock sectors, specifically encouraging clean growth, and support individuals to access these opportunities ensuring they have the appropriate skills to do so. For major projects within Somerset we will use planning and procurement processes to secure employment of local workers and for investment in their ongoing skills development e.g. using and extending local labour agreements. We will need enhanced capacity to enforce this through planning and effective contract management of procurement. This will support revitalisation and growth in Somerset.
- 2.3.2 Skill Up Somerset is currently funded through the BRRP and through our ESF funded, Skills for the Workforce Programme, we will continue and extend the Somerset Skill Up Service, delivered by DSTPN, until 2023. Skill Up works with business to encourage them to create apprenticeship and traineeship opportunities, supporting the government's Opportunity Guarantee for Young People, but also ensuring people of all ages have access to apprenticeships and training. Skill Up will work with business to support recruitment into apprenticeships and traineeships. We will work with the DSTPN to ensure appropriate provision is available and seek resources to improve the sustainability of these programmes. Our training providers will support the delivery of all employment related skills-based training programmes including traineeships and apprenticeships, underpinned by incentives to employers.

### **Offer**

- 2.3.3 We will work with employers to create employment opportunities within our bedrock and growth sectors, specifically encouraging clean growth, and support individuals to access these opportunities ensuring they have the appropriate skills to do so.
- 2.3.4 We will embed local labour agreements across all planning and procurement processes and encourage our supply chain to invest in their workforce.
- 2.3.5 We have created the Skill Up Somerset service, through DSTPN, using BRRP funding and will continue the service, post March 2021, under our ESF Funded Skills for the Workforce Programme. Skill Up will continue to encourage creation of apprenticeship and traineeship opportunities and will work with business to support recruitment into these opportunities.



- 2.3.6 We will host information on the Step Up Somerset website. This will act as a one-stop-shop for all relevant information and will sign post out to partners where appropriate.

#### **Ask**

- 2.3.7 Implementation of a range of funding and rule changes to 16-24 traineeship, apprenticeship and adult offer to facilitate training opportunities for all.
- 2.3.8 Employer incentives of up to £3,000 per apprentice, with an increase on non-levy funding allocations to match.
- 2.3.9 Additional funding, to continue this activity post September 2021, is required as set out below.

#### **Readiness and Deliverability**

- 2.3.10 The activity is not yet fully scoped, although work under the Skill Up service is in progress.

#### **Next Steps**

- 2.3.11 The full scope of activity needs to be developed and an approach agreed.

#### **Timing**

- 2.3.12 This work will commence in early 2021.

#### **Funds**

- 2.3.13 This activity will be delivered by the strategic capacity provided under the BRRP funding (1 FTE coordinator and 1 FTE project/comms officer). This capacity is currently funded until September 2021. Ongoing support will be required post September at an approximate annual cost of £80k.
- 2.3.14 The Skill Up Service is funded via the BRRP until March 2021 and will be funded via the ESF Funding from April 2021 until July 2023.
- 2.3.15 Step Up Somerset has been developed and funded through the BRRP and costs covered until September 2022. Ongoing development of the portal will be provided within the strategic capacity, but hosting costs and additional functionality of the website will cost between £500-£1,000 per annum depending on the requirements.

## **2.4 Logistics Training Academy**

#### **Overview**

- 2.4.1 As part of the sustained expansion of a key local logistics company based between Frome and Shepton Mallet, and the enhancement of their FLT Fleet to electric, an opportunity has arisen to create a purpose built Logistics Training Academy to serve the wider local area. The scheme proposal would include local training provider/s, local businesses accessing opportunities to upskill their staff alongside a programme for individuals accessing the industry through the DWP and through recruitment agencies to be included in the scheme to help to offset anticipated losses in many other sectors due to the impact of Covid-19. Additional skills in the sector are also expected with uncertainties around the impact of Brexit on international logistics companies.

## 2.5 Enhanced Careers, Education, Information, Advice and Guidance

### Overview

2.5.1 We are working with partners to provide enhanced careers, education, information, advice and guidance (CEIAG) to all Somerset residents, particularly our young people, including raising awareness of apprenticeships, traineeships and T Levels as a viable post-16 option. During school closures the Somerset Education Business Partnership (EBP) moved all resources online and rolled out a programme of virtual work experience and careers events accessible to all young people across Somerset. We will seek funding to continue the services of the EBP which is essential to sustain and develop careers advice and engagement between employers, schools, young people and their parents/guardians. The EBP will continue to work in very close partnership with the Heart of the South West Careers Hub. To enable continuation of both of these activities locally we will need additional revenue funding. Ongoing activity will need to be aligned with local labour market intelligence as the post-Coronavirus landscape continues to change and develop. In the short-term we will utilise the BRRP funding to cover a proportion of these costs.

2.5.2 The objectives of this activity are to:

- Raise awareness across our young people of post 16 opportunities in education, training or employment
- Raise awareness across the wider adult population of opportunities in education, training or employment

### Offer

2.5.3 We will create clear route maps, and escalators of progression, into and through our core sectors. These pathways will align with our employment support programmes and, working with training providers, we will ensure individuals can access the right training meeting the needs of employers.

2.5.4 We will continue to deliver the Somerset Education Business Partnership and, working with partners, we will develop a sustainable model for ongoing delivery beyond 2021.

2.5.5 We will provide an interim contribution from the BRRP funding to cover the shortfall in costs in 2020/21 for the HotSW Careers Hub.

2.5.6 We have developed the Step Up Somerset website bringing together all CEIAG support available across Somerset. We will use Step Up to hold, and promote, CEIAG to the wider population on opportunities in education, training and employment. We will signpost to other provision where appropriate (including EBP for pre-16) and link to our Employment Support programme. We will continue to develop it into the medium/long term identifying any gaps in provision and seeking to fill these.

### Ask

2.5.7 For Government (DfE) to fully meet the cost of the Careers Hub from 2021/22 to sustain this provision.

2.5.8 Additional funding, to continue this activity post September 2021, is required as set out below.

### Readiness and Deliverability

2.5.9 EBP and Careers Hub is in delivery. Other activity has begun and will develop over time.

### **Next Steps**

- 2.5.10 To define the model for ongoing EBP sustainability.
- 2.5.11 To develop the full CEIAG offer and promote.

### **Timing**

- 2.5.12 Work has begun and will be ongoing.

### **Funds**

- 2.5.13 The operational cost of the EBP is around £110,000 per annum. Ongoing funding is needed to continue the service post 2021.
- 2.5.14 The contribution to the HotSW Career Hub in 2020/21 for Somerset was £25,000. Costs for 2021/22 are not yet known and will be needed.
- 2.5.15 The wider activity has been delivered within the strategic capacity provided under the BRRP funding (one FTE coordinator and one FTE project/comms officer). This capacity is currently funded until September 2021. Ongoing support will be required post September at an approximate annual cost of £80,000.
- 2.5.16 Step Up Somerset has been developed and funded through the BRRP and costs covered for 2 years. Ongoing development of the portal will be provided within the strategic capacity, but hosting costs and additional functionality of the website will cost approximately £500 per annum.

## **2.6 Enhance Post 16 Education**

### **Overview**

- 2.6.1 Working with our training providers, we will ensure that everyone has access to the right education and training which aligns to the current and future needs of business.

### **Offer**

- 2.6.2 We will work with our training providers and the DSTPN, to enhance post-16 education, including re-training for the unemployed and greater flexibility in course offer and start dates. This will help to ensure that residents have the skills needed to contribute to revitalisation and growth in the economy. We need greater flexibility in the use of the Adult Education Budget. We seek support, including through flexibilities, to allow easy access to training for adults who have been made redundant. This skills provision will range from short courses to higher level qualifications, including additional support for digital literacy, outreach and workforce mobilisation across distressed sectors.
- 2.6.3 We will seek to extend skills provision for adults alongside our European Social Fund Skills Support for the Workforce, which will provide training support to those in, or close to, employment.
- 2.6.4 We will work with our training providers to ensure every young person has access to high-quality education or training, funded to meet their needs. Funding needs to be flexible to allow students to start throughout the year.
- 2.6.5 We will deliver higher skills for the Growth Sectors, aligned to the HotSW Local Industrial Strategy. We ask for greater flexibility in the use of funding to allow re-training and up-skilling in Growth Sector areas. This will include digital skills across all sectors. We will seek investment towards the

development of innovation and skills opportunities with a focus on high growth and clean growth innovation and high value employment.

2.6.6 Independent Training Providers (ITP's) via the DSTPN will deliver different specialisms across the post 16 education training offer including re-training for the unemployed, Traineeships, Apprenticeships and provision for 16-19, 19-23 and 23 + year olds. Greater emphasis will be given to activity which encourages and increases work experience and gives greater flexibility on course offer and start dates.

2.6.7 We will deliver training to enhance and accelerate economic strategies.

#### **Ask**

2.6.8 Ensure guarantees for Adult Education Budget are in place for 2020/21. We ask that flexibilities are considered so that 19+ learners are given further support to incentivise participation in training development

2.6.9 Funding to expand the education for 16-19 year olds to successfully deliver against our offer

2.6.10 Support for 16-18 year olds to access education through the provision of free transport, in line with other parts of the Country such as London and Manchester

2.6.11 Repurpose balances of ESF to provide responsive and tailored programmes for adults within the community to re-train and re-skill

2.6.12 Investment to develop programmes such as sector-based work academies and the delivery of these programmes.

2.6.13 Ensuring that training providers are embedded into JCP/DWP delivery

2.6.14 Enhance the Adult Education Budget together in one budget line with the National Retraining Scheme, the National Skills Fund and the Shared Prosperity Fund ensuring balances are sufficient to meet increased demand to counter the impact of reduced income if full-funding flexibilities are implemented

2.6.15 Early release of a proportion of the National Skills Fund to support flexible learning.

2.6.16 Fully fund 24+ adults to undertake subsequent L3 programmes or units in priority sectors

2.6.17 Simplification of the funding rates and rules training providers work to in order to have flexibility to meet demand

2.6.18 Where needed, a front-loaded payment profile for training providers to allow for intensive upfront delivery

2.6.19 Adequate funding with flexibility in the funding rules

#### **Readiness and Deliverability**

2.6.20 Training providers continue to deliver their services

#### **Next Steps**

2.6.21 Independent Training Providers are developing their strategy and approach to respond to Government's future post 16 education and skills strategy and the evolution of the economy and skills needs.

### **Timing**

2.6.22 Ongoing

### **Funds**

2.6.23 The funding requirements are set out within the Asks section above.

2.6.24 This activity has been delivered within the strategic capacity provided under the BRRP funding (one FTE coordinator and one FTE project/comms officer). This capacity is currently funded until September 2021. Ongoing support will be required post September at an approximate annual cost of £80,000.

## **2.7 Training Provider Sustainability and Growth**

### **Overview**

2.7.1 We will work with our training providers to ensure they are able to provide the right training to individuals that meets the needs of business now and in the future.

2.7.2 We will seek funding to support capital improvements within our training provider network including resources to enhance digital connectivity across the network to provide virtual learning and modernise assets. We seek investment for maintenance of training provider facilities. With greater flexibility and funding, we will be able to further develop delivery of blended learning opportunities (immersive online and face-to-face) and local delivery of post-16 education in less accessible places such as West Somerset.

### **Offer**

2.7.3 Delivery of modification and IT set-up to deliver blended learning

### **Ask**

2.7.4 Support for training providers with development funds to assist the development of individual provider's strategy to adapt and become the provider of the future

2.7.5 Funding to replace category C&D accommodation within our colleges

2.7.6 Release 20% of the £1.5bn capital fund for IT equipment, software and building modification for all training providers

### **Readiness and Deliverability**

2.7.7 Work in progress.

### **Next Steps**

2.7.8 We will continue to work with our training providers to understand need and use this to inform strategic investment planning locally and with the HotSW LEP.

### **Timing**

2.7.9 Ongoing

### **Funds**

2.7.10 Funding requirements are set out within the Ask section above.

2.7.11 This activity has been delivered within the strategic capacity provided under the BRRP funding (one FTE coordinator and one FTE project/comms officer). This capacity is currently funded until

September 2021. Ongoing support will be required post September at an approximate annual cost of £80,000.

## 2.8 Address Unemployment, Under-Employment and In-Work Poverty

### Overview

- 2.8.1 Promoting economic inclusion is an important outcome of restarting, revitalising and growing the Somerset economy. We will seek to support individuals who need additional support to access employment and learning.
- 2.8.2 We will work with training providers to ensure that the whole population has access to learning through localised provision particularly in our rural and deprived areas where transport and connectivity issues are a concern. This will include a blended and distance learning approach accessible via local learning hubs.
- 2.8.3 We will provide targeted support for in-work poverty to ensure that people already in work are able to access training for upskilling, enabling them to move into better paid jobs. We will ensure that other responses highlighted in the plan help to achieve this. We will also provide support to businesses to train and upskill their staff through our Skill Up service, enabling individuals to move into better paid roles.
- 2.8.4 Building on the pilot in South Somerset, we will develop a Somerset-wide coaching and support programme to help families to help themselves and support children from deprived backgrounds in improving their educational attainment and accessing employment.

### Offer

- 2.8.5 We are applying for funding to extend the Access to Learning and Employment Grant that we have delivered in the West Somerset Opportunity Area. This is a flexible grant to individuals to help overcome any barriers to learning or work e.g. childcare, training, transport or suitable workwear/clothes. existing Access to Learning and Employment Grant. If successful this will be extended across Somerset.
- 2.8.6 We will encourage local delivery of training by extending the Skill Up Here model, piloted in West Somerset. We will work with training providers to understand need, identify barriers and seek to overcome these to enable delivery.
- 2.8.7 We will continue to support, and encourage, a blended learning approach/distance learning particularly in rural areas.
- 2.8.8 We will provide employment support through our employment programmes and will provide enhanced coaching and support for deprived families.
- 2.8.9 Building on the pilot in South Somerset, we will develop a Somerset-wide coaching and support programme to help families to help themselves and support children from deprived backgrounds in improving their educational attainment and accessing employment and aiming to reduce social isolation, building resilience and securing employment/better outcomes.

### Ask

- 2.8.10 £400,000 per annum for the extension to Access to Learning Grant. We are applying to DWP for this.

- 2.8.11 £1 million capital investment in local/remote facilities to roll out learning hubs.
- 2.8.12 Investment in training provider facilities to enable enhanced blended/distance learning.
- 2.8.13 £1 million per year for a three year county-wide coaching/support programme for deprived families based on the South Somerset model.
- 2.8.14 Additional funding, to continue this activity post September 2021, is required as set out below.

#### **Readiness and Deliverability**

- 2.8.15 Some activity is in progress and being delivered as part of wider programmes,

#### **Next Steps**

- 2.8.16 Continue with the application for funding for the Access to Learning and Employment Grant.
- 2.8.17 Develop a detailed plan of investment needed for delivery of a network of learning hubs.
- 2.8.18 Develop a detailed plan of investment needed in training provider facilities to enable blended/distance learning.
- 2.8.19 Develop a detailed plan, based on the South Somerset model, for a programme of coaching and support for deprived families.

#### **Timing**

- 2.8.20 Some activity has begun but the development of plans will begin early in 2021.

#### **Funds**

- 2.8.21 Funding requirements are set out in the Ask section above.
- 2.8.22 This activity will be delivered within the strategic capacity provided under the BRRP funding (one FTE coordinator and one FTE project/comms officer). This capacity is currently funded until September 2021. Ongoing support will be required post September at an approximate annual cost of £80,000.

## **2.9 Digital Skills and Access**

#### **Overview**

- 2.9.1 Digital skills and access is a cross cutting theme that is considered across all of our programmes to support individuals into employment and through skills and training. However, there are a number of discrete projects that we consider to be essential enablers for the wider programmes such as:

- Access to devices and internet for individuals seeking work
- Access to devices and internet for our learners

#### **Offer**

- 2.9.2 Through our Skills and Employment Support Programmes we will continue to improve digital skills throughout the population to enable people to access digital services, support and apply for jobs.
- 2.9.3 Using BRRP funding we are rolling out a pilot programme to loan devices, with broadband access, to residents who are seeking employment. If demand is proven, we would require funding to extend and widen this service.

2.9.4 We will work with our training providers to ensure learners have appropriate devices and broadband access for learning.

#### **Ask**

2.9.5 Capital funding to extend access to devices at a cost of £9,000 per ten devices. This scheme can be scaled to fully meet demand if funding is available.

2.9.6 £800,000 to provide all learners with access to a personal device and connectivity to access online learning.

#### **Readiness and Deliverability**

2.9.7 The pilot is in delivery, other work is ongoing.

#### **Next Steps**

2.9.8 Review effectiveness of pilot and consider ongoing need/demand.

2.9.9 Work with training providers to understand needs and gaps in access to devices across the student population.

#### **Timing**

2.9.10 Ongoing into 2021.

#### **Funds**

2.9.11 The funding requirements are set out in the Ask section above.

2.9.12 The device loans scheme pilot has been funded through £10k of BRRP funding. Private sector sponsorship for an additional 10 devices is under discussion. Funding is required to further extend the scheme to fully meet demand.

2.9.13 This activity has been delivered within the strategic capacity provided under the BRRP funding (one FTE coordinator and one FTE project/comms officer). This capacity is currently funded until September 2021. Ongoing support will be required post September at an approximate annual cost of £80,000.

## **2.10 Young People Support**

#### **Overview**

2.10.1 Our young people are, and will continue to be, adversely impacted by the effects of Coronavirus. All of our interventions across Employment, Skills and Inclusion will be accessible to young people, where appropriate. However, we will also develop a targeted strategy to support Young People to ensure they can access the right training and skills development for future job opportunities.

#### **Offer**

2.10.2 We will ensure that all of our services, both in delivery and being planned, consider specific support for Young People.

2.10.3 We will develop a strategy that considers the challenges faced by young people in the current climate. We will develop a programme of interventions, aligned where appropriate to wider interventions, to ensure that young people have access to employment and training opportunities. We will coordinate, and act as a gateway, the DWP Kickstart Scheme within Somerset. We will



encourage and support employers to offer placements and ensure every young person engaged has access to appropriate wrap-around support.

- 2.10.4 We will support national interventions ensuring local take up. Specifically, we will coordinate the DWP Kickstart Scheme locally and apply to become a gateway for public sector businesses and their supply chains. We will work with other gateway organisations operating in Somerset to support the effective implementation of the scheme for our Young People. We will offer the support of the Somerset Skill Up service to broker any additional wrap around support the young people need.
- 2.10.5 We will commission Youth Employment UK to develop an online hub for Somerset. We will coordinate across partners and our own services to ensure Young People can access services and support from this hub.
- 2.10.6 We will deliver our £1.3 million ESF NEETs programme to ensure that young people at risk of, or who are, NEETs re-engage in education or can access employment opportunities. We will seek additional funding to ensure that ALL young people can access support they need to continue to engage.

#### **Ask**

- 2.10.7 That all national schemes planned and rolled out are coordinated with local provision to avoid confusion and duplication and ensure alignment.
- 2.10.8 Investment to deliver the interventions identified within the emerging Young People Strategy.
- 2.10.9 £190,000 of urgent pastoral and academic activity to support 16 year olds back into study to enhance the ESF programme
- 2.10.10 Establish a pool of funding to support the students at risk of becoming NEET to include one-to-one tutorial support/mentoring and the establishment of bursaries to remove barriers to education.

#### **Readiness and Deliverability**

- 2.10.11 Some activity is integrated into other provision and in delivery (such as CEaIG and employment support), the ESF NEETs programme is in delivery and other activity is yet to be defined.

#### **Next Steps**

- 2.10.12 Develop the Youth hub online content.
- 2.10.13 Finalise the Young People strategy and define our interventions.

#### **Timing**

- 2.10.14 Strategy to be finalised in December 2020 and implementation ongoing thereafter.

#### **Funds**

- 2.10.15 £6,000 has been committed from the West Somerset Opportunity Area to commission the Youth Employment Hub.
- 2.10.16 Using BRRP funding we have commissioned capacity to develop the initial Young People strategy. Additional funding will be required to implement the recommendations and activity identified within the strategy.
- 2.10.17 This activity has been delivered within the strategic capacity provided under the BRRP funding (one FTE coordinator and one FTE project/comms officer). This capacity is currently funded until

September 2021. Ongoing support will be required post September at an approximate annual cost of £80,000.

2.10.18 Step Up Somerset has been developed and funded through the BRRP and costs covered for 2 years. Ongoing development of the portal will be provided within the strategic capacity, but hosting costs and additional functionality of the website will cost approximately £500 per annum.

2.10.19 Other funding requirements are set out in the ask section above.

### 3 Helping Businesses and Sectors to Grow

3.0.1 The activities included in this theme are divided into two areas: safeguarding and creating jobs in the bedrock sectors; and supporting growth and productivity in the growth sectors. These are summarised in the figure below.

**Figure 3.1: Activities to Help Businesses and Sectors to Grow**

<b>Safeguarding and creating jobs in the bedrock sectors</b>
Visitor Economy Support Programme
Enhance and expand Growth Hub support
Promote social value, procurement and social enterprise
New enterprise centres and work hub space
<ul style="list-style-type: none"> <li>• Chard</li> <li>• Bruton</li> <li>• Wellington</li> <li>• Burnham/Highbridge</li> <li>• Glastonbury (as part of the Glastonbury Town Deal bid)</li> <li>• Co-Working Space (Yeovil &amp; Chard)</li> </ul>
<b>Supporting growth and productivity in the growth sectors</b>
Delivery of innovation infrastructure projects
<ul style="list-style-type: none"> <li>• iAero</li> <li>• Taunton Digital Innovation Centre</li> </ul>
Deliver new innovation zones
Additional inward investment promotion and support
Somerset Catalyst

#### 3.1 Bedrock: Visitor Economy Support Programme

##### Overview

3.1.1 The Somerset Visitor Economy Support Programme will provide a discrete set of interventions to support the visitor economy to resume trading as COVID-19 restrictions are eased/lifted and to start to move towards recovery. This approach recognises the value and importance of Somerset’s visitor economy, the particular impacts of the COVID-19 pandemic on the sector and the need for targeted and tailored support.

3.1.2 Activities will include: beneficiary recruitment, signposting, business support and digital skills training, visitor sentiment and needs research

##### Offer

3.1.3 We have committed £250,000 of funds to deliver this activity.

##### Ask

3.1.4 The proposed activities will cost £500,000, so a further £250,000 is needed for these.

##### Readiness and Deliverability

3.1.5 There is a business plan in place. The Visitor Economy Support Programme phase 1 was approved by SGMG in June 2020. Phase 2 of the programme is currently in development with marketing, destination packaging and disruption strategies to connect businesses more closely with the visitor all being worked up.

### **Next Steps**

3.1.6 Phase 1 will be delivered; and Phase 2 will be developed further.

### **Timing**

3.1.7 Immediate delivery, lasting for 12 months.

### **Funds**

3.1.8 £250,000 has been committed from the Business Rate Retention Pilot. A further £250,000 is needed for Phase 2.

## **3.2 Bedrock: Enhance and Expand Growth Hub support**

### **Overview**

3.2.1 The Heart of the South West LEP Growth Hub provides independent diagnosis and referrals to existing business support services in the HotSW area which includes Somerset.

3.2.2 This year the Growth Hub has engaged with a larger number of SMEs due to the Covid pandemic than in normal circumstances. The Growth Hub has worked closely and in partnership with businesses, business support providers, regulators and local authorities to provide and signpost to business support services in the region. Working with partnerships such as Better Business for All, HotSW LEP as well as partners and suppliers, the Growth hub has provided key information to businesses during the past year.

3.2.3 We will enhance and expand the Growth Hub support to businesses, to enable the service to support more businesses throughout Somerset. This will help businesses to survive and grow, safeguarding and creating jobs, and help new-start businesses that are established.

### **Offer**

3.2.4 Somerset local authorities will promote Growth Hub through all available channels and provide local service delivery points. Growth Hub will provide ongoing business support and signposting for businesses in the region including in the Somerset area.

### **Ask**

3.2.5 With the ERDF part-funded Start Up and Grow programme having ended in March, there would seem to be a clear gap for intensive programmes of support for start-ups. The Growth Hub, has noted increased start-up related enquiries as many people have re-evaluated their plans through necessity or choice as we move through the impacts of Covid-19

3.2.6 The following areas have been identified as areas of need where there are gaps in provision over the coming months and beyond

- Access to finance: this is the key gap that the LEP is currently looking at along with the British Business Bank.
- BAME support
- EU Exit Business Support
- Incremental Innovation / Adoption of new technology
- Social enterprise support
- Start-up

### 3.3 Bedrock: Promote Social Value, Procurement and the Voluntary, Community and Social Enterprise sector

#### Overview

3.3.1 This whole strand of activity represents a programme level approach which is a **combination of existing projects and projects and an aspiration for the future** and greater levels of transformation in how collectively we deliver against social value objectives in our planning and procurement processes and how we support the re-stabilisation of the Voluntary Community and Social Enterprise sector (VCSE) for them to become self-sustaining where possible.

