
South Somerset District Council

Thursday 15th September 2022

7.30 pm

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

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



All members of Council are requested to attend this meeting.

Any members of the public wishing to address the meeting at Public Question Time are asked to email democracy@southsomerset.gov.uk by 9.00am on Wednesday 14 September 2022 so that we can advise on the options for accessing the meeting.

If you would like to view the meeting on-line without participating, please see:
https://www.youtube.com/channel/UCSDst3IHGj9WoGnwJGF_soA

This Agenda was issued on Wednesday 7 September 2022.

Jane Portman, *Chief Executive Officer*

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



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Chairman: Paul Maxwell

Vice-chairman: Wes Read

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Jason Baker
Robin Bastable
Mike Best
Neil Bloomfield
Ray Buckler
Dave Bulmer
Hayward Burt
Tony Capozzoli
Martin Carnell
Malcolm Cavill
John Clark
Nicola Clark
Louise Clarke
Nick Colbert
Adam Dance
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Tim Kerley
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Mike Lock
Pauline Lock
Tony Lock
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Sue Osborne
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Oliver Patrick
Clare Paul
Crispin Raikes
David Recardo
Paul Rowsell
Dean Ruddle
Gina Seaton
Peter Seib
Garry Shortland
Jeny Snell
Andy Soughton
Mike Stanton
Rob Stickland
Lucy Trimnell
Gerard Tucker
Martin Wale
William Wallace
Colin Winder

Information for the Public

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

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

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

Agendas and minutes can also be viewed via the modern.gov app (free) available for iPads and Android devices. Search for 'modern.gov' in the app store for your device and select 'South Somerset' from the list of publishers and 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 in person and via Zoom) and Public question time

We value the public's contribution to our meetings. If you would like to attend the meeting in person and speak at Public Question Time, please email democracy@southsomerset.gov.uk by 9.00am on Wednesday 14 September 2022. We need to know how many public are attending to ensure safe social distancing at the meeting. When you have registered, the Chairman will invite you to speak at the appropriate time during the meeting.

If you would like to participate and contribute in the meeting remotely, we would encourage you to please join on-line through Zoom at: <https://zoom.us/join>
You will need an internet connection to do this. Please email democracy@southsomerset.gov.uk for the details to join the meeting.

If you would like to view the meeting on-line without participating, please see:
https://www.youtube.com/channel/UCSDst3IHGj9WoGnwJGF_soA

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.

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South Somerset District Council

Thursday 15 September 2022

Agenda

1. Apologies for Absence

2. Minutes

To approve and sign the minutes of the previous meeting held on Thursday, 21 July 2022.

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. Economic Development Celebratory Presentation (Page 6)

7. Statement of Principles under the Gambling Act 2005 (Pages 7 - 52)

8. Buildings at Risk - Approach for the Future (Pages 53 - 56)

9. Proposed increase to the Disabled Facilities Grant capital budget - referral from District Executive

Report to follow.

10. New Somerset Council - Proposed Members Code of Conduct (Pages 57 - 80)

11. 2020/21 Auditor's Annual Report (Pages 81 - 137)

12. Statutory Recommendation in Respect of Settlement Agreements (Pages 138 - 145)

- 13. Wincanton Regeneration Scope Change** (Pages 146 - 154)
- 14. Sale of commercial development land at Lufton, Yeovil (Lufton 2000 joint venture)** (Pages 155 - 162)
- 15. Appointment of Members to Council Committees - change to Scrutiny Committee membership** (Pages 163 - 165)
- 16. Report of Executive Decisions** (Pages 166 - 170)
- 17. Audit Committee** (Page 171)
- 18. Scrutiny Committee** (Page 172)
- 19. Motions**

There were no Motions submitted by Members.
- 20. Questions Under Procedure Rule 10**

There were no questions submitted under Procedure Rule 10.
- 21. Date of Next Meeting** (Page 173)



Economic Development Celebratory Presentation

Executive Portfolio Holder:	John Clark, Economic Development
Strategic Director:	Jan Gamon, Place and Recovery
Service Manager:	Peter Paddon, Lead Specialist, Economy
Lead Officer:	Joe Walsh, Specialist – Economic Development
Contact Details:	Joe.walsh@southsomerset.gov.uk or 01935 462289

The Specialist for Economic Development will provide Members with a presentation on the Council's economic and business response to Covid 19.

Copies of the presentation slides will be published in a separate supplement to this agenda.

Statement of Principles under the Gambling Act 2005

Executive Portfolio Holder:	Adam Dance, Area North, Licensing and Equalities
Strategic Director:	Kirsty Larkins, Director Service Delivery
Service Manager:	Michelle James, Principal Licensing Specialist
Lead Officer:	Anita Legg, Specialist, Licensing
Contact Details:	Anita.Legg@southsomerset.gov.uk or 01935 462137

1. Purpose of the Report

- 1.1 To advise Council that following the consultation process for the unamended Statement of Principles (Gambling Policy) no responses were received. The Licensing Committee therefore request that Council approve the unchanged Policy at its meeting on 15 September 2022.

2. Public Interest

- 2.1 Section 349 of the Gambling Act 2005 requires that all licensing authorities prepare and publish a Statement of Principles that they propose to apply in exercising their functions under the Act. The policy must be revised every three years or sooner if revisions are considered appropriate.
- 2.2. It was determined to consult on the unamended policy, which was conducted between 29 June 2022 and 31 July 2022. The Gambling Act 2005 only requires consultation on any amendments that have been made. As the policy is unamended, the Authority determined to consult for a one-month period. No responses were forthcoming.
- 2.4 The Licensing Committee therefore recommend the unamended Statement of Principles (Gambling Policy) to Full Council adoption.

3. Recommendations

- 3.1 The Licensing Committee recommend that Full Council:
 - a. agree the Gambling Act, Statement of Principles for approval and implementation

4. Background

- 4.1 This is the seventh Statement of Principles for South Somerset District Council. The unamended Policy, is attached at **Appendix A**.

5. Financial Implications

- 5.1 The government indicates that they expect the centrally set fees of the Gambling Act 2005 to cover the cost to the council of administering the gambling regime, which would include the preparation of the revised policy, policy, consultation etc.

6. Legal implications (if any) and details of Statutory Powers

- 6.1 The Licensing Authority is required to act in accordance with the:
- provisions of the Gambling Act 2005; and have regard to and
 - Guidance issued by the Gambling Commission
- In writing its own Statement of Principles (Gambling Policy) to consider and determine applications
- 6.2 The integrity of the Statement of Principles has the potential to directly impact upon the Council's determination of applications under the Act and as such decisions made could be the subject of judicial review or appeal.
- 6.3 The Licensing Authority in determining applications and taking enforcement action pursuant to the Gambling Act 2005 will also have regard to the provisions of the Human Rights Act 2010.

7. Council Plan Implications

- 7.1 This revised policy supports the Council Plan themes, The Protecting Core Services and Environment Areas of focus
- Deliver a high quality, effective and timely service to our customers

8. Carbon Emissions and Climate Change Implications

- 8.1 This policy is primarily focused on setting out how the Council will deliver its statutory function under the Gambling Act 2005 and does not have any implications for Carbon Emissions and Climate Change.

9. Equality and Diversity Implications

- 9.1 A stage 1 Equality Analysis (EqA) has been carried out which does not identify any impacts on any persons with protected characteristics.

10. Privacy Impact Assessment

- 10.1 The policy which is the subject of this report does not in itself involve the processing or handing of personal data. The processing of application forms in accordance with this policy currently involves the handling of personal data and no changes are being made to how that data is processed. The consultation process is likely to result in personal data being processed. The responses would be handled by SSDC and any responses would have any personal details removed before being published.

Background Papers

Gambling Act 2005
Current Statement of Principles
Gambling Commission Statutory Guidance

SOUTH SOMERSET DISTRICT COUNCIL

GAMBLING ACT 2005



STATEMENT OF PRINCIPLES

2022 - 2025

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All references to the Guidance refer to the Gambling Commission's Guidance to Licensing Authorities.

PART 1

Consultation Process

In accordance with paragraph 349(1) of the Gambling Act 2005, a Licensing Authority must prepare and publish a Statement of Principles that it proposes to apply in exercising its functions.

The consultation process was undertaken prior to publication. The draft Statement of Principles was published on our website and the Council consulted widely across a widespread cross section of the community and with the statutory consultees before finalising and publishing.

Due consideration has been given to all responses and the Licensing Authority has had due regard to the Guidance and given appropriate weight to the views of all those consulted. In determining the weight given to particular responses the Licensing Authority has taken into account the following factors:

- Who has submitted the response (what is their expertise/interest);
- Relevance to the Licensing Objectives;
- How many others expressed the same or similar views; and
- How far those responses relate to matters that the Licensing Authority should include in this Statement of Principles.

The newly adopted Statement of Principles advertised and published in accordance with Regulations.

The Statement of Principles will remain in force until the next successive 3 year period and may be subject to periodic reviews and further consultation. Following consultation, any revisions or amendments to the statement will be appropriately published in accordance with the regulations.

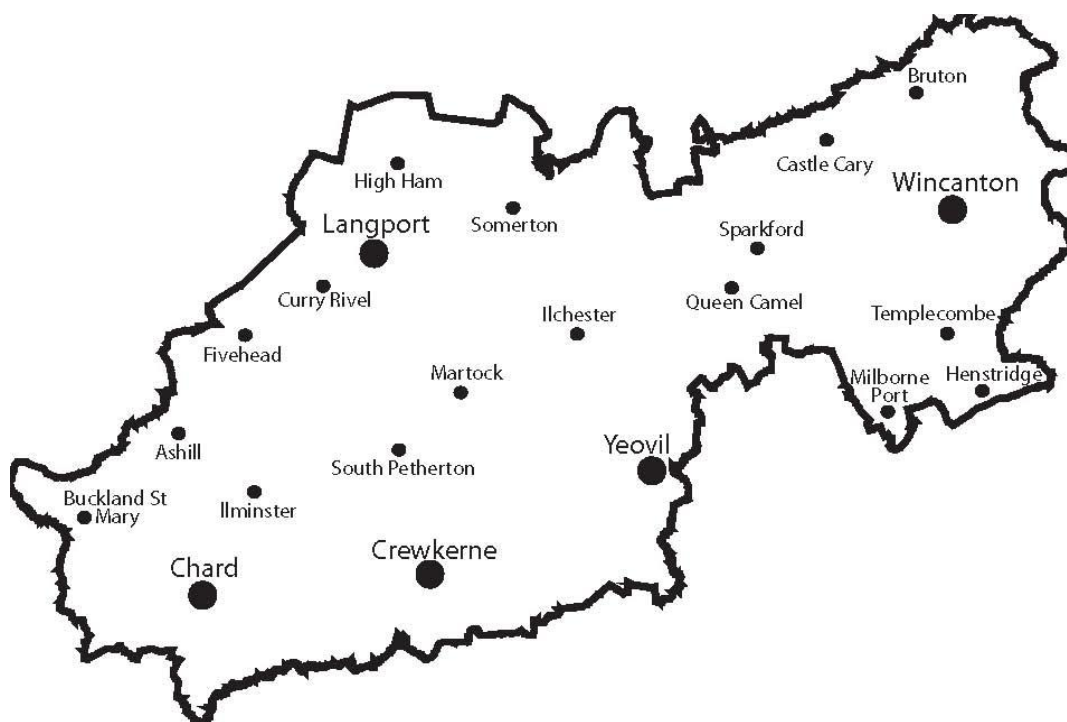


South Somerset District Council

1. Introduction

Geographical Area covered

South Somerset District Council is situated in the County of Somerset. The Council area has a population of 172,700 (Office for National Statistics). In terms of area it covers 370 square miles which is nearly 1/3 of Somerset. The Council area is mainly rural with several market towns.



Maps of the larger market towns in South Somerset showing the “Index of Multiple Deprivation” are shown in Appendix E. The key provided identifies an index of the most to least deprived areas of our area. The maps also show other information that applicants should be aware of.

Overview

1.1. The Statement of Principles sets out the issues which the Licensing Authority will take into consideration when carrying out its functions throughout the District of South Somerset.

1.2. The Licensing Authority recognises the potential impact of gambling on the community within the District and will seek to address the needs of residents to ensure a safe and healthy environment in which to live and work, together with safe and well-run entertainment premises that will benefit the local economy.

1.3. Licensing authority functions

Licensing authorities are required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing *Premises Licences*
- Issue *Provisional Statements*
- Regulate *members’ clubs* and *miners’ welfare institutes* who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits



South Somerset District Council

- Issue *Club Machine Permits* to *Commercial Clubs*
- Grant permits for the use of certain lower stake gaming machines at *unlicensed Family Entertainment Centres*
- Receive notifications for alcohol licensed premises (under the Licensing Act 2003) for the use of two or less gaming machines
- Issue *Licensed Premises Gaming Machine Permits* where there are two or more machines for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003.
- Register *small society lotteries* below prescribed thresholds
- Issue *Prize Gaming Permits*
- Receive and Endorse *Temporary Use Notices*
- Receive *Occasional Use Notices*
- Provide information to the Gambling Commission regarding details of licences issued (see section above on 'information exchange')
- Maintain registers of the permits and licences that are issued under these functions

It should be noted that licensing authorities are not involved in licensing remote gambling at all, which is regulated by the Gambling Commission via operating licences.

1.4. In exercising their functions under the Act, the Licensing Authority shall aim to permit the use of premises for gambling in so far as the authority think it -

- a) In accordance with any relevant code of practice under section 24
- b) In accordance with any relevant guidance issued by the Commission under section 25
- c) Reasonably consistently with the licensing objectives (subject to paragraphs (a) and (b), and
- d) In accordance with the statement published by the authority under section 349 (subject to paragraphs (a) to (c)).

1.5. In exercising its discretion under the Gambling Act 2005, the Licensing Authority must have regard to the Gambling Commission's Guidance and Codes of Practice and the Licensing Authority's own Statement of Principles - (this has been shortened to SOP throughout the rest of the document). "Must have regard" does not mean that the Licensing Authority must always following the Guidance to the letter; however the expectation is that there should be strong and defensible reasons from departing from it.

1.6. In exercising its functions under the Gambling Act 2005, the Licensing Authority must have regard to the Licensing Objectives as set out in Section 1 of the Act. These are:

- To prevent gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;
- To ensure that gambling is conducted in a fair and open way; and
- To protect children and other vulnerable persons from being harmed or exploited by gambling.

1.7. The SOP has been prepared with the view that no statement will override the right of any person to make an application under this Act and will not undermine the right of any person to make representations on an application or to seek a review of that Licence where they are permitted to do so under the Act.

1.8. In considering applications and in making any decisions, the Licensing Authority will take into account the Human Rights Act 1998, in particular:



- Article 1, Protocol 1 – peaceful enjoyment of possessions.
- Article 6 - right to a fair hearing.
- Article 8 – respect for private and family life
- Article 10 – right to freedom of expression.

1.9. The SOP does not intend to duplicate existing legislation and regulatory regimes that already place obligations on employers and operators; however, the Licensing Authority will require that prior to submission of a Premises Licence application (except in the case of tracks), the appropriate Operator's Licence has been obtained or applied for.

1.10. The Licensing Authority has considered the wide range of premises that will be licensed, including casinos, tracks, amusement arcades, bingo halls, betting offices, members' clubs and alcohol-licensed premises.

1.11. The Licensing Authority recognises the need to work closely with the Gambling Commission in exchanging information as and when required.

1.12. The Licensing Authority shall always seek to regulate gambling in the public interest.

Declaration

1.13. In producing the final statement, the Licensing Authority declares that it has had due regard to the three Licensing Objectives of the Gambling Act 2005, Guidance issued by the Gambling Commission and to any relevant formal responses from those consulted on the draft statement.

Fees

1.14. Premises Licence fees are set within the prescribed maximum levels in accordance with The Gambling (Premises Licence) Fees (England and Wales) Regulations 2007 and will be limited to full cost recovery. Fees for Permits and other services are set by the Secretary of State.

1.15. Information regarding the fees to be charged will be made available to the public via the Council's website or in writing upon request.

1.16. Where the annual fee for a premises licence or permit is not paid, the Licensing Authority will revoke it unless we believe it is attributable to administrative error.

1.17. Where a payment of an application fee is not honoured by the applicant's bank, the Licensing Authority will not regard the application as properly made and any licensable activity undertaken will be considered unlawful. .

1.18. All non-payment of annual premises licence and permit fees will be reported to the Gambling Commission.

General Principles

1.19. The Licensing Authority recognises that the responsibility for an individual's gambling is his or her own. The responsibility to exercise a duty of care is that of the Site Operator.



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All applicants for premises licences will be required to set out how they will ensure operation is reasonably consistent with the Licensing Objectives, as specified in section 1.6 above, and what measures they intend to employ to ensure compliance with them.

If an applicant can effectively demonstrate how they might overcome licensing objective concerns, this will be taken into account. Further information regarding the requirement for local risk assessments is provided in Part 4 below.

1.20. When determining whether to grant a premises licence the Licensing Authority may not have regard to the expected demand for the facilities which it is proposed to provide within the District of South Somerset. Every application to the Licensing Authority will be considered on its own merits and will be treated fairly and objectively in accordance with the three Licensing Objectives.

1.21. When considering the location of proposed gambling facilities, the Licensing Authority will consider the proximity of:

- Premises to local schools
- Premises to Centres for those with gambling problems
- Premises to Centres for, or used by, vulnerable and young persons
- Premises to residential areas where there is a high concentration of children and young people or where high levels of deprivation exist
- Premises to places of worship, particularly where Sunday Schools are in operation
- Premises to areas of known high criminal activity.

1.22. The Licensing Authority will not consider moral representations to gambling as these do not relate to the three Licensing Objectives and are not a valid reason for rejection. Where the Licensing Authority does reject an application for a Premises Licence, it will rely on reasons that demonstrate that the Licensing Objectives are not being met.

1.23. In all cases, however, the Licensing Authority will determine each application on its own merit and consider the type of gambling proposed. Any evidence provided by the applicant, whether in its risk assessment or otherwise the Licensing Authority shall take this into account when determining such applications.

1.24. The Licensing Authority will have regard to the Gambling Commission's Guidance to Local Authorities and the Council's SOP when considering applications where access to the licensed premises is through other licensed or unlicensed gambling premises.

1.25 The Council, in undertaking its licensing function, will have due regard to the need to eliminate unlawful discrimination and to promote equality and good relations between persons of different racial groups

Licensing Objectives

Preventing Gambling from being a source of crime and disorder, being associated with crime or disorder or being used to support crime

1.26. It is the responsibility of the Gambling Commission when issuing Operating Licences to ensure the operator is a suitable applicant. If, however, during the course of considering a Premises Licence application or at any other time, the Licensing Authority receives such information that causes it to question the suitability of the applicant, those concerns will be brought to the immediate attention of the Gambling Commission.

1.27. The Licensing Authority will consider the location of premises, particularly if such a premises is in an area where there was known to be organised crime. Where this is the case, the Licensing Authority in these circumstances would consider what controls, if any, would be appropriate to prevent such premises becoming a source of crime. In certain circumstances, the Licensing Authority may consider appropriate conditions to be attached to the Licence, such as Door Supervisors, CCTV, etc.

Conditions imposed by the Licensing Authority must be proportionate to the circumstances which it is seeking to address. In particular, it should ensure that the premises licence conditions are:

- Relevant to the need to make the proposed building suitable as a gambling facility
- Directly related to the premises (including the locality and any identified local risks) and the type of licence applied for
- Proportionate and related to the risks involved, scale and type of premises
- Reasonable in all other respects
- Not covered by other legislation.

1.28. The Licensing Authority recognises that disorder may be focused on premises and therefore expects an applicant to demonstrate an understanding of possible crime and disorder and to take such controls as are necessary to prevent it. Examples may include thought given to the way that gambling is conducted on the premises, company policy on prevention of crime and disorder, siting of large pay out machines. Consideration, where relevant, will be given to the placing of appropriate conditions on the licence governing opening hours for betting shops in residential areas which may include the use of Door Supervisors. Where the Licensing Authority imposes a Door Supervision condition, if the supervisor is required by the Private Security Industry Act 2001 to hold a licence under that Act, the requirement shall be a condition of the licence.

1.29. Where there are persistent levels of disorder, the Licensing Authority will liaise closely with the Gambling Commission to consider the suitability of the applicant or premises licence holder as an operator. In addition, the Licensing Authority will strive to have a good working relationship with the Police in accordance with any protocol that is currently in place.

1.30. The Licensing Authority may seek legal advice when determining what action to take in circumstances in which disorder may be a factor and in determining this issue the Licensing Authority will consider each circumstance individually.

Ensuring Gambling is conducted in a fair and open way

1.31. All gambling should be fair in the way it is played with transparent rules such that players know what to expect. Examples may include easily understandable information being made available on the rules and probability of winning/losing, ensuring the rules are fair and that advertising is not misleading. The Licensing Authority expects that where written rules are provided that they are of a font size not less than 11 where practicable and further that rules in appropriate larger font sizes are provided for those with visual impairments upon request with a notice displayed to that effect in a prominent position at the premises. Further the Licensing Authority expects that there are measures in place to ensure that the results of competitions/events are made public.