**Figure 3.2: The role of VCSE in Economic Recovery & Growth – cross cutting themes**

Direct	Indirect
<ul style="list-style-type: none"> <li>• Employment</li> <li>• Spend local -&gt; support the high streets</li> <li>• Mental health/well-being support</li> <li>• Pathways to employment</li> <li>• Transport</li> <li>• Skills</li> <li>• Health</li> <li>• Community owned assets – pubs, shops etc</li> <li>• Diversity &amp; inclusion</li> <li>• Inward investment</li> <li>• Tourism/arts/culture</li> <li>• Financial/debt services – CABs, Credit Unions etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Enabling services e.g. childcare, young people support, older people services...</li> <li>• Catalysts, alternative models</li> <li>• Contributing to overall quality of life</li> <li>• Community owned assets – community buildings to host activities</li> </ul>

3.3.2 The tables above demonstrates cross-cutting themes that describe how the VCSE sector contributes directly and indirectly to inclusive economic growth and community wealth, which goes beyond simply what the VCSE sector needs to what the sector has to offer

3.3.3 The main themes under this activity are:

- The policies that the Councils are collectively developing in adopting the principle of the Social Value Act 2012, to ensure that as much Local Authority spend through its regeneration and procurement activities benefit local businesses, supply chains and skilling of the local residents, to ensure that monies are spent and distributed in the local area for the benefit of the local economy
- Supporting those organisations that provide support for the Voluntary, Community and Social Enterprise businesses

3.3.4 This whole strand of activity represents a programme level approach which is a combination of existing projects and projects and an aspiration for the future and greater levels of transformation in how collectively we deliver against social value objectives in our planning and procurement processes and how we support the re-stabilisation of social enterprises for them to become self-sustaining where possible.

3.3.5 The focus should be on:

- Adopting a commissioning approach to the design of services delivered to the public ensuring those involved in procuring services within the Councils understand our Social Value objectives, and the value of VCSE sector in delivering services to the public
- Consider splitting contracts into smaller lots where this is likely to attract bids from micro, small and medium sized enterprises, community groups, voluntary organisations and social enterprises, with longer lead-in times and longer contract lengths
- Refresh Social Value policies and embedding them in Councils
- Adopt a Community Wealth generation approach
- Securing funding for those VCSEs that have been set back due to either lockdowns or the social distancing measures – shift to investing in a vibrant future for the sector
- Building and investing in partnership approach, support innovation, co-production, working together e.g. workforce development, asset transfers etc.
- Critical success factor – cultural change to see VCSE as mission-critical partner
- Need ‘risk capital’ and ‘org development’

#### **Offer**

3.3.6 Somerset’s local authorities will redesign the commissioning of services and use our procurement and planning systems to promote social value. Through this work we will:

- Create new local jobs
- Re-start local businesses, and support the growth of responsible businesses
- Develop local supply chains
- Provide skills, training and apprenticeship opportunities for local residents
- Build community resilience
- Recruit and train community volunteers
- Protect the environment

3.3.7 Activities could include:

- A VCSE Transformation Fund – consisting of grants, loans and patient capital. This would help support adaptation, managed change and innovation.
- Business development:
  - a) training and investment in core skills – leadership, management, HR, finance
  - b) ‘Enhance VCSE’ business planning and transformation service – for experienced business development professionals
- Investment in networks and peer learning including development of collaborative work, including bringing in ideas and influences from outside Somerset
- Community investment – anchor organisations and grassroots “people-led” initiatives
- Unlock potential within Somerset – CSR, volunteering, skill sharing
- Cross sector working practices to co-produce etc
- Investment in infrastructure
- To support existing social enterprises, CiCs and other VCSE organisations with trading or paid for service delivery functions, as well as supporting pre starts and the social entrepreneurship

3.3.8 We will build on existing Voluntary Community and Social Enterprise (VCSE) innovation projects in Frome, Glastonbury and Watchet.

### 3.4 Bedrock: New Enterprise Centres and Work Hub Space

3.4.1 See sections below on enterprise centres for:

- Bruton
- Chard
- Glastonbury
- Wellington

3.4.2 There are also sections on co-working spaces at Chard and Yeovil.

### 3.5 Bedrock: Bruton Enterprise Centre

#### Overview

3.5.1 The Bruton Enterprise Centre (BEC) project will deliver enterprise centre space including office and light industrial accommodation for SMEs. At present, ERDF and Somerset County Council funding has been secured for the office component. An application to the HotSW LEP's Getting Building Fund has been submitted to support the delivery of seven light industrial units.

3.5.2 The aim of the BEC project is to deliver modern, high quality managed office and light industrial space for SMEs in the Bruton area who are looking for grow-on space and to encourage these SMEs to access business support and to collaborate through the Somerset Enterprise Centre Network (SECN).

3.5.3 The BEC will be a new build addition to the SECN, comprising:

3.5.4 Phase One (328 sqm)

- Office space – 10 two-person office units, complete with 2 meeting rooms (which can be used by external businesses) and facilities
- Studio space – flexible workspace, with the potential to be transformed into office space later.

3.5.5 Phase Two (355 sqm)

- Industrial building – seven light industrial units, complete with facilities

3.5.6 The BEC will provide SME tenancies on flexible easy-in easy-out terms, which are particularly advantageous to those looking to move from home-working space to professional facilities to support business growth.

#### Readiness and Deliverability

3.5.7 The Business Case and Funding Applications have been submitted and approved. Planning permission has been achieved for both phases. Willmott Dixon has been appointed to design and build, and the final contract sum agreed along with a complete programme of works. The build is due to start onsite in late November.

Milestone	Start date	Completion date	Complete?
<b>Key Management and Administration Milestones</b>			

Somerset County Council entering into an ERDF Funding agreement with MHCLG		04/11/2019	Yes
<b>Design and Build of Bruton Enterprise Centre</b>			
Full planning permission secured	Application submitted September 2018	May 2020	Yes
Appointment of Design (Stage 4 onwards) and Build contractor using Scape Minor Works Framework (including associated Somerset County Council internal governance procedures)	July 2019	September 2019	Yes
RIBA Stage 4 - Technical design and Market Testing	October 2019	September 2020	Yes
Signing of the main build contract to allow for start onsite	October 2020	October 2020	No
RIBA Stage 5 - Construction, completion and handover	November 2020	June 2021	No
Fit out of Bruton Enterprise Centre	July 2021	End of October 2021	No
Bruton Enterprise Centre opens to tenants	November 2021	-	No

### Funds

- 3.5.8 The cost of delivering Phase 1 and 2 simultaneously is £2,710,723. The project has already secured c.£615,000 of ERDF Capital funding towards the costs of Phase 1. £816,000 of Getting Building Funding has also been secured to support the delivery of Phase 2. SCC has made a further £1,279,732 available to deliver both phases simultaneously.

	Total	Secured?
Somerset County Council	£1,273,000	Yes
European Regional Development Fund	£712,000	Yes
<i>Capital</i>	<i>£615,000</i>	
<i>Revenue</i>	<i>£97,000</i>	
Getting Building Fund	£816,000	Yes

- 3.5.9 Although the original intention was to deliver the two phases separately, it has now been confirmed that they need to be delivered together. Phase 2 could not be delivered once phase 1 is occupied due to the limited size and the gradient of the site, and health and safety legislation.
- 3.5.10 The BEC is asking for a further £30,000 to enable the installation of a remote access IT system that would allow for remote control of the centre's doors from the operator's hub in Highbridge (Torbay Development Agency). The inclusion of this system would reduce the need for staff from TDA to travel and access the site for short periods of time to let people who aren't tenants into the centre. This would have direct reductions on CO2 created through travel to the centre from Highbridge (approx. 30 miles).



- 3.5.11 This would also provide greater flexibility to the centre for external businesses to book and access the meeting rooms, encouraging greater involvement from the local business community.

## 3.6 Bedrock: Burnham & Highbridge Enterprise Centre

### Overview

- 3.6.1 SCC is proposing the development of council owned property into an enterprise hub in the Highbridge and Burnham-on-Sea area. The project will deliver enterprise space including office, practical space and storage for micro businesses and early stage trades. The space will be designed to create an environment in which early stage trades can grow and establish themselves. The facility will form part of the Somerset Enterprise Centre Network, which offers business space across Somerset along with a business support package.

### Offer

- 3.6.2 The proposal is to utilise SCC owned property to develop an enterprise hub in the Highbridge and Burnham-on-Sea area. The centre will include office/practical space, grow on space and storage for early trades and micro businesses. It will be accompanied by a business support offer to help business establish themselves and provide routes into self-employment.
- 3.6.3 An intervention in the area is necessary. Burnham-on-Sea is identified as Somerset County's most deprived neighbourhood. A local hub will allow local business retention, create local employment and reduce outside leakages.
- 3.6.4 At this stage SCC estimates that there are costs of circa £280,000 to refurbish the building and a further estimated £50,000 to repurpose the site into a suitable enterprise hub. Estimates are based on similar developments by SCC in which costings have been prepared by SCC Property Services.

### Ask

- 3.6.5 Based on the above estimation, SCC are requesting contributions towards the total cost of refurbishment and repurposing of the building.

### Next Steps, Readiness and Deliverability

- 3.6.6 It is necessary to secure additional funding before project can proceed. Without additional funding this is not possible.
- 3.6.7 Once funding is secured/in development, SCC can begin to investigate the site fully beyond estimations. This includes a project cost feasibility and demand evidence.

### Timing

- 3.6.8 Once funding is secure is will be possible to proceed with project.
- 3.6.9 Estimated start date: Q3 2021
- 3.6.10 Estimated completion date: Q4 2022

### Funds

- 3.6.11 Estimated total cost £330,000 to refurbish and repurpose the site into an enterprise hub. SCC requests contribution towards the total project sum.
- 3.6.12 SCC will commit an asset to towards the scheme and contribute towards funding needed.

## 3.7 Bedrock: Chard Enterprise Park

### Overview

- 3.7.1 The Chard Enterprise Park (CEP) project will deliver enterprise space including office, grow on space and light industrial accommodation for SMEs which will be delivered over three phases. Designed to create an environment in which new start businesses and established SMEs can grow, the new build facility will form part of the established Somerset Enterprise Centre Network (SECN).
- 3.7.2 At present, Somerset County Council is engaged in an ERDF funding process for phase 1, of which a decision is expected by the end of 2020. The project is supported by Chard Town Council and South Somerset District Council has been consulted and is supportive of the need for additional business space in the area.

### Offer

- 3.7.3 The SCC owned land at Beeching Close, Chard, has been identified for development into the Chard Enterprise Park and will deliver supported business space including office, grow on space and light industrial units over three phases. The park will provide a business support offer available to tenants and external businesses. The park will create a local work hub in an identified area of deprivation. This will allow businesses to remain in locally and reduce outside commuting or business/employment leakages. The project will be delivered in three phases:
- Phase 1: Office space (this is the phase to be partially funded by the current ERDF funding application). The work required to develop the site for this phase also unlocks phase 2
  - Phase 2: Grow on space
  - Phase 3: Further employment space. The need for space for businesses has been identified and there is enough space to allow for further development as funding becomes available

### Ask

- 3.7.4 Further funding for delivery of all phases, without extra funding these phases will not be deliverable.
- 3.7.5 Confirmation of grant funding for phase 1.

### Readiness and Deliverability

- 3.7.6 Works are underway for the delivery of phase 1, including whole site planning applications, site investigations and ground works. Delivery of other phases is dependent on further funding.

### Next Steps

- 3.7.7 Next steps in development or delivery of the activity:
- Phase 1 ERDF funding secured
  - Planning permission secured for whole site
  - Phase 2 & 3 funding source secured for further delivery
  - Appointment of contractor for design and build of Phase 1

### Timing

- 3.7.8 Phase 1 open by December 2022. Depending on available funding, other phases could meet this timescale.

### Funds

- 3.7.9 Total cost

Phase 1	SCC	ERDF	Total Project Costs
Capital	£1,576,900 (secured)	£1,575,687 (awaiting approval)	£3,152,587
Revenue	£12,500 (Secured)	£13,714 (awaiting approval)	£26,214

	Estimated Total Cost	Funding
Phase 2	£2.4 million	Unsecured
Phase 3	TBC	Unsecured

### 3.8 Bedrock: Glastonbury Enterprise Centre

3.8.1 This enterprise centre is part of the Glastonbury Town Deal proposal, discussed in detail in section 5.3.

#### Overview

3.8.2 SCC has submitted an Expression of Interest to Mendip District Council under the Government's Town Deal for Glastonbury. If successful, SCC will look to submit a full funding bid for the project. This will provide funding for SCC to repurpose its property asset Beckery House Resource centre into an enterprise and skills facility with an identified emphasis on local specialisation of food production.

3.8.3 The project would address the enterprise skills infrastructure, digital connectivity and space regeneration outcomes of The Town Fund and support the SCC economic recovery and growth plan

3.8.4 SCC have looked to work with partners to maximise the impact of the project and reduce any possibility of duplication including libraries services to address digital skills and local college for food manufacturing.

#### Offer

3.8.5 The Glastonbury Enterprise Centre would provide office space, specialist food development facilities and dedicated training space which will include digital skills development. These spaces will be provided to tenants on flexible, easy-in easy-out terms as flexible accommodation has proven popular elsewhere as it allows start-ups to take the next step in their development. Tenants will be given an initial business support assessment before joining the centre and further access to business support services will be available through their tenancy.

#### Readiness and Deliverability

3.8.6 The project is still in its very early days and has not yet secured funding. There are ongoing discussions with Mendip District Council regarding the viability of the bid in relation to other proposed projects under the Town Deal for Glastonbury

#### Next Steps

3.8.7 Further development of the Expression of Interest into a full funding bid is ongoing to meet the deadlines outlined below.

#### Timing

3.8.8 Initial bid to be submitted December 2020. Approval for bids will be January 2021 which will then lead to full and final bids around March 2021.

## **Funds**

- 3.8.9 Estimated cost of project is currently around £1.25 million not including land value.

## **3.9 Bedrock: Wellington Enterprise Centre**

### **Overview**

- 3.9.1 The Wellington Enterprise Centre will be another addition to the Somerset Enterprise Centre Network. Located on Coram's Lane, Wellington, the existing SCC Estate that previously belonged to Somerset Skills and Learning will be refreshed to provide modern workspace for the local economy.
- 3.9.2 Wellington is considered to be an economically deprived area, with the area of 'Wellington North' in the top 20 most deprived areas in England. Therefore, this project would address Enterprise Skills Infrastructure and digital connectivity outcomes to support the SCC economic recovery and growth plan.

### **Offer**

- 3.9.3 While this project is still in early stages of development, preliminary floor plans of the centre are proposing 11 small offices, a reception area, kitchen and other utility rooms. The centre will also include car parking for office tenants.
- 3.9.4 The centre is being approached with two stages in mind; refurbish and repurpose. The building requires initial work to refurbish existing damage, wear and tear that the building has experienced through a lack of use and upkeep.
- 3.9.5 The second stage will be to ensure that the building is fit for purpose and desirable to local business looking to invest in office space. Work will be completed to ensure that the centre has modern upgrades including superfast broadband connection, car parking, efficient heating and insulation and tenant amenities.
- 3.9.6 These offices will be provided to tenants on flexible, easy-in easy-out terms as flexible accommodation has proven popular elsewhere as it allows start-ups to take the next step in their development. Tenants will be given an initial business support assessment before joining the centre and further access to business support services will be available through their tenancy.

### **Ask**

- 3.9.7 From evidence of demand from similar areas in Somerset, as well as consulting with Somerset West and Taunton District Council, we know that there is demand for training and skills space. Therefore, we intend that the Wellington Enterprise Centre will have focus on advanced technologies.
- 3.9.8 If further funding for the Wellington Enterprise Centre can be secured, the centre will be able to invest in advanced technologies for the tenants, as well as the skills training for these SME tenants to be able to adopt technologies into their business as usual. These technologies will complement those found in the Glass Box in Taunton and allow SME tenants to access specialised equipment that will allow them to further product development, productivity and ultimately, growth. This equipment will vary and reflect demand stimulated by the local area, but could include:
- 3D printers for product prototypes

- Virtual reality (VR) equipment
- A range of specialist software licenses

3.9.9 The Wellington Enterprise Centre will also be able to invest in advanced technology training. This will link with the business support offer already provided through the network (and Growth Hub) and help tenants of the centre to upskill/reskill in digital, a major sector in the post Coronavirus world.

3.9.10 A contribution from the government of £80,000 would allow the centre to invest in digital technologies and provide the wrap around training to ensure the facilities were fully adopted by tenants.

#### **Readiness and Deliverability**

3.9.11 Somerset County Council is already starting to undertake initial feasibility work to understand how the Wellington Enterprise Centre can be developed. Following this feasibility work, a formal decision will be taken on whether to proceed with the development of the centre. The hope is that SCC will be able to invest in this centre to benefit the local community of Wellington.

3.9.12 However, a decision for SCC to invest is strengthened if funding from other sources can be secured.

#### **Next Steps**

3.9.13 A project mandate is currently being drafted to instruct SCC Property Services to begin procuring feasibility work for the Wellington Enterprise Centre.

3.9.14 This feasibility work will create lead to a final proposed design. A formal decision will then be taken on whether to progress the Wellington Enterprise Centre.

#### **Timing**

3.9.15 Project Mandate Submitted – Dec 2020

3.9.16 Feasibility study and plans complete – Apr 2021

3.9.17 Decision to invest in centre – May 2021

3.9.18 Contracting, Procurement and Build – June 2021 onwards

#### **Funds**

3.9.19 While exact costs for the project and a feasibility work is yet to be completed, initial investigations into the site have provided the following costs. These costs have been put together by the SCC Estates team following an on-site assessment of the condition of the building.

3.9.20 £286,500 is the total investment needed to fully refurbish the building into a useable state. These costings have been put together by SCC Property Service from a conditions survey undertaken in January 2020.

3.9.21 Further works of £50,500 are also needed to repurpose the centre structurally into an ‘Enterprise Centre,’ changing the internal wall structure to create office rooms for use by SME’s.

3.9.22 Further funding on top of that will be used to upgrade the building, including investment in skills facilities and advanced technologies for tenant use.

### 3.10 Bedrock: Chard Co-Working Space

#### Overview

- 3.10.1 The Chard co-working space will provide an innovative environment in the form of shared workspace in Chard town centre. The hub will deliver space for professional industry start-ups, home-professionals in professional industries, and out-commuters in the professional industries to co-locate. We envisage that users will work across all sectors, however, our primary focus will be for 'professionals' and those working in the creative sectors. The space will result in increased productivity, motivation, teamwork, creativity, and potential business opportunities for everyone from freelancers to small businesses and large corporations.
- 3.10.2 Co-working is short for collaborative working. It is an emerging style of working in an innovative environment, usually a shared workspace, that is more flexible in its approach than traditional office environments. Co-working offers sharing of equipment, resources, ideas, and/or experiences among remote professionals. The co-working model is unique in that workers can choose to remain independent and self-directed, but can often find more opportunities for networking and socialising among like-minded individuals. This typically results in increased productivity, motivation, teamwork, creativity, and potential business opportunities for everyone from freelancers to small businesses and large corporations.' (Coworker.com, 2019)
- 3.10.3 South Somerset District Council owns a historic building within Chard Town Centre which we are seeking to transform into a co-working hub. The hub will provide employment space for those within Chard and the surrounding area. We anticipate that the space will act as a catalyst for entrepreneurship and innovation. During the Coronavirus pandemic we have seen a shift from people wanting larger scale office space to working from home. We believe that the outcome will be the requirement for a space that can be used on flexible terms. Co-working will provide this necessity for the South Somerset ecosystem.

#### Readiness and Deliverability

- 3.10.4 This forms part of the wider regeneration plans for Chard Town Centre.
- 3.10.5 Planning permission for change of use is required.

#### Timing

- 3.10.6 This could be delivered by 2022, depending on funding.

#### Funds

- 3.10.7 Total cost is £1.3 million.

### 3.11 Bedrock: Yeovil Co-Working Space

#### Overview

- 3.11.1 This project involves the purchase of a prominent derelict building that dominates the Bandstand area of the town. Radical intervention is needed to replace poor-quality unwanted retail space with high-quality, sought-after co-working space. Evidence from Smart Growth Analytics suggests that there is a significant demand for co-working and alternative workspace. However, the private sector alone cannot deliver this in Yeovil due to low commercial land values and significant redevelopment costs. The new shared workspace will help Yeovil adapt to changing technology,

creating a foundation for business start-ups and innovators to collaborate in the heart of the town centre whilst driving footfall.

#### **Readiness and Deliverability**

3.11.2 This forms part of the wider regeneration plans for Yeovil Town Centre.

#### **Next Steps**

3.11.3 Planning permission for change of use is required, but this is minor as the premise is currently mixed-use with retail lead.

#### **Timing**

3.11.4 This could be delivered in 2022 depending on the availability of funding.

#### **Funds**

3.11.5 Total cost is £4.8 million. £1.2 million of this is being sought from the Future High Streets Fund, so a further £3.6 million is needed to deliver this.

### **3.12 Growth: Innovation Infrastructure - iAero**

#### **Overview**

3.12.1 The iAero Centre will provide high-quality space, equipment and support to foster innovation, collaboration and growth in the aerospace sector and supply chain. Construction is nearing completion and remaining project activity will focus on Centre fit-out and mobilisation to facilitate its opening and operation.

3.12.2 Beyond the existing project, there is longer-term potential to explore grow-on space as a second-phase development of the iAero Centre. There is also a strong link between the emerging iAero Centre and the 'innovation zones' activity identified in the Somerset Recovery and Growth Plan, including any eventual Freeport proposition for the Heart of the South West LEP area.

3.12.3 The project aims to deliver the fit out and mobilisation activity required to enable the opening and operation of a fit for purpose iAero Centre. Through the above:

- To respond to the innovation and collaboration workspace, equipment and support service needs of the local aerospace sector and supply chain
- To provide a Somerset focal point in the wider aerospace South West cluster and innovation ecosystem, forging and exploiting strategic linkages with other relevant organisations and initiatives to maximise added value and impact
- To facilitate and foster increased innovation and collaboration in the local aerospace sector and supply chain, driving its competitiveness and growth

3.12.4 The activities that comprise this project are:

- Fit out of the iAero Centre
- Commissioning of innovation support services
- Wider iAero Centre mobilisation, such as marketing, Centre staff recruitment and lease/licence arrangements

#### Offer

3.12.5 Complete the delivery of the iAero Innovation Centre and Phase 3 of the Somerset Energy Innovation Centre

#### Ask

3.12.6 £0.5 million for iAero as part of Local Infrastructure Stimulus Fund/MHCLG call for LEPs.

#### Readiness and Deliverability

3.12.7 There is a business plan in place for the delivery of the activity.

#### Next Steps

3.12.8 Next steps are summarised in the figure below.

Key Project Milestones	Delivery Date
Completion of iAero Centre construction	December 2020
Signed Getting Building Funding Agreement in place to support Centre fit out	December 2020
Procurement exercises for fit out commence	By / in January 2021
Procurement of ERDF-funded innovation support services	January to April 2021
iAero fit out begins	By February 2021
Mobilisation of ERDF-funded innovation support services	April to June 2021
iAero fit out complete	June 2021
iAero Centre opens	July 2021
ERDF-funded innovation support services commence	July 2021
ERDF-funded Innovation Support Ends	June 2023

#### Timing

3.12.9 The activity will be delivered between November 2020 and the end of June 2023.

#### Funds

3.12.10 The total iAero fit out and mobilisation project activity cost is £607,723. This comprises:

- Capital costs of £127,548
- Revenue costs of £245,000

3.12.11 Funds have been committed by the Getting Building Fund, SCC revenue funds, and ERDF revenue funds. No further funding is needed.

3.12.12 Somerset County Council entering into a formal funding agreement with the Heart of the South West Local Enterprise Partnership for Getting Building Funding for fit out of the iAero Centre.

### 3.13 Growth: Innovation Infrastructure - Taunton Digital Innovation Centre

#### Overview

3.13.1 The aim of the Digital Innovation Centre project is to deliver flexible, high-quality innovation and collaboration space and support services targeted at new-start and existing businesses in, or moving into, the digital economy, including, but not limited to, marine geospatial, health technology and risk analysis businesses. It will therefore:



- Capitalise on the recognised ‘digital’ competitive advantage of the local economy, including the UK Hydrographic Office’s presence in Taunton
- Respond to evidenced market failures and unmet target business needs
- Support productivity-led growth and higher-value job creation in and around Taunton
- Act as a Somerset focal point in the wider Heart of the South West innovation ecosystem, forging and exploiting strategic linkages with other relevant organisations and initiatives to maximise added-value and impact.

3.13.2 Key project activities are:

- Design and construction of a 3,000 sqm digital innovation centre on the Firepool site in Taunton
- Commissioning of innovation support services
- Fit out, mobilisation and opening of the Digital Innovation Centre

3.13.3 The project approach allows for potential second-phase development of a further 2,000 sqm building on the DIC site. There are also strong linkages between the DIC Project and the ‘innovation zones’ activity identified in the Somerset Recovery and Growth Plan.

#### **Offer**

3.13.4 Complete the delivery of the iAero Innovation Centre and Phase 3 of the Somerset Energy Innovation Centre

#### **Readiness and Deliverability**

3.13.5 A business plan has been completed for this activity.

#### **Next Steps**

3.13.6 A planning application has been submitted, with a target decision date of late December 2020.

3.13.7 Next steps include:

- Discharging of pre-funding agreement conditions of funding and SCC entering into a Getting Building Funding Agreement with the LEP
- Securing ERDF monies for the Digital Innovation Centre scheme
- Planning approval
- SCC agreeing Heads of Terms and entering into a lease with Somerset West and Taunton Council for the Digital Innovation Centre plot on the Firepool site
- SCC awarding a construction contract (including early enabling works) to Willmott Dixon under the Scape Major Work Framework.

3.13.8 Key project milestones are set out in the figure below.

<b>Key Project Milestones</b>	<b>Delivery Date</b>
Planning approval	By 24/12/2020
Funding agreement in place with HotSW LEP	By 31/12/2020
Enabling works commence	By 04/01/2021
Enabling works completed	By 09/04/2021
Main construction works start onsite	By 12/04/2021
Commencements of innovation support services procurement preparation and process	By 01/05/2021

Marketing and tenant pipeline development commences	By 01/05/2021
Innovation support services provider contracted, and mobilisation commences	By 01/11/2021
Construction completed	By 24/12/2021
Fit-out of DIC completed	By 24/02/2022
DIC open to tenants and commencement of innovation support services	By 01/04/2022

### Funds

- 3.13.9 The total project costs (including the LEP's Getting Building Fund management fee) is £9,630,000
- 3.13.10 Cash funding has been formally secured from Somerset County Council, Somerset West and Taunton Council and the Somerset Business Rates Retention pilot. An in-kind land contribution has also been secured from Somerset West and Taunton Council.
- 3.13.11 Funding from the Getting Building Fund has been conditionally approved and a full ERDF application has been submitted.

## 3.14 Growth: New Innovation Zones

- 3.14.1 The development of innovation zones is a strategic ambition for Somerset.

### Overview

- 3.14.2 We will deliver new innovation zones in Somerset, containing innovation centres along with specialist business support to enable innovation and R&D. The Clean Growth innovation zone around Bridgwater, Hinkley Point C and the Gravity enterprise zone is already established, and there are further opportunities to capture local growth. An Aerospace innovation zone around Yeovil is our next priority. The Firepool Digital innovation zone will include the Taunton Digital Innovation Centre. An Agri-Tech innovation zone is also being developed, and we are working with the HotSW LEP on early ideas for a coastal innovation zone. We will prepare Local Development Orders for these zones to simplify the planning process and speed-up their delivery. These zones will help to support new businesses, employment and higher productivity.
- 3.14.3 Somerset is committed to longer term ambitions focused on making the most of existing sector specialisms through the development of four strategically important innovation zones:
- Aerospace Innovation Zone – centred around Yeovil
  - Agri-tech Innovation Zone – further development of the virtual cluster in the Mendip area
  - Clean Energy Innovation Zone – centred around Bridgwater and the Gravity Enterprise Zone
  - Digital Innovation Zone – linked to the Firepool development and Taunton Digital Innovation Centre
- 3.14.4 Work is required to develop these ambitions more fully, but the aim is to develop innovation zones centred around these specialisms. Work will concentrate on provision of the right conditions and levels of support to enable innovation, research and development through to market ready products.
- 3.14.5 The intention is to develop full business cases for each of the innovation zones. Working groups have been convened for each of the potential zones and will focus on developing propositions for each of the potential innovation zones. Assessment will be undertaken of existing strengths and opportunities including existing assets and infrastructure as well as identification of any gaps or

barriers to development. Local Development Orders and additional funding for business support activity will be required to deliver this commitment and will form an essential part of the process.

### **3.15 Growth: Nuclear Fusion STEP Project**

#### **Overview**

- 3.15.1 The United Kingdom Atomic Energy Authority (UKAEA) is pursuing an ambitious goal of being the first in the world to develop and deploy a Fusion power station – through its Spherical Tokamak for Energy Production (STEP) project.
- 3.15.2 The UKAEA is currently searching for a location to build STEP, and provide a fusion energy ecosystem, which will include a Research Centre, Test Reactor (about the size of a Small Modular Reactor), Technology Park and associated training and skills centres.
- 3.15.3 This is an opportunity to grow and anchor the capability to deliver one of the most important and complex engineering challenges in the world. It is also an opportunity for Somerset to contribute its existing strengths to maximise the success of the project.
- 3.15.4 The South West has the highest number of nuclear licensed sites in the UK, with Hinkley Point, home to reactors A, B and C (under construction) being one of the most attractive in terms of potentially locating the STEP programme. The site has good accessibility, water cooling, grid connections, and due to its poor socio economic and social mobility indicators would score highly within the Government's levelling up agenda. It also has a significant eco-system of nuclear assets and infrastructure that could in part be re-purposed or utilised for aspects of STEP. Including the Gravity EZ, National College for Nuclear, purpose-built training facilities on various Bridgwater & Taunton College campuses, a nuclear competent supply chain, established site services contractors and a variety of associated developments including freight management, logistics, and campus accommodation. As importantly, it has a community that is broadly accepting of nuclear activity, though it has to be noted that fusion technology is very different from fission, and will not be subject to the significantly high levels of regulation that fission reactors are.

#### **Offer**

- 3.15.5 Somerset is offering a coordinated approach to championing this project in recognition that landing the STEP project which will provide a sustainable legacy to the HPC new nuclear build. Leading to increased productivity, highly skilled occupations, a fusion technology cluster of businesses, and world class research and development.

#### **Ask**

- 3.15.6 Government to recognise the economic transformational potential of this project to the UK levelling up agenda, by supporting Somerset as the location for STEP, while also potentially reducing the costs of siting and developing the STEP project (less demand on the taxpayer) due to the re-use of assets, and infrastructure put in place for the construction of HPC.

#### **Readiness and Deliverability**

- 3.15.7 There is a SW STEP Team in place supported by Nuclear South West, comprising of technical experts and others. There is a Somerset STEP Team in place comprising of the three local authorities (SDC, SWT, SCC) supported by the LEP. Key Members of the local authorities have been briefed and are positive. Collaborative work is underway to meet the March 2021 deadline for submission of the EOI to UKAEA.

### **Next Steps**

- 3.15.8 Various stakeholders have to be on-board (EDF Energy, NDA, Landowners etc.). Work in establishing this is underway. The EOI has to be completed by 31 March 2021, with 100 hectares of land across the three stations and in other geographically close areas identified (e.g. Gravity, Skills & Training facilities etc.).

### **Timing**

- 3.15.9 The UKAEA have stated that the siting process will take up to 18 months, where proposals will be assessed, down selected and eventually recommendations made to Government (BEIS), where the Minister will make the final decision. Once a site is selected than the project will embark on the normal trajectory that any other Nationally Significant Infrastructure Project would.

## **3.16 Growth: Inward Investment Promotion and Support**

### **Overview**

- 3.16.1 We will continue to develop Somerset's innovation ecosystem through the delivery of the Somerset Catalyst Programme and the Regional Entrepreneurship Acceleration Programme in partnership with MIT and BEIS. Both programmes seek to accelerate the delivery of entrepreneurship and encourage the use of technology to increase productivity. Direct outcomes include new business start-ups who have the expertise and knowledge to grow their business in the local area and contribute positively to the Somerset Economy.

### **Offer**

- 3.16.2 Inward investment activity funded under the BRR pilot will be deployed to develop Somerset's key investment propositions linked to Clean Growth; Aero; Digital; and Agri-Tech.

### **Ask**

- 3.16.3 Build better working relationship with DIT.

## **3.17 Growth: Somerset Catalyst Programme**

### **Overview**

- 3.17.1 The Somerset Catalyst Programme is creating an entrepreneurial ecosystem across Somerset which supports the growth of entrepreneurs, SME's and innovation in Somerset. The extension of this programme is critical to maintain momentum in entrepreneurial activity.
- 3.17.2 The aims and objectives of the Somerset Catalyst Programme are to create a system of support for innovation which supports the establishment, growth and development of high quality businesses with significant growth potential by providing them with access to support, capabilities, networks and resources required. The programme aims to establish a regional focus for technology businesses and high-quality growth businesses within advanced manufacturing and engineering including energy, aerospace and agritech that are significantly contributing to the growth of the economy e.g. in terms of GVA. It seeks to accelerate and support the development of high growth potential innovative micro, small and medium enterprises. It will support the growth and innovation within advanced manufacturing and engineering including energy, aerospace and agritech by supporting clustering effects and fostering open innovation between SME's industry primes and other keys businesses.

3.17.3 The programme will comprise of a business incubator, entrepreneurial bootcamps, Peer Group Club, incubator alumni group and networking events.

**Offer**

3.17.4 Support for high growth businesses is already being delivered.

**Ask**

3.17.5 Additional funding will allow for the extension of the activity beyond March 2021.

**Readiness and Deliverability**

3.17.6 Activity is already being delivered.

**Funds**

3.17.7 Project cost is £200,000 from April 2020 to March 2021.

3.17.8 Additional funding will allow for the extension of the activity.

## 4 Providing the Infrastructure to Enable Growth

4.0.1 The activities included in this theme are divided into four areas: reducing carbon emissions; improving digital and physical connectivity; reducing flood risk; and delivering strategic employment sites. These are summarised in the figure below.

**Figure 4.1: Activities to Provide Infrastructure to Enable Growth**

<b>Reducing carbon emissions through travel and energy efficiency</b>
Deliver cycling and walking infrastructure
Retrofit energy efficiency technologies
Digital demand rural transport and electric car and bus infrastructure
Decarbonisation of the travel network and fleet
<b>Improving digital and physical connectivity</b>
Deliver broadband and mobile connectivity: <ul style="list-style-type: none"> <li>• 5G research</li> <li>• Community challenge programme</li> <li>• CDS Phase 2</li> <li>• CDS Phase 2 Lot 4</li> <li>• Rural Gigabit Connectivity Voucher Scheme</li> <li>• Mobile booster project</li> </ul>
Deliver strategic and important local road projects
Improving rail connectivity <ul style="list-style-type: none"> <li>• Wellington</li> <li>• Gravity</li> <li>• Bridgwater</li> <li>• Shepton Mallet</li> </ul>
<b>Reducing flood risk to enable growth</b>
Delivery of Bridgwater Barrier
Taunton Flood Attenuation
Blue Anchor Scheme
<b>Delivering strategic employment sites</b>
Gravity Enterprise Zone
Bunford Innovation Park

### 4.1 Carbon Emissions: Cycling and Walking Infrastructure

#### Overview

4.1.1 We will establish a transformational programme to deliver improved cycling and walking infrastructure across the area that supports a range of environmental, health, social and safety benefits.

4.1.2 We will deliver cycling and walking infrastructure within and between towns including Bridgwater, Radstock-Frome, Taunton, Walton-Street-Glastonbury, and Yeovil; and the Eastover pedestrian prioritisation scheme in Bridgwater. This needs to be undertaken soon to build on lower carbon mobility trends that have emerged during lockdown, as well as to improve connectivity, enable non-motorised travel and so reduce carbon emissions.

#### Offer

4.1.3 Plans in place for delivery of new infrastructure. A coherent strategy is being developed.

### **Ask**

4.1.4 Financial support from Government, but no figure is yet available.

### **Readiness and Deliverability**

4.1.5 The County Council and four District Councils will work together on delivering this, along with other stakeholders. An Active Travel Group has recently been established to deliver the Emergency Active Travel Fund.

4.1.6 The activity is still being developed, with a business plan being developed.

### **Next Steps**

4.1.7 Development of an overall strategy and business plan.

4.1.8 Planning permission will be required for project delivery.

### **Timing**

4.1.9 To be developed.

### **Funds**

4.1.10 Total cost has not yet been calculated. Match funds have not yet been secured.

4.1.11 A scheme to link two park and ride facilities to Taunton town centre will cost £12.5 million. Other schemes may well be cheaper.

## **4.2 Carbon Emissions: Retrofit Energy Efficiency Technologies**

### **Overview**

4.2.1 We will retrofit energy efficiency technologies to buildings to reduce running costs and carbon emissions, with a particular focus on social housing – but the lessons learned will benefit private landlords and owner/occupiers also. The focus of an initial pilot project will be on Somerset West & Taunton (SWT) Council-owned social housing, and the Retrofit Programme will focus on void (empty home) properties over a 12 month period (from funding approval). This will make a step change in the low carbon qualities of SWTs existing homes.

4.2.2 This project will be a pilot to test different levels of investment to achieve the low carbon outcomes we desire, and to find the best one for Somerset. The programme will also identify the optimum cost to achieve the low carbon benefits. The programme has the aim of:

- Reducing carbon emissions from the building stock
- Reducing the cost per unit of retrofit, through the application of new approaches and technologies, before rolling this out more broadly
- Creating new businesses and jobs
- Reducing fuel poverty
- Improving health outcomes for tenants

4.2.3 The pilot project seeks to deliver over 350 carbon saving measures to over 65 homes, and complement the measures with a tenancy advisory service to help tenants make the most of their low carbon home. The programme will also link to current SWT investments in low carbon and use of innovation opportunities provided through the local supply chain

#### **Offer**

4.2.4 Utilisation of the social housing stock to pilot and find the best approach

#### **Ask**

4.2.5 The ask is for £1 million to undertake a competition to find the best approach, with the aim of then rolling out the solution across Somerset and the Heart of the South West.

#### **Readiness and Deliverability**

4.2.6 This is an ambition, and the activity is not yet ready to deliver.

#### **Next Steps**

4.2.7 Actions required to progress the delivery of the activity are:

- Stakeholder engagement activity, and establishment of ownership of the project by the Tenants Strategic Group and Executive Portfolio Holder for Housing
- Research new energy-saving technology (e.g. Biohm insulation)
- Test products and materials and supply availability (existing materials)
- Produce the low-carbon lettable standard checklists
- Train raise awareness of the project with staff, and train void maintenance operatives, lettings officers and Housing managers to ensure low-carbon measures can be identified and delivered, and tenants supported to use their home effectively
- Work with consultants to establish data monitoring process to understand cost savings to customers
- Project commencement (upon funding approval)

#### **Timing**

4.2.8 Delivery will take place over 12 months. If the pilot project can start in March 2021 then it will be completed by April 2022.

#### **Funds**

4.2.9 The total cost of the pilot project is £1 million.

### **4.3 Carbon Emissions: Digital Demand Rural Transport**

#### **Overview**

4.3.1 We will deliver a digital Demand Responsive Transport (DRT) solution for the residents of Somerset. This is part of a wider project to trial innovative enhancements within the DRT provision. A bid for funding has been submitted to the Department for Transport (DfT) to trial innovative solutions within DRT. The bid proposes to trial a number of initiatives including evening/Saturday services, feeder services and employment services, as well as piloting a digital solution for DRT.

4.3.2 The broader project in which digital DRT has a part, aims to tackle issues associated with:

- Social Mobility
- Employment Access
- Social Isolation
- Healthcare Access
- The Climate Emergency Agenda



4.3.3 The project will be led by Somerset County Council, working with the District Councils, Community Transport Groups, HotSW LEP, local bus operators, academic partners and technology suppliers.

#### **Offer**

4.3.4 We have developed a proposal for a DDRT trail across Somerset. This builds on 15 years of experience of delivering demand responsive transport. Daytime DRT coverage is already funded by the local authority.

#### **Ask**

4.3.5 £1.5 million of funds from DfT. Revenue from running the service will help to fund it.

#### **Readiness and Deliverability**

4.3.6 An expression of interest has been submitted to DfT. If successful, this will progress to a full business case.

#### **Next Steps**

4.3.7 If the EoI is successful, we will prepare a full business case, which is likely to take up to six months.

#### **Timing**

4.3.8 The overall timescale for the assessment of EoIs has slipped during 2020. We are hoping to hear about the success of the EoI in November 2020. Delivery will start around 12 months after the award of funding.

#### **Funds**

4.3.9 We have submitted an Expression of Interest to the DfT's Rural Mobility Fund for a Digital Demand Responsive Transport (DRRT) trail, and the award of £1.5 million will help to progress this.

## **4.4 Carbon Emissions: Decarbonisation of the Travel Network and Fleet**

### **Overview**

4.4.1 The activity includes setting out an overarching strategy for decarbonisation of the transport network and fleet.

4.4.2 The activity is now set out in some detail within the transport theme of the Somerset Climate Emergency Strategy which can be accessed from <https://www.somerset.gov.uk/climate-emergency/somersets-climate-emergency-strategy-documents/>.

4.4.3 The transport sector summary can be found from page \*\* of the climate emergency strategy, covering the activity required to promote use of alternative fuels and electrification, reduction in need for and demand for travel, increasing shared transport and public transport usage, increasing use of active travel modes and adapting transport networks to improve resilience to climate change.

4.4.4 A detailed Electric Vehicle (EV) strategy has also been prepared.

4.4.5 High-level actions are:

- Carbon emissions generated on Somerset's road are reduced by 2030 through the use of electric cars, ultra-low emissions commercial vehicles and a reduction in road use
- Carbon emissions are reduced by encouraging behaviour change: reducing the number of single occupancy vehicle journeys undertaken by the promotion of car sharing, public transport

use, combining trips and replacing vehicular journeys with active travel modes (walking or cycling)

- Climate change adaptation plans have been developed and implemented to build and maintain the resilience of Somerset's transport infrastructure

#### **Readiness and Deliverability**

- 4.4.6 There is no single overarching business plan in place for the delivery of the full range of activity for transport decarbonisation. A high-level action plan is being developed, but it encompasses an enormous range of activity and individual business plans will need to be developed for specific initiatives over time.
- 4.4.7 Some of the activities set out in the transport sector strategy for decarbonisation may require planning permission where they involve infrastructure that is not within highway boundaries (i.e. new cycle routes away from the existing highway, and installation of EV infrastructure may require permission in certain circumstances).
- 4.4.8 The planning process itself is key to achieving decarbonisation so planning consents for new development will need to actively consider this issue.

#### **Next Steps**

- 4.4.9 A high-level action plan is being developed which will consider delivery dates for key initiatives, but as most of the initiatives are currently unfunded the delivery dates will be hard to predict. The climate emergency strategy sets out a goal to work towards making Somerset carbon neutral by 2030 so the highest priority initiatives to achieve this goal will need to be implemented at the earliest opportunity prior to 2030.

#### **Funds**

- 4.4.10 Total cost is not yet defined.

## **4.5 Connectivity: Broadband and Mobile**

- 4.5.1 We will deliver broadband and mobile connectivity across the whole county. We will build on work already undertaken to roll-out of broadband across the county through *Connecting Devon & Somerset* (CDS), and complete Somerset-wide coverage. This will enable people to engage in online activity, learn and work from home, which is likely to become more prevalent after the Coronavirus crisis. It will also support the setting up of new businesses and growth of existing businesses that draw on Somerset's strengths and key sectors. We are proposing to deliver training and skills to ensure that people make the best use of this digital infrastructure.
- 4.5.2 Key activities set out below are:
- 5G research
  - Community challenge programme
  - CDS Phase 2
  - CDS Phase 2 Lot 4
  - Rural Gigabit Connectivity Voucher Scheme
  - Mobile booster project

## 4.6 Connectivity: Broadband and Mobile - 5G research

### Overview

- 4.6.1 CDS has commissioned some independent research into the economic impacts of 5G specific to our region. It is proposed that this research, along with other resources, will be used to help DCC and SCC formulate their future 5G strategy and help them agree an approach

### Readiness and Deliverability

- 4.6.2 This activity is not at a delivery stage. The first draft of the research report is due in November 2020.

### Next Steps

- 4.6.3 Following input into the first draft report in November, a final report is expected in December. This will then be provided to the CDS board before then deciding next steps.

### Timing

- 4.6.4 SCC will need to decide an approach to 5G over the course of 2021.

### Funds

- 4.6.5 Future costs are unknown at this stage. Costs to-date for the research and report are circa £16,000.
- 4.6.6 Government is looking to Local Authorities to promote the take up of 5G and to encourage 5G infrastructure. Additional support may be required to handle public concerns about 5G.

## 4.7 Connectivity: Broadband and Mobile - Community Challenge Programme

### Overview

- 4.7.1 CDS has piloted a Community Challenge Programme in a number of communities across the area. The Community Challenge Programme enables local communities to select an approved private sector partner and co-produce a broadband solution that works best for them with some financial support and advice from CDS.
- 4.7.2 Pilots were initially successfully trialled in Harford and Lower Combe in Devon with Openreach and Airband, as well as in Yatton in North Somerset with Openreach. Further schemes are currently underway across the region, including Churndon in North Devon, Northleigh in East Devon, Skillgate in Somerset West & Taunton and Charlton Musgrove in South Somerset, partnering with BDUK's Rural Gigabit Voucher Scheme to gap-fund schemes. In total 458 homes and businesses will have access to full fibre to the premise broadband with the capability to deliver speeds up to 1 Gbps. The pilots have been supported by £146,700 capital funding from CDS. The pilots have proved effective at enabling local people in communities with different needs to co-produce a broadband solution that works best for them, with CDS support. Each community has had different characteristics and challenges, ranging from deeply rural areas and protected landscapes to urban fringes. CDS is continuing to apply this good practice learned from these pilots to help other communities to develop their own solutions. This is under development and adds a new dimension to complement the CDS broader programme. It also supports the UK Government's Gigabit capable/full fibre policy.

#### **Offer**

- 4.7.3 This scheme offers communities a solution by combining a number of funding sources along with contributions from the community as well.
- 4.7.4 CDS continue to work to identify communities who could benefit from the scheme.

#### **Readiness and Deliverability**

- 4.7.5 This is an activity that is already in progress.

#### **Next Steps**

- 4.7.6 CDS to continue to work to identify communities who could benefit from the scheme.

#### **Timing**

- 4.7.7 Ongoing

#### **Funds**

- 4.7.8 This project utilises a mixture of Government Rural Gigabit Connectivity vouchers, community contributions and top up funding from CDS' challenge fund.

### **4.8 Connectivity: Broadband and Mobile - CDS Phase 2**

- 4.8.1 Connecting Devon and Somerset (CDS) is a local government-led partnership which is working to extend superfast broadband infrastructure in areas where commercial providers do not plan to deliver a Next Generation Access (NGA) broadband service. NGA broadband is a service capable of delivering download speeds of at least 30Mbps
- 4.8.2 The CDS board approved the procurement strategy and Building Digital UK (BDUK), the national competency centre for broadband, formally assured and approved the procurement documentation to extend NGA to secure broadband infrastructure providers on a gap funded model.

#### **Offer**

- 4.8.3 CDS is now part way through the Extending Next Generation Access (NGA) Broadband & Gigabit Access OJEU procurement, seeking to award contracts to six Lot areas across our region.

#### **Ask**

- 4.8.4 For bidders to model as many of the 97,000 NGA white premises as possible with the subsidy available. Certain rural and business premises outputs are required in order for us to meet funding requirements specifically with the LEP, ERDF and DEFRA.

#### **Readiness and Deliverability**

- 4.8.5 The procurement is part way through and contract award for all Lots is required by the end of December 2020.

#### **Next Steps**

- 4.8.6 CDS have presented their reports to Board and seek Cabinet approval to move to preferred supplier stage.

#### **Timing**

- 4.8.7 Procurement needs to complete by 31 December 2020. Build is then expected to commence early in 2021 with completion approximately three years later.

## Funds

4.8.8 This project utilises a mixture of funding streams

Grant funding source	Amount	Status	Requirements
BDUK	£18,785,125	Confirmed	Spend by Dec 2024
Heart of the South West LEP	£7,010,520	Confirmed	Spend by Dec 2021
ERDF	£2,981,680	Confirmed	Spend by June 2023
RDPE	£3,165,000	Confirmed	Spend by June 2022
Local authorities	£5,601,475	Confirmed	Spend by Dec 2024
Total	£37,543,800		

4.8.9 Ask of Government: Fibre for all & Gigabit capable

## 4.9 Connectivity: Broadband and Mobile - CDS Phase 2 Lot 4

### Overview

4.9.1 The Lot 4 contract was awarded to Airband in 2016 and is currently in build. Airband recently submitted a change request to move over to a full fibre solution, a step change from the Fixed Wireless solution to that point. The change request was approved by BDUK and CDS in May this year.

### Offer

4.9.2 This contract is providing improved broadband solutions for circa 18,000 premises in some of the most rural parts of Devon and Somerset. Completion is expected towards the end of 2021.

### Ask

4.9.3 Broadband infrastructure in Lot 4 area.

### Readiness and Deliverability

4.9.4 The contract is in delivery with completion expected later in 2021.

### Next Steps

4.9.5 CDS continue to monitor build progress.

### Timing

4.9.6 Completion due towards the end of 2021.

## Funds

4.9.7 This project utilises a mixture of funding streams

Grant funding source	Amount
BDUK	£5,254,876
Heart of the South West LEP	£2,168,600
ERDF	£1,321,000
RDPE	£1,835,000
Local authorities	£338,525
Total	£10,918,001

4.9.8 Ask of Government: Fibre for all & Gigabit capable

## 4.10 Connectivity: Broadband and Mobile - Rural Gigabit Connectivity

### Overview

- 4.10.1 The Rural Gigabit Connectivity (RGC) programme commenced in May 2019 and will run until the end of March 2021 with an initial £200 million fund. The FTIR identified that approximately 10% of UK premises, largely in rural and remote locations, would be unlikely to receive full fibre connections by 2033.
- 4.10.2 The RGC programme seeks to ensure that the final 10% of premises are addressed at the same pace as the rest of the UK. The programme is testing a hub model, with the hub being a public sector building upgraded with gigabit capable connectivity. Delivering this connectivity may result in the surrounding area becoming increasingly viable for commercial intervention, stimulating the market to build more networks in these areas. A £3 million pilot of this approach was first unveiled in February 2019 via the LFFN budget which is now expected to connect 119 schools. Schools in the CDS region were connected as part of this pilot.
- 4.10.3 The RGC Programme will be delivered using a phased approach. The Programme is initially working with Department for Education and the Department of Health and Social Care as two major public sector estates in rural areas. Progress of the initial phases, which has identified potential hub sites in priority areas, will be monitored and, utilising lessons learnt, may extend opportunities to more areas in the future.