1.32. Generally, it is for the Gambling Commission to ensure this Licensing Objective is complied with, however, with regard to race tracks; the role of the Licensing Authority is more significant. The Licensing Authority, in certain circumstances, may seek to impose conditions to ensure that the environment in which betting takes place is suitable. The Licensing Authority may wish to know the nature of the venue, and where the operators will conduct on course



betting and whether or not there are any off course betting operators. The plan for a track shall include access to the place where gambling is to take place.

Protecting Children and other vulnerable persons from being harmed or exploited by gambling

1.33. As children and young persons are prohibited from the majority of gambling premises they must be prevented from entering adult only gaming environments; this Licensing Objective intends to prevent children and young persons from taking part in, or being in close proximity to, gambling. Restrictions are therefore necessary when advertising gambling products that are aimed at children or advertised in such a way that makes them attractive to children. The Licensing Authority will therefore consider whether specific measures are needed to protect children at particular premises. Such measures may include:

- staff training,
- company policies for protecting children and vulnerable persons,
- careful consideration of the siting of cash machines,
- additional requirements to provide supervision at entrances,
- steps taken to segregate gambling from non-gambling areas frequented by children
- supervision of gaming machines in non-adult gambling specific premises in order to prevent children or vulnerable young persons from being harmed or exploited by gambling.
- appropriate signage,
- location of machines
- numbers of staff on duty

These measures will be particularly relevant on mixed-use premises and on tracks where children have freedom of movement in betting areas on race days.

1.34. As regards 'vulnerable persons', it is noted that the Gambling Commission has not defined a 'vulnerable person' but states that it will assume that this group will include people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to mental health issues, learning disability or substance abuse. Whilst the Gambling Act does not prohibit vulnerable groups in the same manner as children and young persons, the Licensing Authority will consider whether any measures have been taken to protect such a group. Any such considerations will be balanced against the Licensing Authority's aim to permit the use of premises for gambling and each application will be treated on its own merit. Furthermore, the Licensing Authority will expect to see evidence that measures have been put into place to protect this group of people during any inspections it may carry out.

1.35. With this Licensing Objective in mind, the Licensing Authority will take particular care when considering applications for more than one licence for a building and those relating to a discrete part of a building used for other non-gambling purposes, such as shopping centres.

1.36. The Licensing Authority recommends that measures are taken to ensure entrances and exits from parts of a building covered by one or more licences are separate and identifiable so that people do not drift into a gambling area in error. Such measures could include appropriate signage, physically separating Family Entertainment Centres and Adult Gaming Centres, and supervision of entrances. In addition, premises should be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling where they are prohibited from participating. The Licensing Authority also expects that where children and young persons are permitted access to the premises that gaming machines of category C or above are not sited close to gaming machines of category D unless the area is physically separated.



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1.37. The Licensing Authority will pay particular attention to applications where access to the licensed premises is through another premises and will consider whether or not children can gain access (generally there can be no direct access between different types of gambling premises); where there is direct access, it will take into account the compatibility of the two establishments and its ability to comply with requirements of the Gambling Act. The Licensing Authority will also consider whether the co-location of the licensed premises with other facilities will create an arrangement that is likely to be prohibited under the Act. In any event, the Licensing Authority expects access to all adult areas in licensed premises shall be monitored in accordance with any mandatory conditions and Gambling Commission Codes of Practice.

1.38. The Licensing Authority will consider multiple licences carefully and applicants are recommended to configure these buildings with careful consideration if they seek to develop multi-purpose developments and in particular consider how they will protect children from being harmed by gambling as well as preventing children from being in close proximity to gambling.

1.39. The Licensing Authority expects that all staff are suitably trained on the appropriate provisions of the Gambling Act 2005, its associated regulations and any amending legislation with special emphasis placed on age restrictions relating to gaming machines and social responsibility. Staff are expected to be vigilant to ensure compliance with the law.

Exchange of Information

1.39. The Licensing Authority will work closely with the Gambling Commission, Avon and Somerset Constabulary and with Responsible Authorities where there is a need to exchange Information on specific premises e.g. where the Commission makes observations and representations on the suitability of the applicant for a premises licence or any other aspect of the application, the Commission and Licensing Authority shall discuss matters relating to that application and the appropriate action to take.

1.40. The Licensing Authority shall continue to submit annual returns to the Commission as they are an important source of information that can assist both in improving their work as risk based regulator and shall work together to ensure that the returns process is managed effectively.

1.41. The principle that this Licensing Authority will apply when exchanging information will be to act in accordance with the provisions of the Gambling Act 2005, which includes the provision that the Data Protection Act 2018 will not be contravened. The Licensing Authority will also have regard to any Guidance issued by the Gambling Commission on this matter as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

1.42. Where relevant, information will be protected and the confidentiality of those making representations will be maintained. Information will be shared between the Responsible Authorities and Gambling Commission. Contact details of those persons making representations and the details of the representations in question will be made available to applicants to allow for negotiation and, in the event of a hearing being held, will form part of a public document. Anyone making representation or applying for a review of a premises licence will be informed that these details will be disclosed

Register

1.43. The Licensing Authority will maintain a Licensing Register of all Premises Licences and Permits issued which is available on the Council's website at: www.southsomerset.gov.uk. The

register is available for inspection at the Council's offices between 09:00 and 17:00 Monday to Thursday and 09:00 to 16:30 on Friday. Where a hard copy is requested, the Licensing Authority may charge a reasonable fee for providing copies of such information.

Planning Permission/Building Regulation Approval

1.44. The Licensing Authority will only take into account relevant representations related to gambling and the three Licensing Objectives. The existence of a planning permission or building regulation approval for a premises or activity associated with gambling shall not be taken into account by the Licensing Authority in determining a Premises Licence application and any decision shall not constrain any later decision by the Authority under the law relating to planning or building.. Similarly, the existence of a gambling licence shall not prejudice the consideration of any planning or building regulation application related to a gambling activity or premises. The Licensing Authority does, however, strongly recommend that planning permission is sought prior to submitting an application in order to avoid disappointment

Responsible Authorities

1.45. The Licensing Authority will notify all Responsible Authorities of applications and these bodies will be entitled to make representations to the Licensing Authority in relation to applications for, and in relation to, Premises Licences.

1.46. The Responsible Authorities are as listed in Appendix A. With regard to the Responsible Authority in relation to vulnerable adults, the Licensing Authority recognises the Secretary of State shall specify a particular body as being the Responsible Authority.

Body representing Children from Harm

1.47. The Licensing Authority has designated in writing the body it considers competent to advise the Licensing Authority on the protection of children from harm. This body currently is:

Somerset Local Safeguarding Children Board

1.48. The reasons the Licensing Authority has chosen the above as a responsible authority competent to advise it on the protection of children from harm are that this body is:

- Answerable to democratically elected persons and is not answerable to a particular vested interest group.
- Responsible for the area covered by the Licensing Authority and this SOP;
- Experienced in dealing with the protection of children.

Interested Parties

1.49. Interested parties can make representations about licence applications, or apply for a review of an existing licence. The Gambling Act 2005 defines interested parties as persons who:

- Live sufficiently close to premises to be likely to be affected by the authorised activities;
- Have business interests that might be affected by the authorised activities; or
- Represent persons in either of the above two groups.

Principles of deciding on Interested Parties

1.50. The Licensing Authority is required by regulations to state the principles that it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party. With regard to specific premises, the Licensing Authority will consider whether a person is an interested party on a case-by-case basis, judging each on its own merit. The Authority will not apply a rigid rule to its decision-making.

1.51. Interested parties can be persons who are democratically elected such as councillors and MPs. No specific evidence of being asked to represent an interested person will be required as long as the councillor/MP represents the ward likely to be affected. Likewise, parish/town councils likely to be affected will be considered interested parties. Other than these, however, this Authority will generally require written evidence that a person/body (e.g. an advocate/relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons confirming their wish to be represented will be sufficient.

1.52. The principles the Licensing Authority will apply when deciding whether a person is an interested party are:

- Size of the premises where larger premises may be considered to affect people over a broader geographical area compared to smaller premises offering similar facilities;
- Nature of the activities being conducted on the premises.
- Persons living sufficiently close to the premises

1.53. The Licensing Authority will take into account the following factors when interpreting 'sufficiently close':

- Size of the premises
- Nature of the premises
- Distance of the premises from the location of the person making the representation
- Potential impact of the premises, i.e. number of customers, routes likely to be taken by those visiting the establishment; and
- Circumstances of the complainant, i.e. interests of the complainant that may be relevant to the distance from the premises.

1.54. The Licensing Authority recognises 'sufficiently close to be likely to be affected' could have a different meaning for, for instance, a private resident, a residential school for children with behavioural or other problems and a residential hostel for vulnerable adults and will therefore deal with each representation on its own merit.

Persons with business interests that could be affected

1.55. The Licensing Authority will firstly determine whether a person is an interested party and secondly whether or not their representation is relevant. Representations by such persons that do not relate to the Licensing Objectives but focus on demand and competition will not be considered as relevant.

1.56. The Licensing Authority would require to be satisfied that the relevant business is likely to be affected and shall not take into account representations put forward by a rival operator,



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anywhere in the country, simply because they are in competition within the same gambling sector. The following factors will therefore be relevant:

- Size of the premises.
- The 'catchment' area of the premises (i.e. how far people travel to visit).
- Whether the person making the representation has business interests in that catchment area that might be affected.
- Whether or not the representation is purely based on 'competition' as the Licensing Authority does not consider this to be a relevant representation.

1.57. The Licensing Authority will decide upon representations from those persons with business interests on an individual basis.

Persons representing persons living sufficiently close and/or having business interests that may be affected

1.58. With regard to persons representing persons living sufficiently close and persons having business interests that may be affected, the Licensing Authority will take into account trade associations, trade unions, residents and tenants' associations. The Licensing Authority will not, however, generally view these bodies as interested parties unless the organisation can demonstrate that they have a member who can be classed as an interested person under the terms of the Gambling Act 2005, i.e. lives sufficiently close to the premises to be likely to be affected by the activities being applied for.

1.59. Where individuals wish to approach councillors to represent their views, care will be taken that the councillors are not part of the Licensing Committee dealing with the licence application. In the case where a councillor represents an interested party, in order to avoid conflict of interests, that councillor shall not be part of the Licensing Committee dealing with the licence application. If there are any doubts, councillors will be asked to contact the Council's Legal team to gain further advice.

1.60 Where a person, whether or not directly affected by an application or living in the vicinity of a licensable premises under consideration, puts themselves forward as representing the interests of residents in the vicinity, the Licensing Authority will normally ask them to provide evidence that they are acting as representatives of others.

Representations

1.60. Only Responsible Authorities and Interested Parties may make representations. Where there are representations, the Licensing Authority will encourage negotiation between the objector and the applicant as to the possible use of conditions on the licence.

1.61. Where there are representations, the Licensing Authority will determine whether they will be admissible and will consider carefully whether the representations are relevant. Relevant representations must be relevant to the three Licensing Objectives, raise issues under the SOP, raise issues under the Gambling Commission Guidance or raise issues under the Gambling Commission's Codes of Practice.

1.62. Representations are not relevant where for example, they can be addressed by other legislation, such as Planning or Building Control; these are examples and the list is not exhaustive. Each case will be decided upon the facts.

1.63. Representations will not be considered as relevant where they relate to demand or competition and must only be based on the licensing objectives of the Gambling Act.

1.64. Representations are not relevant where they are vexatious or frivolous and before a decision is made as to whether it is relevant or not, the Licensing Authority will consider:

- Who is making the representation and whether there is a history of making representations that are not relevant
- Whether or not it raises a relevant issue, or
- Whether it raises issues specifically to do with premises that are the subject of the application

1.65. The Licensing Authority strongly recommends that representations are submitted at the earliest opportunity prior to the end of the prescribed consultation period to allow the maximum time to negotiate an appropriate solution.

Conditions

1.66. Any conditions attached to a Premises Licence will take into account any mandatory and default conditions, be proportionate and will be:

- Relevant to the need to make the proposed building suitable as a gambling facility
- Directly related to the premises and the type of licence applied for
- Fairly and reasonably related to the scale and type of premises; and
- Reasonable in all other respects.

1.67. Decisions upon individual conditions will be made on a case-by-case basis. The Licensing Authority will expect the applicant to offer his/her own suggestions as to the way in which the Licensing Objectives can be achieved. The Licensing Authority may, however, exclude a condition and substitute it with one that is either more or less restrictive. In this instance, the Licensing Authority will give clear and regulatory reasons for so doing.

1.68. Where there has been a breach of the licence conditions, the Licensing Authority shall have regard to the Council's Environmental Health Enforcement Policy before determining what action (if any) shall be taken. .

Door Supervisors

1.69. If there are concerns that premises are likely to attract disorder or be subject to unauthorised access by children and young persons, then the Licensing Authority may require that Door Supervisors control entrances to the premises. The Licensing Authority recognises that each premises application shall be treated on its own merit. In addition, the Licensing Authority shall take into account the previous trading history of the type of premises proposed and that any decision shall be necessary and proportionate.

1.70. Where door supervisors are imposed as a condition on a Premises Licence (except casino or bingo premises), Section 178 of the 2005 Act requires that any person employed in that capacity will hold a relevant licence issued by the Security Industry Authority or replacement body.

2. Decision Making

Committee Terms of Reference

The Licensing Sub-Committee consisting of three councillors will sit to hear applications where representations have been received from interested parties and responsible authorities. Ward councillors will not sit on a panel involving an application within their ward.

Where a councillor who is a member of the committee is making or has made representations regarding a licence on behalf of an interested party, in the interests of good governance they will disqualify themselves from any involvement in the decision-making process affecting the licence in question.

The Licensing Sub-Committee will refer to the Licensing Committee any matter it is unable to deal with because of the number of its members who are unable to take part in the consideration or discussion of any matter or vote on any question with respect to it.

The Licensing Committee will refer to the full Council any matter it is unable to deal with because of the number of its members who are unable to take part in the consideration or discussion of any matter or vote on any question with respect to it.

Every determination of a licensing decision under the Gambling Act 2005 shall be accompanied with clear, cogent reasons for the decision. The decision and the reasons for that decision will be sent to the Applicant and those who have made relevant representations as soon as practicable. A summary of the decision shall also be posted on the Council's website as soon as possible after the decision has been confirmed, where it will form part of the statutory licensing register required to be kept by the Council.

The Table shown at Appendix D sets out the agreed delegation of decisions and functions to Licensing Committee, Licensing Sub-Committee and Officers.

This form of delegation is without prejudice to Officers referring an application to a Licensing Sub-Committee, or a Licensing Sub-Committee to the Licensing Committee, or the Licensing Committee to Full Council, if considered appropriate in the circumstances of any particular case

PART 2 - Premises Licences, Permits and Other Authorisations

2. Premises Licences

General

2.1. Premises Licences authorise the provision of gambling facilities for the following:

- Casino Premises
- Bingo Premises
- Betting Premises, including race tracks used by betting intermediaries
- Adult Gaming Centres (AGCs)
- Family Entertainment Centres (Licensed FECs)

2.2. Premises Licences will only be granted to those issued with an Operating Licence issued by the Gambling Commission except in the case of Tracks (where the occupier may not be the person offering gambling).

Plans

A scaled plan of the premises shall accompany the application for the grant of the premises licence and where a variation application includes a material change of the layout of the premises. Whilst there is no set scale, it is recommended that it is scale 1:100 and must at least be clear and legible in all respects and show all of the information contained within the current regulations including the location of all gaming machines and counter; it is also expected that the location of any security devices are shown.

Once a premises licence has been granted, should there be any changes to the layout of the premises; the operator should contact the Licensing Authority to discuss whether these changes are considered to be material changes, which require a variation application to be submitted.

2.3. Other forms of authorisations are as follows:

- Unlicensed Family Entertainment Centres (UFEC) Permits
- Prize Gaming Permits
- Licensed Premises Gaming Machine Permits
- Club Gaming Permits
- Club Gaming Machine Permits

2.4. For the purposes of this Act, premises are defined as including 'any place'. Section 152 prevents more than one premises licence applying to any place but there is no reason in principle why a single building could not be subject to more than one premises licence provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach is taken to allow large multiple unit premises such as pleasure parks, tracks or shopping centres to obtain discreet premises licences where appropriate safeguards are in place. The Licensing Authority will pay particular attention to issues about sub-division of a single plot and will ensure that the mandatory conditions relating to access are observed".

Casino Premises

General Principles

2.5. Currently no casino licences can be applied for in the South Somerset area; however should there be a change in legislation to permit this, the Licensing Authority recognises that



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applicants may either apply for a full Casino Premises Licence or alternatively a Provisional Statement. Applicants for full Premises Licences however must:

- (a) hold or have applied for an Operating Licence; or
- (b) have the right to occupy the premises.

2.7. The Licensing Authority will not consider unmet demand when considering applications for casino premises licences and each application will be taken on its own merit.

2.8. In determining the principles, the Licensing Authority intends to apply in making any determination for a Casino Premises Licence the Licensing Authority has paid specific regard to:

- Any provision that is made for the protection of children and other vulnerable people from harm or exploitation arising from gambling, whether in the proposed casino or the wider community. The Licensing Authority does however recognise that persons who gamble beyond their means do not necessarily emanate from Casinos and could come from other gambling premises and therefore this matter is not entirely the responsibility of Casinos.
- Any provision that is made for preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
- Any provision that is made for ensuring that gambling is conducted in a fair and open way.
- Likely effects of an application on employment and regeneration;
- Design and location of the proposed development;
- Range and nature of non-gambling facilities to be offered as part of the proposed development; and
- Any financial and other contributions and these considerations shall be taken into account in evaluating competing applications

2.9. The Licensing Authority shall ensure that any pre-existing contract, arrangements or other relationship with a company or individual does not affect the procedure for assessing applications so as to make it unfair or perceived to be unfair to any applicant. The Licensing Authority shall therefore disregard any such contract, arrangement or other relationship.

2.10. The Licensing Authority's decision will not be prejudged and where advice is sought this will be impartial advice.

Bingo Premises

2.11. In accordance with the Gambling Commission's Guidance, the Licensing Authority recognises that it is important that if children are allowed to enter premises licensed for bingo that they do not participate in gambling other than on Category D machines. The Licensing Authority shall carefully consider applications for Bingo licences within arcades or other venues frequented by families and children

2.12. The Gambling Commission has issued Codes of Practice relating to Bingo premises and the Licensing Authority expects all applicants to comply with these codes. The Licensing Authority shall determine Bingo Premises Licence applications in accordance with the Guidance issued by the Gambling Commission concerning primary activity.

2.13. Where bingo is permitted in alcohol-licensed premises, this must be low turnover bingo only and applicants are expected to comply with any Codes of Practice and advice issued by



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the Gambling Commission. High turnover bingo will require a Bingo Operating Licence. Definitions of low and high turnover bingo are stated in the Glossary at the back of this SOP.

2.14. With regard to turnover, where the Licensing Authority is suspicious that a licensee or club exceeds the turnover in the required 7-day period, the Licensing Authority will inform the Gambling Commission accordingly.

2.15. The Licensing Authority will take into account any additional guidance issued by the Gambling Commission in relation to the suitability and layout of bingo premises, including segregation of Category C machines to prevent access to children.

Betting Premises

2.16. The Licensing Authority is responsible for issuing and monitoring Premises Licences for all betting premises and children will not be permitted entry to a premise with a Betting Premises Licence. They may, however, be permitted entry to tracks and special rules will apply. In addition, the Licensing Authority recommends that an applicant for gaming machines in such premises considers carefully the location of betting machines to ensure that they are not in sight of the entrance to the premises.

2.17. Whilst the Licensing Authority has discretion to attach a condition to the licence relating to the number, nature and circumstances of use of betting machines; it will only do this where there is clear evidence that such machines have been, or are likely to be, used in breach of the Licensing Objectives, or not in accordance with the relevant code of practice or guidance issued by the Gambling Commission.

When determining the application either for the grant or variation of the licence or upon review, the Licensing Authority will take into account the following:

- Size of the premises;
- Number of counter positions available for person to person transactions; and
- Ability of staff to monitor the use of the machines by children and young or vulnerable persons.

2.18. The Licensing Authority shall determine Betting Premises Licence applications in accordance with the Guidance issued by the Gambling Commission.

Tracks

2.19. The Licensing Authority is aware that the Gambling Commission may provide further specific guidance as regards tracks and recognise that tracks are different from other premises in that there may be more than one Premises Licence in effect and that the track operator may not be required to hold an 'Operators' Licence as there may be several premises licence holders at the track who will need to hold their own operator licences. As children and young persons will be permitted to enter track areas where facilities for betting are provided e.g. dog racing and/or horse racing, the Licensing Authority would expect the premises licence applicants to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities; it shall also expect applicants to offer their own measures to meet the Licensing Objectives, however, appropriate measures may cover issues such as:

- Proof of Age schemes
- CCTV
- Door supervisors
- Supervision of entrances/exits/machine areas
- Physical separation of areas



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- Notices / signage
- Specific Opening Hours
- Location of entry and gaming machines

This list is neither mandatory nor exhaustive; it is merely indicative of example measures.

2.20. The Licensing Authority will consider on its own merit applications for venues such as athletics tracks or sports stadium for track betting licences to cover the whole track.