### Offer

- 4.10.4 As part of the UK Government's Rural Gigabit Connectivity programme, business and residents in some of the hardest-to-reach places in the UK are eligible for additional funding towards the cost of installing gigabit-capable broadband to their premises when part of a group project. Group projects are when two or more residents and/or SMEs get together to combine their vouchers towards the shared cost of installation. Single connections are not eligible for additional funding. Group projects in rural areas (broadly defined for England & Wales as DEFRA D, E and F) with broadband speeds of less than 30Mbps can use Rural Gigabit Vouchers worth up to £3,500 for each small and medium-sized businesses (SMEs), and up to £1,500 per residential premise to support the cost of installing new gigabit-capable connections.

### Ask

- 4.10.5 CDS seeks to promote the take up of these vouchers. It is also possible for stakeholders to help identify communities/premises they believe may be eligible.

### Readiness and Deliverability

- 4.10.6 This is an activity already in progress. Suppliers in our area are actively building based on a demand led model funded in part by these vouchers.

### Next Steps

- 4.10.7 CDS to continue to help promote the Government scheme and work with the districts to help them identify opportunities.

### Timing

- 4.10.8 Currently the voucher scheme is due to expire in March 2021 but it is possible than an extension to the scheme will be announced.

## Funds

4.10.9 Currently all funds for this scheme come via DCMS.

4.10.10 Ask of Government: Fibre for all

## 4.11 Connectivity: Broadband and Mobile - Mobile Booster Project

### Overview

4.11.1 The project aims to address small businesses and some residential premises in partial or total indoor mobile “not spots” and improve their indoor 4G coverage by acquiring and installing a signal booster through a universal voucher scheme across the Heart of the South West.

### Offer

4.11.2 The project will allow potential beneficiaries to apply for a voucher via an online portal and self-certificate eligibility. Once a voucher is awarded, the beneficiary will contact their preferred supplier from an authorise list who will use the voucher to install an indoor 4G booster.

4.11.3 The project will look to target 1,250 beneficiaries over the lifetime of the project, which will complete in March 2022. The project will focus on small businesses with the estimation that 65% of take up will be from SME's with the remaining 35% of vouchers will be taken up but residential and home workers.

4.11.4 The value of each voucher will be £800. This will cover the cost of the signal booster and installation and, along with match funding, would incentivise the supplier. The match funding from small businesses and residents benefiting from the voucher scheme will be an average of £200.

### Ask

4.11.5 The project is funded by the Heart of the SW LEP Growth Deal Digital Extension grant funding. If the project looks to exceed its outputs, addition funding would be sought.

### Readiness and Deliverability

4.11.6 Grant funding agreement has been signed between SCC as CDS accountable body and LEP. Full project launch will happen in October 2020.

### Next Steps

4.11.7 Internal systems are in place to operate the scheme including on-line voucher application and supplier database. Once formal launch as occurred, continued publicity to push the scheme will continue with the support of district Economic development teams, Federation of Small Business and other local business partners

### Timing

4.11.8 The project will run from October 2020 and cease delivery end of December 2021. Full project closure will occur end March 2022

### Funds

4.11.9 Total cost of project is:

	Growth Deal	Public Match	Private Match	Total
Capital	£1 million		£250,000	£1.25 million
Revenue		£96,000		£96,000
<b>TOTAL</b>	<b>£1 million</b>	<b>£96,000</b>	<b>£250,000</b>	<b>£1.346 million</b>

4.11.10 Match funding is £346,000 which is 20% of total project cost

## 4.12 Strategic and Locally Significant Road Infrastructure

### Overview

- 4.12.1 The activity includes seeking further investment in key strategic roads to improve economic connectivity between Somerset and the rest of the UK; and improve selected local road connections necessary to unlock the growth and development of our main settlements.
- 4.12.2 We will work with Highways England and the local highways authority to deliver strategic road infrastructure improvements, including upgrades to the A303, A358, A38, A39, M5 junctions 22 and 23, and the associated Edithmead and Dunball junctions. This will improve accessibility within Somerset and to strategic economic locations outside the county, including airports and the major cities of Bristol and Exeter, thus making Somerset a more attractive place for investment and in which to do business. We have already developed schemes, but need at least £1 million to complete this, and funding of more than £100 million will be needed for the works.
- 4.12.3 We also need support to deliver important local road projects including the Cannons/Cross Rifles junction in Bridgwater and Toneway in Taunton. Funding has been allocated for several schemes, but greater flexibility over the timing of delivery is needed, whilst we need additional funding to deliver others.

### Offer

- 4.12.4 We have plans in place for major road improvements. There are several separate planning processes underway to secure funds for various projects.

### Ask

- 4.12.5 £1 million to complete technical work, and £100 million to deliver these schemes

### Readiness and Deliverability

- 4.12.6 Somerset County Council is the highways authority, and will work closely with Highways England. Other stakeholders include the Department for Transport, Peninsula Transport, the sub-national transport body, the HotSW LEP and its Local Transport Board.
- 4.12.7 A business case has been or is being prepared for each project.

### Next Steps

- 4.12.8 Development consent is being sought for the A303 and A358 projects. Planning consent will be needed for the A39 improvements. Planning consent may be needed for improvements to the A38 corridor to Bristol Airport.
- 4.12.9 Business cases are being prepared. HM Treasury Green Book business cases have been completed for many of the schemes.
- 4.12.10 Funding is being sought for each of the schemes.

### Timing

- 4.12.11 Delivery dates are not yet fixed. However:



- A303 proposed start date is 2021
- A358 proposed start date is 2023 or 2024
- A39 proposed start date is 2023
- A38 corridor proposed start date is 2022

### **Funds**

4.12.12 Capital cost estimates include:

- A303 Sparkford to Ilchester – up to £250 million
- A358 Southfields to M5 – up to £500 million
- A39 Walton-Ashcott bypass - £90 million
- A38 corridor - £6 million
- M5 J23 - £6 million
- Dunball junction - £5 million
- Canon Cross Rifles junction - £7 million
- Toneway corridor phase 2 - £11 million

4.12.13 Revenue funding is needed for scheme development. Around £1 million is needed for the non-Highways England schemes.

4.12.14 Most schemes do not have match funding in place, but some Section 106 funds and other developer contributions have been secured for the Dunball junction and Canon Cross Rifles junction.

## **4.13 Rail Connectivity**

### **Overview**

4.13.1 We are working towards improving rail connectivity in parts of Somerset to increase connectivity and inclusion, and reduce road traffic, congestion and carbon emissions. We are working closely with different partners across the rail industry with the aim to facilitate improved connectivity:

- Within Somerset and between those communities with an existing station or with aspirations to develop a new one
- With key regional centres, e.g. Exeter, Bristol, Bath
- To connect with nationally important stations and interchanges, e.g. London, West Midlands (with potential future link to HS2) and South Wales

4.13.2 The nature of rail investment (scale and timing) means that we are less likely to be directly involved in delivering rail schemes but rather working with the rail industry, key partners and other stakeholders to identify needs, help provide the evidence base and work with local communities to ensure that improvements are delivered effectively.

### **Offer**

4.13.3 We will work with arrange of stakeholders to develop and deliver our proposals. These include:

- The Department for Transport
- Office of Road and Rail
- Train operators – both passenger and freight
- Peninsula Transport, a subnational transport body

- Community rail partnerships
- Rail interest and campaign groups
- Heritage rail groups

#### **Ask**

4.13.4 Funding for new stations and existing station improvements.

#### **Readiness and Deliverability**

4.13.5 Text

#### **Next Steps**

4.13.6 Maintain and, if possible, extend strategic engagement with all stakeholders. Continue to actively support and promote funding opportunities and engage and encourage active lobbying of key government bodies.

4.13.7 Individual rail delivery projects will require planning permission, and these will be developed at the appropriate time.

#### **Timing**

4.13.8 Not yet known.

#### **Funds**

4.13.9 Revenue funds will be needed to develop project business cases.

4.13.10 Capital costs are not determined at this stage but are likely to be significant.

## **4.14 Rail Connectivity: Wellington Station**

#### **Overview**

4.14.1 The project to re-open Wellington Station is part of a wider project to create a Devon and Somerset Metro network. This includes restoring rail access to Cullompton station too. Somerset West and Taunton Council is working in partnership with Mid Devon District Council to develop the business case for re-opening both stations. Other key partners in the Devon and Somerset Metro Group include: Somerset County Council; Devon County Council; Network Rail; Great Western Railway; the Heart of the South West Local Enterprise Partnership; Wellington Town Council; and Cullompton Town Council. The project is also supported by Rebecca Pow (MP for Taunton Deane) and Neil Parish (MP for Tiverton and Honiton).

#### **Readiness and Deliverability**

4.14.2 This project is building on existing activity. The partnership conducted a number of studies to assess the scope for re-opening stations at Wellington and Cullompton. These studies considered the likely patronage from the stations, the options for providing train services to them, and the technical feasibility of providing stations for the two towns. This has informed a successful Restoring Your Railway bid submission, and the subsequent development of the SOBC and further GRIP 3 work.

#### **Next Steps**

4.14.3 The Strategic Outline Business Case is due to be complete in December 2020. The final products will include: an Options Assessment Report; an Appraisal Specification Report; Environmental

Appraisal; Risk Statement; and SOBC (Strategic, Economic, Commercial, Financial and Management Cases).

- 4.14.4 Planning permission will be required once the final preferred options are determined for the site locations, access and associated works.

#### **Timing**

- 4.14.5 Delivery is estimated to be in 2025.

### **4.15 Rail Connectivity: Gravity and Bridgwater Connectivity**

#### **Overview**

- 4.15.1 The Gravity site is a nationally significant destination for inward investment and will deliver over 4,000 jobs, bolstering GDP by more than £1 billion. It has a key part of play in delivering the Government's Industrial Strategy, acting as key location for clean growth and advanced manufacturing. A key aspect of this is ensuring that that site can offer a multi-modal transport solution for servicing the economy, including strategic connectivity in relation to rail.

- 4.15.2 The provision of a passenger and rail freight service will serve as a key attractor to expedite and secure investment. The aim is therefore to reopen the branch rail line into the site, just off and connected to the mainline between Bristol and Exeter. The reopened connection would delivery substantial added potential for the site to accelerate sustainable growth in a manner consistent with the Government's Clean Growth and Industrial Strategies. In general terms the new railway to the gravity site is intended to comprise of.

- A new turnout and spur line of 300 metres from the main line
- A new crossover on the main line just north of the new turnout
- A new single track to the development site
- A new freight siding with a loop
- A new freight siding
- A new passenger line and new single faced platform
- Associated signalling, telecoms, power and civils work

#### **Offer**

- 4.15.3 Feasibility work has been undertaken. This scheme will enhance a site with the potential to deliver up to 100,000 sq m of commercial floorspace and 4,000 new jobs.

#### **Ask**

- 4.15.4 Government investment would help to deliver the scheme.

#### **Readiness and Deliverability**

- 4.15.5 The Local Plan identifies support for reinstatement of the rail head to support the Enterprise Zone (Policy B16).
- 4.15.6 Preliminary engineering studies carried out between 2007 and 2010 indicate that whilst much of the original sidings and track have been removed, the track bed remains in place and the embankment was considered to be in a serviceable condition. It concluded that subject to detailed feasibility and viability studies, rail contract and statutory processes, it would be feasible to reconnect the site to the main line. More recently, Pre-GRIP (Governance for Railway Investment Projects) work has been undertaken by This is Gravity Limited in collaboration with Network Rail.

This indicates the deliverability of a scheme for both passenger and freight with no negative impacts upon existing rail services.

#### **Next Steps**

- 4.15.7 A detailed business plan needs to be developed. A preferred option has been identified.
- 4.15.8 Planning permission will be needed for this proposal. The land is safeguarded for rail use.

#### **Timing**

- 4.15.9 Delivery by the end of 2024 is achievable.

#### **Funds**

- 4.15.10 The total cost is thought to be between £45 million and £55 million, including contingency. Funds could be sought from Government or privately. Business Rate retention from the Enterprise Zone could possibly be used for this scheme. However, the scheme would need to be forward-funded and the funding repaid with Business Rate receipts.

## **4.16 Rail Connectivity: Shepton Mallet**

#### **Overview**

- 4.16.1 The proposal is to create a modern commercial passenger service to Shepton Mallet in Somerset, by using the East Somerset branch line, from Witham Friary near Frome, which is currently partially in use as commercial freight route for Mendip Rail Ltd. This is a consortium of the aggregate 'super-quarries' between Shepton Mallet and Frome, with a terminus at Merehead Sidings/Torr Quarry, near the village of Cranmore.
- 4.16.2 The proposal is to utilise and upgrade the existing track bed to Mendip Vale Halt for passenger services between Shepton Mallet in the west, via the existing Mendip rail station of Frome, through to Westbury in Wiltshire, with the latter acting as an interchange for routes to London, Swindon, Bath and Bristol, and the wider South East and West Midlands.
- 4.16.3 A preliminary feasibility study by Atkins Rail was commissioned by Mendip District Council and the East Somerset Railway in 2007 to originally explore the idea of extending the line to Shepton Mallet for the heritage service. The conclusion of the study indicates feasibility and an indicative nature of the works required. Further work is now needed to update and refine the original cost estimates for groundworks, and to re-evaluate the proposal for a commercial passenger line, with integrated parking/bus service provision.

#### **Readiness and Deliverability**

- 4.16.4 An unsuccessful application was submitted to the Restoring your Railway DfT Ideas Fund. It is proposed that commissioning further feasibility work now occurs in 2021 when a clearer picture of the medium- and longer-term impacts of Covid-19 on railway funding and operations emerges.

#### **Next Steps**

- 4.16.5 Further consultation and evidence scoping will continue to take place in 2020-21. We would now expect to commission feasibility work in 2021, depending on the continuing impact of Coronavirus on railway operations. This is to enable proper engagement with Network Rail and TOCs through the process. Delivery of preliminary feasibility work for a passenger line would be expected to take four to six months.

## **Funds**

- 4.16.6 Preliminary feasibility work is thought to be in the region of £30,000 to 50,000. The longer-term cost is estimated to be in excess of £10 million.

## **4.17 Flood Risk: Bridgwater Barrier**

### **Overview**

- 4.17.1 This project, led by the Environment Agency and supported by Sedgemoor District Council, will deliver the Bridgwater tidal barrier and associated improvements to downstream flood protection banks in order to reduce the risk of flooding from the tidal river Parrett. This features in the Somerset Levels & Moors Flood Action Plan (2014) which was developed by a range of organisations, including Somerset County Council and the Environment Agency. The barrier will result in 12,800 existing homes, businesses and infrastructure within Bridgwater and surrounding areas benefiting from a reduced risk of tidal flooding. The works will enable significant new housing and employment growth to come forward on sites already allocated for development in the adopted local plan.

### **Offer**

- 4.17.2 The total scheme cost is £99 million. £79 million has been secured from Flood Defence Grant in Aid (FDGiA), and £4 million from the local levy. Further partnership funding will be secured from developer contributions through planning agreements.

### **Ask**

- 4.17.3 £10 million is needed towards the partnership funding contribution.

### **Readiness and Deliverability**

- 4.17.4 Development of the scheme is underway. Next steps are set out below.

### **Next Steps**

- 4.17.5 The scheme is currently progressing through a Transport Works Act Order (including planning permission), with anticipated completion in early 2021. An outline business case has been prepared, and the full business case for FDGiA is being prepared. Contractor procurement is expected in 2021, with construction to start in 2022 and complete in 2024. Commissioning is expected in 2025.

### **Timing**

- 4.17.6 Commissioning is expected in 2025.

### **Funds**

- 4.17.7 £10 million is sought towards a total cost of £99 million.

## **4.18 Flood Risk: Taunton Flood Attenuation**

### **Overview**

- 4.18.1 The Taunton Strategic Flood Alleviation Improvements Scheme (TSFAI) adopted by the Council earlier in 2020 identifies a suite of flood alleviation projects and measures phased over 30 years, to make them easier to deliver and fund, and which will all need to be delivered to ensure that flood risk to the Town of Taunton is minimised. This long-term strategic solution to reducing flood risk to Taunton and, where possible, to the wider catchment was the culmination of six years

partnership working by Somerset West and Taunton Council (SWT) and the Environment Agency (EA), with additional funding/grant support from the Heart of the South West LEP and Somerset Rivers Authority.

- 4.18.2 The TSFAIS Programme will provide protection to thousands of properties, key infrastructure (such as the BT Exchange, Police Station, Royal Mail Sorting Office, Medical Centres, Primary Schools), resilient network routes (A3027, A3087, A3038, routes into the Town Centre and to Taunton Train Station) and maintain economic activity through access to businesses and services. It is estimated that a single major flood in Taunton would cost the local economy approximately £50 million. It will enable the large regenerations sites in Taunton Town Centre including Firepool and Tangier to come forward.
- 4.18.3 Going forward, in Year One, the Council will focus on working closely with partners including the Environment Agency to get the priority funded projects moving. It will also start to lay the foundations for exploring how and when some of the later projects might come forward.
- 4.18.4 There is no single option that completely removes or reduces flooding in isolation. Instead, a combination of around a dozen interventions is required. This combination of works is referred to as the “preferred approach”. This ‘Preferred Approach/Framework’ can reduce flood risk in Taunton today and in the future, when taking account of climate change, to protect existing property in Taunton and to allow the town to develop safely and holistically.
- 4.18.5 There are three ‘short-term’ projects the council is focusing on in the next few years:
- **River Tone Left Bank Flood Defences** – a combination of repair, replacement or new flood defences between Frieze Hill and Town Bridge to provide reduced flood risk to key transport routes including the A3027 Bridge Street, A3027 Staplegrove Road and the A3087 Station Road, and the North Town and Firepool areas of Taunton, including SWT’s multi-million pound regeneration site
  - **Firepool Lock gate** and associated bund between the River Tone and Bridgwater to Taunton Canal – raising levels of the lock gates and area around them in conjunction with creating an earthen bund defence between the canal and the river from Firepool to Obridge which will prevent flows entering the canal. This provides reduced flood risk for Priorswood and Crown Industrial Estates and Bathpool
  - **Longrun Meadow** flood attenuation improvements - optimisation of the existing flood storage area at Longrun Meadow through new embankments, inlet and outlet to remove excess water from the river and control when the water is put back into the River. This reduces flood risk in Taunton Town Centre and further downstream including areas of North Town, Firepool, Priorswood and Crown Industrial Estates, Bathpool and benefiting tributary flows reducing flood risk in Tangier area, which is also a key Town Centre regeneration site.
- 4.18.6 Other short - medium-term (10-15 years) projects in the TSFAI programme are:
- Raised or New Defences on the Tangier Tributaries (short term 0-10y)
  - Raised or new defences on the River Tone and its Tributaries (short/medium term)
  - Pumping station at Bathpool (short term 10-15y)
  - Preventing backflow from railway culverts (short term 10-15y)
  - River Restoration and flood storage at Vivary Park (short term 10-15y)
  - Raising Castle Street Bridge & Bus Station footbridge (as opportunity arises);

- Mill Stream flow diversion (as opportunity arises)

4.18.7 The long-term approach:

- Upstream storage at Bradford on Tone (30yr)

#### **Offer**

4.18.8 SWT is the lead partner on the short-term programme of projects, and is looking to deliver key elements of the design and construction of the first two of these projects (Firepool lock gates and River Tone left bank defences) with £6 million of Council funds.

#### **Ask**

4.18.9 £2.6 million is needed to close the funding gap for the total £8.6 million investment required for the three short term measures listed.

4.18.10 The Council has approved £6 million funding from New Homes Bonus (NHB) and Community Infrastructure Levy (CIL). Environment Agency FDGiA will be applied for. However, this relates to infrastructure only and due to how it is calculated it is anticipated it may only deliver a very small contribution. Wessex Local Levy and SRA grant will also be applied for. The Council is looking for other funding streams to support this important work on flood defence that will support the economy and growth of Taunton.

4.18.11 The entire TSFAIS programme totals c. £190 million of investment over 30 years. The Council will clearly not be able to progress the programme without significant funding support.

#### **Readiness and Deliverability**

4.18.12 For all the projects, detailed design is required and scheduling of works to manage potential detriment to other areas.

#### **Next Steps**

4.18.13 Next steps are:

- **Firepool** – currently in late design stage, with delivery anticipated late 2021
- **River Tone left bank** – design stage during 2021/22, with delivery anticipated in 2022/23. A Collaborative Agreement between SWT and the EA for the River Tone Left Bank Flood Defences will be signed early 2021. A Project Brief and Programme is being jointly progressed with a view to letting a contract via the Environment Agency's supplier framework by February 2021 for the detailed design, consents and permissions. Landowner liaison is taking place to identify any potential issues and protocols for access to land and notification of works/investigations and establish conflicts or opportunities for working. An Engagement and Consultation Plan will be prepared.
- **Longrun Meadow** – design and delivery during 2022-2024

#### **Funds**

4.18.14 SWT has approved an allocation of £6,000,000 of capital funding from already earmarked Community Infrastructure Levy, New Homes Bonus and s106 contributions, to progress the identified short term priorities of Firepool lock gates, improvements to the left bank of the River Tone (Frieze Hill to Town Bridge), and Longrun Meadow.

4.18.15 The entire Preferred Approach is phased to make it more affordable, as it is unlikely to attract full or majority funding from central government Flood Defence Grant in Aid (FDGiA). Funding sources

that have been identified by the SWT and EA Project Team include: Community Infrastructure Levy (CIL), Housing Infrastructure Fund (HIF), New Homes Bonus and the Wessex Flood Defence Committee. However additional sources continue to be sought.

## 4.19 Flood Risk: Blue Anchor

### Overview

- 4.19.1 This activity comprises significant coastal defence works to protect the sea cliffs, the B3191 Blue Anchor to Watchet road, the services therein and the adjacent properties. The aim is to protect property, infrastructure and land. The scheme is the lowest cost option of those considered, the option most likely to be able to be delivered in a timely manner and the most deliverable of the options given the clarity regarding land ownership.

### Offer

- 4.19.2 Somerset West and Taunton Council agree in principle to accept responsibility and ownership for the coastal protection structure together with a commuted sum to cover estimated maintenance over the estimated lifecycle of the asset, provided that the new infrastructure is funded entirely by the Highways Authority, Environment Agency and or other external contributors.
- 4.19.3 A Supplementary Capital Budget of £3,550,000 has been approved for the delivery of the long-term coast protection capital works, funded entirely by expected contributions from Somerset County Council and the Environment Agency.

### Ask

- 4.19.4 Requests are being submitted to the Environment Agency for grant in aid and also for local levy funding

### Readiness and Deliverability

- 4.19.5 The project builds on activity that has already taken place.
- 4.19.6 Significant option appraisal work has taken place and a preferred option has been identified. As this is primarily a project to protect a highway the vast majority of funding is being provided by Somerset County Council with the project being managed and delivered by Somerset West and Taunton Council. Additional funding has been sought from the Environment Agency and we are awaiting the outcome of these applications. The project requires approval before detailed designs are started.
- 4.19.7 Agreement regarding future ownership and the funding of and responsibility for the ongoing maintenance and any repairs remains outstanding but is currently proceeding through the Somerset West and Taunton Council committee cycle (Full Council 1 December 2020).
- 4.19.8 The activity requires planning permission. It is not yet in place as there are no final designs yet in place for the scheme.

### Next Steps

- 4.19.9 Detailed design work needs to be completed, and then planning permission secured.
- 4.19.10 Somerset West and Taunton Council will complete the emergency works to the existing sea defence wall and import approximately 1,800 tonnes of rock armour to buy time for the design and



implementation of the main scheme. This work has been awarded funding from the Environment Agency and there are no costs to Somerset West and Taunton Council.

- 4.19.11 Somerset West and Taunton Council officers will engage with local landowners to secure the use of the private land necessary for access, storage, and construction of the scheme. The Council will establish a contract with designers to take forward the scheme, and start engagement with the contractors. The Council will establish a multi-agency project board and timeline of activity.

#### **Timing**

- 4.19.12 The project can be delivered in 2021 or 2022 depending on the length of time for designs and permissions, and the availability of appropriate delivery vessels and rock armour.

#### **Funds**

- 4.19.13 It is estimated that the total capital cost of delivering the scheme will be £4 million. The vast majority of funding will come from SCC as the Highways Authority. Land required is expected to be free of charge. Further funding has been sought from the Environment Agency through both Grant in Aid and Local Levy routes.