2.21. Where appropriate, in order for the Licensing Authority to gain a proper understanding of what it is being asked to licence, applicants will be required to:

- Provide a detailed plan of the grounds indicating where the betting is to take place and the location of the race track;
- In the case of dog tracks and horse racecourses, indicate the location of any fixed and mobile pool betting facilities operated by the Tote or track operator as well as any other proposed gambling facilities;
- Evidence measures taken to ensure the third Licensing Objective will be complied with;
- Indicate what arrangements are being proposed for the administration of the betting; the Gambling Commission and Licensing Authority recommend that betting takes place in areas reserved for, and identified as being for, that purpose.
- Areas of the track that will be used by on course operators visiting the track on race days shall be defined.
- Any temporary structures erected on the track for providing facilities for betting shall be defined.
- Location of any gaming machines (if any) shall be defined.

2.22. Plans should make clear what is being sought for authorisation under the track betting premises licence and what, if any, other areas are to be subject to a separate application for a different type of premises licence.

2.23. The Licensing Authority recommends that applicants consult the Gambling Commission and the Licensing Authority prior to submission of their application.

Betting and Gaming Machines on Tracks

2.24. With regard to gaming machines on tracks, the Licensing Authority will consider carefully the location of any adult gaming machines at tracks to ensure that these machines are in areas which children are excluded, though it is recognised that children and young persons are not prohibited from playing Category D machines on a track.

2.25. The Licensing Authority recognises the potential space for such machines may be considerable, bringing with it significant problems in relation to the proliferation of such machines. It is the responsibility of the track operator to ensure compliance with the law in preventing children from using these machines. It is for this reason the Licensing Authority may consider restricting the number and location of machines, however, each application will be considered on its own merit.

Self-contained betting offices on Tracks

2.26. In general, the rules that apply to betting premises away from tracks will apply to self-contained betting premises on tracks and the Licensing Authority will consider future guidance from the Gambling Commission about how such premises should be delineated, both to make it clear to the public that they are entering a 'betting office' and to prevent the entry of children



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and young persons. Applicants are recommended to consider the Gambling Commission's view that it would be preferable for all self-contained premises operated by off course betting operators on track to be the subjects of separate premises licences; this would thus ensure that there was clarity between the respective responsibilities of the track operator and the off course-betting operator running a self-contained unit on the premises.

2.27. On advice from the Gambling Commission, the Licensing Authority may attach a condition to track premises licences requiring the track operator to ensure that the rules are prominently displayed in or near the betting areas, or that other measures are taken to ensure that they are made available to the public. For example, the rules could be printed in the race card or made available in leaflet form from the track office. The Licensing Authority would welcome other suitable methods.

GAMING CENTRES

2.28. The Licensing Authority has determined to include in this SOP the current South Somerset District Council criteria, which sets out the principles with regard to access to and separation between AGCs and LFECs/UFECs, as follows:

2.29. To ensure that advice given to applicants regarding the division between AGCs and LFECs or UFECs in amusement arcades is consistent, the following standard shall be adopted:

- (a) All partitions shall be permanently fixed and clearly marked with prominent signage at the entrance to the over 18's area;
- (b) Partitions shall be opaque to prevent view into the AGC premises by children or young persons;
- (c) No part of any partition shall be formed from any part of a gaming machine or any other type of machine;
- (d) Partitions shall be a minimum height of 2.00 metres (6 foot 7.4 inches);
- (e) Partitions shall be a maximum height of 0.15 metres (6 inches) from the floor;
- (f) Access for customers between licensed areas can be by way of an artificially formed unlicensed area, e.g. a lobby

2.30. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises.

2.31. In determining each application, regard will be given to this SOP and in particular the Licensing Objective: Protection of children and vulnerable persons from being harmed or exploited by gambling.

Adult Gaming Centres

2.32. As no one under the age of 18 is permitted to enter an Adult Gaming Centre, the Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to offer their own measures to meet the Licensing Objectives and comply with all mandatory conditions and Gambling Commission Codes of Practice. However, appropriate measures may cover issues such as:

- Proof of Age schemes
- Appropriately managed CCTV



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- Door Supervisors
- Supervision of entrances/machine areas
- Statutory requirement to display Gambling Helpline stickers
- Physical separation of areas
- Location of entrances
- Notices/Signage

The list, however, is not mandatory, nor is it exhaustive and applicants are recommended to consider this Licensing Objective very carefully when applying for an Adult Gaming Centre Premises Licence.

2.33. Where the Adult Gaming Centre is situated in a complex such as a shopping centre or service station, the Licensing Authority will pay particular attention to the location of entry so as to minimise opportunities for children gaining access.

Family Entertainment Centres (FECs)

2.34. There are two classes of Family Entertainment Centres. Licensed FECs provide Category C and D machines and require a Premises Licence. Unlicensed FECs provide Category D machines only and are regulated through FEC Gaming Machine Permits (see p22).

Licensed Family Entertainment Centres

2.35. Children and young persons may enter Licensed FECs but are not permitted to play Category C machines. The Licensing Authority will expect the applicant to ensure that there will be sufficient measures to prevent under 18 year olds having access to the adult only gaming machine areas. The Licensing Authority will expect applicants to meet the Licensing Objectives and comply with all mandatory conditions and Codes of Practice issued by the Gambling Commission. However, appropriate measures may cover issues such as:

- Proof of Age schemes
- CCTV, specifically sited where the adult machines are likely to be situated
- Door supervisors
- Controlled supervision of entrances and machines
- Statutory requirement to display Gambling Helpline stickers
- Physical segregation of machines and areas
- Appropriate Notices and signage
-

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

2.36. With regard to vulnerable persons, the Licensing Authority will consider measures such as the use of self-barring schemes, provision of information leaflets / help line numbers for organisations such as GamCare as appropriate measures.

2.37. With regard to segregation of Category C machines in licensed FECs, the Licensing Authority shall take the same approach with Bingo premises in that it will take into account any additional guidance issued by the Gambling Commission in relation to the suitability and layout of the premises, including segregation of Category C machines to prevent access to children.

2.38. Applicants are recommended to visit the Gambling Commission's website at www.gamblingcommission.gov.uk in order to familiarise themselves with the conditions applicable to these premises.

2.39. With regard to direct access between premises, the Licensing Authority expects applicants to comply with the Guidance issued by the Gambling Commission and relevant legislation. However, applicants are recommended to discuss their proposals with the Licensing Authority and each case will be treated on its own merit.

Vessels and Vehicles

2.40. Licences may be granted for passenger vessels. However, not all forms of permits are available to vessels. The Licensing Authority will in particular consider the promotion of the Licensing Objectives on board a vessel. Vehicles may not be the subject of a Premises Licence and therefore all forms of commercial betting and gaming will be unlawful in a vehicle.

2.41. The Licensing Authority will have jurisdiction over gambling conducted on vessels on all inland waterways, at permanent moorings and on all aircraft on the ground or in domestic air space.

Travelling Fairs

2.42. Travelling fairs do not require any authorisation to provide gaming machines and may provide an unlimited number of Category D gaming machines. However the Licensing authority will carefully consider whether an operator falls within the statutory definition of travelling fair (provided by section 286 of the Act) and be “wholly or principally” providing amusement and that the facilities for gambling amount to no more than ancillary amusement at the fair.

2.43. The 27-day statutory maximum for the land being used as a fair is per calendar year, and that this applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The Licensing Authority shall endeavour to work with neighbouring authorities to ensure that land that crosses district/borough boundaries is monitored so that the statutory limits are not exceeded.

Gaming Machines

2.44. The Licensing Authority will expect the holder of a Permit or Premises Licence to comply with the Codes of Practice issued by the Commission on the location of, and access to, such machines by children and young persons and their separation from Category C and B machines where those are also located in the same premises building.

2.45. The Licensing Authority has particular concerns about illegally sited “gaming machines.” The provision of these machines may be illegal because they are:

- Provided in prohibited places such as takeaways and taxi offices;
- Provided without a relevant permit;
- The gaming machines are provided from an unregistered supplier and/or are uncategorised.

2.46. There are a variety of reasons why the provision of gaming machines may be illegal and operators are advised to seek the advice of the Licensing Authority or the Gambling Commission before making them available. Where the Licensing Authority is uncertain of whether or not a machine is a gaming machine as defined under the Act, it will seek the advice of the Gambling Commission.

2.47. Where the Licensing Authority has concerns about the manufacture, supply or repair of a gaming machine it will bring this to the attention of the Gambling Commission.

2.48. In circumstances where illegal machines are being provided, the following actions may be taken by the Authority:

- Initial enforcement, visit and verbal/written warning issued to remove the machines;
- Removal of the machines by the Licensing Authority or in partnership with the Gambling Commission and/or Avon and Somerset Constabulary
- Prosecution and/or destruction of machines

Permits

2.49. The Act introduces a range of permits for gambling. Permits are required when premises provide a gambling facility but either the stakes and prizes are very low or gambling is not the main function of the premises. The permits regulate gambling and the use of gaming machines in a specific premises.

2.50. The Licensing Authority may only grant or reject an application for a permit and cannot impose or attach any conditions. There are different considerations to be taken into account when considering the different types of permit applications.

2.51. Where a Permit is granted, the Licensing Authority will issue the Permit as soon as is reasonably practicable.

Easily understandable information should be readily available to all players placing a stake to gamble, explaining the rules of the game and the probability of losing or winning.

Social Responsibility Stickers/notices will be clearly displayed in a prominent position on all gaming machines at the point of play, to include category stickers/notices and also 'Gamcare' stickers/notices

Where the premises have category D gaming machines at the premises, the Licensing Authority have the following expectations on compliance:

Staff shall wear ID badges so that customers can easily identify them for assistance; those badges shall clearly identify supervisors or duty managers, particularly when the main manager is not actively supervising on the premises.

Where gaming machines (including pushers and grab machines) are deployed, management shall carefully consider the methods employed when displaying prizes that entice customers - particularly children (where permitted to do so) and vulnerable persons to gamble

Where the higher value prizes are displayed in gaming machines (e.g. pushers) Officers and customers expect to see that the majority of these prizes are capable of being won, as opposed to simply being on display but out of reach as a true prize (e.g. lots of £5 notes taped onto the inside). This is to ensure children/vulnerable persons are not confused, and to ensure there is no ambiguity as to the number of prizes on offer when they place their stake into the gaming machine to gamble).

Where there are 'grabbers' (non-complex gaming machines) deployed in a premises that could be frequented by children it is important that management take extra measures (perhaps with signage) to explain that these are 'gaming machines' and not 'skill machines'. This is because children may think that all 'grabbers' are games of skill and this of course could be very misleading.

Officers shall expect to see measures that provide customers with the facility of a 'Self Exclusion Policy' and employees will need training on this.

Unlicensed Family Entertainment Centre (UFEC) Gaming Machine Permits

2.52. Where a premise is not subject to a Premises Licence and it is wished to provide gaming machines there, an application can be made to the Licensing Authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use. It is generally not permissible for such premises to correspond to an entire shopping centre, airport, motorway service station or similar; typically, the machines would be in a designated enclosed area.

2.53. The Licensing Authority must be satisfied that the premises will be used as an Unlicensed Family Entertainment Centre and the Chief Officer of Police for Avon and Somerset Constabulary must be consulted on all applications.

2.54. When determining a permit, the Licensing Authority will have regard to the Gambling Commission's Guidance to Licensing Authorities and although not required to, will have regard to the three Licensing Objectives.

2.55. As these premises particularly appeal to children and young persons, the Licensing Authority will give weight to child protection issues and the Licensing Authority will expect applicants to demonstrate:

- A 1:100 scaled plan of the premises (or if not 1:100 the plan must be clear and legible in all material respects) showing the boundary of the permitted area;
- Evidence that applicants have a full understanding of the maximum stakes and prizes that are permissible;
- Evidence that staff are trained to have a full understanding of the maximum stakes and prizes that are permissible;
- Evidence of staff training by way of a Premises Log Book which should be signed and dated by staff to prove that training has been undertaken and understood;
- Policies and procedures in place to protect children from harm. Harm in this case is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include appropriate measures such as training, covering how staff would deal with unsupervised very young children being on the premises or children causing perceived problems on or around the premises or suspected truant school children on the premises; the suitability of staff, taking into account convictions for violence, dishonesty, sexual offences, certain motoring offences and DBS checks for staff.
- The amount of space around gaming machines to prevent jostling of players or intimidation;
- Evidence that the applicant has complied with Health and Safety and Fire Safety legislation;
- Numbers of staff employed;
- Current Public Liability Insurance documents
- Applicant's previous history and experience of running similar premises
- Any other such information the Licensing Authority will from time to time require.

In addition to the above, the Licensing Authority will also expect that:

- The applicant has no relevant convictions (those that are set out in Schedule 7 of the Act).

2.56. Where the permit is refused, the Licensing Authority will notify the applicant of its intention to refuse and the reasons for the refusal. The applicant will then have an opportunity to make representations orally, in writing or both and will have a right of appeal against any decision made. The Licensing Authority shall also expect that the information as specified above at 2.56 shall be available to its officers when conducting an inspection of the premises

2.57. Where the Permit has been granted, the Licensing Authority will issue the permit as soon as is reasonably practicable and in any event in line with the Regulations issued by the Secretary of State. The permit will then remain in effect for 10 years unless it has lapsed, surrendered or has been forfeited.

2.58. Applications for unlicensed FEC permits will be available on the Council's website or by contacting the Licensing Service.

Renewal of Unlicensed Family Entertainment Permit

2.59. The Licensing Authority may refuse an application for renewal of a permit only on the grounds that an authorised local authority officer has been refused access to the premises without reasonable excuse, or that renewal would not be reasonably consistent with the pursuit of the Licensing Objectives. In the case of an unlicensed family entertainment centre, exceptional regard shall be given to the duty to protect children and other vulnerable persons from being harmed or exploited by gambling.

Alcohol-Licensed Premises Gaming Machine Permits

2.60. With regard to gaming machines on premises that sell alcohol, the applicant is entitled to up to 2 gaming machines of Category C or D machines, subject to the applicant notifying the Licensing Authority in writing and paying the prescribed fee.

2.61. Where an applicant wishes to operate more than 2 gaming machines, they must submit a licensed premises Gaming Machine Permit application. Where an applicant seeks more than 2 gaming machines, the Licensing Authority will determine the amount in each case and once a decision has been reached, such number will be specified on the gaming machine permit. It is important for applicants requiring more than 2 alcohol-licensed Gaming Machine Permits for the Licensing Authority to be assured that the location of the gaming machines in the alcohol-licensed premises are located in accordance with the mandatory conditions. The location of all machines shall comply with the Gambling Commission's Code of Practice on location and operation of such machines and it is expected that the applicant will provide a plan of the proposed location of these machines to assist the Licensing Authority in its determination.

2.62. The Licensing Authority may remove the automatic authorisation where:

- Provision of the machines is not reasonably consistent with the pursuit of the Licensing Objectives and is not compliant with the mandatory conditions relating to location and operation of machines,

- Gaming has taken place on the premises that breaches a condition of Section 282 of the Gambling Act, (i.e. that the procedure has not be followed and/or that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has not been complied with);
- The premises are mainly used for gaming,
- An offence under the Gambling Act has been committed on the premises.

2.63. The applicant must comply with any Code of Practice issued by the Gambling Commission and consider such measures to ensure that under 18s do not have access to the adult only gaming machines. The Licensing Authority expects applicants to show:

- Category C Gaming machines are sited close to the bar;
- Category C Gaming machines are sited where staff can monitor them;
- Appropriate notices and signage;
- Provision of information leaflets/help line numbers for organisations such as GamCare.

Gaming in alcohol-licensed premises

2.64. The Licensing Authority recognises that low-level gaming may take place in alcohol-licensed premises. Exempt gaming being equal chance gaming that should be ancillary to the purposes of the premises. This gaming, however, is subject to statutory stakes and prize limits determined by the Secretary of State. Gaming in alcohol-licensed premises should therefore be supervised by a nominated gaming supervisor, i.e. the Designated Premises Supervisor and all gaming should comply with the Codes of Practice issued by the Gambling Commission. As there is likely to be limited regulatory scrutiny of gaming provided in these premises, the applicant must be aware of and adopt these Codes of Practice and any subsequent guidance issued by the Gambling Commission and to ensure that all gaming in such premises is suitably managed.

Prize Gaming Permits

2.65. Prize Gaming Permits must be obtained when there is no premises licence in place to allow prize gaming. Where a premises licence is in force, e.g. a casino, bingo hall, AGC, FEC a prize gaming permit cannot be obtained in addition. By virtue of the casino premises licence, casinos are able to offer prize gaming and betting. Large casinos, as determined by the Government are able to offer bingo in addition. As children and young persons may participate in equal chance prize gaming, and given that certain premises will particularly appeal to children and young persons, the Licensing Authority will consider the following matters when exercising its function to determine the suitability of an applicant for a Prize Gaming Permit:

- A 1:100 scaled plan of the premises (or if not 1:100 the plan must be clear and legible in all material respects) showing the boundary of the permitted area.
- Policies and procedures in place to protect children from harm. Harm in this case is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include appropriate measures such as training, covering how staff would deal with unsupervised very young children being on the premises or children causing perceived problems on or around the premises or suspected truant school children on the premises; such training should be documented signed and dated by staff to prove that training has been undertaken and understood;

- Suitability of staff, taking into account convictions for violence, dishonesty, sexual offences, certain motoring offences and DBS checks;
- Evidence that staff are aware of the limits to stakes and prizes as set out in the Regulations and that the gaming is offered within the law;
- Evidence that the applicant has complied with Health and Safety and Fire Safety legislation;
- Numbers of staff employed;
- Current Public Liability insurance documents and any other such information the Licensing Authority may from time to time require;
- Any other policies or procedures in place to protect children from harm.

2.66. Where the Licensing Authority intends to refuse the application for a permit, it will notify the applicant of its intention to refuse it stating the reasons and offering the applicant an opportunity to make representations orally or in writing or both.

2.67. Where an application is granted the Licensing Authority will issue it as soon as is reasonably practicable.

Club Gaming and Club Machine Permits

2.68. Members Clubs and Miners' Welfare Institutes (not Commercial Clubs) may apply for a Club Gaming Permit or a Club Machine Permit. Before granting a Permit, the Licensing Authority must be satisfied that the premises meets the requirements of a members' club and may grant the permit provided the majority of members are over 18. It is recognised that there may be further guidance on this matter and as such may require a minor change to the SOP with no requirement for consultation. The Licensing Authority expects the holder of a Club Machine Permit or a Club Gaming permit to comply with the Gambling Commission's Codes of Practice and the Secretary of State's statutory stakes and prizes limits.

2.69. The Licensing Authority recognises that there is a 'fast track' procedure where a Club Premises Certificate is held under the Licensing Act 2003 and that there is no opportunity for objections to be made by the Commission or the Police and the grounds upon which the Licensing Authority can refuse a permit are reduced. The Licensing Authority has the power to keep such Permits under review in particular where the bona fide use of the premises as a club, is called into question.

Gaming in Commercial Clubs

2.70. A commercial club is a club that is established as a commercial enterprise and differs from a members' club, which is conducted for the benefit of its members. Where the Club is a Commercial Club, the applicant may only apply for a Club Machine Permit, they may not apply for a Club Gaming Permit. The Licensing Authority expects the commercial holder of a Club machine permit to comply with the Gambling Commission's Codes of Practice and the Secretary of State's statutory stakes and prizes limits.

Temporary Use Notices (TUN)

2.71. A Temporary Use Notice may only be granted to a person or company holding a relevant Operating Licence and there are a number of statutory limits as regards TUNs. Section 218 of the Act refers to a 'set of premises' and provides that a set of premises is the subject of a temporary use notice if 'any part' of the premises is the subject of a notice. The reference to a 'set of premises' prevents one large premise from having a temporary use notice in effect for more than 21 days in a 12 month period by giving notification in relation to different parts of

the premises and re-setting the clock. The Licensing Authority will decide what constitutes a 'set of premises' where Temporary Use Notices are received relating to the same building/site.

2.72. In considering whether a place falls within the definition of a 'set of premises' the Licensing Authority will look at the ownership/occupation and control of the premises and the Licensing Authority will consider whether different units are in fact different 'sets of premises'. An example would be a large exhibition centre with different exhibition halls. This would be considered properly as one premise and would not be granted a temporary use notice for each of its exhibition halls.

2.73. On receipt of a TUN, the Licensing Authority will send a written acknowledgement as soon as is reasonably practicable and this may be by way of e-mail.

2.74. The Licensing Authority may object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises. The Licensing Authority and other bodies to which the notice is copied may give notice of objection but they must have regard to the Licensing Objectives and where there are such objections, they must give a notice of objection to the person who gave the TUN, such notice will be copied to the Licensing Authority.

2.75. The Licensing Authority shall give a counter-notice where it appears that the effect of the TUN would be to permit gambling on a set of premises for more than 21 days.

Occasional Use Notices (OUN)

2.76 The OUN dispenses with the need for a Betting Premises Licence where betting takes place on a track for up to 8 days in a calendar year. The Licensing Authority will maintain a register of all such Notices.

2.77. Tracks are normally thought of as permanent race courses, but the meaning of track not only covers horse racecourses or dog tracks, but also any other premises on any part of which a race or other sporting event takes place or is intended to take place. Although the track need not be a permanent fixture, land used temporarily as a track providing races or sporting events may qualify. The Licensing Authority will, however, consider what constitutes a 'track' on a case-by-case basis and will ensure that the statutory limit of 8 days in a calendar year is not exceeded.

Part 3

3.0 Local Area Profiling

3.1. The Gambling Commission (the Commission) has introduced new provisions in its social responsibility code within the Licence Conditions and Codes of Practice (LCCP), which require gambling operators to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and to have policies, procedures and control measures to mitigate those risks. The change in national policy is intended to provide a well-evidenced and transparent approach to considering and implementing measures to address the risks associated with gambling.

3.2. The risk based approach provides a better understanding of, and enables a proportionate response, to risk; this approach includes looking at future risks and thinking of probable risks. Risk is not necessarily related to an event that has happened. Risk is related to the probability of an event happening and the likely impact of that event. In this case it is the risk of the impact on the licensing objectives.

3.3. Gambling operators are required to undertake a risk assessment for all of their premises; and must also undertake a review of those assessments when certain triggers are met; these triggers, along with the Council's views on what would instigate either a new assessment or the review of an existing one are detailed within this part of the document.

3.4. The Council considers that these local risk assessments are a key component of the overall assessment and management of the local risks. The Council has tried to assist operators in this process by providing specific information within this SOP on its concerns surrounding gambling within the district and the impact that it considers that premises can have on the licensing objectives. Maps of the larger towns within South Somerset are contained within Appendix E and identify areas where the Licensing Authority require applicants and operators to take extra care when producing risk assessments and identify in detail all the measures they will put in place to mitigate any risk. The maps will be updated where data becomes available and placed on our website and as such are not part of the SOP, but have been included as information currently available.

3.5 Applicants and operators will need to consider factors such as:

- The types of premises and their operation in the local area surrounding these premises
- The footfall in the local area, for example, does it predominately comprise residents, workers or visitors,
- Whether it is a family orientated area, popular with children and young people.
- Transport links and parking facilities.
- Educational facilities.
- Community centres.
- Hospitals, mental health or gambling care providers.
- Homeless or rough sleeper shelters, hostels and support services.
- The ethnicity, age, economic make-up of the local community.
- Significant presence of young children
- High crime/unemployment area
- Alcohol or drug support facility nearby
- Pawn broker/pay day loan businesses in the vicinity.
- Other gambling premises in the vicinity.
- Community centres.

Significant changes in local circumstances

3.6. Operators are required to review their local risk assessment if significant changes in local circumstances occur. Changes to local circumstances happen frequently and can be either temporary or permanent depending on the change, how long that change will remain in place and how it affects the local area. However, the requirement for review of the risk assessment is only applicable when that change is significant.

3.7. The following lists sets out some examples of what the Licensing Authority considers 'significant' changes in local circumstances:

- Any substantial building development or conversion of existing premises in the local area, which may increase or decrease the number of visitors. For example, where premises are converted to a local supermarket or a new office building is constructed nearby.
- Any new pay day loan or pawn brokers open in the local area
- Changes are made to the provision, location and/or timings of public transport in the local area, such as a bus stop which is used by children to attend school is moved to a location in proximity to gambling premises
- Educational facilities increase in the local area. This may occur as a result of the construction of a new school/college or where a significant change is made to an existing establishment.
- The local area is identified as a crime hotspot by the police and/or Licensing Authority.
- Any vulnerable group is identified by the Licensing Authority or venues relating to those vulnerable groups are opened in proximity to gambling premises (e.g.. additional homeless hostels or gambling or mental health care/support facilities are opened in the local area).
- A new premises involving gambling activity opens in the local area.
-

3.8 The list above is not an exhaustive list of significant changes in local circumstances. The Licensing Authority will provide information to gambling operators when it feels a significant change has occurred in the local area. The Licensing Authority will set out what that change is and may provide information on any specific concerns it may have that should be considered by operators. However, operators must also consider what is happening in their local areas and it is their responsibility to identify significant changes which may require a review and possibly an amendment to their risk assessment. A significant change can be temporary and any temporary changes should be considered and adjustments made to the local risk assessment if necessary.

Significant changes to the premises

3.9 From time to time, operators will undertake to refresh the premises' layout and décor, which is unlikely to prompt a review of the risk assessment for that premises. However, where there is a significant change at the premises that may affect the mitigation of local risks, then an operator must review its risk assessment and if necessary update it, taking into account the change and how it may affect one or more of the licensing objectives.

3.10 The following list sets out some examples of what the Licensing Authority considers to be significant changes to the premises (some of which may also require a variation to the existing premises licence). As with the examples of significant changes in local circumstances set out above, the following list is not an exhaustive list of significant changes to premises - operators must consider whether any change that they are proposing to their premises is one that may be considered significant.



- Any building work or premises refit where gambling facilities are relocated within the premises.
- The premises licence is transferred to a new operator who will operate the premises with its own procedures and policies, which are different to those of the previous licensee.
- Any change to the operator's internal policies, which as a result requires additional or changes to existing control measures; and/or staff will require retraining on those policy changes.
- The entrance or entrances to the premises are changed, for example, the door materials are changed from metal with glazing to a full glass door or doors are reallocated from egress to ingress or vice versa.
- New gambling facilities are made available on the premises, which were not provided previously, for example, bet in play, handheld gaming devices for customers, Self-Service Betting Terminals, or a different category of gaming machine is provided.
- The premises operator makes an application for a licence at that premises to provide an activity under a different regulatory regime, for example, to permit the sale of alcohol or to provide sexual entertainment on the premises.

PART 4

4. LOTTERIES

4.1. Promoting or facilitating a lottery will fall within 2 categories:

- Licensed Lotteries (requiring an Operating Licence from the Gambling Commission);
or
- Exempt Lotteries – these are:
 - ❖ Incidental Non-Commercial Lotteries
 - ❖ Private Lotteries: - Private Society Lottery, Work Lottery, Residents' Lottery
 - ❖ Customer Lotteries
 - ❖ Small Society Lotteries

4.2. Societies may organise lotteries if they are licensed by the Gambling Commission or fall within the exempt category. Small society lotteries require registration with the Licensing Authority; although the other types of exempt lotteries do not require a licence or registration the society MUST follow the legislation contained with the Act to ensure that the arrangements for lottery are legal to avoid an offence being committed. The Licensing Authority recommends those seeking to run lotteries take their own legal advice on which type of lottery category they fall within. Guidance notes relating to small society lotteries will be made available on the Council's website.

4.3. Applicants for small society lottery registrations must apply to the Licensing Authority in the area where their principal office is located. Where the Licensing Authority believes that the Society's principal office is situated in another area, it will inform the Society as soon as possible and where possible, will inform the other Licensing Authority.

4.4. Lotteries will be regulated through a licensing and registration scheme, conditions imposed on licences by the Gambling Commission, Codes of Practice and any Guidance issued by the Gambling Commission. In exercising its functions with regard to small society and other exempt lotteries, the Licensing Authority will have due regard to the Gambling Commission's Guidance.

4.5. The Licensing Authority will keep a Public Register of all applications to register a small society for lottery purposes. When the entry on the Register is completed, the Licensing Authority will notify the applicant of registration and is required to notify Gambling Commission. In addition, the Licensing Authority will make available for inspection by the public; the financial statements/returns submitted by Societies in the preceding 18 months and will monitor the cumulative totals for each society to ensure the annual monetary limit is not exceeded. If there is any doubt, the Licensing Authority will notify the Gambling Commission in writing, copying this to the Society concerned. The Licensing Authority will accept return information either manually but preferably by an electronically scanned return sent by e-mail to licensing@southsomerset.gov.uk.

4.6. The Licensing Authority will refuse applications for registration if in the previous five years, either an Operating Licence held by the applicant for registration has been revoked, or an application for an Operating Licence made by the applicant for registration has been refused. Where the Licensing Authority is uncertain as to whether or not an application has been refused, it will contact the Gambling Commission to seek advice.

4.7. The Licensing Authority may refuse an application for registration if in their opinion:

- The applicant is not a non-commercial society;
- A person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence; or
- Information provided in or with the application for registration is false or misleading.

4.8. The Licensing Authority will ask applicants to set out the purposes for which the Society is established and will ask the promoter to declare that they represent a bona fide non-commercial society and have no relevant convictions. The Licensing Authority may, however, seek further information from the Society.

4.9. Where the Licensing Authority intends to refuse registration of a Society, it will give the Society an opportunity to make representations and will inform the Society of the reasons why it is minded to refuse registration and supply evidence on which it has reached that preliminary conclusion.

4.10. The Licensing Authority may revoke the registered status of a society if it thinks that they would have been obliged or permitted to refuse an application for registration if it were being made anew; however, no revocations will take place unless the Society has been given the opportunity to make representations. The Licensing Authority will inform the society of the reasons why it is minded to revoke the registration and will provide an outline of the evidence on which it has reached that preliminary conclusion.

4.11. Where a Society employs an external lottery manager, it will need to satisfy itself that that person holds an Operator's Licence issued by the Gambling Commission; the Licensing Authority will expect this to be verified in writing by the Society.

4.12. Where the annual fee is not paid by the due date the Licensing Authority will cancel the small society lottery registration; however this is subject to the discretion of the Licensing Manager who shall determine whether cancellation shall apply on a case by case basis. The onus is firmly placed on the society to ensure they pay the annual fee by the due date.

4.13. Lottery tickets must not be sold to a person in any street. For these purposes 'street' includes any bridge, road, lane, footway, subway, square, court, alley or passage (including passages through enclosed premises such as shopping centres) whether a thoroughfare or not. Tickets may, however, be sold in a street from a static structure such as a kiosk or display stand. Tickets may also be sold door to door.

4.14. The Licensing Authority requires all registered small society lottery operators to maintain written records of any unsold and returned tickets for a period of one year from the date of the lottery draw.

4.15. The Licensing Authority is permitted to inspect the records of the lottery for any purpose related to the lottery; it is likely to do so where:

- The society has failed to complete the statement of return correctly on two or more occasions,
- The society fails to submit a statement of return for a lottery the society has held within 3 months of the draw taking place

PART 5

5. Delegated Powers

5.1. Decisions on all licensing matters will be taken in accordance with an approved scheme of delegation, as attached at Appendix D. This is aimed at underlining the principles of timely, efficient and effective decision-making.

PART 6

6. Inspection and Enforcement

6.1. In respect of compliance, the Licensing Authority will take the lead in ensuring compliance with the licence conditions and any relevant Codes of Practice. The Gambling Commission will be the enforcement body for the Operator and Personal Licences and illegal gambling. Concerns about manufacture, supply or repair of gaming machines are not dealt with by the Licensing Authority but should be notified to the Gambling Commission.

6.2. In order to ensure compliance with the law, the Licensing Authority has prepared a risk based Inspection Programme and will carry out regular 'routine' programmed inspections, based on risk assessment and will also carry out 'non routine' ad hoc inspections. Where 'one off' events take place under a Temporary Use Notice or Occasional Use Notice, the Licensing Authority may also carry out inspections to ensure the Licensing Objectives are being promoted.

6.3. High-risk premises are those premises that have a history of complaints and require greater attention with low risk premises needing only a lighter touch so that resources are effectively concentrated on problem premises.

6.4. In considering enforcement action, the Licensing Authority will bear in mind the Human Rights Act, in particular:

- Article 1, Protocol 1 – peaceful enjoyment of possessions.
- Article 6 – right to a fair hearing
- Article 8 – respect for private and family life
- Article 10 – right to freedom of expression

6.5. Any decision to instigate legal proceedings will take into account the Somerset Authorities Environmental Health Enforcement Policy, which incorporates the Department for Business Enterprise and Regulatory Reform Regulators Compliance Code. In addition, the Licensing Authority shall adopt a positive and proactive approach towards ensuring compliance by:

- Helping and encouraging licence/permit holders understand and meet their regulatory requirements more easily; and
- Responding proportionately to regulatory breaches.

6.6. The Licensing Authority shall aim to protect and enhance the safety of people who live in, work in, or visit the District of South Somerset through the application and enforcement of licensing legislation and the promotion of the Licensing Objectives.

6.7. Licensing Authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the authority in exercising its functions under part 15 of the Act with



South Somerset District Council

respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified.

The Licensing Authority in carrying out its regulation functions will follow the Statutory Code of Practice for Regulators.

- Proportionate: regulators only intervening when necessary: remedies should be appropriate to risk posed and costs identified and minimised;
- Accountable: regulators must be able to justify decisions and be subject to public scrutiny;
- Consistent: standards and rules to be joined up and implemented fairly;
- Transparent: regulations to be simple and user friendly
- Targeted: regulation should be focused on the problem and minimise side effects.

6.8. The Licensing Authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

Enforcement in relation to Bookmakers

6.9. The Licensing Authority recognises that certain bookmakers have a number of premises within the area. In order to ensure that any compliance issues are recognised and resolved at the earliest stage, operators are requested to give the Licensing Authority a single named point of contact, who should be a senior individual, and whom the Licensing Authority will contact first should any compliance queries or issues arise.

6.10. The Licensing Authority's Enforcement Policy is available on the Council's website at <http://www.southsomerset.gov.uk/environment/environmental-health/environmental-enforcement/> and from the Council's offices.

PART 7

7. Licensing Committee

7.1. The Licensing Committee shall consist of a maximum of 15 Members and the Licensing Sub-committees shall consist of 3 Members; they will hear any relevant representations from Responsible Authorities and Interested Parties. Any of these individuals or groups may specifically request a representative to make representations on the applicant's behalf; this could be a legal representative, a friend, an MP or a Ward Councillor. Legal representatives and friends will be expected to provide confirmation from the Interested Party that they have been instructed to act on their behalf.

7.2. Committee members shall not place themselves in situations where their honesty or integrity may be questioned, will make decisions on their merit and will reach their own conclusions on the issues laid before them and will act in accordance with those conclusions taking into account as necessary and proper, the views of others.

7.3. The decision determined by the Licensing Committee or the Sub-Committee will be accompanied with clear, cogent reasons for that decision, having had due regard to the Human Rights Act 1998 and all other legislation.

7.4. Where a hearing is convened, the Licensing Authority strongly recommends all applicants and objectors attend the hearing as it will allow the Committee or Sub-Committee to ask any relevant questions pertinent to the application.

Reviews

7.5. A Premises Licence may be reviewed by the Licensing Authority itself on its own volition. Requests for a review can also be made by Responsible Authorities or Interested Parties; however, it is for the Licensing Authority to decide whether the review is to be progressed. This will be on the basis of whether the request for the review is relevant to the following:

- In accordance with any relevant Code of Practice issued by the Gambling Commission
- In accordance with any relevant Guidance issued by the Gambling Commission
- Reasonably consistent with the Licensing Objectives and
- In accordance with the Statement of Principles.

7.6. The Licensing Authority will also consider whether the request for review is frivolous, vexatious or repetitious.

Appeals

7.7. There is a right of appeal both for applicants and those who have made relevant representations or applied for a review. This appeal must be lodged within a period of 21 days from the day on which the applicant was notified by the Licensing Authority of the decision and must be made to the South Somerset Magistrates' Court. Any application for an appeal should be accompanied by a fee payable to the court.

7.8. The Licensing Authority will give clear and comprehensive reasons for any rejection of an application and in accordance with good practice will give reasons in relation to all decisions it reaches. These reasons will address the extent to which the decision has been made with regard to the Statement of Principles and the Gambling Commission's Guidance and the reasons will be submitted to all parties concerned.

7.9. Once an appeal decision has been made, the Licensing Authority will implement this without delay unless ordered by the Court to suspend such action.

Complaints

7.10. All complaints in the first instance should be addressed in writing to the Licensing Manager, Licensing Service, South Somerset District Council, The Council Offices, Brympton Way, Yeovil BA20 2HT or my email to nigel.marston@southsomerset.gov.uk

7.11. The Licensing Authority will investigate all relevant complaints. Complainants will initially be encouraged to raise the complaint directly with the permit/licence holder (where appropriate). Where the complaint is valid, the Licensing Authority will endeavour to seek a resolution through informal means.

Amendments

7.12. Where there are any amendments to the Statements of Principles; the amended version shall be placed on the Council's website

APPENDIX A

RESPONSIBLE AUTHORITIES DETAILS

RESPONSIBLE AUTHORITY	ADDRESS	TELEPHONE NUMBER
Avon and Somerset Constabulary	Liquor Licensing PO Box 3259 Bristol BS2 2EJ	0117 945 5195
Devon & Somerset Fire and Rescue Service	The Station Officer The Fire Station Yeovil Somerset BA20 1JF	01935 382000
Gambling Commission	Victoria Square House Victoria Square Birmingham B2 4BP info@gamblingcommission.gov.uk	Tel: 0121 230 6666 Fax:0121 230 6720
HM Revenue and Customs	NRU – Betting and Gaming Portcullis House 21 India Street Glasgow G2 4PZ	N/A
Somerset County Council Social Services	Ms Imogen Shipley The Council Offices Brympton Way Yeovil Somerset BA20 2HT	N/A
South Somerset District Council – The Licensing Authority	The Council Offices Brympton Way Yeovil Somerset BA20 2HT	01935 462462
South Somerset District Council (Environmental Protection)	Lead Specialist Environmental Health, Service Delivery The Council Offices Brympton Way Yeovil Somerset BA20 2HT	01935 462462
South Somerset District Council (Planning)	Lead Specialist, Planning, Service Delivery The Council Offices Brympton Way Yeovil Somerset BA20 2HT	01935 462462

APPENDIX B

GLOSSARY OF TERMS

Within this Statement of Principles, the following words and terms are defined as stated:

Act:	The Gambling Act 2005
Adult Gaming Centre	An amusement arcade which U18's are not permitted to enter
Betting Machine	A machine which has been designed or adapted for use to bet on future real events, such as horse racing, and used as a substitute for placing a bet over the counter.
Bingo High and Low Turnover Bingo	A game of equal chance. Occurs when aggregate stakes or prizes in any 7-day period exceed £2,000. If this occurs then play at that level in the ensuing year would require an Operating Licence. Anything below this level is deemed to be low turnover bingo normally held in pubs, clubs and community centres, etc.
Code of Practice:	Any relevant code of practice under section 24 of the Gambling Act 2005
Council:	South Somerset District Council
Council area:	The area of South Somerset administered by South Somerset District Council
Customer Lottery	Lotteries run by the occupiers of business premises who sell tickets only to customers present on their premises. These lotteries may not be conducted on vessels.
Default Condition:	A specified condition provided by regulations to be attached to a licence, unless excluded by South Somerset District Council
Equal Chance Gaming	Games that do not involve playing or staking against a bank and where the chances are equally favourable to all participants.
Gaming Machine	As defined by the Gambling Act 2005, a machine that is designed or adapted for use by individuals to gamble (whether or not it can also be used for other purposes). Stakes and prizes are available on Gambling Commission's website
Guidance	Guidance issued to Licensing Authorities by the Gambling Commission (September 2015) and any subsequent updates as required by section 25 of the Gambling Act 2005.
Incidental Non Commercial Lottery	A lottery promoted wholly for purposes other than private gain, and which are incidental to non-commercial events (commonly charity fund raising events, lottery held at a school fete or at a social event such as a dinner dance
Licensing Authority	South Somerset District Council
Lottery	An arrangement which satisfies the statutory description of either a simple lottery or a complex lottery in Section 14 of the Act.
Mandatory Condition:	A specified condition provided by regulations to be attached to a licence
Members Club	A club that must <ul style="list-style-type: none"> • have at least 25 members

	<ul style="list-style-type: none"> • be established and conducted 'wholly or mainly' for purposes other than gaming • be permanent in nature • not established to make commercial profit • controlled by its members equally.
Non Commercial Society	<p>A society established and conducted:</p> <ul style="list-style-type: none"> • for charitable purposes • for the purpose of enabling participation in, or of supporting, sport athletics or a cultural activity; or • for any other non-commercial purpose other than that of private gain
Notifications:	Notification by the holder of the premises licence issued under the Licensing Act 2003 that they will be exercising their right under the Gambling Act 2005 to have 2 or less gaming machines of category C or D at the premises.
Operator Licence	Is a licence issued to the operator by the Gambling Commission
Permit	Authorisation to provide a gambling facility where the stakes and prizes are very low or gambling is not the main function of the premises.
Personal Licence	Is a licence issued to individuals by the Gambling Commission
Premises:	Any place, including a vehicle, vessel or moveable structure
Premises Licence	Licence to authorise the provision of gaming facilities on casino premises, bingo premises, betting premises, including tracks, adult gaming centres and family entertainment centres
Private Lottery	<p>3 Types of Private Lotteries:</p> <ul style="list-style-type: none"> • Private Society Lotteries – tickets may only be sold to members of the Society or persons who are on the premises of the Society • Work Lotteries – the promoters and purchasers of tickets must all work on a single set of work premises • Residents' Lotteries – promoted by, and tickets may only be sold to, people who live at the same set of premises;
Regulations:	Regulations made under the Gambling Act 2005
Small Society	<p>A society, or any separate branch of such a society, on whose behalf a lottery is to be promoted, is a non-commercial organisation. it is established and conducted:</p> <ul style="list-style-type: none"> • for charitable purposes, as defined in s.2 of the Charities Act 2006 • for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity • for any other non-commercial purpose other than that of private gain. <p>The proceeds of any lottery must be devoted to those purposes. It is not permissible to establish a society whose sole purpose is to facilitate lotteries.</p>

APPENDIX C

CONSULTEES

The Gambling Act requires that the following parties be consulted on the Licensing Policy:

- The Chief Officer of Police
- One or more persons who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area
- One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under the Act

APPENDIX D

TABLE OF DELEGATIONS OF LICENSING FUNCTIONS

MATTER TO BE DEALT WITH	FULL COUNCIL	SUB-COMMITTEE	OFFICERS
Three year licensing policy	X		
Policy not to permit casinos	X		
Fee Setting - when appropriate		X (Full Licensing Committee)	
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Review of a premises licence		X	
Application for club gaming /club machine permits		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Cancellation of club gaming/ club machine permit or licensed premises permit unless: (Annual fee not paid by due date)		X	X
Applications for other permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	

Power to make any minor amendments to the policy is delegated to a Licensing Specialist in consultation with the Specialist Services Manager

APPENDIX E

Main Towns - Maps showing index of multiple deprivation and other information:

Bruton	Map 1
Castle Cary	Map 2
Chard	Map 3
Crewkerne	Map 4
Iminster	Map 5
Langport	Map 6
Martock	Map 7
Milborne Port	Map 8
Somerton	Map 9
Yeovil	Map 10
Wincanton	Map 11

Buildings At Risk - Approach for the Future

Executive Portfolio Holder: Cllr Tony Lock, Protecting Core Services
Strategic Director: Kirsty Larkins Director-Service Delivery
Service Manager: John Hammond Lead Specialist Built Environment
Contact Details: John.Hammond@southsomerset.gov.uk

Purpose of the Report

1. The purpose of the report is to update Councillors regarding its approach to dealing with Buildings at Risk.

Public Interest

3. The Council is responsible for determining arrange of development applications under the provisions of The Town & Country Planning Act 1990 (As amended) together with the Listed Buildings and Conservation Areas Act 1990 (As amended). This report sets out the current work being undertaken.