## **4.20 Strategic Sites: Gravity Enterprise Zone**

### **Overview**

- 4.20.1 We have been progressing the delivery of the Gravity Enterprise Zone for several years, to support delivery of a smart campus focusing on Clean Growth principles with the stated ambition being to create a multifunctional campus with digital connectivity, smart mobility, including rail restoration. The EZ also has the potential to support the Freeport proposal at Bristol with opportunities to support advanced manufacturing facilities as part of a wider Freeport Zone for the South West. Forward funding for infrastructure, including the reinstatement of a rail link into the site, will help to stimulate the development of high technology and energy-related businesses on the site, creating thousands of high-quality jobs and improved productivity.
- 4.20.2 The proposed activities will include a delivery of a demonstrator and incubation space to attract start-ups and growing companies and to showcase the clean growth principle and smart campus concept alongside the preparation of the local development order. Additionally, the project seeks to deliver a smart mobility centre to provide transport innovation solutions on and off site.
- 4.20.3 The UK's ambition to build its own Gigafactories is recognised and Gravity could support the UK's government in fulfilling that ambition by hosting the first Gigafactory in the country. Additionally, the site is ideally located to support the latest government's initiative – freeports. Gravity and Sedgemoor District Council work closely with WECA and Bristol Port on designing a proposal that would create a multi-site freeport delivering jobs and wider social benefits in the area. Gravity, as a quite contained site, could be an ideal testbed for 5G and other technologies (e.g. autonomous vehicles, smart mobility, etc.).
- 4.20.4 The site requires a direct connection to WPD network – this project seeks Government's support in grid reinforcement between Bridgwater and the site to enable high-wattage power connection to enable the development.

### **Offer**

- 4.20.5 The project will be delivered by This Is Gravity Limited together with Sedgemoor District Council, Somerset County Council, the HotSW LEP, the Department for International Trade, the Department of Transport, local HE and FE partners and Highways England.
- 4.20.6 Use of retained business rates to forward-fund site infrastructure
- 4.20.7 Delivery of a Local Development Order to accelerate delivery of the site and provide fast track and agile planning processes aligned to investor timescales and occupier needs
- 4.20.8 Create innovation space and test bed on Gravity

### **Ask**

- 4.20.9 Inclusion of Gravity in the Freeport Zone for the South West.
- 4.20.10 £10m for acceleration of WPD grid reinforcement from Bridgwater to site.
- 4.20.11 £2 million demonstrator and incubator space to attract first occupiers to site and to demonstrate smart campus concept.
- 4.20.12 DfT investment into rail restoration project to enable rail connection to the site (£50 million).
- 4.20.13 Government support to promote the site as a location for a Gigafactory.
- 4.20.14 £5m for smart mobility centre to provide transport innovation and mobility solutions on and off site

### **Readiness and Deliverability**

- 4.20.15 The project is being developed. High level plans are in place for the demonstrator space and the mobility centre. Proposals have been drafted for 5G bid and freeport consultation. SDC is participating in the delivery of the LDO to increase marketability of the site and promote development. Discussions are ongoing with Western Power Distribution and Hinkley Point C regarding power connection. The freeports consultation has ended but no date has been given for when the bidding process might start.
- 4.20.16 A business plan has been developed for a mobility centre.
- 4.20.17 A grid reinforcement project is being led by This is Gravity Limited.

### **Next Steps**

- 4.20.18 Sedgemoor District Council is progressing work on a local development order which will align planning and vision for the site and will send a clear message to potential investors that the site is ready for development.
- 4.20.19 High level plans and costings have been developed for the demonstrator space and smart mobility centre, and these need to be developed further.
- 4.20.20 An energy strategy for the site needs to be prepared.
- 4.20.21 Freeport and 5G bids need to be pursued.

### **Timing**

- 4.20.22 The demonstrator space and mobility centre could be operational by 2022.

## **Funds**

4.20.23 A total of £17 million if funds are sought to deliver the activity set out above. Sedgemoor District Council could potentially borrow up to £4.5 million against retained business rates. Some funds are sought from ERDF.

4.20.24 A further £12.5 million is sought from Government to deliver this activity.

## **4.21 Other Strategic Employment Sites**

4.21.1 There are a number of other significant employment sites that we are working on with development partners, including Nexus 25 at Taunton and the Bunford Innovation Park at Yeovil. Funds for these sites will stimulate private sector investment in delivering premises for new high value businesses, creating hundreds of new jobs and productivity in high technology sectors. These will be supported through the Revolving Infrastructure Fund discussed below.

## **4.22 Strategic Sites: Bunford Innovation Park**

### **Overview**

4.22.1 The BIP will provide innovation and enterprise grow on space for businesses operating within the Aerospace and AEM sectors with a specific emphasis on those working within the clean growth sphere. It will add to the developing ecosystem by aligning itself with existing developments such as Yeovil Innovation Centre and iAero.

4.22.2 BIP is a 59 acre site located adjacent to the A3088 National Freight Route in Yeovil, has the benefit of an existing Local Plan allocation for employment uses, an extant outline consent and recent section 73 consent to allow phased delivery. The site has a capacity for approximately 500,000 sq ft of commercial accommodation. The proposed redevelopment of the site would provide a varied provision of Grow On Space to complement existing innovation accommodation in Yeovil

### **Readiness and Deliverability**

4.22.3 A business plan has been completed for this work.

### **Next Steps**

4.22.4 Outline planning permission was granted in March 2011. Further permissions will be required.

### **Timing**

4.22.5 Phase 1 – Access and Infrastructure Works – 2021/22

4.22.6 Phase 2 – EV charging and Grow-On Space – 2022/23

4.22.7 Phase 3 – Future BIP Delivery – ongoing dependent on market demand

### **Funds**

4.22.8 An application has been submitted for Getting Building Funding. How much? Successful?

4.22.9 The total project cost is over £93 million, comprising:

- £4.6 million for Phase 1 access and infrastructure works
- £20.7 million for Phase 2 EV charging and grow-on space
- £68 million for Phase 3 full delivery of the BIP

## 5 Creating Attractive Places and Homes

5.0.1 The activities included in this theme are divided into three areas: improving the environment in Somerset’s towns; enabling the private sector to deliver development; and direct delivery of housing. These are summarised in the figure below.

**Figure 5.1: Activities to Provide Infrastructure to Enable Growth**

<b>Improving the environment in Somerset’s towns</b>
Major town centre regeneration
<ul style="list-style-type: none"> <li>• Bridgwater Town Deal</li> <li>• Glastonbury Town Deal</li> <li>• Taunton FHSF</li> <li>• Yeovil FHSF</li> </ul>
<b>Enabling the private sector to deliver development</b>
Revolving Infrastructure Fund
Direct investment in new infrastructure e.g. schools
<b>Direct delivery of housing</b>
Loan fund to deliver new affordable housing

### 5.1 Major Town Centre Regeneration

#### Overview

5.1.1 We are developing integrated programmes of activity for major town centre redevelopment in Bridgwater, Glastonbury, Taunton and Yeovil. Securing £38 million of Future High Street Funds for Taunton and Yeovil, and up to £50 million of Towns Deal funds for Bridgwater and Glastonbury will draw in match funding and investment from other partners. These programmes will deliver thousands of new jobs and homes in these town centres, turning them into vibrant and sustainable places which provide opportunities for many of our excluded residents.

### 5.2 Major Town Centre Regeneration: Bridgwater Town Deal

#### Overview

5.2.1 Bridgwater Town Deal is a programme of capital projects that will be funded by Central Government. *Our Vision for Bridgwater is a Town Re-energised* – ensuring the town is better positioned to benefit from existing and future investment in clean energy and clean sustainable growth. A town recognised as a place of education, enterprise and innovation. A town that is socially conscious, culturally rich and colourful with a strong sense of civic pride and community.

5.2.2 The Strategic Aims of the Town Deal are:

- Maximise Our Community Potential – providing skills and support to residents to access employment and start businesses
- Re-energise our Town Centre - stimulating greater diversity of activity and connection, as a place for enterprise and production, alongside the traditional town centre functions of retail, culture and leisure
- Accessibility & Movement – ensuring that Bridgwater is able to function effectively and is well connected both within the locality and across the wider area.

#### **Offer**

- 5.2.3 The Town Board is preparing a Town Investment Plan to re-energise Bridgwater and attract investment in clean energy and sustainable growth.

#### **Ask**

- 5.2.4 Approval of the Town Investment Plan, and subsequent award of funds.

#### **Readiness and Deliverability**

- 5.2.5 A Town Board has been convened, comprising a range of stakeholders. A Town Investment Plan is being prepared, for submission in January 2021. The list of projects that comprise the Town Investment Plan has not yet been agreed.

#### **Next Steps**

- 5.2.6 A survey to engage residents and businesses is underway during October 2020.
- 5.2.7 Projects are being developed and a shortlist of projects will be compiled.
- 5.2.8 A bid will be submitted in January 2021.
- 5.2.9 If the Town Investment Plan is successful, then full business cases will be prepared for the projects. Some projects may need planning permission.

#### **Timing**

- 5.2.10 The Town Investment Plan will be submitted in January 2021. If this is approved, then full business cases need to be prepared within 12 months, and project must be delivered within six years.

#### **Funds**

- 5.2.11 A bid is likely to be for up to £25 million, although an exceptional bid could seek £50 million. Match funds have not yet been secured.

### **5.3 Major Town Centre Regeneration: Glastonbury Town Deal**

#### **Overview**

- 5.3.1 Accelerator funding of £500,000 has been secured for:
- Renovation of Building C of the Red Brick Building, for business development, youth and community events
  - High Street enhancements, including cycle racks, trees, hanging baskets, signage and toilet blocks
  - Refurbishment of St Edmunds Hall
  - Community parking facilities at Herbies Field
  - A circular seven-mile footpath
- 5.3.2 A Town Investment Plan is being prepared for a bid of up to £24.5 million, for submission in January 2021. The focus is on:
- Regeneration projects around the Beckery in Glastonbury to create jobs and economic growth
  - A town centre hub for business and skills in the community. A proposal for an Enterprise Centre is part of this proposition and is discussed in detail at section 3.8.
  - Heritage projects

- Sports projects
- Affordable housing
- Transport
- Renewables

#### **Offer**

5.3.3 Accelerator projects have already been identified. A Town Investment Plan to promote economic growth, employment and change in Glastonbury is being prepared.

#### **Ask**

5.3.4 Up to £25 million of funds from the Town Deal.

#### **Readiness and Deliverability**

5.3.5 A Town Board has been convened, representing all sections of the local community, HotSW LEP, Somerset County Council and the local MP. Community and business consultation is underway.

5.3.6 The accelerator projects are ready to deliver. The Town Investment Plan is being developed.

#### **Next Steps**

5.3.7 Submission of the Town Investment Plan in January 2021.

5.3.8 Planning permission will be needed for some projects.

#### **Timing**

5.3.9 Submission of the Town Investment Plan in January 2021. Accelerator projects will be delivered by March 2021. Delivery of the main TIP projects will commence in 2022.

#### **Funds**

5.3.10 Up to £25 million in total is sought for the Glastonbury Town Deal.

## **5.4 Major Town Centre Regeneration: Taunton FHSF**

#### **Overview**

5.4.1 The Taunton Future High Street Fund bid was submitted to MHCLG in May 2020 with a total ask of £20.2m. The proposed intervention will enable the Council to deliver long established plans for the regeneration of Taunton town centre. The FHSF bid included the following projects:

- A new, transformational, mixed use development at Firepool in the heart of the town: bringing forward a large stalled site that has laid vacant since 2008. Supporting the development of new housing, hospitality and leisure space, business and innovation space
- A new nationally significant cultural venue and multi events space at Firepool
- Creation of a new pedestrian and cycle route linking the station to the town centre and the River Tone.
- Converting one of the town's most strategically significant riverside locations, Coal Orchard, from a car park to a high-quality mixed-use development, including apartments, retail, workspace, restaurants and riverfront plaza. This will attract new footfall to the High Street and form a key connection between Taunton Station, the Firepool development and the town centre. The project is under construction and scheduled for completion in May 2021.

### **Offer**

5.4.2 Projects costing £85 million will be delivered. The majority of the co-funding will be provided by Somerset West & Taunton Council. Some co-funding has been secured from Homes England.

### **Ask**

5.4.3 £20 million of Future High Street Funding is sought.

### **Readiness and Deliverability**

5.4.4 Stakeholders include Somerset West & Taunton Council, Somerset County Council, the Environment Agency, Homes England, and the HotSW LEP.

5.4.5 At Firepool, initial enabling works, site clearance and land assembly have been completed.

5.4.6 The Coal Orchard development is already under construction.

### **Next Steps**

5.4.7 Initial infrastructure works are scheduled to take place in late 2020.

### **Timing**

5.4.8 A full business case has been submitted to Government.

### **Funds**

5.4.9 £20 million of Future High Streets Funding is sought, towards a total project cost of £85 million.

## **5.5 Major Town Centre Regeneration: Yeovil FHSF**

### **Overview**

5.5.1 *Yeovil Refresh* is an holistic regeneration of Yeovil town centre. This is supported by a strategic vision which will be delivered by a programme of interlinking projects.

5.5.2 This creates a regeneration programme based on three main themes:

- **Strategic Development** – Focused on Cattle Market and Vincents Yard, Glovers Walk and 72-74 Middle Street. These sites individually and in combination present an opportunity to create fundamental change in Yeovil. They will enable the reduction of retail floorspaces, densification of housing, introduction of new commercial and leisure spaces combined with creation of co-collaboration workspace.
- **Improving the Network** – Re-orientation of the transport networks to create an inter connected transport network across all modes of transport. Active travel approaches and creation of shared space focused on pedestrians in the core town centre streets. Tackle air quality and modes of transport.
- **Creating Spaces and Linking Places** - A broad range of public realm interventions were considered that respond directly to the market failure identified in the Strategic Case. The priority for Yeovil is to enhance the core of the town centre with a highly legible series of linked public spaces that create an investment friendly environment, making the town centre a more attractive space to spend time throughout the entire length of the day. A safe, attractive and high-quality public realm will support the wider objectives of the town in providing the connecting network between existing assets and destinations and importantly between the town and the newly developed sites within and around the town centre.

- Complementary Approaches – This theme underpins the three core themes with a planned programme of animation and activity which will use and support the town centre environment.

### **Readiness and Deliverability**

5.5.3 An over-arching plan is being prepared. A bid has been submitted for Future High Streets Funding.

### **Timing**

5.5.4 Delivery will take place between 2021 and 2025.

### **Funds**

5.5.5 The estimated total cost of delivering the activity is £29 million, comprising £27.7 million of capital costs and £1.3 million of revenue costs.

## **5.6 Major Town Centre Regeneration Multi-Centre Town Deal**

5.6.1 This activity is one of Somerset’s strategic ambitions, which is being developed.

### **Overview**

5.6.2 We have set out proposals for investment in Somerset’s four largest towns in other projects. This project will help to deliver development and regeneration in the some of our second-tier towns. We are preparing a proposition for the integrated regeneration of towns including Chard, Shepton Mallet, Watchet and Wincanton, which can potentially be developed into a single Town Deal or four separate Town deals (or possibly applications to the newly announced Levelling Up Fund). Our plans will need at least £25 million of funds to unlock private investment and match funding from other partners. Delivering regeneration in our second-tier towns is a strategic ambition for Somerset, and we have established a group of stakeholders to develop plans for this activity. We will provide more detail in the Spring of 2021.

5.6.3 Our plan is to deliver a range of projects that help meet the aims of the Towns Fund i.e.

- Delivering urban regeneration to make these towns thriving places for people to live and work. This could include projects to increase density in the town centres; improve local assets, including cultural assets; acquire, remediate and regenerate sites; and use planning to bring strategic change and direction
- Delivering skills and enterprise infrastructure, to ensure that towns have the space to support skills delivery and small business development
- Improving connectivity by delivering local transport schemes to complement regional and national networks, and improving digital connectivity

5.6.4 We note that place-based regeneration, skills and enterprise infrastructure, and the delivery of physical and digital connectivity are addressed by other strategic actions in the Somerset Recovery and Growth Plan, This multi-centre town deal helps to deliver activity specifically in some of our second-tier towns to complement and help them to benefit from the major strategic investments.

### **Offer**

5.6.5 The regeneration of these towns will help to create jobs, opportunities and greater inclusion in these communities. Starting the process of regeneration will increase confidence, stimulating further investment and development.

5.6.6 We will assemble a package of private investment and match funding to complement any investment by Government in this activity.



5.6.7 We will build on activity which is already underway, including a recently commissioned masterplan for Shepton Mallet.

#### **Ask**

5.6.8 We request £25 million of Town Deal or Levelling Up funds from Government to start the process of regeneration in our towns.

#### **Readiness and Deliverability**

5.6.9 We are working on the development of plans for these towns. We are identifying, testing and working up opportunities that help to meet the aims and objectives of the Towns Fund and Levelling Up Fund.

#### **Next Steps**

5.6.10 We will convene a Town Board to lead this project.

5.6.11 We will prepare a Towns Investment Plan to demonstrate how we will deliver regeneration across the four towns, to complement the strategic development that is taking place across Somerset.

5.6.12 Our Towns Investment Plan will set out:

- The contextual analysis for each of the towns, including the challenges it faces, needs, assets, strengths and opportunities. We will identify common needs and opportunities across the towns
- A strategy for the development of each town, setting out a vision, projects that will help to meet this, targets, priorities, and a spatial strategy. We will identify common strategic themes across the four towns, and develop complementary solutions across the four towns
- We will set out the theory of change, to show how investment in each town will lead to sustainable regeneration and growth
- Evidence of the engagement that we have undertaken with local businesses and communities in each of the towns. We will identify how the public and private sectors will work together to deliver regeneration in each of the towns
- Initial proposals for delivery including accountable bodies, high-level business cases, and high-level delivery plans

5.6.13 We will develop initial proposals for each project within the Town Investment Plan

5.6.14 Once we have agreed a Town Investment Plan with Government we will prepare full Business Cases for investment in each of the towns.

#### **Timing**

5.6.15 We will develop full plans for the integrated regeneration of Chard, Shepton Mallet, Watchet and Wincanton in 2021.

#### **Funds**

5.6.16 In the first phase of work we will identify projects costing a total of £25 million. As part of the process of developing the plans for the towns, we will identify sources of match funding which will help to increase the scope of work that we can undertake.

5.6.17 We will develop a Town Investment Plan and seek £25 million from Government for the implementation of the first phase of this.

## 5.7 Revolving Infrastructure Fund

### Overview

- 5.7.1 We have a number of major residential and commercial development opportunities in Somerset which need enabling infrastructure to get started. We want £150 million grant-in-aid (repayable to Government upon cessation) to create a Revolving infrastructure Fund to invest in enabling infrastructure to kick-start new developments. As development is delivered, we will invest in further enabling infrastructure. Along with parallel investment in training and skills, these projects will create employment for local people in construction, helping to increase inclusive growth.

### Offer

- 5.7.2 Accelerated delivery of new homes and new jobs

### Ask

- 5.7.3 £150 million grant-in-aid repayable borrowing to create the RIF

### Next Steps

- 5.7.4 In the first Quarter of 2021 we will establish a county-wide steering group involving the four District Council, and overseen by the Somerset Growth Management Group (SGMG).
- 5.7.5 The steering group will review and refresh the list of key development sites in Somerset, identifying:
- Location and ownership
  - Type/mix of potential development
  - Anticipated/planned quantum of housing, employment, and other development
  - Potential for the repayment of an investment from the RIF
  - Delivery/planning status and timescales
  - Key barriers to the delivery of enabling infrastructure and site development (actual/known, or possible risks)
  - Stakeholder identification and analysis work (and development of a stakeholder engagement plan – including how this work aligns with the LEP’s infrastructure investment strategy)
  - Identify existing and new funding opportunities (e.g. Levelling Up Fund), and assess how these might be suitable for specific schemes

## 5.8 Direct Investment in New Infrastructure

- 5.8.1 This project may be merged with the Revolving Infrastructure Fund, above.

### Overview

- 5.8.2 In some places in Somerset we need to invest in new infrastructure and public realm developments on a non-repayable basis in order to enable new development by the private sector. These will stimulate the delivery of new homes, new employment opportunities, employment opportunities in construction, and greater inclusion. Many new residential developments result in the need to deliver new schools, additional classrooms and educational infrastructure for the new population. We know from experience that the level of CIL/S106 funding that we can achieve in Somerset from new housing developments is insufficient to fund educational infrastructure as well as other essential infrastructure. Therefore, we are requesting funding to allow us to build school places, so they are ready for new housing. CIL collected from these housing developments will then

be used to help fund future schools, moving us from always experiencing a funding gap to proactively providing school places.

#### **Offer**

- 5.8.3 Accelerated delivery of new homes and new jobs

#### **Ask**

- 5.8.4 £57 million of new funding for schools in Somerset to be built and ready for the academic year starting Sept 2024 at the latest

## **5.9 Loan Fund to Deliver New Affordable Housing**

#### **Overview**

- 5.9.1 Delivery of housing for the residents of Somerset is one of our highest priorities. As local authorities we have delivered significant numbers of new homes and can deliver many thousands more homes in our urban centres, towns and rural areas. To maintain momentum in the delivery of new homes as well as bringing forward additional sites that have been stalled (e.g. harder to deliver brownfield sites), the councils need access to low cost secure lending. Our proposal is that Government creates a facility within the PWLB, at a preferential rate, that allows significant borrowing specifically to deliver new homes.
- 5.9.2 This proposal advocates direct intervention on the part of the Somerset Councils to establish a shared Housing Development Company, supported with a locally controlled and funded Housing Investment Loan Fund, designed to provide funding support to appropriate mechanisms that can unlock new housing, where delivery is stalled on sites on account of financial constraints.
- 5.9.3 The outturn will be increased numbers of directly delivered council homes which are well designed, energy efficient, sustainable and homes to rent and buy on both an affordable and commercial basis.

#### **Offer**

- 5.9.4 This project will bring together the separate work possibly already taking place at the individual local authority level, bringing a consistent and coordinated county wide approach. The creation of a new development loan facility will be a shared initiative design to support housing development and generate revolving recyclable funds for reinvestment into future housing delivery.
- 5.9.5 This proposal has a simple aim to encourage, accelerate and unlock housing delivery of new homes through direct delivery, generating income to expand further going forward in a sustainable way.

#### **Ask**

- 5.9.6 A borrowing facility with a PWLB rate close to the Bank of England base rate

#### **Readiness and Deliverability**

- 5.9.7 This project is a county-wide ambition and is being developed further by a group of stakeholders including all of Somerset's local authorities.
- 5.9.8 This proposal is building on existing activity, which will require the bringing together of current activity and agreeing a coordinated way forward.

5.9.9 Whilst individual councils are already able to provide commercial loans, this tends to be on an ad-hoc basis. The creation of new shared loan facility will require the creation of something new in terms of financial and legal arrangements.

**Next Steps**

5.9.10 To be confirmed.

**Timing**

5.9.11 Not yet assessed.

**Funds**

5.9.12 Total cost is not known at this stage.

## Transformation Programme Assessment & Final Report

Executive Portfolio Holder: Tony Lock, Protecting Core Services incl Transformation  
Strategic Director: Kirsty Larkins, Director of Strategy and Commissioning  
Lead Officer: Brendan Downes, Lead Specialist People Performance and Change  
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## Purpose of the Report

1. The purpose of the report is to communicate the SSDC Transformation Programme Assessment and Final Report to members.

## Forward Plan

2. This report is on the Executive Forward Plan for review in January 2021.

## Public Interest

3. The SSDC Transformation Programme Assessment & Final Report provides a review of the delivery and achievements of the Transformation programme and functions, as a checkpoint for the organisation on its ongoing improvement journey.

## Recommendations

4. Members are asked to note the content of the attached report, the SSDC Transformation Programme Assessment & Final Report.

## Background

5. In November 2015, Ignite Consultants and Civica completed an initial business case for transformation of the Council using the 'Future Model' concept, which was presented to members for approval in February 2016.
6. The 'Future Model' concept is a framework for operating model design in local authorities and this was developed into a customer centric future operating model for South Somerset. The projected benefit of the model were to be realised against four benefit drivers:
  - Customer enabling
  - Customer self-serve
  - Internal remodelling
  - Technology and process improvement



7. The transformation blueprint and updated business case for the council was approved by members in April 2017. The programme then commenced with the development of the detailed operating model design.
8. Implementation of the Transformation programme was led and managed by staff of SSDC, reporting to a Programme Board which comprised of the Leader, Portfolio Holder and Senior Leadership Team. Implementation was supported by Ignite Consulting, Civica, Rebecca Bevins and South Hams & West Devon District Councils.
9. In October 2020, Ignite Consulting were commissioned to conduct an assessment at closedown of the transformation programme. The closedown report reflects on the journey the organisation has been on and assesses the current status of transformation and achievement of programme objectives. In addition, it considers what is next in the overarching goal of continuing to offer excellent services to its residents.

## Report Detail

10. The assessment is intended to act as a checkpoint for the organisation, with an acknowledgement of the significant changes on the horizon for the future of local government in Somerset. The challenge for SSDC is to ensure that the organisation is ready for change and able to maximise the opportunities this will present.
11. The assessment focused primarily on the two main benefit groups identified in the programme. These are:
  - the financial savings benefit the organisation would achieve through the reduction in FTE and
  - the benefit of unlocking efficiency/smarter ways of working across the four key benefit drivers.
12. The assessment provides an evaluation of what was intended to be delivered from the programme and compares to what was achieved from the transformation programme.
13. The following activities were scheduled and undertaken by Ignite Consulting during November 2020 to produce the assessment findings:
  - Performance assessment: reviewing and analysing reports and assessing consistency with the emerging narrative from engagements
  - Staff and member engagement through a range of workshops, focused sessions and stakeholder engagement to gain further insight into the transformation journey
  - a “deep dive” into one of the key benefit drivers (technology) and also a closer look at how two teams have progressed through transformation



14. The output from the review conducted by Ignite Consulting has been the production of the “SSDC Transformation Programme Assessment and Closedown Report” which is shared at Appendix A.
15. The report covers the background to the engagement and findings across the following areas:
  - Overall Assessment of programme outcomes
  - Realisation of Financial Benefits
  - Customer enablement and customer channel shift benefit driver findings
  - Remodelling benefit driver findings
  - Technology/processes benefit driver findings
  - Assessment of Cultural shift within the council and wider benefits of the programme
  - Potential opportunities to continue to improve efficiency and effectiveness in customer delivery.