Recommendations

4. That Council:-
 - a. note the contents of this report.
 - b. endorse the importance of continuing Buildings at Risk work and request the new council is encouraged to afford appropriate priority to protect and enhance the heritage of Somersets historic buildings, and conservation areas.

Background

5. Historically “Buildings at Risk” reports were periodically presented to the Area Committees, most recently in 2018. More recently both Area West (specifically) and SSDC’s Scrutiny Committee have requested an update regarding the Council’s position in respect of taking positive action to manage heritage assets within the district.
6. Members and Officers are keen to ensure the heritage of South Somerset is preserved and maintained for future generations.
7. Within Somerset, South Somerset has significantly more listed buildings and conservation areas than any other council. The position is set out below:

Authority	Conservation Areas	Listed Buildings
Mendip	27	3,000
Sedgemoor	14	1,100
Somerset West	41	2,000
South Somerset	80	4,600



8. The Planning (Listed Buildings and Conservation Areas) Act 1990 places certain powers and duties upon planning authorities in respect of heritage management. These include:
 - Section 2 requires planning authorities to maintain a list of buildings of special architectural or historic interest and to record this as a land charge.
 - Section 26 enables planning authorities to enter into Heritage Partnerships with owners of listed buildings relating to the determination of listed building consents together with future maintenance, making provision for public access or restricting access.
 - Section 38 provides the power to issue a listed building enforcement notice.
 - Section 47 allows the Secretary of State they may authorise an authority to compulsorily acquire a listed building where reasonable steps for properly preserving a listed building are not being taken (subject to payment of compensation).
 - Section 48 allows for the service of a “Repairs Notice” as a precursor to compulsory acquisition.
 - Section 54 allows for the undertaking of urgent works necessary to preserve a listed building.
 - Section 57 provides the power for an authority to make grants or loans toward the repair or maintenance of a listed building.
 - Section 69: The duty from time to time to formulate and publish proposals for the preservation and enhancement of any parts of their area which are conservation areas / designate conservation areas.
 - Separately, the Town & Country Planning Act 1990 (As amended) allows to serve notices under Section 215 of the Act where it is concerned that the amenity of land within the authority is adversely affected by the condition of particular areas of land.
9. The above powers and rights are discretionary. The duty under Section 69 to review and designate conservation areas is achieved by undertaking the process from “time to time”.
10. Aside from its day-to-day conservation role, SSDC (South Somerset District Council) has worked with key stakeholders in Chard in relation to the High Street Heritage Action Zone and Wincanton for the Regeneration Project, to deliver enhanced public realm works within the core of the respective conservation areas and to provide grant aid to enable the improvement of shopfronts, including a number which are listed.
11. Since 1998 Historic England has maintained a list of “Buildings at Risk” (BAR) across England. The register is published annually. In 2011 Historic England added licenced places of worship to the list. Historic England’s intention is that the BAR enables them to



South Somerset District Council

offer advice, solutions, and information on funding together with possible financial support for Urgent Works Notices and Repairs Notice.

12. A reduction in resources has meant the development management team have had to focus on our statutory duties, and pull back from project working, including the updating of the BAR.
13. In recognition of this gap and the importance of preserving the heritage of the District, Members approved a one-off budget of £25,000 for 2022/23 to fund a targeted review and updating of the BAR. The funding will also provide early technical support to secure the integrity of a listed building in Area North.
14. Additionally, we are working with Building Control colleagues to identify approaches to deal with the key BAR where their location also constitutes a risk to public safety in Castle Cary, Crewkerne and Yeovil.
15. As a result of the additional budget being made available for more pro-active conservation work, the Enforcement Team have reviewed their live enforcement cases and identified a priority list relating to unauthorised works to listed buildings which they have asked for the Development Management Team to review and assist with in parallel with the BAR review.
16. To ensure priority is given to this important work the Council has engaged a Heritage Consultant to advise upon the most appropriate courses of action in respect of the key “at risk” properties, to support the Council in developing its evidence base for the preparation of listed building enforcement notices and / or prosecutions and to update the BAR list. This work is still ongoing and will take some months to complete. It is likely that the project will also impact upon existing enforcement and legal officers as additional notices are required to be drafted and served.
17. The consultant has visited all four sites referenced in paragraph 14 and 15 and begun work liaising with the owners of the buildings to find a practical way forward, which preserves the integrity of the buildings.
18. As part of the Local Government Reorganisation and service re-alignment the Council will actively work to ensure a consistency of approach to the delivery of a heritage service across the former districts.

Financial Implications

19. Whilst budget has been allocated, initially for the BAR project and this remains sufficient for the BAR and initial public safety / enforcement work, the nature of the project has expanded from the requirements set out in the original brief. At this stage there is sufficient funding to progress these projects. Should further active involvement in particular BAR properties (for reasons of public safety) be required, or the Council wishes to progress all listed building enforcement cases consecutively rather than on a priority order basis a further bid for funding support may need to be considered.
20. Additionally, and separate from Development Management, there is a likely increase in demand for support from legal services in relation to the increased enforcement case



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work requiring their support. In the longer term however, there is merit in demonstrating to bodies such as Historic England a commitment to dealing with the BAR issue when seeking to unlock their support for specialist posts or grant /loan funding for particular heritage projects.

Legal implications (if any) and details of Statutory Powers

21. Power to undertake planning functions in relation to heritage management and enforcement is set out The Planning (Listed Buildings and Conservation Areas) Act 1990 (As Amended) and The Town and Country Planning Act 1990 (As Amended)

Council Plan Implications

22. The quality of the historic environment contributes positively to its wider obligations to enhance the environment within the District and support healthy and self-reliant communities

Carbon Emissions and Climate Change Implications

23. Nothing arising from this report.

Equality and Diversity Implications

<i>An Equality Impact Relevance Check Form has been completed in respect of the Proposal?</i>	Yes
<i>The Impact Relevance Check indicated that a full EIA was required?</i>	No
<i>If an EIA was not required, please attach the Impact Relevance Check Form as an Appendix to this report and provide a brief summary of its findings in the comments box below.</i>	
<i>If an EIA was required, please attach the completed EIA form as an Appendix to this report and provide a brief summary of the result of your Equality Impact Assessment in the comment box below.</i>	
Additional Comments	
<i>Promoting works to improve the condition of the Councils historic fabric focuses upon the needs of particular buildings acknowledged to be of national significance by reason of their listing. The actions described by this report are not designed to respond to the needs of particular protected characteristics.</i>	

Privacy Impact Assessment

24. There are no privacy issues raised by this report.

Background Papers

None

New Somerset Council – Proposed Members Code of Conduct

Portfolio Holder: Peter Seib, Finance and Legal Services
Monitoring Officer: Jill Byron
Contact Details: Jill.Byron@southsomerset.gov.uk

Purpose of the Report

1. To propose the adoption of the new Code of Conduct, as adopted by Somerset County Council in May 2022.

Public Interest

2. This report covers proposals to change South Somerset District Council's Member's Code of Conduct to align with the Code adopted on behalf of the new unitary authority as part of the transition programme. It is of interest because it deals with the standards of behaviour expected of elected members.

Recommendations

3. That Council:
 - (i) adopt the Members Code of Conduct set out at Appendix 2 of this report with immediate effect.

Background

4. As members will be aware, local government in Somerset is being re-organised and, with effect from 1 April 2023, the existing councils (Mendip DC, Sedgemoor DC, Somerset CC, Somerset West & Taunton DC and South Somerset DC) will be abolished and replaced with a single unitary authority (Somerset Council).
5. The Monitoring Officers of the existing councils have collaborated on a Code of Conduct which was adopted by Somerset County Council in May 2022.
6. The draft Code was supported by the Local Government Reorganisation Joint Committee at its meeting on 4 February, following which it was considered by the County Council's Constitution and Standards Advisory Board on 9 February. The Code was considered by Somerset County Council on 23 February, when it was resolved to:
 - Agree the adoption of the revised Members Code of Conduct as set out in Appendix 3 for implementation from 6 May 2022 following the elections;
 - Agree that that revised Code of Conduct is incorporated into the Council's Constitution from 6 May 2022;
 - Authorise the Monitoring Officer to develop and promote a Member Development programme to support the implementation of the revised Code of Conduct;



- Agree that the revised Code of Conduct is promoted with Somerset Association of Local Councils (SALC) for adoption by City, Town and Parish Councils for implementation from 6 May 2022;
 - Endorse the Monitoring Officer to review and make any appropriate amendments to the Council's complaints procedures for handling allegations about potential breaches of the Members Code of Conduct with reference to the LGA Guidance.
7. A copy of the report to the County Council is set out at Appendix 1 below, with a copy of the adopted Code at Appendix 2.
8. From May 2022 the district councils in Somerset have continued to operate under their existing Codes. The Monitoring Officers for the existing Somerset councils collectively recommend alignment of the District Council Codes with the new Somerset Council Code by September 2022 to ensure that all complaints that are received from September 2022 onwards are dealt with under the same Code and with a consistent process to enable a smoother transition to the new unitary council (see Appendix 1 paragraph 3.3.17).

Financial Implications

There are no financial implications arising from this report.

Legal implications (if any) and details of Statutory Powers

There are no legal implications arising from this report.

Carbon Emissions and Climate Change Implications

There are no carbon emissions and climate change implications arising from this report.

Equality and Diversity Implications

There are no equality and diversity implications arising from this report.

Privacy Impact Assessment

There are no privacy implications arising from this report.

Background Papers

Local Government Association Model Code of Conduct
Report to Local Government Reorganisation Joint Committee - 4 February 2022
Report to Somerset County Council Constitution and Standards Advisory Board – 9 February 2022
Report to Somerset County Council – 23 February 2022

Appendix 1 – Report to Somerset County Council 23 February 2022

3.3.1 Proposed revised Members Code of Conduct

The current standards regime was introduced by the Localism Act, 2011 and the operation of the Council's arrangements for members' conduct is fundamental to the Council's compliance with the requirements of the Localism Act 2011 and by promoting good ethics the Council is demonstrating its core values as contained in the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

3.3.2 Following the Committee on Standards in Public Life's report into Local Government Ethical Standards (reported previously to the Committee), the Local Government Association (LGA) undertook consultation in Summer 2020 and issued a Model Code of Conduct for Elected Members in May 2021.

3.3.3 The opportunity has been taken to review the County Council's Members Code of Conduct with the benefit of the LGA's Model Code as part of the Local Government Reorganisation work in collaboration with the Monitoring Officers of the four district councils. The aim has been to recommend a Members Code of Conduct to come into effect from 6 May 2022 following the elections and to support the transition towards the new Somerset Council.

3.3.4 The role of councillor in all tiers of local government is a vital part of our country's system of democracy. In voting for a local councillor, the public is imbuing that person and position with their trust. As such, it is important that councillors can be held accountable and all adopt the behaviours and responsibilities associated with the role. The conduct of an individual councillor affects the reputation of all councillors.

3.3.5 The role of councillor should be one that people aspire to and want to participate with and we should strive to continue to attract individuals from a range of backgrounds and circumstances who understand the responsibility they take on and are motivated to make a positive difference to their local communities.

3.3.6 The county and district councils in Somerset already have a comprehensive Code of Conduct written by the Monitoring Officers in 2012 which covers most of the issues covered in the new LGA Code. However, the Somerset Code has not been updated significantly since 2012 and there are some issues that are not covered such as social media, harassment and disrespectful behaviour from the public.

3.3.7 In response to the work undertaken by the Committee for Standards in Public Life relating to ethical governance, (findings published in January 2019), the Local Government Association consulted widely in 2020 and published in 2021 its Model Code for Elected Members for adoption by all tiers of Councils.

3.3.8 All five Somerset Monitoring Officers were last year investigating the possibility of adopting the LGA Model Code of Conduct in their councils but efforts to take a

consistent approach across Somerset, together with the decision on Local Government Reorganisation, meant that the focus moved to the code of conduct for the transitional council and new unitary.

3.3.9 It is recommended that a new code is in place for the elections in May 2022 and training on that Code can then form part of the member induction process. In the circumstances, a review has been conducted to establish the position in other Councils and whether they are choosing to move to the LGA Code. It is clearly not possible to check the position in every local authority but a simple search to identify those councils that had been reviewing their Code of Conduct in the last 18 months identified the following. In addition, the opportunity was taken to look at some other unitary councils. The position is as follows: -

Name of Council	LGA or other Code recommended for adoption?
Arun	LGA
Harrogate	Other
Blaby	LGA
Leicester CC and all other councils in their area	LGA (or proposing to adopt LGA)
North Herts	LGA
Rushcliffe BC	LGA
Shropshire	LGA
Three Rivers	LGA
York	LGA
Bristol	Other (adopted prior to LGA Code)
Cornwall	Other (March 2021)
Dorset	Other (adopted prior to LGA Code)
Northamptonshire	LGA
Wiltshire	Other (adopted prior to LGA Code)
Durham	Other (wef March 2021)

3.3.10 There are many councils that have not yet adopted the LGA Code and as it is not mandatory. As the Model Code is voluntary, councils do have a discretion as to whether or not to adopt the Code in its entirety or to adopt elements of the Model Code to amend or update any existing arrangements.

3.3.11 Options considered

In light of the timescales we are working to the only viable options are considered to be:

1. Adopting the LGA Code with or without amendments.
2. Continuing with our existing Code and adopting amendments to pick up issues such as social media and harassment.

3.4.11 Option 1 - the LGA Model Code

Whilst moving to the new Model LGA Code of Conduct is not a mandatory requirement, and arguably it places only a few additional requirements on Members, a national single code for all elected members, with clear wording and additional guidance, working examples and explanatory text is something that needs to be seriously considered.

3.3.12 The Model LGA Code has the benefit of written guidance that sits behind it. This guidance provides both those subject to the Code and those charged with assessing complaints, clear expectations and a commonly understood interpretation. This is something which has not been provided since the introduction of the Localism Act. If adopted, it will mean that we will no longer have to refer to the now out-of-date Standards Board for England Guidance.

Benefits of adopting the LGA Code are considered to be: -

- Greater consistency of approach to standards cases;
- Addresses specific areas of concern raised such as additional provisions regarding social media;
- Has been prepared following national consultation;
- Covers most of the elements that you would expect within the Code and beyond most basic models and can be adopted as a whole or in part;
- provides short guidance below each obligation under the main provisions of the Code, to aid understanding;
- provides a model that can be rolled out to the City, Town and Parish Councils in Somerset (albeit it will be a matter for those councils to adopt);
- The LGA have stated that they will keep it under review so that it remains fit for purpose (thereby meeting the Standards in Public life Best Practice recommendation 15 in relation to an annual review);
- The LGA have developed the more detailed Guidance which will aid interpretation;
- Training can be commissioned as part of the induction of new members in May;
- The Council will not have to undertake its own specific work on reviewing its Code annually. This would amount to an almost ongoing consultation on changes.

Disadvantages of adopting the LGA Code are: -

- The Somerset Councils have already produced our own Code which is tried and tested.
- Three versions of the code have been produced by the LGA already since December 2020. There are minor differences, there has been no formal explanation provided as to why these changes have been made and this creates uncertainty;
- Not all local councils may adopt it in Somerset, still causing some inconsistencies across the tiers of government;
- There is not wholesale support for this Code and local authorities are not necessarily rushing to adopt it;
- It remains to be seen whether it will become a code of choice for local authorities.

3.3.13 Option 2 – the existing Members Code of Conduct

The existing Code was based on the Mandatory Code in place prior to the Localism Act. This Code is tried and tested and understood by members. It has not, however, been substantially reviewed since it was drafted in 2012 and therefore requires updating to reflect modern issues such as use of social media.

Benefits of updating and adopting our existing Code are considered to be: -

- Tried and tested
- Covers most of the elements that you would expect within the Code and beyond most basic models
- Based on previous statutory model code
- Wealth of Standards for England guidance that we can refer to, albeit somewhat out of date
- Longstanding councillors know and understand it.
- Already adopted by many Town and Parish Councils
- Has already been the subject of significant training for members
- Training can be commissioned as part of the induction of new members in May.

Disadvantages of adopting/adapting our existing Code are: -

- Drafted in 2012 so out of date
- Does not cover some key issues such as social media and harassment
- No specific guidance and former Standards for England guidance is out of date
- Best practice recommendation to review annually will be onerous.
- Does not provide the level of explanation that the LGA Code provides
- Working towards one common Code will aid interpretation and consistency
- Towns/Parishes more likely to adopt the LGA Code if this is to be supported by NALC

3.3.14 Option recommended – LGA Model Code with local amendments

On balance, whilst the LGA version is not perfect, as part of a package with Guidance and annual review, it is considered preferable to remaining with our own bespoke approach. It offers an opportunity to reach out to local councils more effectively and give them greater and more consistent support through a national model. Whilst our Code is comprehensive, it is out of date and requires work. We also have no up-to-date guidance and our existing Code does not benefit from the annual review process to be conducted by the LGA.

3.3.15 Clearly the main benefit of adopting the LGA Model Code is to have a more consistent approach using a model that has been fully consulted on by the LGA. It is therefore recommended that any changes for local circumstances are kept to a minimum. However, there are some omissions from the document (shown in blue in Appendix 1) that it is felt should be rectified as follows: -

- A new clause 6.2 clarifying that councillors should not take part in the scrutiny of any decision in which they have been involved.



- A new clause 7B requiring councillors to consider any advice of the S151 and Monitoring Officer.
- Clarification in 8.2 that the obligation not to intimidate any person will include complainants and witnesses in the administration of any investigation or proceedings.
- Deletion of the word “significant” in 9.6 regarding registration of gifts that are refused and adding a requirement to register their refusal within 28 days, where the value of the gift offered is estimated to be at least £50. This ensures consistency with the approach in relation to gifts that are accepted.
- Amending Appendix B so that you must update interests within 28 days of any change. This is not currently covered. Further amendment to section 9 in relation to non-registerable interests.
- Adding a new Appendix D which gives guidance on bias and predetermination. This is currently covered in the Somerset Code and omitted from the LGA Code.

3.3.16 It is therefore recommended, that the County Council adopts the LGA Model Code with local variation as set out in this report and for this to come into effect on 6 May 2022 for the transitional County Council to operate ahead of the new Somerset Council.

3.3.17 It is also recommended that the District Councils consider adopting the same Code by September 2022 so that all Somerset councils can align their Code of Conduct and complaints procedures by the end of the calendar year. This will ensure that all complaints that are received from September 2022 onwards are dealt with using the same Code and with a consistent process. This will enable a smoother transition to the new unitary.

3.3.18 City, Town and Parish Councils

Adoption of the Model Code is voluntary and therefore there is no requirement on Parish and Town Councils to adopt the same. However to offer greater clarity and consistency to these local councillors, work could be undertaken with these local councils to proactively promote the adoption of the Model Code as adopted by the County Council.

3.3.19 We would need to start this work from February with the Somerset Association for Local Councils and with local councils so that they have time to adopt the new Code should they wish to do so, in time for the elections. Alternatively the proposals could be considered by local councils at their annual meetings after the elections.

3.3.20 By undertaking such action, the response to complaints received would be assisted as currently local councils have differing local codes which makes adjudication of complaints against the Code complex and very often time consuming. By example, in Sedgemoor two thirds of the local councils have adopted the Somerset Association

for Local Councils Code and one third have adopted the existing Somerset Members Code of Conduct.

3.3.21 Code of Conduct Complaints Procedures

The County Council has complaints procedures in place for considering and determining any allegations about a member breaching the Code of Conduct.

3.3.22 Following the introduction of the Model Code, in September 2021 the LGA has produced guidance on the handling of complaints to assist Monitoring Officers to carry out investigations into allegations and to assist councillors in understanding the process.

3.3.23 Ahead of the May 2022 it is proposed that the Monitoring Officer reviews and makes any appropriate amendments to the Council's complaints procedures for handling allegations about potential breaches of the Members Code of Conduct with reference to the LGA Guidance. The principles of fairness, proportionality, transparency and impartiality still apply.

There were no paragraphs 3.3.24 or .25

3.3.26 Consultation

The proposals set out in this report have been consulted with the Constitution and Standards Advisory Board on 9 February and the Board was supportive. The LGR Joint Committee was consulted on 4 February and is supportive of the proposed revised Members Code of Conduct.

Appendix 2

Somerset Council Members Code of Conduct

Introduction

The Local Government Association (LGA) has developed this Model Councillor Code of Conduct, in association with key partners and after extensive consultation with the sector, as part of its work on supporting all tiers of local government to continue to aspire to high standards of leadership and performance. It is a template for councils to adopt in whole and/or with local amendments.

All councils are required to have a local Councillor Code of Conduct.

The LGA will undertake an annual review of this Code to ensure it continues to be fit for purpose, incorporating advances in technology, social media and changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code and the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

Definitions

For the purposes of this Code of Conduct, a “councillor” means a member or co-opted member of a local authority or a directly elected mayor. A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint subcommittee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

For the purposes of this Code of Conduct, “local authority” includes county councils, district councils, London borough councils, parish councils, town councils, fire and rescue authorities, police authorities, joint authorities, economic prosperity boards, combined authorities and National Park authorities.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support,

training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

General principles of councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the Seven Principles of Public Life, also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest • I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.

This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- you misuse your position as a councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication

- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

Standards of councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a councillor:

1.1 I treat other councillors and members of the public with respect.

1.2 I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor-officer protocol.

2. Bullying, harassment and discrimination

As a councillor:

2.1 I do not bully any person.

2.2 I do not harass any person.

2.3 I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the council

As a councillor:

3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a councillor:

4.1 I do not disclose information: a. given to me in confidence by anyone b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless i. I have received the consent of a person authorised to give it; ii. I am required by law to do so; iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or iv. the disclosure is: 1. reasonable and in the public interest; and 2. made in good faith and in compliance with the reasonable requirements of the local authority; and 3. I have consulted the Monitoring Officer prior to its release.

4.2 I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3 I do not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a councillor:

5.1 I do not bring my role or local authority into disrepute.

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors and/or your local authority and may lower the public's confidence in you or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position

As a councillor:

6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

6.2 I will not take part in the scrutiny of any decision I have been involved in making. However, I may provide evidence or opinion to those undertaking any scrutiny process.

Your position as a member of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

7. Use of local authority resources and facilities

As a councillor:

7.1 I do not misuse council resources.

7.2 I will, when using the resources of the local authority or authorising their use by others: a. act in accordance with the local authority's requirements; and b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a councillor.

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies regarding their use.

7B Consideration of advice

As a councillor:

7B.1 I will, when reaching decisions on any matter, consider and pay due regard to any relevant advice provided to me by:- a) the Council's Chief Finance Officer (S151) and/or b) the Council's Monitoring Officer or the Council's Monitoring Officer and legal advisor (if separate individuals); in accordance with their legal requirements.

7B2 I will give reasons for departing from the advice of the Chief Finance Officer (S151) or Monitoring Officer/legal advisor

It is extremely important for you as a councillor to have regard to advice from your Chief Finance Officer or Monitoring Officer where they give that advice under their statutory duties. As a councillor you must give reasons for all decisions in accordance with any legal requirements and any reasonable requirements imposed by your local authority.

8. Complying with the Code of Conduct

As a Councillor:

8.1 I undertake Code of Conduct training provided by my local authority.

8.2 I do not make trivial or malicious complaints against other councillors.

8.3 I cooperate with any Code of Conduct investigation and/or determination.

8.4 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings including the complainant and any witnesses.

8.5 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

8 Interests

As a councillor:

8.4 I register and disclose my interests.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in **Table 1**, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

Gifts and hospitality

As a councillor:

9.4 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.

9.5 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.

9.6 I register with the Monitoring Officer any **significant gift or hospitality **with an estimated value of at least £50** that I have been offered but have refused to accept **within 28 days of the offer.****

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance.

Note: this is taken from the SCC Report (paragraph numbering around 8. Interests and 9. Gifts and Hospitality has been drawn to their attention)

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office **or within 28 days of your interests changing** you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in “The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012”. You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

“Disclosable Pecuniary Interest” means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

“Partner” means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A ‘sensitive interest’ is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a ‘sensitive interest’ you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a ‘sensitive interest’, you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in Table 2), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted

a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

8. Where a matter arises at a meeting which **affects** –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a relative or close associate; or
 - c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2**you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied.

9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well-being:
 - a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

In the event that your non-registerable interest relates to –

- (1) an unpaid directorship on a company owned by your authority or
- (2) another local authority of which you are a member,

subject to your declaring that interest, you are able to take part in any discussion and vote on the matter.

10. Where you have an Other Registrable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it. 17

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
Corporate tenancies	Any tenancy where (to the councillor's knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.

Subject	Description
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i)) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

* 'director' includes a member of the committee of management of an industrial and provident society. * 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

<p>You must register as an Other Registerable Interest :</p> <p>a) any unpaid directorships</p> <p>b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority</p> <p>c) any body</p> <p>(i) exercising functions of a public nature</p> <p>(ii) directed to charitable purposes or</p> <p>(iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)</p> <p>of which you are a member or in a position of general control or management</p>
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Appendix C – the Committee on Standards in Public Life

The LGA has undertaken this review whilst the Government continues to consider the recommendations made by the Committee on Standards in Public Life in their report on Local Government Ethical Standards. If the Government chooses to implement any of the recommendations, this could require a change to this Code.

The recommendations cover:

- Recommendations for changes to the Localism Act 2011 to clarify in law when the Code of Conduct applies
- The introduction of sanctions
- An appeals process through the Local Government Ombudsman
- Changes to the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Updates to the Local Government Transparency Code
- Changes to the role and responsibilities of the Independent Person
- That the criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished

The Local Government Ethical Standards report also includes Best Practice recommendations. These are:

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

The LGA has committed to reviewing the Code on an annual basis to ensure it is still fit for purpose.

Appendix D

Guidance on Bias and Predetermination –This does not form part of the Code of Conduct

- Where you have been involved in campaigning in your political role on an issue which does not impact on your personal and/or professional life, you may participate in a decision on the issue in your political role as a councillor. However, you must not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
- The courts have sought to distinguish between situations which involve predetermination or bias on the one hand and predisposition on the other. The former is indicative of a 'closed mind' approach and likely to leave a decision susceptible to challenge by Judicial Review. Whereas being predisposed on a matter is acceptable provided you remain open to listening to all the arguments and changing your mind in light of all the information presented at the meeting.
- Section 25 of the Localism Act 2011 provides that a councillor should not be regarded as having a closed mind simply because they previously did or said something that, directly or indirectly, indicated what view they might take in relation to any particular matter.
- In the circumstances, when making a decision, consider the matter with an open mind and on the facts made available to the meeting at which the decision is to be taken.
- As a councillor you will always be judged against an objective test of whether the reasonable onlooker, with knowledge of the relevant facts, would consider that you were biased. If you have predetermined your position, you should withdraw from being a member of the decision-making body for that particular matter.



2020/21 Auditor's Annual Report

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
SLT Lead: Karen Watling, Chief Finance Officer
Lead Officers: Karen Watling, Chief Finance Officer
Jill Byron, Monitoring Officer

Purpose of the Report

1. The Auditor's Annual Report (see Appendix A) details the Auditor's findings on arrangements in place at the Council to secure Value for Money. It reports on whether all aspects of the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively. The report includes a summary of findings and recommendations to the Council which are accompanied by the Council's management response
2. This report is to inform members of the background framework and next steps.

Public Interest

3. The Local Audit and Accountability Act 2014 makes the Comptroller and Auditor General responsible for the preparation, publication, and maintenance of the Code of Audit Practice. The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act. For audits from 2020/21, a revised 2020 Code of Audit Practice applies. The new Code makes changes to the way local auditors report on arrangements to secure Value for Money (VFM).
4. The public has an interest in understanding the Council's finances and ensuring value for money is being delivered.

Recommendations

5. The Council is asked to:
 - note the Auditor's Annual Report and recommendations and endorse management's proposed response and action to the various recommendations set out in the Auditor's Annual Report

Introduction and Background

6. The Code of Audit Practice, which was revised in 2020, updated the way external auditors report on arrangements to secure value for money. This has resulted in a more comprehensive report and is the outcome of the substantial work



South Somerset District Council

undertaken by the External Auditors (Grant Thornton) which involved research and evidence gathering to consider the Council's position in respect of:

- Ensuring financial sustainability,
 - Managing governance arrangements,
 - Securing economy, efficiency, and effectiveness in its use of resources.
7. There are various recommendations that can be made, ranging from a public interest report to an improvement recommendation. Details of the hierarchy of recommendations are contained in Appendix C in the Auditor's Annual Report.
 8. If the auditor makes either a public interest report or a recommendation Schedule 7 of the 2014 Act requires the local authority to consider it within a month of receipt and decide (i) whether the report requires the authority to take any action or (ii) whether the recommendation is to be accepted and (iii) what if any action to take in response to the report or recommendation
 9. As the Council's external auditors have made a statutory recommendation, this report will need to be considered by Full Council on 15 September 2022 for a decision on whether or not to accept the recommendation and what action to take in response to it.

Financial Implications

10. There are no direct financial implications associated with these recommendations.

Council Plan Implications

11. The report supports the transparent accountability for the Council's financial sustainability, good governance, and delivery of value for money with public funds.

Carbon Emissions and Climate Change Implications

12. There are no implications arising from this report.

Equality and Diversity Implications

13. There are no implications arising from this report.

Background Papers

Grant Thornton – Auditor's Annual Report on South Somerset District Council 2020-21
Local Audit and Accountability Act 2014

Auditor's Annual Report on South Somerset District Council

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2020-21

August 2022



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Executive summary



Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We are required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

2020/21 was an unprecedented year in which the Council operated with the majority of its staff home working whilst supporting local businesses and residents through the pandemic. The Council incurred significant budget pressures relating to Covid-19 that included reductions in theatre, entertainment, and carparking income and financial support to leisure centres. The Council distributed over £55m of government funded grants to support local businesses through the pandemic.

Against this background, and after accounting for government funding of £4.9m in Covid-19 support grant, compensation for lost income, and job retention funding, the Council achieved a £0.4 surplus on the budgeted position of £15.6m.

We have made a statutory recommendation with regard to the governance arrangements in respect to a settlement agreement that the Council made with a senior employee. We have concerns that there was a lack of due process, insufficient records were maintained to provide evidence how the agreement was reached including consideration of the lawfulness of the payment, and that the agreement does not reflect value for money.

A statutory recommendation under schedule 7 of the Local Audit and Accountability Act 2014 requires the Council to discuss and respond publicly to the report.

We have identified two significant weaknesses in arrangements and are making two key recommendations. The first significant weakness is with regard to the final accounts process and capacity within the Council to produce the financial statements. The Council should ensure that there is sufficient capacity within the finance team and other Council staff that support the production of the financial statements, to enable a complete and accurate version of the financial statements, supported by sufficient and appropriate evidence, to be produced by the statutory deadline.

The second significant weakness in arrangements relates to the Council's Commercial Strategy, specifically the investment in commercial property. While the governance arrangements relating to the strategy are sound we consider that it is a departure from the principles of prudent activity that are reinforced by the revised CIPFA Prudential Code and have made a key recommendation in relation to this.

We have also identified twelve opportunities for improvement which are set out in detail within our report.

Criteria	Original risk assessment at planning stage	Findings and conclusions following detailed audit work	Risk rating
Governance	No risks of significant weakness identified.	<p>A statutory recommendation has been made with regard to the governance arrangements in respect to a settlement agreement that the Council made with an employee.</p> <p>A significant weakness has been identified in relation to the final accounts process and the capacity within the Council to produce the financial statements.</p> <p>A significant weaknesses has been identified in relation to the risk the Council is exposed to from the Commercial Strategy.</p> <p>Four improvement recommendations relating to wider governance arrangements have also been made.</p>	
Financial sustainability	No risks of significant weakness identified.	No significant weaknesses in arrangements identified, but four improvement recommendations made	
Improving economy, efficiency and effectiveness	No risks of significant weakness identified.	No significant weaknesses in arrangements identified, but four improvement recommendations made	

	No significant weaknesses in arrangements identified.
	No significant weaknesses in arrangements identified, but improvement recommendations made.
	Significant weakness in arrangements identified and statutory or key recommendations made.

Executive summary



Governance

We have made a statutory recommendation with regard to the governance arrangements in respect to a settlement agreement that the Council made with a senior employee. Proper processes were not followed with regard to approving the agreement and complying with Financial Regulations or the Constitution. The Council did not seek legal advice as to the legality of the transaction, and both the Monitoring Officer and S151 Officer were unaware of the agreement. There is no evidence that the agreement represents value for money.

Consequently, we believe that these deficiencies are so fundamental that a statutory recommendation is required. Under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014, the Council is required to discuss and respond publicly to the report.

Further details and management response is provided on page 6.

We have identified a significant weakness with regard to the final accounts process and the capacity to produce the financial statements. The Council should ensure that there is sufficient capacity within the finance team and other Council staff, to enable a complete and accurate version of the financial statements, supported by sufficient and appropriate evidence, to be produced by the statutory deadline.

We expect the financial statements that are submitted for audit to be of a high standard and supported by quality working papers. We will consider the action that the Council has taken to improve arrangements as part of the 2021/22 financial statements audit.

Further details and management response is provided on pages 7-11.

We have identified a further significant weakness in relation to the Commercial Strategy and investing in commercial property. While the governance arrangements relating to the Strategy are sound, we consider that it is a departure from the principles of prudent activity that are reinforced by the revised CIPFA Prudential Code and have made a key recommendation in relation to this. The Council should develop a clear plan to address and mitigate the risks that it is exposed to as a result of investing in commercial property.

Further details and management response is provided on pages 12-15.

We have made four improvement recommendations with regard to:

- strengthening arrangements for reporting risk to the Audit Committee;



Governance (continued)

- routinely reporting on the progress made in implementing high priority internal audit recommendations to the Audit Committee;
- implementing the action plans relating to the baseline maturity for fraud assessment and the whistleblowing investigation; and
- the outturn report should accurately reflect key financial information.

Further details and managements response is provided on pages 24-28.



Financial sustainability

Overall we are satisfied that the Council had appropriate arrangements in place to manage the financial resilience risks it faced with regard to budget setting and the medium term financial plan. We have not identified any significant weaknesses in these areas but have identified opportunities for improvement. Specifically:

- ensuring that consultation is undertaken as part of the budget process;
- consideration of the requirement for a separate business plan to be approved for future investments through SSDC Opium Power;
- providing prudent minimum revenue provision on capital loans made to third parties; and
- consider a risk based calculation for the minimum prudent General Fund balance.

Further details and management response is provided on pages 36-39.



Improving economy, efficiency and effectiveness

We have not identified any areas of significant weakness in arrangements with regard to improving economy, efficiency and effectiveness. We have made improvement recommendations that the Council should:

- introduce a corporate benchmarking approach to compare performance and cost with peer organisations;
- ensure that it applies the learning identified from the transformation programme to future strategic change programmes;
- continue to further strengthen procurement arrangements; and
- implement the lessons learnt resulting from the review of regeneration governance arrangements.

Further details and management response is provided on pages 45-48.



Opinion on the financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Council's financial statements give a true and fair view of the financial position of the Council and the Council's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements, including the Annual Governance Statement (AGS) and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

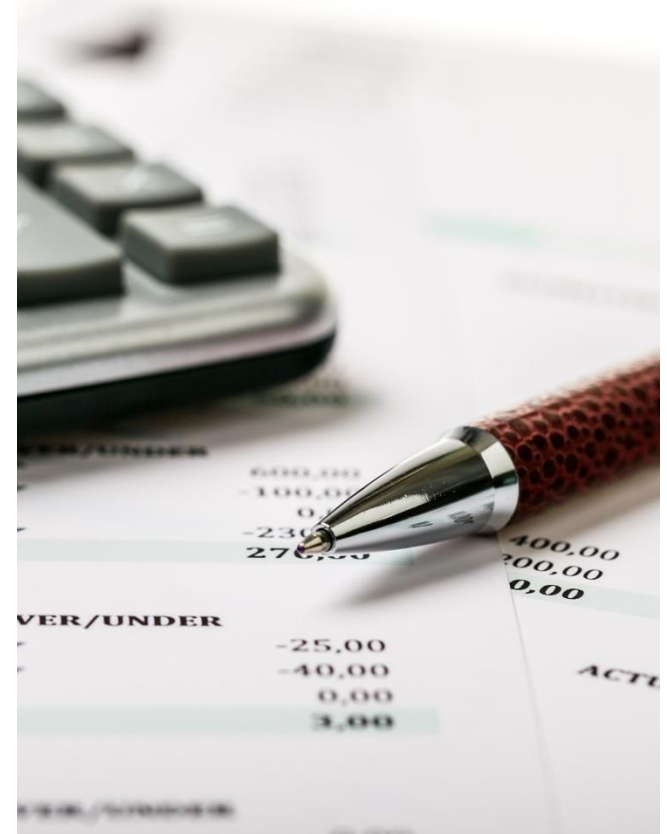
Our audit work was completed both on site and remotely in 2020-21. We started our audit procedures in June 2021 and at the time of writing are still undertaking our work, with the aim of concluding in September 2022. We have experienced significant delays in the completion of our audit work leading to a significant increase in the council's audit fee for the period. Full details of our findings from the audit and our draft fee position are reported in our Audit Findings Report dated September 2022.

One adjustment was required to the financial statements. Several non-material adjustments and presentational amendments were made.

We have made recommendations that:

- management takes time to review working papers to ensure they are sufficiently clear and provide appropriate information and detail in order that the work can be easily reperformed and management can be confident the values in the financial statements are appropriate;
- management ensures all team members are aware of the requirements to produce sufficient, appropriate audit evidence and responses to reduce the number of follow-up queries. We also recommend that management encourages all team members to liaise to audit queries with mutual professional respect;
- management review the useful lives of their property, plant and equipment assets to ensure that they are consistent with the underlying policies determined by the Council;
- management revisits all asset floor areas, and appropriately documents the remeasurements to ensure appropriate records are kept;
- management review its fixed asset register to ensure that the register is up-to-date and we recommend clearing historical differences where applicable to ensure the correct balances are carried moving forwards;

We anticipate giving an unqualified opinion on the Council's 2020/21 financial statements in September 2022.



Statutory recommendation



Governance

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- 1 Recommendation** When considering making settlement agreements with, or payments to employees, the Council should:
- comply with Financial Regulations, Standing Orders and the Constitution;
 - ensure that appropriate consultation takes place with the statutory officers;
 - ensure that approval for the agreement is obtained from appropriate elected Members;
 - maintain appropriate and sufficient evidence for the decision making process;
 - assure itself of the legality of the transaction, including seeking legal advice;
 - clearly demonstrate value for money has been achieved.

Why/impact The Council must be able to demonstrate that it has followed due process, is acting within the law, and is an effective steward of public funds when considering settlement agreements and making payments to employees.

Summary findings During 2020/21 the Council entered into a settlement agreement with a senior officer. This resulted in the officer leaving the employment of the authority with a substantial settlement payment.

From our enquiries of management, we have concerns that there was a lack of due process, insufficient records were maintained to evidence how the agreement was reached, and that the agreement does not reflect value for money. There is no evidence that there was approval for the sign off of the agreement or that the requirements of Financial Regulations and the Constitution were followed. The Council did not obtain legal advice and the Monitoring Officer and S151 Officer were not aware of the agreement. There is no evidence that value for money was considered.

Management comment We accept and regret that the management controls that were in place did not operate as they should have done on this occasion. The controls have been reviewed by management and a revised procedure that takes these findings into account will be recommended to our next meeting of Council.



The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

Page 89

1 Recommendation	The Council should ensure that there is sufficient capacity within the finance team and other Council staff that support the production of the financial statements and their external audit, to enable a complete and accurate version of the financial statements, supported by sufficient and appropriate evidence, to be produced by the statutory deadline.
Why/impact	The timely and accurate preparation of the financial statements is key to ensuring that key stakeholders can make an assessment of the Councils financial position and ensure that officers and members can make informed decisions based on accurate financial information.
Summary findings	The Council failed to produce a complete and accurate set of financial statements for the year ending 31 March 2021. There was insufficient urgency given to responding to audit queries with other activities being prioritised. This was compounded by a lack of finance team capacity at the Council and poor quality working papers to support the figures in the financial statements in a number of areas. Management had not implemented several recommendations made as a result of the 2019/20 audit, which were aimed at addressing weaknesses in processes and strengthening audit evidence in certain key areas.
Management comment	<p>Management's response to this key recommendation was given in detail at Audit Committee on 26th May 2022 as the same points were made by Grant Thornton in their Interim Audit Findings Report discussed at Audit Committee on 24th March 2022. Our response therefore in this document is in summary form.</p> <p><u>Publication of draft financial statements by the annual statutory deadline:</u></p> <p>Whilst we produced draft statements by the statutory deadline (of July 31 2021), an error was found which was flagged to the external auditors after they were published.</p> <p>Full draft statements were published for 2021/22 by the statutory annual deadline of end of July 2022.</p>



The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

- 1 Recommendation (continued)** The Council should ensure that there is sufficient capacity within the finance team and other Council staff that support the production of the financial statements and their external audit, to enable a complete and accurate version of the financial statements, supported by sufficient and appropriate evidence, to be produced by the statutory deadline.