## **Financial Implications**

16. There is no direct request for funding as a result of Executive noting this report. Should any funding outside of existing revenue budgets be required as a result of implementing any of the recommendations proposed in the Ignite report then this will come forward for approval on case by case basis.

## **Legal implications (if any) and details of Statutory Powers**

17. None

## **Risk Matrix**

Not applicable at the current time as the report is for information only.

## **Council Plan Implications**

### **Council Plan 2020-2024**

#### **Protecting Core Services**

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

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

Not applicable this report is for information only.

## **Equality and Diversity Implications**

Not applicable this report is for information only.



## **Privacy Impact Assessment**

Not applicable this report is for information only.

## **Background Papers**

Appendix A SSDC Transformation Programme Assessment & Final Report



# **Transformation Programme Assessment & Closedown Report**

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## 1. Background

In 2015, along with many other councils, it was recognised that South Somerset District Council (SSDC) faced challenges across several fronts. Whilst the most significant challenge was financial, they also recognised that they had other challenges in breaking down silos and traditional ways of working, as well as meeting the needs of a new generation of customers.

SSDC were forecasting the need to make over £4.1million of savings from the then current budget by 2020-21 and that financial pressures would increase over time. There was a recognition that the financial challenge could not be met without reducing staff numbers as 46%, or £32.3 million of SSDC's gross annual expenditure, was staff related cost. At that stage, the council had achieved workforce savings through sharing services and individual service reviews, but a more extensive programme of change was required. However, whilst recognising that costs including staff costs would need to reduce, the Council was keen not to see a corresponding reduction in service levels or outputs. It was therefore recognised that a different and more efficient approach to delivering services would be needed that required less staff and enabled the council to operate within the financial constraints imposed. Hence the transformation programme was created, and the background is covered next.

In November 2015, Ignite Consultants and Civica completed an initial business case for transformation of the Council, using the 'Future Model' concept, which was presented to members for approval in February 2016. The 'Future Model' concept is a framework for operating model design in local authorities and this was developed into a customer centric future operating model for South Somerset at the blueprint stage:



Figure 1: Future Model framework used to inform SSDC design

The blueprint assessed 'as is' activities across the organisation and aligned them to these operating model components. A maturity analysis projected benefit against four benefit drivers:

- Customer enabling
- Customer self-serve

- Internal remodelling
- Technology and process improvement

The development of a further blueprint and updated business case for the council was presented to and approved by members in April 2017. The implementation of the programme then started following this approval, including the development of a detailed operating model design. The implementation of the Transformation was led and managed by staff of SSDC working to a Programme Board of the Leader, Portfolio Holder and Senior Leadership Team. Implementation was supported by Ignite Consulting, Civica, Rebecca Bevins and South Hams & West Devon District Councils.

The Transformation of the organisation and the way it works to a fundamentally different operating model is a challenging undertaking. Even with the best planned programmes it can be expected that issues will arise in a programme of this scale, as the organisation seeks to change its operating model, processes, technology, culture and the way it interacts with service users. There are multiple related tasks and projects to be undertaken to deliver the desired outcomes and a considerable amount of learning that is required, at pace, across all services and staff.

Three years on, much has happened for the organisation including managing the impacts of the pandemic. It is now important to reflect on the journey the organisation has been on and this transformation assessment achieves this, as well as understanding what is next in the overarching goal of continuing to offer excellent services to its residents.

## 2. The engagement

SSDC have now moved beyond the original scope of the transformation programme and are keen to bring it to a close, and review the experience and lessons learnt from delivering the programme. Given the changing nature of the local government environment, learning and growing from these lessons will set them up for the broader conversations about the role of the council going forwards.

This assessment is intended to act as a checkpoint for the organisation with an acknowledgement of the significant changes on the horizon for the future of local government in Somerset. The challenge for SSDC is to ensure the organisation is ready for change and able to maximise the opportunities this will present.

The assessment focused primarily on looking back on what was intended to be achieved from the transformation programme, which consisted of two main benefit groups. These are

- financial savings benefit the organisation would achieve through the reduction in FTE and
- the benefit of unlocking efficiency/smarter ways of working across four key drivers.

Our assessment findings cover both benefit groups, what was intended to be achieved and our assessment of what was achieved from the transformation programme. The assessment also took a deeper dive into one of the key benefit drivers (technology) and also a closer look at how two teams have progressed through the journey, specifically Planning and Customer Connect.

A secondary request (from the Senior Leadership Team) of the assessment was to lay the foundation for the organisation moving forward following the transformation programme close. This involved taking the learnings from the programme and the assessment of where the organisation is at currently and understanding what further operational improvements can continue to be made to improve the service that the Council provides to residents.

The following delivery plan summarises the activities undertaken through the engagement to complete the assessment:

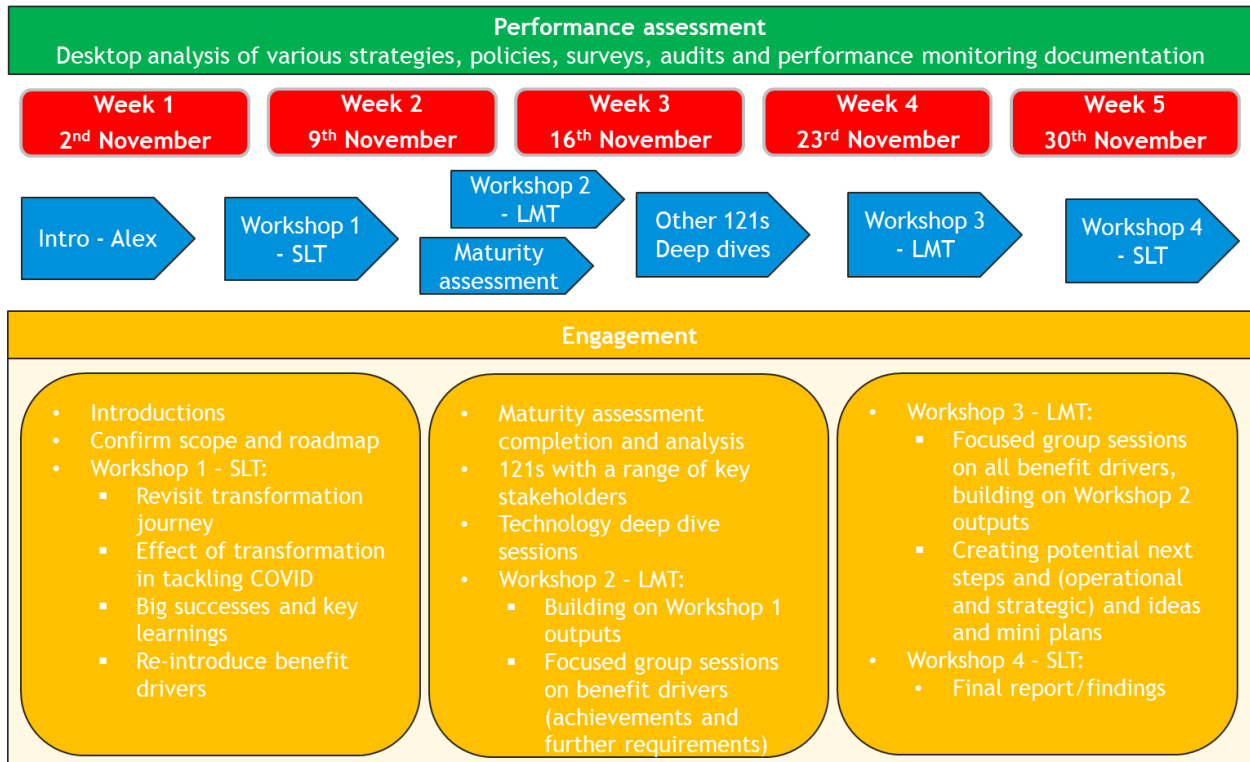


Figure 2: Roadmap of engagement activity

The following activities were completed to produce our assessment findings:

- Performance assessment: reviewing and analysing reports, and assessing consistency with the emerging narrative from engagements:
  - South West Audit Partnership (SWAP) audit report (parts one & two) and supporting calculations/documentation
  - Corporate report
  - Staff engagement survey
  - Customer access strategy
  - Performance reports
  - Revised transformation business case and supporting data (to inform staff capacity assessment)
  - Transformation programme report to Council, April 2017
  - Transformation programme progress update reports
- Engagement: a range of workshops, focused sessions, and stakeholder engagement to gain further insight into the transformation journey:
  - Completion of the 2020 maturity assessment and assessment of progress against the revised business case (completed by Leadership Management Team (LMT))
  - Deep dive sessions
    - Two deep dive workshops with representatives from the Planning Team and the Customer Connect Team
    - These involved the discussion of positives, challenges and what is currently being done to address these challenges, for both team's operations
    - Three areas of focus being people, processes, and technology

- One to ones and focused sessions with stakeholders
  - Ongoing stakeholder engagement with sponsors of the engagement
  - Session to review SWAP internal benefits realisation audit (parts one & two)
  - Three sessions with a total of five Elected Members, including the Leader of the Council, to discuss the positives and challenges they perceived were presented through the transformation programme
  - Outreach to Scrutiny members to understand their expectations from the report
- Workshop design, delivery, and facilitation
  - Workshop one attended by Senior Leadership Team (SLT): re-introduction of the benefit drivers and cultural change experienced in the organisation. Discussion of high-level successes, challenges, and future aspirations
  - Workshop two attended by LMT: gaining wider insight into the successes and constructive points for the programme. Facilitation angled at root cause analysis of challenges
  - Workshop three attended by LMT:
    - Developing/prioritising a range of operational improvements from the themes identified in workshop two to enable the organisation to continue to progress. This was with a view that the transformation programme will close, and these identified improvements will therefore form part of business as usual, moving forward
    - Developing a view of the organisation's wider context and future strategic drivers, and use the programme as a platform of achievement and learning for the future (e.g., Stronger Somerset)
  - Workshop four attended by SLT: review of outputs and findings from the workshops and discussion of the final deliverable

## 3. Assessment findings

### 3.1. Overall assessment

#### **Positives:**

In general terms, our assessment is that the organisation's culture and ways of working has been positively impacted by and through the transformation journey. For instance, the research suggests there is a more customer centric approach among staff, supported by agile working and learning from the change. The organisation's staff have become more adaptable, flexible, and resilient and the transformation programme helped with the organisation's response to Covid-19.

Regarding the financial benefit or savings identified in the business case for the programme, our assessment is that this has been achieved and this is detailed in section 3.2. This conclusion is also supported by an assessment by the auditor. The transformation programme has also created various opportunities for staff to upskill and work in other areas of the organisation.

We note that historically, prior to the Transformation Programme, the organisation had attempted to embed various change initiatives, which had not gained traction amongst teams and individual staff. For instance, the attempt to integrate the lean methodology into services units which among other benefits, was to identify waste in processes and procedures and remove this waste. We also received commentary that suggested that prior to transformation the ability to succeed in any form of change initiatives, either minor or major, across the organisation was extremely difficult due to deep seeded ways of working.

#### **Challenges:**

We recognise that with any transformation programme of this size, which covers pan organisational change in ways of working, will create significant disruption for the organisation at the organisational, team and individual staff levels. A level of disruption through the programme was anticipated and expected at the outset, with steps taken in the programme to minimise this wherever possible. For example, support was provided to staff to deal with change as well as to understand, apply for, and emerge in roles that they understand and in which they could add value.

We also recognise that disruption is not necessarily a negative, and often deep seeded cultures and ways of working in any organisation often need a level of disruption to break down barriers and encourage fresh perspectives and approaches. What follows are our observations regarding where learning from the programme can be applied to future improvement work.

We note that programme management could have been more rigorous, and programme mentality could have been stronger. The transformation programme business case provided a blueprint as a target future state for the organisation and it is the design and delivery of a strong programme plan with effective controls that realises this blueprint and amends as required. Monitoring the programme allows the link between the programme initiatives and activity, to the benefits case, and monitors this by holding projects and workstreams to account in delivering the required outputs. However, it must also test the linkage between project outputs and the target benefit expected from these outputs.



The plan at SSDC should have evolved as external and internal factors changed over time and delivery and benefits realisation need to be tightly monitored to fairly compare outcomes of the programme and robustly justify variance from the initial blueprint. For example, statutory obligations may have increased throughout the programme in areas such as homelessness or development control. On a positive note, moving forward, it should be recognised that such changes outside of an improvement programme scope can create a growth position that needs to be addressed, but which may not have been accounted for in the initial blueprint.

We understand, although Members appreciated the need to change, finding a rhythm in how all Members engage with the council on change is also a cultural change that takes time. That being said there was strong sponsorship with all the Elected Members signing off the business case for change, which is a positive and a working group of Members from across all groups participating in the design of the changes that affected Members. We understand that throughout the programme there was considerable effort made by the Senior Leadership Team to update the Elected Members regularly with progress reports and provide them with opportunities to question and input into the transformation journey.

Feedback we received was that some staff feel that the FTE numbers were reduced before the required changes in ways of working were ready to supplement this reduction in FTE. However, the scale of change in genuine transformations inevitably causes disruption; this tension was recognised and communicated throughout the programme. We understand that due to the financial savings required by the Council the FTE reductions needed to be made in a short time frame to avoid cutting services before they could be transformed and therefore inevitably there was going to be pressure on ensuring the changes in ways of working were made to coincide with the reduction in FTE.

Consistency has been a challenge with certain teams and services progressing towards the future state blueprint faster than others, and some teams have had to work hard to pick up activities that have slipped through the cracks. We also believe that the challenges that the planning team experienced have overshadowed many of the positives of the transformation journey. As noted, the organisation had to make the required FTE reduction financial savings to meet the shortfall in the medium-term financial strategy and therefore needed to implement the transformation programme at pace.

#### **Concepts to consider for future improvement work:**

The following are our recommendations for aspects to focus on for further improvement work for the organisation. This is not to say that these themes were not apparent through the transformation programme, rather some of these can be strengthened as part of change and improvement work, moving forward.

- As you have achieved already, continue to source and secure Elected Member awareness of the improvement journey and seek their sponsorship and buy in
- As you have achieved already, continue to engage staff, again to ensure buy in and sponsorship, and fit for purpose improvements
- Ensure robust programme and change management and governance
- Develop a change authority, to oversee and coordinate all improvements
- Take an adaptive approach to implementation, therefore implement to plan, however constantly review the plan, and amend as needed. And ensure stage-gate reviews
- Create a sharp focus for each team in transition that is closely linked to benefits realisation, transferring accountability to staff, and embedding these in-service plans where

appropriate. For example, designing and deploying specific sets of online forms and delivering defined, co-ordinated campaigns to deliver targeted and measurable increases in self-serve

- Consider the strategic variables for the organisation such as local government reform, when prioritising and implementing improvements. This will help to mitigate the risk of 'lost' investment if significant changes impact the organisation

### 3.2. Financial benefit

Part of the engagement was to assess whether the organisation had realised the financial benefit associated with the programme.

The business case projected a financial benefit of **£2,483,925** with a one-off investment of **£7,448,155** (payback period of approximately three years). This figure projected a reduction of **77.3 FTE** from the organisation's staff population.

In our assessment we:

1. Reviewed the business case, which underpinned the organisation's transformation programme, and which was signed off by Elected Members
2. Reviewed SWAP's two internal audit reports and supporting information (benefit tracker update and transformation programme progress report)
3. Reviewed the internal audit and programme approach to benefit realisation with Alastair Woodland and Adele Mitchell, from SWAP

The following were noted as successes and/or strengths in the programme approach to managing benefit:

- The SWAP internal audit in November 2019 confirms that **£2,483,925** recurring savings were achieved
- The internal audit reports and supporting information suggest calculations ensured (or were adjusted) to generate a like-for-like comparison in terms of:
  - Assumptions relating to NI and superannuation appear to be the same
  - Salary (SCP) points appear to be the same (so reported savings have not been eroded by inflation)
  - Roles in scope (although this cannot be confirmed from the calculations provided because roles out of scope are omitted from establishment data in both the baseline and new operating model)

The following could be made more explicit in the calculations. Effective benefit management requires these areas to be monitored throughout the programme:

- The internal audit reports and supporting information make no comment in respect of adjusting for:
  - Growth positions (e.g., increases in activity due to external conditions such as changing statutory obligation or internal conditions such as a changing strategic emphasis). Not adjusting for growth positions can cause programme benefit to be under-reported and/or additional financial efficiency to be applied in the new

- operating model (because medium term financial plan issues that would apply regardless of the transformation programme are being implicitly absorbed by the programme and compared to a baseline where comparable activity did not exist)
- Newly deployed roles, funded through income or grants (existing, increased or newly acquired as a result of configuring roles differently). Roles in the baseline appear to be offset by **£95,761** in external funding which is not apparent in the costing of new roles. If grant funding has reduced the baseline cost and has not been recognised against the costing of new roles when calculating benefit, financial benefit may be under-reported
  - Changes in delivery models (e.g., a change to in-house staffing levels due to outsourcing arrangements, shared services, LATCo etc.). Moves to insource activity from an outsourced position can result in under-reporting programme benefit, and vice versa
  - 19 posts have entries totalling **£323,060** for “taken as savings already”. It is possible that these should be reported as additional programme benefit (either ongoing or in-year) if:
    - These posts are included in the transformation baseline; and
    - The budget may have otherwise been spent in the absence of the transformation programme (for example, they were vacant posts removed from the establishment that were not recruited to prior to consultation in order to reduce redundancy and transition costs)
  - The SSDC Transformation – Progress Report (July 2019) states that “efficiencies from supplies and services made possible by the programme and the enhanced capacity for income generation are not included”. This suggests additional efficiency in supplies/services/third party spend may have been achieved as a result of the programme but not considered in benefits management

The following development relating to additional transition resources delayed the achievement of some of the staff savings as capacity was required to maintain service levels when it became apparent that some of the benefit drivers and efficiencies, would not be delivered in time. Additional staff resources (i.e. above the transformation target level) of **£494,990** for 2019/20 and **£240,230** in 2020/21 (total **£735,220**) were approved in 2019. This means that whilst by far the majority of the staff cost savings were achieved on time, some of the anticipated staff savings were not achieved in early 2019 as planned. There is a risk to financial benefit relating to this capacity if temporary resources remain in place.

Overall, there is consensus across the organisation and through the audit assessment by SWAP, that financial benefit was realised and has contributed to SSDC’s overall robust financial position. The above summary highlights the need to monitor clearly defined programme benefits, which respond to (but are not the same as) the council’s overall financial position and MTFP challenge.

### 3.3. Benefit drivers

In the original business case, the four benefit drivers below were identified as the areas for which efficiency needed to be unlocked in the transformation programme. The benefit drivers and descriptions are:

1. Customer enablement benefit, which involves reducing or shaping demand to reduce the level of service required from customers. For instance, intervention and prevention,

education campaigns to change customer behaviour and providing better information to customers so they can answer their own questions.

2. Customer channel shift benefit, which involves enabling customers to do more for themselves and reducing council workloads in the process. For instance, end to end online processes, self-tracking and problem solving and supporting alternative channels.
3. Technology and processes benefit, which involves stripping out waste and non-value-added activities from customers journeys and processes. For instance, end to end workflow, document management and integrated systems, a single view of customer information, mobile/agile working, and simplified processes.
4. Remodelling benefit, which involves improving productivity and releasing capacity in the organisation through the reallocation of work, workforce optimisation and better workforce practises. For instance, shifting work and knowledge closer to the customer, by embedding rule based 'knowledge' into processes and scripts, developing agile working and genuinely customer centric attitudes and behaviours.

Our assessment, which is based on the maturity of the organisation prior to transformation and following transformation, relative to the four benefit drivers above, is that the following efficiency has been achieved across these drivers against the target:

1. Customer enablement benefit – 86%
2. Customer channel shift benefit – 79%
3. Technology and processes benefit – 61%
4. Remodelling benefit – 83%

Further down in this report we make our recommendations regarding what future improvements could be made for each of these four benefit drivers. Directly below however we provide our assessment of what has been achieved for each of these benefits drivers. We recognised that the organisation is on a journey and this closedown assessment is to assess how far it has come, but as important is to consider what is next in continuing to progress with its ways of working.

### 3.3.1. Customer enablement and customer channel shift benefit driver findings

- Across the organisation there has been a mindset shift to reduce customer demand where possible and initiatives have been put in place to support this
- There has also been an accompanying behaviour change for a large majority of the organisation's customers
- There has been an increase in information available online for customers
- There has been a significant channel shift for customers to self-serve, now approximately 73% (measured by extrapolated maturity assessment improvements between 2016 and 2020)
- With the previous point noted, we recognise that the organisation continues to offer customer service tailored to the needs of the customer, such as phone and face to face contact
- A coordinated organisational approach to reducing customer demand is yet to be achieved

### 3.3.2. Remodelling benefit driver findings

- Through the programme, teams and individuals were empowered to become more resilient and adaptable to change and we believe this certainly helped with the organisation's response to COVID-19
- A positive is the opportunities this remodelling has created for many staff and the 'fresh energy' that was created in the organisation
- There is a continued need to embed and confirm roles and responsibilities of the new structure with staff and teams
- Overall, the remodelling caused, naturally, a high level of disruption for the organisation, however as noted above this remodelling was required to achieve the level of FTE savings needed

### 3.3.3. Technology/processes benefit driver findings

- The organisation has learnt a lot about its digital capabilities and has reconfigured its digital team to increase capability, capacity and be a more effective "intelligent client" in managing supplier relationships
- Key pieces of technology capability have not been delivered, for example online bookings, the master customer record and more extensive use of mobile technology
- Early process redesigns did not always optimise the benefits with many resembling closely the previous process but on a digital platform. This caused many to be revisited and the organisation has learnt to introduce more challenge and a fresh approach to process redesign, rather than using the existing process as a starting point.
- There are still several services that would benefit from digital forms and workflow to increase efficiencies and release technology benefits, but are hampered by a lack of, or poor, interfaces and difficulties in configuring the Civica platform. The investigation into Robotic Process Automation and use of alternative solutions for intelligent forms may solve some problems but this technology has its own overheads to maintain
- Introduction of new technology capability or continuous improvement activity should be centrally coordinated and prioritised to ensure benefit is being delivered. We believe that moves are in place to make this happen
- The relationship with Civica has improved, from a low base when the product was launched
- Civica is seen as a blocker in some areas and there has been a push to use it, even though other supplier solutions may deliver similar or improved benefits
- The impending local government reform decision could be a driver for considering whether the Civica product should continue to be the central technology enabler for the Council

## 3.4. Culture assessment

As part of the Transformation Programme the council targeted a cultural change. This saw staff involved in defining what a modern South Somerset culture should look like and this being codified in an "Attitudes and Approaches Framework" for use in recruitment, staff development and appraisal. During the engagement, the requirement was therefore also identified to complete an assessment of how the overall organisational culture at SSDC has been influenced by the transformation programme.

To achieve this, we asked this specific question as we worked through the various engagements we completed. We also had a specific focus group allocated to culture change, in the workshops we completed, and we also reviewed the recent results for the employee engagement survey.

Our assessment findings are as follows:

- Overall, transformation has had a positive impact on organisational culture
- The organisation and staff were historically quite traditional in their approach to ways of working; however, the transformation has reshaped business as usual ways of working and the organisation is more transparent, united, flexible and open in many ways
- We observed a sense of pride amongst staff, of how far the organisation has come, and examples were given freely comparing the strengths of SSDC with other local authorities
- Commentary received has suggested that prior to transformation many staff were unaware of what was possible regarding different ways of working, whereas now there is a much stronger awareness and a desire and mindset to continue to improve
- We note the results from the employee engagement survey out of the 41 questions asked, 36 of these (88%) have improved
- These shifts have been in perceptions of strong leadership, performance management, an environment where agile working is enabled, learning and development for staff and a general happiness at work
- With that said progress is still to be made in changing certain ways of working that go against the ethos of the organisation, however this is certainly the exception, not the norm
- We observed there are still certain challenges in some pockets regarding workloads and ways of working, placing pressure of various staff members
- There is also still some work to do in addressing the silo mentality in some parts although this is less prevalent than it was, and growing the organisation's goal of becoming 'one team'

### 3.5. Other improvements made by the organisation resulting from the programme

This engagement focused on assessing the benefits that were identified in the initial business case for transformation. With that said however, there have been a range of other improvements and benefit realised that the organisation has delivered, alongside those that were specific to the transformation programme. These were highlighted to us through the various engagements and we consider it important to note in this report.

The following notes various example of these and this is not an exhaustive list:

- Transformation and cultural change provided the platform to grow a successful commercial team very quickly
- The organisation is honest about successes, failures and learning opportunities. Maturity assessment analysis has shown a clear trend of eliminating 'unconscious incompetence'
- The new Customer Connect working area and environment

### 3.6. Deep dive assessments

As part of the transformation assessment, we were requested to complete two deep dive assessments for the Planning Team and the Customer Connect Team. To complete these assessments, we held two deep dive workshops with staff from each team.