Management comment (continued)

Lack of capacity in the finance team and the consequential impact on the length and cost of the audit process:

The previous S151 Officer, along with SLT membership of that time, agreed with Grant Thornton that the latter could start the 2020/21 audit in mid-June 2021 on the basis that we would have prepared the draft statements by the end of May 2021, before the statutory deadline of end of July 2021.

That decision at the time was a robust and valid one. The Finance Team was almost fully staffed, relatively experienced, and stable. In addition, the prior year's deadline agreed with the external auditors had been achieved, and therefore there was no reason to suppose the deadline would not be met.

An unexpected and significant amount of change then occurred in the finance team (apart from one specialist, every other post/staff member changed) due to resignation/retirement, internal promotions, and new members of staff.

The consequential impact of these changes on the closure process was that some team members had to undertake and lead on complex areas of the accounts with no previous experience in that area (in particular the Collection Fund, capital accounting, and day-to-day coordination of the closure process in general). The early date for completing the draft statements to allow the auditors to commence audit work was therefore not achieved and the latter had to stop the audit process and move their audit resources from SSDC to another client.



The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

- 1 Recommendation (continued)** The Council should ensure that there is sufficient capacity within the finance team and other Council staff that support the production of the financial statements and their external audit, to enable a complete and accurate version of the financial statements, supported by sufficient and appropriate evidence, to be produced by the statutory deadline.

Management comment (continued)

The recommencement of Grant Thornton's audit work later on in 2021 was agreed between Grant Thornton and the Council. Given where we were in the financial cycle this immediately put pressure on the team to undertake the work required to achieve the budget-setting timetable as well as the audit. The Chief Finance Officer subsequently took the decision to prioritise the budget setting work in full knowledge that this would slow down the audit process. The agreement of the annual budget is a key decision as it sets out the budget allocations and funding for service delivery and key corporate priorities. Because of its importance for Elected Members and the need to meet the statutory deadline for agreeing the annual budget and Council Tax, budget work was prioritised over all other work in many instances.

In addition, the budget process undertaken with Senior Leadership Team and District Executive members was more in-depth and iterative than occurred in previous years and this took more finance team time than normal. It was particularly important that SSSC's last budget was as robust as possible and that some historic budgets were reviewed and zero-based prior to these figures being used and consolidated as a starting point for preparing the new Somerset Council's 2023/24 budget.

The time needed to participate in the LGR work programme has also increased exponentially from January 2022: affecting significantly the workload of the senior finance staff (the Chief Finance Officer, the Lead Specialist Finance, and the Finance Specialist grade 8).



The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

- 1 Recommendation (continued)** The Council should ensure that there is sufficient capacity within the finance team and other Council staff that support the production of the financial statements and their external audit, to enable a complete and accurate version of the financial statements, supported by sufficient and appropriate evidence, to be produced by the statutory deadline.

Management comment (continued)

The finance team is currently staffed above establishment levels in order for us to undertake the work required for closure and audit and other business as usual activities as well as to support the Chief Finance Officer and the Lead Specialist Finance in delivering work required for the LGR implementation programme. It should be noted however that, given two further resignations made since the May report to Audit Committee, and a member of staff going on maternity leave later this year, at the end of this financial year (31st March 2023) the majority of SSDC's finance staff will be interim/fixed term appointments rather than permanent employees. This is a consequence of staff leaving due to uncertainties of getting the right job opportunities in the new unitary council, the national and regional difficulty in recruiting experienced finance staff on a permanent basis, and the requirements of the LGR staffing protocol.

Quality of the underlying evidence:

We have accepted that working papers need to be improved and more quality assurance of their contents needs to be built into our closedown process.

We have produced mandatory guidance on the standards required for working papers used for the purpose of auditing the financial statements.

We have also produced a tasks timeline for the quality review of working papers by senior members of the finance team during August and September before Grant Thornton start the audit process for 2021/222 in October of this year.



The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

- 1 Recommendation (continued)** The Council should ensure that there is sufficient capacity within the finance team and other Council staff that support the production of the financial statements and their external audit, to enable a complete and accurate version of the financial statements, supported by sufficient and appropriate evidence, to be produced by the statutory deadline.

Management comment (continued) The finance team have also ensured that the recommendations from the previous year audit are reviewed and implemented. An action that is in progress as part of the review of working papers is that the Finance Team are working with another local authority to share good working practices in this area.

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The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

2 Recommendation The Council should develop a clear plan to address and mitigate the risks that it is exposed to as a result of investing in commercial property.

Why/impact

The scale of commercial property investment potentially exposes the Council to significant financial risk and is a departure from the principles of prudent activity. The changes to the PWLB lending terms in November 2020 sought to discourage purely commercial investment activity and this was reinforced by the revised CIPFA Prudential Code consultation that took place in the Spring of 2021. The Council needs a clear plan to manage the following risks:

- securing long term non-PWLB financing;
- managing the impact on the General Fund if investment performance is below the budgeted targets;
- ensuring that the risks are understood by the new Somerset Council in the run up to local government reorganisation; and
- ensuring that the Council fully complies with the revised CIPFA Prudential Code by reviewing options for exiting commercial property investments based on a financial risk appraisal and summarise this in the annual treasury and Investment Strategies.

Summary findings

The Council has acquired a significant commercial property portfolio as part of the Commercial Strategy which is funded from borrowing.

The Council acquired twelve properties in 2019/20 at a cost of £56.3m and two properties in 2020/21 for £9.9m. The 2020/21 financial statements show that as of 31 March 2021 the Council had a total of £79.8m invested in commercial property.

To date these purchases have been funded through short term borrowing. As at 31 March 2021 the Council had £98m of outstanding short term debt, all attributable to the Commercial Strategy. The forecast minimum revenue provision payments and interest costs in servicing debt relating to the Commercial Strategy is approximately £3m per annum from 2021/22.



The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

2 Recommendation (continued) The Council should develop a clear plan to address and mitigate the risks that it is exposed to as a result of investing in commercial property.

Summary findings (continued) The Council continued to invest in commercial property during the 2021/22 financial year, with an additional two properties purchased for £8.5m. The 2021/22 budget includes commercial investment income of £7.2m and associated expenditure of £4.8m, with a net £2.4m contribution to the General Fund.

From our review of the Council's investments in commercial property we consider that it is a departure from the principles of prudent activity as set out in the revised CIPFA Prudential Code published in December 2021. We have concerns around the scale of the commercial investment and the risks that it exposes the Council to. HM Treasury and CIPFA have continued to comment on commercial investment activity and its prudence, with access to PWLB borrowing to finance investment activity of this nature stopped from November 2020 with a view to curtail this activity by Local Authorities.

Whilst we acknowledge that the Council has not utilised PWLB borrowing to fund its investment activity to date, using shorter term borrowings from other councils as an alternative, there remains a risk that such forms of borrowing may not be so readily available, or may command higher rates, in future years. Further, we note that the Council has not, and does not intend to, make any further such investments since the revised Code was published.

Management comment The commercial strategy is a key element of ensuring that the council is financially sustainable and significantly assists in funding the delivery of council services against a background of reductions in government funding.

We are not the only council to have undertaken this activity in order to fund key services.



The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

2 Recommendation (continued) The Council should develop a clear plan to address and mitigate the risks that it is exposed to as a result of investing in commercial property.

Management comment (continued)

Elected Members are aware that such commercial investments pose potential risks as well as earn potential rewards. This point was fully transparent in the Commercial Strategy agreed by Full Council in 2018.

The external auditors have acknowledged that SSDC had in place good governance arrangements around the appraisal of new investments and that we continue to mitigate the potential risks by holding a significant amount in the commercial strategy risk reserve.

The recommendation is part of the 2020/21 value for money audit and during that specific financial year, whilst CIPFA were consulting on potential changes to the Prudential Code to specifically restrict the undertaking of such investments, the only actual national change was to PWLB (Public Works Loans Board) borrowing terms. That change meant that access to this source of loan funding was stopped for such investment expenditure. At that time, and as advised by our Treasury Management advisors, Arlingclose, other borrowing opportunities were readily available and at low interest rates. We did not borrow from the PWLB and continue to not do so.

The revised changes to the Prudential Code came into effect in December 2021. Up to that point in time, in our view, the Code did not clearly state that such investments were not permitted and many councils, including SSDC, interpreted the Code in a different way to the view now given by Grant Thornton in their audit recommendations. We note that Grant Thornton have in fact confirmed in their report that the Council was not acting unlawfully.

At Full Council in December 2021 we decided to cease new investment for yield activity to comply with the revised Prudential Code that came into effect that month and which more clearly indicates such investment activity is not permitted.



The range of recommendations that external auditors can make is explained in Appendix C.

Key recommendation



Governance

2 Recommendation (continued) The Council should develop a clear plan to address and mitigate the risks that it is exposed to as a result of investing in commercial property.

Management comment (continued)

These investments have been financed by short term loans from other local authorities. This approach was clearly set out in the annual Treasury Management Strategies approved by Full Council for the years 2020/21 (and 2021/22). Advice was obtained from our Treasury Management advisors on borrowing options and interest rate forecasts. At the time this borrowing strategy gave the greatest financial benefit to the council.

The cost of borrowing has only recently increased (from December 2021) as successive rises in the interest rate have been made by the Bank of England's Monetary Policy Committee.

The long term plan (investment strategy) reviewing the risks identified by the external auditors is currently being developed for all of the Somerset councils by the Finance Workstream Board within the LGR Implementation Programme. The strategy will include consideration of the specific recommendations made by Grant Thornton, namely financial performance risk management, interest rate risk mitigation, and analysis of the options for managing and/or disposing of existing commercial investments.



The range of recommendations that external auditors can make is explained in Appendix C.

Commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:

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Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on each of these three areas, as well as the impact of Covid-19, is set out on pages 17 to 48. Further detail on how we approached our work is included in Appendix B.

Governance



We considered how the Council:

- considered the impact of Covid-19 on the governance arrangements
- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

Settlement agreement with a senior officer

During 2020/21 the Council entered into a settlement agreement with a senior officer. This resulted in the officer leaving the employment of the authority with a substantial settlement payment.

We have sought to review the basis on which a settlement agreement was reached, the decision making process, and how value for money in the use of public funds was determined by the Council. From our enquiries of management, we have concerns that there was a lack of due process, insufficient records were maintained to evidence how the agreement was reached, and that the agreement does not reflect value for money.

In response to our key lines of enquiry, the Council has confirmed that:

- proper processes were not followed in terms of the approval for the sign-off of the agreement, for example the Leader or other elected Members were not consulted;
- the Financial Regulations, Standing Orders and the Constitution relating to such agreements were not followed;
- legal advice was not obtained on the legality of the transaction;
- there was no consultation with the Monitoring Officer or the S151 Officer and they were not made aware of the matter; and
- there is no evidence that value for money was considered.

This represents a significant failing in governance arrangements. There was no scrutiny of the decision by statutory officers or Members, there is no evidence to support the decision made, and no legal advice sought over the lawfulness of the agreement.

We are therefore raising a statutory recommendation to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Council to discuss and respond publicly to the report.

We recommend that in the future, when considering making agreements with, or payments to employees, that the Council complies with Financial Regulations, Standing Orders and the Constitution. The Council should ensure that appropriate consultation takes place with Members and statutory officers. Appropriate and sufficient evidence should be maintained for the decision making process, the legality of the transaction, and in order to clearly demonstrate value for money has been achieved.

Preparation of the financial statements

Timely reporting of Council's financial performance for the financial year is critical in informing decision making and ensuring that stakeholders can form a view over the financial standing of the Authority. The Council was required to produce and publish its draft financial statements by the statutory deadline of 31 July 2021. Whilst it did produce a version of the financial statements by the statutory deadline, these included a number of omissions, the most significant of which related to its group entities with

a value of £16m. A complete set of financial statements that included all of the required information was not produced until January 2022. The Council had originally agreed that the draft financial statements would be made available for audit by the end of May 2021, however it failed to meet this deadline necessitating the deferral of the substantive audit work.

Once the draft financial statements were made available for audit, we identified a number of errors, and a lack of robust evidence to support some of the financial information.

Management had not implemented several recommendations made as a result of the 2019/20 audit, which were aimed at addressing weaknesses in processes and strengthening audit evidence in certain key areas.

In previous years, the standard of the draft financial statements and supporting working papers have been generally adequate. There are a number of contributory factors to the deterioration in the Councils arrangements for producing the financial statements, including:

- the loss of key finance officers who have had responsibility for producing elements of the financial statements and supporting evidence in prior years;
- the impact of local government reorganisation and the need to support various financial projects to prepare for the transition to the new authority
- a change in senior leadership of the finance function and a loss of corporate knowledge and experience.

The number of significant issues arising from the audit, the absence of robust supporting evidence necessitating further work to be undertaken by the finance team and the lack of urgency in dealing with the audit process resulted in considerable delays in the completion of the audit work. The delays also resulted in the 2022-23 budget process commencing which added a further conflicting priority into the timeframe.

To address the loss of finance staff capacity and the competing priorities, the Council engaged temporary support to assist in the resolution of some audit enquiries. Whilst this resulted in some positive impact and moved the audit forward, the timing and extent of the support did not fully address the delays.

The findings from our audit work required a substantial level of additional testing and

involvement of senior personnel to address some of the emerging issues, which have been reported within our Audit Findings Reports, the first issued in March 2022, with subsequent update reports issued in May and July. A final Audit Findings Report will be issued to the September 2022 Audit Committee.

The audit of the financial statements was not completed until September 2022, with a significant additional cost being charged to the Council as a result of the delays, greater level of testing and senior involvement.

This represents a significant failing in the Council's arrangements in respect of the production of the financial statements, the quality of the underlying evidence produced to support the financial statements and the timeliness in responding to audit queries. Given the importance of accurate and timely financial reporting, we are raising a key recommendation that urgent action be taken to ensure that this situation is addressed for the 2021-22 financial year.

Commercial strategy - commercial property

We consider that the Council's investment in commercial property is a departure from the principles of prudent activity as set out in the revised Prudential Code, published in December 2021. The Prudential Code states that local authorities must not borrow to fund primarily yield generating investments. The changes to the PWLB lending terms in November 2020 sought to discourage this type of investment activity, which was reinforced by the revised CIPFA Prudential Code consultation that took place in the Spring of 2021.

Further detail is provided in the Financial Sustainability section of this Auditor's Annual Report. We have not concluded that the Council is acting unlawfully and judge the governance arrangements relating to the Commercial Strategy to be sound. The Council resolved not to invest further in commercial property in December 2021. We do, however, have concerns around the scale of the commercial property investment, and the risks that it exposes the Council to.

We are therefore identifying a significant weakness with regard to decision making that could lead to significant loss or exposure to significant financial risk, and which is a departure from the principles of prudent activity. Investment in commercial property exposes the Council to risks with regard to greater than anticipated borrowing costs, or reductions in budgeted rental income.

The Council needs to develop a clear plan to mitigate the risks that they have incurred as a result of investing in commercial property. The plan should address the following:

- securing long term non-PWLB financing for the commercial portfolio;
- managing the impact on the General Fund if investment performance is below target;
- ensuring that the risks are understood by the new Somerset Council in the run up to local government reorganisation; and
- ensuring that the Council fully complies with the revised CIPFA Prudential Code by reviewing options for exiting commercial investments based on a financial risk appraisal and summarise this in the annual Treasury and Investment Strategies.

Page 10
COVID-19 arrangements

During the 2020/21 financial year the Council supported the community, businesses and the delivery of critical services through the pandemic, and adapted governance arrangements as required. The majority of staff worked from home during the year, with staff redeployed from closed or non-critical services to support the Council's response to the pandemic.

In response to the Covid-19 pandemic, South Somerset District Council stood up its Strategic Gold Command group in line with existing civil contingency plans. Gold group operated during 2020/21 to lead the response and monitor the impact of the pandemic on the Council. District Executive received regular updates in relation to the Covid-19 response and the additional pressures it created on services, performance and finance.

The Council set up a community wellbeing hub at Westlands and deployed staff to support the community through the delivery of food parcels to vulnerable and shielding residents, as well as those facing financial hardship. The Council secured additional accommodation to house virtually all rough sleepers rather than them having to sleep on the streets through the pandemic. The Council also extended its Customer Connect service to offer a coronavirus helpline 7 days a week and to enable welfare calls to be made to vulnerable members of the community.

In March 2020 the Council approved an amendment to the scheme of delegation to allow the Chief Executive to take Executive and Quasi-judicial decisions in consultation with the Leader and relevant Portfolio Holder, if Committee meetings could not be held due to the pandemic.

In the event, the use of this delegated authority was limited because legislation came into force in April 2020 that allowed decision making meetings to be held remotely.

Council, District Executive, Committee and Scrutiny meetings were held remotely throughout the year, allowing for public participation and for the democratic decision making process to continue.

Council approved the continuation of virtual meetings on a consultative basis after the legislation allowing for virtual decision making meetings was repealed in May 2021. With the exception of in-person Full Council meetings this practice has continued. The Council has satisfied itself of the legal basis to hold consultative meetings with the delegation of decisions to officers in accordance with the meeting's direction, through the powers set out in the Local Government Act 1972 and Localism Act 2011. Following a review of these arrangements on 21 July 2022, the Council has agreed to return to in-person Council and Committee meetings.

The Somerset Recovery and Growth Plan was approved in January 2021. The Plan was produced in partnership with other local authorities and is aligned to the Heart of the South West Local Enterprise Partnership recovery plans. The objective of the plan is to support and coordinate economic recovery and growth, as well as addressing historic challenges such as low wages, improving skills and improvements to infrastructure.

The Council maintained effective controls during the pandemic. A bespoke code was set up in the finance system to allocate and review all Covid-19 related spend. This assisted with the completion of the monthly Covid-19 financial returns to the government. Internal Audit carried out a fraud risk impact assessment for Covid-19. This provided a reasonable assurance opinion based on an assessment around governance, grants, data security, payroll and staff.

The Council distributed over £55m of government funded grants to support local businesses through the pandemic. The Council designed an online grants application process to collect evidence of eligibility, including the requirement to submit bank statements and business rate bills. A fraud risk assessment was completed to inform how grant schemes were administered, applications assessed and the evidence required. The Council used tools such as the National Fraud Initiative and Spotlight to identify potential fraudulent applications.

Internal Audit carried out advisory work on Covid-19 grant processing support and bank account detail checks. They also carried out a business grant post assurance review which resulted in a substantial assurance opinion.

All of the above provides evidence of appropriate actions being taken to address the risks and challenges presented by the Covid-19 pandemic.

Managing risk

The Council has a Risk Management Policy in place. The Audit Committee receives risk management update reports and copies of the strategic and corporate risk register every six months in order to provide assurance on the arrangements to manage risk.

The agreed approach of reviewing risk registers regularly through established officer forums, such as the Health and Safety Steering Group and People Managers Forum, was impacted during 2020/21 as they did not meet regularly due to the pandemic. The Audit Committee however did consider risk management updates in October 2020 and May 2021. The October 2020 report confirmed improvements made to the recording and reviewing of risks, including direct access for risk owners to the shared risk register, improved guidance on responsibilities and greater clarity on the deadlines for reviewing risk.

Internal Audit carried out a review of risk management, providing a reasonable assurance opinion to the Audit committee in July 2021.

From our review of the frequency of reporting the risk register we have found that there is an opportunity to strengthen arrangements. The Audit Committee received the risk register in October 2020 as an exempt item, and received a summary risk register in May 2021 as a public document. There was no further reporting of risk to the Audit Committee until May 2022 when the risk register was again provided as a public document.

The Audit Committee should review the risk register on a quarterly basis, with the register provided as a public agenda item. This would provide for more frequent review of risk by the Committee, and also provide non-Committee Members and members of the public a better understanding of the risks facing the Council and how they are being mitigated. For this reason we also recommend that the risk register published with the agenda contains the mitigating actions for managing residual risk.

The strategic and corporate risk register as reported to Audit Committee in October 2020 contained most of the elements of best practice we would expect, including: risk title; description; inherent and residual risk rating; controls; action owner and further action required. We note that risks are not mapped to corporate priorities.

The risk register reported to Members in October 2020 included 54 risks including blue, green, yellow, amber and red category risks. This number of risks does not allow for detailed consideration and focus on the key risks that the Council faces. The Council should review the risks reported to Audit Committee, to ensure that only strategic risks, or other operational risks that warrant Members' attention, are reported in detail. The number of risks reported could also be reduced by not reporting risks that are being adequately mitigated as identified by a blue or green category rating. A summary of other risks could be provided to Members, but should not detract from detailed consideration of the key risks that the Council faces.

We have made an improvement recommendation that the Council should report risks quarterly as a public agenda item; map risks to corporate priorities; include mitigating actions; and only report key strategic risks in detail. We will review the arrangements in 2021/22 for managing and reporting risk, including how Members were given assurance around the management of risk, as part of the 2021/22 value for money audit.