In these workshops we guided them through a series of questions, including asking what positives have been experienced by their team, what challenges have been experienced and as importantly; what initiatives are in place to increase the team's ability to provide excellent service to its residents.

Alongside these engagements we also reviewed documentation such as the planning service project plan, which is a plan incorporating several improvements to the service.

Below are the findings from our deep dive assessments.

### 3.6.1. Planning Team

#### **Positives of the programme:**

- There was positive engagement from the team during the redesign of processes
- The staff involved in redesign offered many good inputs into the process reviews
- The process of change helped the team become more ruthless about the improvements needed
- The indexing and scanning activity have been moved to the digital mailroom
- The use of locality officers in the planning process has been positive, e.g., site visits and the displaying of notices
- There has been a healthy team spirit maintained throughout the process, despite all the challenges they have experienced
- COVID-19 meant the team had to work together to find ways to collaborate and communicate more effectively and efficiently
- The level two portal integration is now in place and working
- The department is largely paperless, which has been accelerated by the COVID-19 pandemic
- Digitisation has helped with the passing of work and managing planning cases

#### **Challenges of the programme:**

- The suggested process changes could not be fully replicated within the technology
- Resources in the digital mailroom can be a challenge for the team
- Members struggle with the new ways of working for the planning team
- Workloads remain high due to resourcing issues
- There has not been a full complement of staff in the team for some time
- The new validation process is more transparent, but there are still challenges
- The planning specialists felt that they lost support from the case team when they were not physically co-located
- The split between case management and specialists inhibited support and learning between the two teams
- Feedback from the team is that agency staff did not always perform as they were expected to
- Certain staff in the team feel discouraged by the changes
- Feedback from the team is that visibility of workloads and case tracking needs to be introduced
- Interfaces with IDOX (technology) have not delivered any automation

- Uniform is not being used to its maximum potential and there are opportunities to increase automation
- There is frustration that some of the challenges of the programme were not anticipated
- The team would benefit from more mobile technology functionality and the ability to see digital plans

**What is in place to resolve these challenges:**

- Improvements to processes are scheduled but have been paused due to COVID-19
- Ideas for improvements presented by team members are being captured in a central repository
- There is a project planning team with more resources to help facilitate the change needed
- The development management project plan and progress against this plan is regularly shared with the governance board and members
- There have been workshops with Elected Members to develop how members interact with the planning team
- The scheme of delegation is changing, aiming to reduce the number of householder applications needing to be taken to committees
- Additional temporary resources have been introduced to the team to support with workloads
- Blitz team sessions are in place, as well as mentoring for junior staff
- There are many positive lessons learnt to take forward about how to advertise roles and recruit staff, for the best outcome
- There have been additional resources introduced for enforcement
- IDOX uniform changes have been raised with the digital team as a priority
- There is work being completed with the digital team to trial new devices for on-site and mobile working

**Our summary findings of the planning team:**

The Planning Team have struggled with resourcing over the period of the transformation programme and the technology and process workstream did not deliver all the proposed improvements. Also, some of the staff who were in roles prior to the transformation have now left the organisation which resulted in experience being lost.

The team struggled with the split of case management and specialist activities and steps were taken to ensure the team continued to work closely together. However, the home working imposed by Covid-19 has also presented challenges in the achieving their goal of the continual skills development of new as well as existing members of the team. The team have implemented team sessions where knowledge and experiences can be shared amongst the team for the benefit of all.

An improvement project is now in place and there are several improvements that should help the team to manage workloads, within the compliment of staff within the function. In the meantime, additional temporary resource has been brought in to help in the medium term whilst recruitment to the permanent positions takes place to achieve a full complement of staff.

3.6.2. Customer Connect Team



**Positives of the programme:**

- Customer Journeys have improved with the introduction of the website and via assisted self-service over the phone
- A wider range of calls across council functions can now be addressed by the team
- The team has access to more information than ever before that can help answer enquiries
- The Customer Connect space has been a very positive experience for customers with great facilities and dedicated meeting spaces
- The team can spend more time on complex problems as simpler enquiries have been shifted online
- The team feels like a close-knit unit that works together towards a common goal
- Job satisfaction has increased through having more ability to proactively help customers and solve their problems
- The team feels valued and believes the council understands the important role they play in delivering services
- Self-service terminals in the Customer Connect space have encouraged channel shift
- Features of Connect360 (Civica) are now operating
- Many of the online journeys are better and simpler than they were before
- Strong surge in online transactions, strengthened by the Coronavirus restrictions
- A largely paperless environment has made a difference and information is easier to find
- The self-service and payment areas of the website have reduced demand via the phone
- Group chats and other tools are in place to help the team to collaborate and learn
- Access to more data and information mean that the team can do their job more effectively
- Where technology fails, the team are proactively finding workarounds to keep delivering good service
- Customers have responded well to efforts to have them self-serve, e.g., emailing them a link and direction to website

**Challenges of the programme:**

- Communication and consultation with the team could still be improved to manage peaks and troughs of work and call volumes
- The team can sometimes be informed late about outgoing communications or new initiatives
- There are still a minority of customers that will not/cannot interact with the council online
- Some customers still say they cannot find information on the website or it is too complicated
- More agent scripting could be introduced on Connect360
- Delays in introducing the new telephony system mean the team are yet to see the benefits
- System glitches cause the team issues e.g., remote desktop dropouts on a Wednesday

**What is in place to resolve these challenges:**

- Encouraging more specialist teams to join Yammer and inform the team when changes are being made or large mailings are being sent out
- The team continues to be proactive in amending the website if they receive feedback that it could be improved
- The team finds new and innovative ways to encourage the shift to digital channels and share their best practice within the team
- The team lobby for more work to be brought into Connect360 to reduce the number of systems in use

#### **Our summary findings of the Customer Connect Team:**

The inception of the Customer Connect team has been a success, with an extension of breadth and depth of enquiries that can be handled at the first point of contact. The team has also an excellent customer ethos.

The new Customer Connect hub in Yeovil town centre has improved the customer experience and has promoted self-service and assisted self-service, prior to the Covid-19 pandemic. The introduction of the new website has provided a good resource for the team to be able to answer customer enquiries and re-direct customers to online channels.

The team are still hampered by the lack of visibility of customer cases on the main software system, Civica, and they need to access up to 16 systems to answer queries. They feel that they can make further improvements to the information that is available to staff in the customer connect team but are reliant on the digital team to do so. The hope is that they will have the ability to craft agent scripting for themselves, to accelerate the pace of development of the information available.

## 4. Assessment recommendations

We recognise that the organisation's intention is to officially close the transformation programme, and our assessment forms an important part of this process.

However, SSDC is committed to continue to improve its efficiency and effectiveness in delivering for customers and to make changes where required. Therefore as part of the assessment, we were asked to consider what improvements the organisation could make next on the much longer-term journey of it continuing to improve and grow its ability to provide excellent service to its residents.

Below are improvements that we believe could be made next from an operational perspective. With the transformation programme officially ending the question for the organisation will be how it manages and governs future improvement work. We recommend the organisation select a governance mechanism that is fit for purpose for their needs to design, implement and track these improvements.

We also recognise there are much bigger questions for the organisation with the external influence of local government reform and how the organisation may be structured in the future. We also see it important to ensure that investment made in improvements will naturally reflect any possible larger changes in the organisation's construct.

It is important that the organisation continues to invest in ensuring that staff remain adaptable and resilient and that there is a healthy level of 'change readiness' across teams and at an individual level.

### 4.1. Customer enablement/customer channel shift benefit driver

Potential Project	LMT Priority	Target Outputs	Example activities
Review Customer Access Strategy (2018)	1	<p>To update the approach/principles to delivering high quality modern services:</p> <ul style="list-style-type: none"> <li>• Defined customer base/segments</li> <li>• Review measures through which outcomes are monitored and explicitly define current and target performance for online transactions</li> <li>• Introduce measures (aligned to customer segments) to monitor current and target performance of all channels in addition to online (including to monitor accessibility)</li> <li>• Define accountability and responsibility for key aspects of channel shift and engagement</li> <li>• Clear action plan for the next financial year to achieve trajectory of target measures</li> </ul>	<ul style="list-style-type: none"> <li>• Customer communication/engagement/feedback</li> <li>• Updating demographic and benchmarking data in the current Customer Access Strategy to inform customer segments/groups, measures and targets</li> <li>• Defining the principles for the prioritisation of channel shift activity (for example, complexity, transaction volumes, customer needs, strategic priority)</li> </ul>

## 4.2. Remodelling benefit driver

Potential Project	LMT Priority	Target Outputs	Example activities
Career progression framework	1	Formalised routes of progression: <ul style="list-style-type: none"> <li>The expected/typical options/flows of career progression</li> <li>The criteria that must be met to meet career progression thresholds</li> </ul>	<ul style="list-style-type: none"> <li>Embedding approach into personal performance plans</li> <li>Communicating the vast options of career progression available for staff across the council</li> </ul>
Review strategic planning cycle	2	Ensuring a golden thread through the Corporate Plan, service plans and individual performance plans:  Defined current and target performance at each level  Clear systems to monitor and intervene on: <ul style="list-style-type: none"> <li>The validity of the relationship between individual, operational and performance metrics</li> <li>Progress against metrics set out at each level</li> </ul>	<ul style="list-style-type: none"> <li>Defining the contribution of core statutory services in realising Corporate Plan priorities so staff understand their role in delivering strategic goals</li> <li>Gathering baseline performance data</li> </ul>
Flexible staffing initiative	3	A defined scheme to rotate staff and provide secondments to: <ul style="list-style-type: none"> <li>Maximise utilisation across the organisation (against defined measures of success)</li> <li>Maximise career progression opportunities (against defined measures of success)</li> </ul>	<ul style="list-style-type: none"> <li>Designing shared budgets approach and related governance</li> <li>Defining measures of success across intended strategic impact and efficiency</li> <li>Defining criteria for selection of staff</li> </ul>
Case Services resourcing model	4	A resourcing model that clearly defines how multi-skilled resources are trained and deployed: <ul style="list-style-type: none"> <li>Maximum utilisation/efficiency of resources in multi-skilled teams</li> <li>Flexibility in multi-skilled teams that allows the organisation to adapt to changing internal or external factors</li> </ul>	Defining target state of Case Service teams in terms of: <ul style="list-style-type: none"> <li>Typical/average service requirement (FTE) by service or technical discipline</li> <li>Competency levels for technical disciplines (i.e., what constitutes grade 2 activity or grade 5 activity)</li> <li>Multi-skilling requirement for any individual across these disciplines and competencies to meet organisational need (strategic focus, resilience)</li> </ul>

## 4.3. Technology/processes benefit driver

Potential Project	Priority	Target Outputs	Example activities
Implement the technology architecture and roadmap	1	A clearly defined and adopted view of the application and infrastructure layers of technology capabilities, including the	<ul style="list-style-type: none"> <li>Reviewing the use of Robotic Process Automation to reduce reliance on supplier APIs or filling API gaps for</li> </ul>

		<p>linkages that will deliver the remaining technology benefits, including:</p> <ul style="list-style-type: none"> <li>• Creating the master customer record view and removing re-keying duplication</li> <li>• Delivering capability gaps across bookings, mobile capability etc.</li> <li>• Agreeing the capability that will deliver the benefit i.e., Civica or another solution</li> </ul>	<p>interoperability between systems</p> <ul style="list-style-type: none"> <li>• Create a data architecture to define where data will be captured, stored, shared and displayed. Data is used re-used efficiently and is readily available for performance management and resource planning activities</li> </ul>
<b>Review and prioritise technology capability development</b>	2	A defined and prioritised technology and process improvement backlog and a forward roadmap of activities that will deliver business benefits to customers and the council	<ul style="list-style-type: none"> <li>• Create a design authority group that can assess and prioritise future developments in a transparent way</li> <li>• Consider introducing an agile approach to rapid discovery and identification of benefits and use of scrum to build buy in and a solid delivery team</li> <li>• Build a product backlog of technology developments linked to clearly defined business cases and benefits</li> <li>• Regularly review and re-prioritise the list and assess the business case</li> </ul>
<b>Incremental technology process improvements</b>	3	<p>Grow and nurture an environment where technology process improvements can be explored, tested and implemented, empowering managers and staff to experiment and introduce changes.</p> <p>This would fit into the continuous improvement approach under SPG</p>	<ul style="list-style-type: none"> <li>• Promoting small incremental change as a valuable use of staff time and creating the conditions for work to happen</li> <li>• Introducing lean techniques like Kaisen to govern continuous improvement activities</li> <li>• Sharing success stories and promoting good practice</li> </ul>
<b>Expand digital channels</b>	4	Expanded digital options for customers to interact with the council, find information and request services and reduce low complexity/high volume demand through Customer Connect	<ul style="list-style-type: none"> <li>• Consult customers views on automated chat</li> <li>• Investigate and trial the use of automated bots and artificial intelligence to create interactive forms or chats</li> <li>• Investigate voice services such as Alexa</li> </ul>



## Octagon Theatre Development

Executive Portfolio Holder: Cllr Mike Best, Health and Wellbeing  
Cllr Peter Seib, Finance and Legal Services  
Strategic Director: Clare Pestell, Commercial Services and Income Generation  
Service Manager: Adam Burgan, Lead Specialist, Arts & Entertainment Venues Manager  
Lead Officer: Adam Burgan, Arts & Entertainment Service  
Contact Details: Adam.burgan@southsomerset.gov.uk or 07971111951

## Purpose of the Report

1. The purpose of this report is to seek Member's approval in principle to refurbish and develop The Octagon Theatre and underwrite the full value of the project, up to £23.01 million (excluding VAT), subject to the successful application for various forms of grant funding which would partially offset the overall project costs. Confirmation of VAT implications for the Council are being sought by a specialist tax advisor.
2. The aim is to ensure that the development would:
  - a. Provide a significantly enlarged and much improved facility, enabling a more varied selection of shows and acts with added commercial areas. This would in turn bring new revenue streams to pay back the costs of the works, which would benefit audiences, artists and visitors and include additional facilities and services to those currently provided.
  - b. Eliminate the need in future for SSDC to subsidise the theatre, at best Year 6 of the development, by generating an overall profit and increasing the contribution to the ticket levy.
  - c. Generate additional revenue benefits in future for SSDC that will support the development of our Arts Engagement and Outreach work.
  - d. Resolve accessibility issues around the venue making Front Of House (FOH) and backstage areas accessible for wheelchair users and those with limited mobility
  - e. Meet the highest modern environmental standards
  - f. Maximise opportunities for energy efficiency and use of renewable/low carbon energy

## Forward Plan

3. This report did appear on the District Executive Forward Plan for January 2021. This project has been brought forward following the completion of the consultant's report from Charcoal Blue that was commissioned by the Arts & Entertainment service, with support from Senior Leadership Team. The full report is detailed and comprehensive in the appraisal of the existing building, the



economic potential, proposed development and costings. The full report is available to Members upon request but an Executive Summary of the report has been compiled to highlight the key matters and conclusions (Appendix 1 – Confidential).

4. This proposed project supports the themes and priorities in the Corporate Plan in terms of healthy communities, regeneration of our towns, protecting core services and improving our environment.

## Public Interest

5. This report considers the proposal to refurbish/develop The Octagon Theatre, Yeovil including:
  - the construction of a fly tower
  - a circle in the main auditorium that would take the seating capacity from 622 to 900
  - two new smaller cinema/studio spaces
  - a dance studio
  - a community studio
  - a café bar and restaurant
  - improved front of house and customer facilities
  - an educational outreach Arts facility
6. This follows a review led by Charcoal Blue consultants of the existing facilities and an appraisal of the current performance and use of the theatre, regional competition and assessment of the potential opportunities that such a development could bring to the area, as well as added footfall to a cultural area of the town centre.
7. The report, appendix and background papers are confidential as they contain commercially sensitive information on future charges, estimated procurement costs in a competitive market situation for construction and other costs, as well as proposed artists market fees and forecast sales.

## Recommendations

8. That District Executive:
  - a) Agree in principle to progress the development of the project and the underwriting of the total project costs by SSDC, of up to £23.01m, with a further report bought to Executive once full financial implications including VAT are confirmed.
  - b) Note the intention to partially offset the project costs with future grant funding applications, which can be progressed if the project is approved in principle to proceed.



- c) Note the confidential appendices, namely the Executive Summary by Charcoal Blue, and the initial financial assessment of the business case to refurbish the existing site and facilities; and to extend the site with both additional educational and commercial income earning facilities; which will assist in repaying the proposed project costs.
- d) Note the current financial forecast in the business plan, which is awaiting VAT advice. (This is to be presented in a final report for approval in due course).

## Background

- 9. South Somerset District Council (SSDC) own, manage and fund The Octagon Theatre that opened as The Johnson Hall in 1974. The theatre was refurbished in 2003 when the front of house areas were expanded and a small rehearsal studio created. The Octagon Theatre is the Council's flagship arts venue for the district as part of The Arts & Entertainment Service that aims to provide access to high quality cultural events across South Somerset.
- 10. The Octagon Theatre now stages around 250 performances per year attracting around 120,000 audience members. It is the home for the participatory programme (the Octagon Academy that holds 17 classes per week) and is a creative hub for the region. We work with our partners to engage the residents of South Somerset in arts activities and encourage visitors to the region to provide an economic stimulus for the area in addition to the health and wellbeing benefits.
- 11. The service also manages Westlands Entertainment Venue and Conference Centre following a refurbishment and reopening of the venue in 2017. Westlands Entertainment Venue is owned by Leonardo and a 30 year lease was agreed for SSDC to manage the venue. Westlands complements the programme at The Octagon, broadening the programme of entertainment events on offer and striving to become the premier venue for conferencing, banqueting and meetings in the area. We aim to deliver a programme which inspires, educates and ultimately enriches the lives of those taking part, making South Somerset an ever improving place to live and work.
- 12. The theatre's main auditorium was last comprehensively refurbished in 1988, over 30 years ago, when the name of the venue was changed to The Octagon Theatre. Attendance at the theatre has increased from 78,546 in 2009/10 to 125,331 in 2019/20, with an average attendance of 83% across the year that is significantly above the industry average of 50-60%. Of the 250 performances the theatre stages each year 100 of those were sold out or over 90% of capacity. Therefore, the theatre is often oversubscribed.
- 13. The theatre offers a broad programme of events including high profile artists and organisations including Bournemouth Symphony Orchestra, Fisherman's Friends, The BBC Concert Orchestra, Welsh National Opera to leading dance





companies and big name comedians, like Julian Clary and Russell Howard. In recent years it has been able to attract touring productions of 'The Lady Vanishes' from Bill Kenwright Productions and 'The Mousetrap', that sold 4,917 tickets over 8 performances achieving 99% capacity.

14. The highlight of the year is the annual pantomime that sold 29,800 tickets for Christmas 2019 achieving over 90% capacity for the 53 performances. The theatre also works in partnership to produce the Yeovil Literary Festival. The Octagon is the centre for a vibrant community and amateur arts programme in the district and the majority of local amateur groups hire the theatre to stage productions. The theatre also stages annual showcases for local choirs, dance and theatre groups.
15. The Octagon Theatre is home to a popular, and profitable, café bar that opens for hot food service around the performance programme. The café bar is enhanced by the visual arts exhibitions from local and regional artists that changes every month.
16. The theatre is supported by a team of 80 volunteers - The Foyer Club – who greet our customers at performances and show them to their seats. The Foyer Club is a charity that also undertakes fundraising activity to support the development of The Octagon. The Foyer Club are currently supporting a 'Name A Seat' campaign to help raise money from individuals and corporate sponsorship that will help the theatre development.
17. The Octagon Theatre also has a membership scheme – 'Footlight' with around 700 members who pay an annual subscription for advanced booking and discounted tickets.
18. The Arts Development Service is based at The Octagon and provides funding, advice and support for arts organisations, artists and arts events taking place across the district. The service provide core funding (£19,000 in 2019/20) for arts organisations who deliver work across the district (Take Art, ActionTrack, Somerset Art Works and Somerset Film). This funds activities including the Rural Touring Scheme that sees performances in rural villages and Somerset Art Weeks.
19. The Octagon Theatre and Arts Development is subsidised by South Somerset District Council by £298,780 per annum (budget 2019/20). Between 50-70% of the population of South Somerset use the theatre throughout the course of the year and satisfaction levels are consistently high (80-90%).
20. The mailing list contains 20,000 households and 35,000 Preview Brochures are distributed to drive ticket sales three times a year. Customers come predominantly from Somerset and Dorset. Ticket sales are supported by effective marketing through a well-maintained website, social media, posters, flyers, press and ad-hoc promotions through local radio. The Theatre is



successful at attracting and retaining audiences, and curating a diverse programme of quality arts and entertainment events to serve the district.

21. The venue is suffering from the increased level of use and does not meet environmental or accessibility standards. There is poor access backstage with no access for wheelchair users to the stage and difficulty for disabled audience members, staff and artists or those with limited mobility. The front of house areas are looking tired and often feel cramped and dated and lack air conditioning. The popular and profitable café bar is hampered by the small kitchen that restricts the menu and number of covers while tables are placed around the outside of the auditorium with diners' meals interrupted by the arrival of other audience members.
22. The popular Octagon Academy classes take place in a small studio that is obstructed by a supporting pillar in the middle of the room, with no windows, no air cooling and a lack of ceiling height for dance classes.
23. The majority of patrons travel to the theatre by car, parking in Petters Way Car Park and then taking a short walk down a steep sloped path and steps to reach the main entrance. The route is not accessible for those with limited mobility and the path becomes slippery when wet or during icy conditions.
24. The stage does not currently have a fly tower (used for flying scenery and a requirement for most touring musical, plays and pantomime). The auditorium and stage has a metal roof and drainpipes in the walls of the auditorium that means that when experiencing heavy rain or hail it can be heard during the performance. There are no sound lobbies or sound proofing around the auditorium which means during quiet shows and classical music concerts audiences can hear doors closing or staff preparing for the interval. The site lines are generally very good, with good leg room; and artists like the intimacy of the space. However, the current auditorium looks very tired and dated and the seats are in need of replacement. Therefore, a significant amount of refurbishment and expenditure is required in any event, whether or not this proposal proceeds.
25. The theatre is well placed geographically to serve the south west and build on the success of the existing operation. There is relatively little competition in the region with the nearest venues in Weymouth Pavillion (29.3 miles) to the south, Exeter Northcott (49.6 miles) to the east, the Playhouse Theatre Weston-Super-Mare (40.1 miles) to the north and Salisbury Playhouse / Town Hall (47.1 miles) to the west. Of equal distance or further would be Poole Lighthouse, or theatres and concert halls in Bath and Bristol. There is some crossover with audiences for The Brewhouse Theatre in Taunton (27 miles west) but the theatre is smaller – seating 350.
26. The future success of The Octagon Theatre, despite the current limitations of the building, are down to the ongoing support and use of the facilities by patrons and customers, the strong and experienced leadership from the management team,



with the support of the Service Director, Chief Executive, Portfolio Holder and Leader of the Council.

27. The report was commissioned to provide an options appraisal and needs analysis for the Octagon Theatre. It was led by Charcoal Blue consultants working with architects, catering consultants and business planners. The feasibility study for the development of the theatre, shows that the proposal will resolve the current and dated issues holding back the Theatre noted above. The proposal will also take the theatre to a different level to create a truly regional destination. This proposal would benefit the towns economy, footfall, environment and wellbeing for communities locally and across the region for decades to come.

## Report Detail

28. The full report, including architects plans and drawings, is available to members upon request. A summary has been included as Appendix 1 – (Confidential).

29. The report from the consultants note:

- The scale of overall audience is impressive with consistent growth in tickets over a ten year period.
- Catering and trading performance is strong but there is significant potential to drive up average spends per visitor, increasing profitability.
- Analysis of the current programme and market competition shows that there is significant demand already for new and extended facilities
- There is a clear and evidenced demand for all aspects of the preferred scheme in the existing and extremely strong performance of the Octagon.
- There is a substantial and under-served population, already partly being reached by the venue, but with potential to attend in much greater numbers, in a 60 minute catchment in which there is limited competition for the interest of any particular audience.
- This population has a strong propensity to enjoy and consume culture and in particular to demand the genres of activity, which the extended and improved Octagon will be particularly well placed to grow – for instance in musicals, drama and film.
- There is strong evidence, in part from exemplar projects around the country, that this strong market potential for performing arts programmes can be matched and in turn supported by the market for, and new provision of, cinema and food and drink offers.
- In addition, the evidence shows this type of project can be a catalyst for regenerating a town, bringing further investment, footfall, improving the economy, as well as increased health and wellbeing opportunities.

30. The enhanced auditorium would see the addition of a circle that will increase the capacity to 900 seats whilst retaining excellent site lines and similar leg room. A well-equipped stage, with flexible Orchestra Pit, and full flying facilities will be



suitable for a wide-range of arts and entertainment events. The additional capacity and facilities will open up to a new range of companies and events to our programme from larger orchestras, leading theatre companies, touring musicals to offer a much improved experience for existing popular shows and our thriving amateur and community companies. Improved acoustics and sound lobbies will give audiences, performers and stage crew a much improved experience that is accessible both front of house and backstage. The developed auditorium will allow us to 'step up' our programming and bring a new range of shows to South Somerset.

31. The extension to the front of the building would see two additional theatres with seating of 124 and 64. These spaces are designed to predominantly screen films (with the film programme moving from Westlands Ballroom to purpose built spaces) showcasing Live Events (National Theatre Live, Royal Opera House Live etc.) and the best of mainstream films, British, independent and foreign language films. The auditoriums will house luxury seating, Dolby 5.1 sound and purpose built facilities that are fully accessible and offer an enhanced film experience. The larger space will also be suitable for comedy events, acoustic live music, with both spaces designed for lectures, conferences and spoken word events that host Yeovil Literary Festival events. The smaller Film Theatre will be a luxury boutique cinema with sofa seats, foot stools that is a 'destination cinema' offering an exceptional experience.
32. The participatory programme 'The Octagon Academy' would expand with two studios that will be available for hire, in addition to staging our own classes and workshops.
33. The Dance Studio is a large fully equipped dance studio with a sprung dance floor, mirrors, sound equipment and full ceiling height that will become a creative hub for dance in the region.
34. The community studio offers an alternative space for classes and rehearsals including our popular choir, theatre groups, writers circle and arts and craft workshops. Our participatory programme brings communities together, improving the health and well-being of residents. They are also key to our engagement programme where workshops can be delivered by the companies performing in the Main Auditorium.
35. The proposed development of Front of House (FOH) will offer attractive foyers for use throughout the day with excellent supporting bars and eating opportunities. Customers would now enter on the first floor level with Petters Way Car Park with no need to use the sloped path or steps.
36. The development of the venue will also seek to enhance the gateway to Yeovil Country Park, providing the link from the town to Ninesprings. The development will give the opportunity to architecturally mark the gateway and create a more attractive building that is sympathetic to the surrounding area. Audiences on the



night will have a well-lit route to Goldenstones car park, as an alternative to Petters Way Car Park, in addition to covered bike shelters.

37. The Front of House areas will be fully accessible with accessible toilets on every level and an adult changing facility (the first one in Yeovil Town Centre – the nearest being in the supermarket ASDA, Yeovil). The venue will offer views of the town and the country park from two complementary food areas. On the first floor, directly in front of the main entrance and at the ‘heart’ of the new venue would be a relaxed café bar. The catering reports (appendix 3) advocates this would be open throughout the day for hot and cold food options, barista style coffee, cakes and open to the public to meet friends and family whether attending a performance, film screening, arts or dance class, or the free Wi-Fi for an informal meeting. This hub will be a valuable income source for the venue and create a destination in its own right. On the second floor would be a formal dining restaurant, away from busy congregation areas.
38. When developing The Octagon Theatre, improving environmental standards will be at the forefront of the work, building a venue that is greener and puts sustainability at the heart of how we operate. Utilising modern building approaches that will reduce our carbon footprint through construction. The intention is that some grant funding could be used for some of these improvements.
39. The redeveloped venue will be fully accessible, addressing and resolving the current access inadequacies and offering much improved facilities for those with physical disabilities including visual and audio impairments.
40. The venue will be a flagship arts venue for the south west where inspiration and creativity can be found every day. It will create a ‘cultural quarter’ for Yeovil with new opportunities for residents that will help raise aspirations, and attract new businesses and investment to the area, driving new job creation and building the local economy. The report from Charcoal Blue (appendix. 1) states that:  
  
*‘Even after cautiously discounting for effect that could have happened anyway, for leakage from the local economy, and for ‘optimism bias’ – so that the forecast is conservative - we can see that the renewed Octagon will generate at least £9.3m of locally retained activity per annum’.*
41. The theatre will generate additional income for local car parks, hotels, restaurants, and attract visitors to the town.
42. The business plan (Appendix 2 – Confidential) covers the first 10 years of operation based on the proposed designs and facilities. The existing operation, actual figures and programme from 2019/20 are used as the basis for the plan. All income and expenditure has been adjusted in line with income and trading assumptions with premises and operating costs increased in line with the



enlarged building. Operating staff, marketing and house management have been increased.

43. The full forecasts are set out in the business plan, but in summary, the subsidy currently required by the Octagon Theatre and Arts Development Service (£335,832 budgeted for in 2019/20) is estimated to be reduced and no longer required in later years (potentially by year 6) after completion of the works. The forecast then shows that the service should then return a small surplus to the Council in years to follow after this time.
44. There is potential to match additional investment made by the Council from the new incomes generated by the project with investment by other organisations. Commitment to a significant growth in participation and engagement not only has the potential to significantly improve quality of life, wellbeing and life chances for citizens of the District, and particularly young people, but also to enable the case to be made for substantial investment by Arts Council England in the capital costs of making the new facilities.
45. Following this, there is also the potential for regular funding that will support the development of the existing Arts Development Service year after year. This would lead to an expanded Arts Engagement and Outreach Service that will serve the district with an extensive range of projects, activities and events, designed to broaden the experience and enjoyment of seeing and creating.
46. We will work with individuals, communities, and educational groups across South Somerset with a commitment to entertain, enlighten and inspire our current and future residents and visitors.
47. The Arts Engagement & Outreach Service plan is laid out in more details in appendix 4. In summary the aims of the service are linked to the Council Plan focusing on supporting our residents leading happy and healthier lives using the arts to increase engagement and participation in activities that support their physical and mental well-being. Working with leading arts organisation (e.g. Bournemouth Symphony Orchestra) and local community artists we will focus on issues of child poverty, rural isolation, supporting elderly residents to live independent lives, raising aspirations and increasing skills and training for young people.
48. Our programme would attract national funding into South Somerset to deliver an innovative programme that will address the challenges our district faces. The combination of a developed Octagon Theatre and Art Engagement and Outreach service would see increased engagement in the arts and significantly increase opportunities for residents to benefit.
49. The COVID-19 pandemic has had a severe impact on the global economy and theatres have been severely affected. The need to substantially renew, theatres like The Octagon will urgently increase the imperative to deliver the most



sophisticated environmentally controlled theatre, with greater generosity of space in both auditorium and public areas. When the pandemic has been brought under control the need for venues like The Octagon will see an even greater need to bring communities back together and arts events that will help with improving health and wellbeing.

50. The financial impact of the pandemic is likely to see an economic recession. However, theatre and cinema admissions do not tend to be affected by economic recessions and usually an increase in attendance occurs, as audiences seek affordable means of entertainment and escapism. Cultural developments have also been a highly effective means of regeneration for town centers looking to attract new businesses to their area.

## Financial Implications

51. In support of this report a **confidential** Capital Appraisal is included as Appendix 1 compiled by lead consultants Charcoal Blue. Appendix 2 provides a **confidential** 10 year detailed business plan that estimates the SSDC Revenue Budget implication written by DCA consultants. A detailed appraisal of the Capital Proposals and Business Plan has been completed by SSDC's Capital Accountant (Appendix 3 – **confidential**). The report assesses the impact if catering income streams identified in the business plan do not meet expectations. The report also details proposals for funding the capital development including options and impact on use of loans and capital grants. These are yet to be fully finalised as we are awaiting VAT advice from our VAT Consultants on the project. These will be finalised for the next report.
52. Confidentiality, is important at this time, as the plans contain commercially sensitive information regarding the cost estimates for the project which will be subject to competitive procurement. Elements of the Appraisal related to the funding of the project and the anticipated revenue benefits are included in this part of the report for clarity of the estimated budgetary impact on SSDC.
53. It is expected that following approval, a 12-month period would be required to appoint and procure project management specialists and contractors before building work would commence. The Octagon Theatre would be closed for the build period that is likely to require 18-24months of works. During this period the majority of programmed events and activity can be staged at Westlands Entertainment Venue that is managed within the service. This will bring benefits to the development of Westlands Entertainment Venue and the management team will work to retain audiences, artists and provide performance opportunities for amateur and community groups.
54. Consideration will be given to balance the long-term needs of both venues particularly over the busy Christmas season when The Octagon Theatre stages the popular annual pantomime and Westlands is busy with Christmas parties. A separate financial plan will be written for the closure period when it is determined



the point at which The Octagon Theatre will need to close for works, which is not yet known precisely and dependant on approval of this proposal.

55. The costs will vary greatly dependent on when the period of closure falls; for example, whether this means that The Octagon is closed for one or two festive periods. We are confident that a worst case scenario (two Christmas closures) would require less than the current cost of service. A temporary staffing structure will be required to ensure we operate efficiently and retain key skills and knowledge to develop the project. This will be developed and implemented alongside the financial plan once the closure period has been established.
56. The recommendation within this report is to agree to the proposals in principle so that officers can advance the preparatory work and seek to obtain full approval to proceed with a £23.01m capital budget provision for investment (excluding VAT) to refurbish and develop the facilities at The Octagon Theatre. This will require funding for up front capital costs being provided by SSDC, and includes a contingency element for unforeseen costs.
57. A further report will be submitted to seek full approval of the business case including the financial implications regarding VAT and its recoverability and the potential impact on our partial exemption status, prior to commencing building works.

### **Legal implications (if any) and details of Statutory Powers**

58. Statutory Authority S.145 Local Government Act 1972 Provision of entertainments

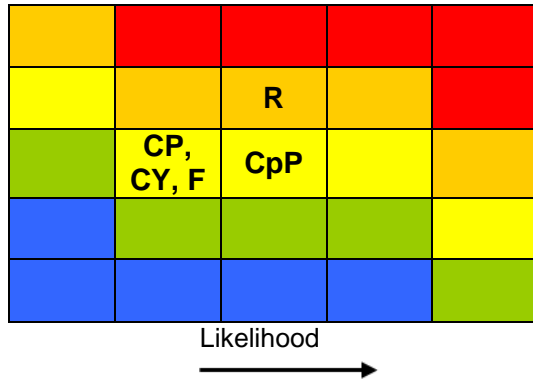
Under the above provision the Council has the power to arrange or finance the doing of anything necessary or expedient for the provision of entertainment of any nature or the provision of a theatre, concert hall, dance hall or other premises suitable for the giving of entertainments or the holding of dances.

### **Risk Matrix**

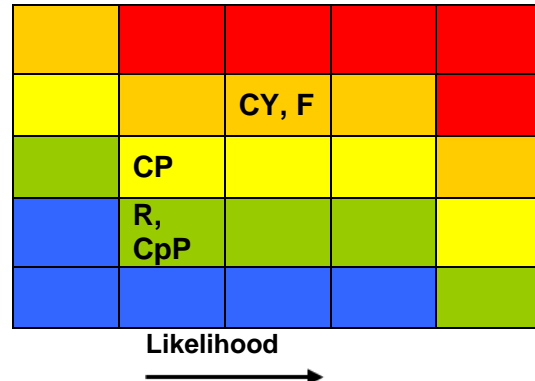
59. The risk matrix shows risk relating to the Corporate Plan headings. This should assist officers and members in making a more informed decision, in relation to Risk Management.



**Risk Profile before officer recommendations**



**Risk Profile after officer recommendations**



**Key**

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

**Council Plan Implications**

60. This project will contribute towards the following council aims;

- To deliver high quality cost effective services
- Actively manage assets and resources to ensure the best financial or community return.
- Healthy, Self-reliant Communities
- Continue the refresh of Yeovil Town Centre
- Develop proposals to support struggling families and help address child poverty and low rates of social mobility in the district
- Work with partners to achieve economies, resilience and influence.

**Carbon Emissions and Climate Change Implications**

61. The development of the building will seek to incorporate state of the art, efficient building processes and environmentally operating practices that will have a very positive effect on recycling, carbon emissions and pollution levels.



## **Equality and Diversity Implications**

62. Access throughout the building and to access the site will be significantly improved. An Access consultant has worked on the initial designs and will be employed as part of the project team to maximise opportunities for improvements to create a more accessible and welcoming venue. A full equality assessment report will be undertaken as part of the planning and build process.

## **Privacy Impact Assessment**

63. There are no adverse personal data implications to this report.

## **Background Papers**

- Arts & Entertainment Service Annual Report 2019-20

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

Document is Restricted

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

Document is Restricted

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Document is Restricted

# APPENDIX 4

## Arts Engagement & Outreach Service Proposal

This proposal is linked to the proposed capital development of The Octagon Theatre, the funding generated by the redeveloped theatre and new facilities in the development are imperative to the proposals laid out here for a successful arts engagement and outreach service to be created.

### Background

The Arts Development Service is based at The Octagon Theatre with an annual budget of £57,180 (2020/21). The majority of the budget is used to support one part-time member of staff and to make annual grants (£19,000) to four key arts organisations who deliver work across South Somerset – Take Art, Somerset Art Works (SAW), Somerset Film and Actiontrack. The work delivered by these organisations include the Village Performance Scheme (Take Art) and Somerset Arts Weeks (SAW). The remaining resources are used to support arts projects and activities around the district with recent recipients including Wassail Theatre Company, OD Arts Festival and artists who live and work in the district. With recent appointments to the service this has expanded to take on outreach projects that were previously led by the Arts and Entertainment Venues Manager. This includes funding from Arts Council England and Yarlington Housing Group to support the dance based ‘Move To Improve’ project (£55K) and led the applications for the Cultural Recovery funds with £333K awarded from Arts Council England. The service co-ordinates the Octagon Theatre participatory programme – The Octagon Academy – that hosts 17 classes per week, co-ordinates community shows like SHiNE and A Festival of Song. The service also programmes the visual arts exhibitions at The Octagon Theatre and provides advice and support for artists and arts organisations in the district.

### Report

The redevelopment and extension of The Octagon Theatre offers the opportunity to develop the Arts Engagement and Outreach service with increased funding and improved facilities that will:

- Deliver an innovative and creative programme of arts engagement and outreach work that will focus on helping to achieve SSDC’s priorities as laid out in the Council plan
- Support the business plan and development of audiences at the redeveloped Octagon Theatre
- Attract additional funding and investment into the district from trusts, foundations and bodies including the Arts Council
- Raise the profile of arts in South Somerset and offer increased opportunities for artists working in the district and for residents to engage regularly with arts activity benefiting from an improving quality of life

An innovative programme of Arts Engagement and Outreach work would be an innovative way help to address SSDC priority areas:

- High rates of children growing up in poverty and poor social mobility
- Large numbers of struggling families
- Growing numbers of older people who are increasingly living in poor health
- The climate emergency
- Homelessness and the lack of genuinely affordable housing
- The economy including productivity, skills and wage levels

Projects and initiatives based in the creative arts that focus on raising aspirations, building self-confidence, improving mental and physical well-being, developing skills and supporting community cohesion will help us support our communities and develop audiences for events at the theatre. We will seek additional funding from trusts, foundations and other sources using our core and project funding from SSDC to leverage external funding. We will look to make our Arts Engagement and Outreach Service an Arts Council England National Portfolio Organisation receiving annual funding on the three year basis. The NPO goals from ACE align very well with the priorities for SSDC and the aspirations of the organisation.

ACE NPO Goals 2018-2022:

Goal 1: Excellence is thriving and celebrated in the arts, museums and libraries

Goal 2: Everyone has the opportunity to experience and be inspired by the arts, museums and libraries

Goal 3: The arts, museums and libraries are resilient and environmentally sustainable

Goal 4: The leadership and workforce in the arts, museums and libraries are diverse and appropriately skilled

Goal 5: Every child and young person has the opportunity to experience the richness of the arts, museums and libraries

With the commitment to redevelop the Octagon Theatre, accompanying business and need for capital funding from ACE to support the project, we will develop an Arts Engagement and Outreach Strategy with a 10 year business plan that includes a revised staffing structure and delivery plan. It is anticipated that the Arts Engagement and Outreach Service budget would increase to £150,000 per year that would be paid for by increased income generated by The Octagon Theatre. It is also projected that as audiences/users and income develops the theatre will be generating enough income that it will be able to invest further income into the Arts Engagement and Outreach Service to deliver additional projects and be used as 'seed funding' to attract additional investment. The amount of money available for these projects will depend on the financial performance of the theatre and this approach will limit financial risk to the authority. With the increased core funding and ambitious plans in place we would be applying to become an NPO for the Arts Council and our application would be in the region of £125,000 per year to support our core programme.

Core activity we are already exploring as part of this plan would include:

- Supporting artists and arts activity across the district by providing advice, support and grant funding to Arts Organisation(s) who deliver work that meets our objectives.
- To provide advocacy, support and leadership for the arts in South Somerset
- Deliver an innovative and creative programme of arts engagement and outreach work that ties in with the programme of events taking place at The Octagon Theatre, Westlands Entertainment Venue and other events taking place across the district that supports audience growth and the understanding and appreciation of the arts.
- Support artists, graduates and those seeking a career in the creative arts with advice, support and networking opportunities.
- Raise the profile of arts in South Somerset and offer increased opportunities for artists working in the district and for residents to engage regularly with arts activity benefiting from an improving quality of life
- Developing our relationship with Bournemouth Symphony Orchestra (BSO) to commit to three public concerts per year when the redeveloped Octagon Theatre opens. An education project giving schools access to specially curated concerts to introduce children to a live orchestra.
- Develop a programme linked to Yeovil District Hospital (YDH) and the Somerset NHS Foundation as part of an 'arts on prescription' initiative, to improve the health and wellbeing of residents across South Somerset, and to reduce hospital admission rates e.g. falls prevention
- Building on the success of our Octagon Academy we would like to expand the range of classes providing new opportunities for participants and employment for teachers. We would like to expand our range of music, dance and drama classes with satellite classes setup across the district.
- Build on the success of our 'Move To Improve' Dance Development projects to develop audiences and appreciation for dance, provide opportunities for professional dance artists. It is widely acknowledged that dance can reduce loneliness and alleviate depression and anxiety.

To complement our core work would be an exciting and ever changing range of projects centred around the creative arts, using our venues as a creative hub to deliver excellent opportunities across the district and extend to the region.





## District Executive Forward Plan

Executive Portfolio Holder: Val Keitch, Leader, Strategy and Housing  
Strategic Director: Kirsty Larkins, Strategy and Commissioning  
Lead Officer: Angela Cox, Democratic Services Specialist  
Contact Details: angela.cox@southsomerset.gov.uk or (01935) 462148

## Purpose of the Report

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

## Public Interest

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

## Recommendations

3. That District Executive is asked to:
  - a) approve the updated Executive Forward Plan for publication as attached at Appendix A
  - b) note the contents of the Consultation Database as shown at Appendix B.

## Executive Forward Plan

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

## Consultation Database

5. The Council has agreed a protocol for processing consultation documents received by the Council. This requires consultation documents received to be logged and the current consultation documents are attached at Appendix B.

## Background Papers

6. None.

## Appendix A - SSDC Executive Forward Plan – January 2021

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
February 2021 February 2021	Council Plan 2021/22	Portfolio Holder - Strategy & Housing	Director Strategy and Commissioning	Kirsty Larkins, Director (Strategy and Commissioning)	District Executive South Somerset District Council
February 2021 February 2021	2021/22 Revenue and Capital Budget	Portfolio Holder - Finance, Legal & Democratic Services	Director Support Services Director Support Services	Jo Nacey, Section 151 Officer	District Executive South Somerset District Council
February 2021	Capital & Revenue Budget monitoring reports for Quarter 3	Portfolio Holder - Finance, Legal & Democratic Services	Director Support Services	Jo Nacey, Section 151 Officer	District Executive
February 2021 February 2021	SSDC Scheme of Delegation	Portfolio Holder - Protecting Core Services	Director Service Delivery	Barry James, Interim Planning Lead Specialist	District Executive South Somerset District Council
February 2021	Negotiation Strategy for Planning	Portfolio Holder - Protecting Core Services	Director Service Delivery	Barry James, Interim Planning Lead Specialist	District Executive
February 2021	Future Delivery of the Environment Strategy	Portfolio Holder - Environment	Director Commercial Services & Income Generation	Katy Menday, Leisure & Recreation Manager	District Executive

<b>Date of Decision</b>	<b>Decision</b>	<b>Portfolio</b>	<b>Service Director</b>	<b>Contact</b>	<b>Committee(s)</b>
February 2021	Quarterly Corporate Performance Report	Portfolio Holder - Strategy & Housing	Director Strategy and Commissioning	Cath Temple, Specialist (Performance)	District Executive
March 2021	Private Sector Housing Grant Policy	Portfolio Holder - Strategy & Housing	Director Service Delivery	Vicki Dawson, Lead Specialist (Environmental Health)	District Executive
March 2021	Investment Assets Update Report	Portfolio Holder - Economic Development including Commercial Strategy	Director Commercial Services & Income Generation	Robert Orrett, Commercial Property. Land & Development Manager	District Executive
March 2021	Remote Meeting Protocol for SSDC	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy and Commissioning	Angela Cox, Specialist (Democratic Services)	District Executive
April 2021	Annual review of the Regulation of Investigatory Powers Act 2000 (RIPA)	Portfolio Holder - Finance, Legal & Democratic Services	Director Place	Paula Goddard, Specialist (Legal Services)	District Executive
April 2021	Future Management of the Council's Leisure Facilities	Portfolio Holder - Health & Well-Being	Director Strategy and Commissioning	Lynda Pincombe, Specialist - Strategic Planning	District Executive
May 2021	Capital & Revenue Budget Outturn reports for Quarter 4	Portfolio Holder - Finance, Legal & Democratic Services	Director Support Services	Jo Nacey, Section 151 Officer	District Executive
May 2021	Quarterly Corporate Performance Report	Portfolio Holder - Strategy & Housing	Director Strategy and Commissioning	Cath Temple, Specialist (Performance)	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
June 2021	Investment Assets update report	Portfolio Holder - Economic Development including Commercial Strategy	Director Commercial Services & Income Generation	Robert Orrett, Commercial Property. Land & Development Manager	District Executive
June 2021	Update on Proposals from the Planning Re-imagined Workshops	Portfolio Holder - Protecting Core Services	Director Strategy and Commissioning	Kirsty Larkins, Director (Strategy and Commissioning)	District Executive
TBC	Allowenshay mains water connection	Portfolio Holder - Health & Well-Being	Director Support Services	Tim Cook, Locality Team Manager	District Executive

**APPENDIX B - Current Consultations – January 2021**

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p><b>Provisional local government finance settlement 2021 to 2022: consultation</b></p> <p>This consultation seeks views on proposals for the local government finance settlement for 2021 to 2022.  <a href="https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2021-to-2022-consultation?utm_source=9e28f215-d9f5-4e52-86b4-72fec652422b&amp;utm_medium=email&amp;utm_campaign=govuk-notifications&amp;utm_content=daily">https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2021-to-2022-consultation?utm_source=9e28f215-d9f5-4e52-86b4-72fec652422b&amp;utm_medium=email&amp;utm_campaign=govuk-notifications&amp;utm_content=daily</a></p>	Finance and Legal Services	Support Services	Officers in consultation with Portfolio Holder	Jo Nacey, Section 151 Officer	16 January 2021
<p><b>Supporting housing delivery and public service infrastructure</b></p> <p>We are seeking views on permitted development rights, change of use and speeding up planning permission for public service infrastructure. This technical consultation seeks views on proposals for:</p> <ul style="list-style-type: none"> <li>• a new permitted development right for a change of use to residential to create new homes</li> <li>• measures to provide public service infrastructure more quickly through expanded permitted development rights and a new streamlined planning application process for hospitals, schools and prisons</li> <li>• the approach to simplifying and consolidating existing permitted development rights following changes to the Use Classes Order</li> </ul>	Protecting Core Services	Service Delivery	Officers in consultation with Portfolio Holder	Barry James, Interim Lead	28 January 2021

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p><b>Future of Transport: rural strategy – call for evidence</b></p> <p>This call for evidence seeks views and evidence from all those with an interest in rural transport.</p> <p>Following our <a href="#">Future of mobility: urban strategy</a>, which was published in March 2019, the Department for Transport are now seeking views and evidence on what could be incorporated into a Future of Transport: rural strategy.</p> <p>The consultation document has 3 sections:</p> <ul style="list-style-type: none"> <li>• the context of the Future of Transport: rural strategy</li> <li>• our assessment of the mobility trends in rural areas, and the emerging opportunities for rural environments that we're witnessing in transport innovation – this section seeks views on whether we have identified these correctly and further evidence for these trends</li> <li>• consideration of the approach that the government could take to help shape these opportunities to benefit rural areas</li> </ul> <p>This consultation is part of the <a href="#">Future of Transport programme</a>, which aims to shape transport innovation and secure the UK's position as a leader in the transport sector of the future.</p> <p><a href="https://www.gov.uk/government/consultations/future-of-transport-rural-strategy-call-for-evidence?utm_source=fbeea974-8a4b-4dfb-b3a8-48e888e2d68e&amp;utm_medium=email&amp;utm_campaign=govuk-notifications&amp;utm_content=daily">https://www.gov.uk/government/consultations/future-of-transport-rural-strategy-call-for-evidence?utm_source=fbeea974-8a4b-4dfb-b3a8-48e888e2d68e&amp;utm_medium=email&amp;utm_campaign=govuk-notifications&amp;utm_content=daily</a></p>	Health and Well-Being / Economic Development	Kirsty Larkins, Strategy & Commissioning	Officers in consultation with Portfolio Holder	Lynda Pincombe, Specialist, Strategic Planning	16 February 2021



## **Date of Next Meeting**

Members are asked to note that the next scheduled meeting of the District Executive will take place on Thursday, 4<sup>th</sup> February 2021 as a virtual meeting via Zoom meeting software commencing at 9.30 a.m.

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