Internal control – internal audit

The Council's internal audit function is undertaken by SWAP Internal Audit Services. The annual audit plan and charter is agreed by the Audit Committee at the beginning of each financial year and is designed to provide sufficient audit coverage of key financial systems and business risks.

During 2020/21 the audit plan was revised in response to emerging risk areas such as additional work required for Covid-19 grant scheme support and assurance, and fraud risk assessment. SWAP carried out sufficient work to be able to provide an overall opinion on the adequacy of the control environment at the Council, with 90% of the audit plan at final report, draft or discussion stage by the year end.

Audit Committee receive internal audit progress reports at each meeting which provide detail on changes to the audit plan, finalised audits and audit opinion, progress against the plan

and details of limited or no assurance audit reviews.

In July 2020 the Audit Committee received the external assessment report for SWAP. The conclusion was that SWAP is a high performing and well managed internal audit partnership, delivering professional and high quality services in conformance with public sector standards.

Currently high priority audit recommendations are followed up and reported only when the follow up audit is undertaken for limited assurance opinion audits. There is no routine reporting of the status of internal audit recommendation implementation within progress reports.

We have made an improvement recommendation that the progress made in implementing previous internal audit recommendations should be routinely reported for all high priority recommendations as part of the regular SWAP progress reports. This will enable the Audit Committee to hold managers to account where actions to improve internal control have been agreed.

The Internal Audit Annual Opinion was one of reasonable assurance, with generally a sound system of governance, risk management and control in place.

From our work we have found no areas of significant weakness in the arrangements for internal audit and the reporting of internal control .

Arrangements to prevent and detect fraud and corruption

SWAP conducted a baseline assessment of the maturity of the Council in relation to preventing and detecting fraud in March 2021. An amber assessment was provided across the key theme areas and an action plan developed for implementing improvements. Key findings included:

- the requirement to update anti fraud related policies and strategies and make them easily available to stakeholders;
- anti fraud training had not been provided to staff or Members;
- there is no regular reporting of fraud activity to Members.

SWAP are currently working with the Monitoring Officer to follow up the baseline assessment

of fraud action plan.

We note that the Whistleblowing Policy has since been reviewed and an updated version dated December 2021 is available on the Council's website. However, the only Counter Fraud, Theft and Bribery Strategy is a draft policy dated 2014.

The Council received a whistleblowing allegation regarding the conduct of a number of Council officers. The Council took prompt and robust action to investigate and commissioned both an internal audit review and also an independent investigation. This resulted in the summary dismissal of the former Director of Commercial services and Income Generation.

These investigations identified weaknesses in controls, the by-passing of procedures, and evidence of inappropriate cultural practices within the service.

The Council has recognised the public interest in reporting this matter, which has been the subject of a detailed public report to the Audit Committee in May 2022. The report sets out the recommendations made by internal audit and the independent investigator to improve governance arrangements, policies and procedures in order to address the weaknesses identified.

Recommendations include: reviewing policies allowing senior managers to own and manage businesses; reviewing the Code of Conduct and strengthening the provisions for declarations of interests; strengthening procedures for signing out vehicles and taking them home; and working to develop a more positive culture in the Lufton Depot.

The Council has developed action plans in response to the recommendations and is making progress in implementing improvements. Progress includes:

- the appointment of a new Environmental Services Manager and transfer of a People Manager to the Lufton Depot which has had a positive impact on culture;
- senior manager contracts have been amended to only permit work for the Council;
- Codes of Conduct, including declarations of interest and gifts and hospitality have been revised with training under development;
- the policy on allowing staff to use Council resources has been reviewed, and Council equipment can only be used for Council work;

- enhanced vehicle checks are being undertaken by the Specialist Transport officer.

SWAP plan to follow up the progress made implementing the agreed actions as part of their 2022/23 audit work.

The Employee Code of Conduct, dated May 2021, confirms that Gifts should be tactfully refused and if this is not possible, then the gift should be passed to the individual's manager who will ensure that the gift is logged on the central register, where it will be determined what happens to the gift. In relation to declaring interests, the Code states that if an officer thinks that they or a close friend or relative have a pecuniary or personal interest in a contract or another council matter, they should advise their manager.

We do not consider that the processes within the Employee Code of Conduct are sufficient to constitute an effective policy for ensuring gifts, hospitality and interests are disclosed in a consistent and comprehensive way. We understand that there has been a further review of the Code of Conduct, as referred to above in the actions resulting from the whistleblowing investigation, and a revised version contains further detail on which staff are currently receiving training. We recommend that the revised Code is formally adopted and published on the Council's website so there is no doubt as to the procedures to be followed.

While there were clearly weaknesses in arrangements for preventing and detecting fraud during 2020/21, as evidenced by both the internal audit baseline assessment of fraud and also the investigations resulting from the whistleblowing allegation, we have not assessed this as a significant weakness in arrangements. This is because the Council has already identified control weaknesses through its own assurance arrangements and developed action plans to address them. There is also evidence that progress is being made. The Council has been open and transparent on the weaknesses identified and the actions required to improve controls.

As part of our 2021/22 value for money work we will review the progress made in implementing the action plans developed as a result of the baseline fraud assessment and the whistleblowing investigation. We are making an improvement recommendation that the Council should ensure that these actions are implemented as agreed, including the formal adoption of the new Employee Code of Conduct.

Budgetary control 2020/21

We have considered the Council's processes for monitoring the 2020/21 budget during what was a difficult year to accurately forecast costs and income due to the effects of the pandemic, periods of lockdown, and incremental announcements of government funding.

The financial implications of the pandemic were modelled and reported to District Executive in August 2020 through a revised Financial Strategy, which identified a potential budget pressure of £7.4m.

As the financial year progressed, and both the impact of the pandemic and quantum of government support became more certain, the year end forecast gradually improved. By Quarter 3 a net £1.1m overspend was forecast, with the outturn position confirmed as a £0.4m surplus.

Quarterly revenue budget monitoring reports identify variances and project them to the year end. They contain the areas of best practice we would expect. Covering reports identify major variances by service along with a detailed explanation of their cause. Monitoring reports are supported by a detailed appendix by service area, that identifies the budget and variance to date, as well as a projection to the year end. The relevant service manager and portfolio holder is identified and additional comments provided.

We note that the outturn report presented to District Executive in July 2021 disclosed a GF balance of £3,118k as at 31 March 2021. This was an error, with the correct balance as at 31 March 2021 disclosed in the statement of accounts as £4,316k. The correct balance was subsequently reported in the 2021/22 budget monitoring report to District Executive in September 2021. We have made an improvement recommendation that the outturn report should accurately reflect key financial information, such as the GF balance.

Capital programme monitoring is reported quarterly and again includes a covering report summarising the main areas of spend and financing, supported by a detailed appendix that shows spend by capital scheme forecast to the year end. Explanatory comments from project managers are provided.

Arrangements are in place for the finance team to engage with budget managers to regularly review financial performance using revenue and capital budget monitoring statements and data downloaded from the finance system.

We have not identified any significant weaknesses with regard to the Council's arrangements for budget monitoring, but have made an improvement recommendation to ensure key information is accurate.

Changes to the senior leadership team

There has been significant turnover recently within the senior leadership team. This includes the appointment of a new Chief Executive in August 2021, a Monitoring Officer in February 2021, and a Section 151 Officer in March 2021.

Despite these changes in senior positions, the Council has continued to function and maintain corporate direction, setting a balanced budget for 2021/22 and 2022/23, and adopting revised Council Plans for 2021/22 and 2022/23.

The Local Government Association is supporting the new leadership team through a top team development programme, aimed at forming cohesive and strong performing teams.

Despite the significant changes within the senior leadership team, we have found no evidence that this has significantly impacted on the delivery of corporate objectives, other than the issues noted in respect of the production of the 2020/21 financial statements as previously discussed.

Local referendum on the future of local government in Somerset

In May 2021 the Council, in collaboration with the other district councils in Somerset, conducted a local referendum on the two proposals for unitary local government in the county. In response to concerns raised by the Secretary of State as to the lawfulness and value of the exercise, the Council obtained independent legal advice and satisfied itself that it had the powers to conduct the referendum, and that its results would have value and would need to be taken account of.

Since the decision of the Secretary of State in July 2021 to implement the proposal for a single unitary council in Somerset, the Council has engaged in the process as evidenced through the consideration of the Structural Change Order, formation of a joint scrutiny committee, increase in staffing capacity to support the process, and the creation of an implementation reserve. Working in partnership across Somerset to deliver a safe and legal

transition to the new Somerset Council is a corporate priority within the Council's Annual Action Plan 2022/23.

The Council's Leader also has a Cabinet role on the County Council and is Portfolio Holder for Local Government and Prosperity, chairing the Implementation Board.

We have found no evidence that the Council is not engaging appropriately with local government reorganisation in Somerset.

Improvement recommendations



Governance

- 1 Recommendation** Arrangements for reporting the risk register to the Audit Committee should be strengthened by:
- increasing the reporting frequency to quarterly and as a public agenda item;
 - risks should be mapped to corporate priorities;
 - the risk register should include mitigating actions;
 - the risks reported to Audit Committee should be focused on the most significant risks the Council faces.

Why/impact

More frequent reporting of risk provides better assurance for how risk is being managed and how the risk profile of the Council is changing. Reporting the risk register as a public agenda item provides non Audit Committee Members and members of the public a better understanding of the risks facing the Council and how they are being mitigated.

Reporting only strategic risks, or operational risks that warrant Members' attention, and mapping risk to corporate priorities ensures that there is the opportunity for detailed consideration and focus on the key risks that the Council faces.

Summary findings

The Audit Committee received the risk register in October 2020 as an exempt item, and received a summary risk register in May 2021 as a public document.

The strategic and corporate risk register as reported to Audit Committee in October 2020 contained most of the elements of best practice we would expect, but risks are not mapped to corporate priorities. The risk register included 54 risks including blue, green, yellow, amber and red category risks.

Management comment

Quarterly risk reporting to Audit committee is now effective for 2022-23. To date reports have gone forward for 26th May (21-22 Q4 Summary) and 28th July (22-23 Q1 Status). The register is now an openly published document.

Risks have been mapped to the corporate projects as part of the priority project reporting, so in practice we have a deeper level of risk profiling matched to delivery of corporate priorities than that recommended by the auditors.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Governance

- 1 Recommendation (continued)** Arrangements for reporting the risk register to the Audit Committee should be strengthened by:
- increasing the reporting frequency to quarterly and as a public agenda item;
 - risks should be mapped to corporate priorities;
 - the risk register should include mitigating actions;
 - the risks reported to Audit Committee should be focused on the most significant risks the Council faces.

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Management comment (continued)

Our risk register already contains controls (existing) and ongoing risk treatment/actions. It was agreed with Audit Committee and SLT in July 2022 that full risk statements including controls and mediating action plans will be published in the future.

As stated above the Strategic and corporate risk register will be published in full (33 risks). The risk report format allows for focus on the critical risks through presentation by residual risk rating, ranked High to Low. In addition risk movements are already provided comparing residual risk scores to the previous reporting period, to allow for focussed discussion on developing or increasing risks.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations

Governance

2 Recommendation	The progress made in implementing previous internal audit recommendations should be routinely reported for all high priority recommendations as part of the regular SWAP progress reports.
Why/impact	This will enable the Audit Committee to hold managers to account where actions to improve internal control have been agreed.
Summary findings	The progress made in implementing previous internal audit recommendations is reported to the Audit Committee when previous limited assurance opinion audits are followed up
Management comment	A new recommendation tracking tool has been developed by SWAP (South West Audit Partnership) and is currently being trailed to ensure the information is up to date and accurate with the intention to bring a regular overview report to the Audit Committee twice yearly

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The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Governance

3 Recommendation	The Council should ensure that it implements the action plans relating to the baseline maturity for fraud and the whistleblowing investigation, including formal adoption of the new Employee Code of Conduct.
Why/impact	There were weaknesses in arrangements for preventing and detecting fraud during 2020/21. The Council should continue to progress the implementation of the actions identified to improve controls and processes, in order to safeguard public funds and promote an appropriate culture within the organisation.
Summary findings	<p>SWAP conducted a baseline assessment of maturity in relation to preventing and detecting fraud in March 2021. An amber assessment was provided across the key theme areas. Key findings included out of date anti fraud policies, a lack of fraud training and no regular reporting of fraud activity to Members.</p> <p>The Council received a whistleblowing allegation regarding the conduct of a number of Council officers. Subsequent investigations identified weaknesses in controls, the by-passing of procedures, and evidence of inappropriate cultural practices within the service concerned.</p>
Management comment	<p>We have taken several steps in relation to the baseline assessment for fraud, including reporting to Audit Committee and compulsory training for all staff. The other Somerset councils have also been examining their practices in relation to similar baseline assessments and this focus will continue as a combined effort within the new Council. We will continue to work with SWAP (South West Audit Partnership) on this area until vesting day.</p> <p>Our response to the issues identified by the investigations into the whistleblowing allegation was reported to Audit Committee in May 2022 and that Committee will receive regular reports a further report on progress in implementing the action plan in January 2023.</p>



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations

Governance

4 Recommendation	The outturn report should accurately reflect key financial information, such as the GF balance.
Why/impact	Key financial information should be accurate to support good governance and decision making.
Summary findings	The outturn report presented to District Executive in July 2021 disclosed a GF balance of £3,118k as at 31 March 2021. This was an error, with the correct balance as at 31 March 2021 disclosed in the statement of accounts as £4,316k. The correct balance was subsequently reported in the 2021/22 budget monitoring report to District Executive in September 2021.
Management comment	On this occasion the outturn report gave an incorrect figure for the General Fund Balance. We always endeavour to report key financial information accurately to Elected Members and stakeholders. The preparation of the monitoring and outturn report involves inserting figures from the financial system and/or an Excel spreadsheet into a Word document and human error can occur at times.



The range of recommendations that external auditors can make is explained in Appendix C.

Financial sustainability



We considered how the Council:

- responded to the financial challenges posed by the Covid-19 pandemic
- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

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Outturn 2020/21

The 2020/21 General Fund (GF) outturn position was a £0.4m surplus on the cost of services against a revised budget of £15.6m. This outturn position includes financial pressures associated with the pandemic such as reductions in theatre, entertainment, and carparking income, financial support to leisure centres and the cost of supporting communities and businesses through the pandemic. To offset financial pressures the Council received a total of £4.9m in Covid-19 related funding from the government, comprising general support, compensation for lost income, and job retention funding. In addition to the government funding received, the Council utilised £1.9m of GF balances in order to deliver the outturn position.

The surplus outturn was carried forward into 2021/22 in order to support service activity and corporate projects that had been delayed due to the pandemic.

Despite the impact of the pandemic, the Council delivered £0.2m of the forecast £0.3m savings built into the budget for 2020/21. The shortfall was attributable to transformation savings identified in addition to the business case.

The Council incurred capital expenditure of £42.2m in 2020/21, which was £22.6m more than the original budget of £19.6m, due to the bringing forward of commercial investments in the programme. Capital spend supported corporate priorities, relating in the main to £18.7m investment in SSDC Opium Power, the Council's subsidiary company providing battery power storage, £10.2m commercial property investment and £8.2m on the Chard regeneration project.

Covid-19 arrangements

Covid-19 posed a significant financial challenge to the Council's financial sustainability and made financial forecasting difficult as new periods of national lockdown were announced and additional tranches of government support allocated to councils. The financial implications of the pandemic were modelled and reported to District Executive in August 2020 through the Revised Financial Strategy.

The revised strategy forecast the impact of Covid-19 at £9.4m, due to reductions in income and increases in service costs relating to waste, homelessness and supporting the community. This forecast cost was partially offset by government funding of £2.0m to give a net pressure of £7.4m for the year.

Options to address this deficit included the use of Covid-19 funding, the sales, fees and charges compensation grant, and the potential use of reserves. Best and worse case scenarios were considered for the requirement to use earmarked reserves to balance the position.

Subsequent quarterly budget monitoring analysed the trends with regard to reductions in income and increases in cost, offset by the announcement of additional government funding. By the end of the financial year the Council was able to deliver a £0.4m revenue surplus.

Budget 2021/22

The 2021/22 budget was set based on the funding announced in the local government finance settlement. This froze the Council's funding assessment at current levels but introduced additional measures to support councils through their recovery from the pandemic, such as another tranche of general Covid-19 funding, additional sales, fees and charges compensation grant, and a new one-off tranche of New Homes Bonus grant.

The 2021/22 budget did not include the £0.8m additional tranche of general Covid-19 funding, nor any assumed funding from the additional sales, fees and charges compensation grant. This was a prudent approach which meant that these funds could be allocated to services should the Council face additional pandemic related pressures that were not budgeted for.

Funding within the budget also includes a £5 increase in council tax in accordance with referendum principles.

The 2021/22 budget maintains Council services, and is not reliant on achieving recurring savings from service reductions to balance the financial position. The delay of the business rate reset and additional support allocated through the annual finance settlement benefited the financial position for 2021/22.

The budget includes the impact of expected investment and borrowing activity, with the 2021/22 budget reflecting increased interest and Minimum Revenue Provision (MRP) costs due to the financing of Commercial Strategy investments through borrowing. Investment income budgets reflect the anticipated loan activity with SSSC Opium Power and additional income from commercial property.

There is adequate engagement from Members during the budget setting process. The Scrutiny Committee considered the draft budget and Medium Term Financial Plan (MTFP) in December 2020, the draft budget and MTFP update in January 2021, with the final budget considered in February 2021. This was in advance of the reports being submitted to the District Executive.

Against the context of no service reduction savings being required to balance the 2021/22 budget, there was no consultation undertaken with residents or businesses. We have made an improvement recommendation that the Council should ensure that it consults with

residents and businesses as part of the budget process. This is good practice and allows for challenge of the Council's allocation of resources by the community and businesses.

As a result of our work we have found no evidence of significant weaknesses in the Council's budget setting arrangements.

Medium term financial plan (MTFP)

Review of the Council's MTFP indicates that financial planning is based on realistic assumptions, although annual settlements and the delay of the fair funding review and business rate reset have made financial planning more difficult. The MTFP includes assumptions around New Homes Bonus, business rate income, council tax increases, investment income, inflation and borrowing costs.

The MTFP approved in February 2021 as part of the 2021/22 budget setting process, models a £2.0m reduction to business rate income in 2022/23. This reflects the anticipated reforms to local government funding and the business rate reset. Negative Revenue Support Grant (RSG) is also modelled from 2022/23 and there is no New Homes Bonus grant anticipated from this point.

The Council keeps its financial plans under review and Members are kept informed throughout the budget process. District Executive considered the draft budget and MTFP in December 2020, with an update in January 2021 which reflected the provisional finance settlement. A further MTFP update was provided in the final budget report 2021/22 in February 2021. The approved annual budget forms the baseline for modelling the medium term financial plan.

There is no evidence that financial risks are managed in the short term only. The Council has developed strategic programmes to balance the financial position over the medium term. The District Executive received transformation programme assessment and final report in January 2021. The three year programme's objective was to deliver cost savings while maintaining service levels and implementing a new operating model. The final assessment was that the business case savings were achieved, with £2.5m of recurring annual savings delivered through an investment of £7.4m.

The Council is engaging with local government reorganisation in Somerset and the implementation of the One Somerset business plan to create a single unitary council from 1

April 2023. This is a strategic response by Somerset councils aimed at creating efficiencies and financial sustainability in local government, while at the same time improving services.

The February 2021 MTFP identifies the further savings required to balance the budget for the period 2022/23 to 2025/26. The total gap identified over the four year period is £1.2m, largely arising from the loss of business rate growth and negative RSG due to government funding reforms in 2022/23.

Savings required as per the February 2021 MTFP

Year	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	Total £m
Annual budget gap / (surplus)	0	1.2	0.1	(0.3)	0.3	1.2

The February 2021 MTFP identified significant savings required to balance the financial position in the medium term. The exact timing and scale of savings required was dependent on the results of the fair funding review and business rate reset. The Council has a good track record of setting a balanced budget through the efficiencies achieved through transformation and the income generated through the Commercial Strategy.

The business rate reset has now been delayed for at least a further year. The Council set a balanced 2022/23 budget without the requirement for a significant savings programme due to the delay in funding reforms and a zero based budget review that aligned historical budgets to actual requirements.

As 2022/23 is the last year of operation for South Somerset District Council, the £4.5m budget gap identified in the updated MTFP for 2023/24 is indicative, in order to inform the budget setting process for the first year of the new unitary council. A local government finance workstream is working to create the budget for 2023/24, informed by the MTFP of each of the existing Districts and County councils that will combine to form the new authority.

Commercial strategy - commercial property

The Council's Commercial Strategy is an integral part of its medium term financial planning, with an overall portfolio limit of £150m and a net income target of £3.3m. The 2021/22 budget includes commercial investment income of £7.2m and associated expenditure of £4.8m, with a net £2.4m contribution to the General Fund. The Commercial Strategy is aimed at ensuring the Council's financial sustainability and assist in the delivery of Council priorities against a background of reductions in government funding.

Commercial investments include both the purchase of commercial property and the granting of commercial loans, largely to the Council's partly owned subsidiary SSDC Opium Power Ltd.

A significant element of the Commercial Strategy is the purchase of commercial investment property. The Council acquired twelve properties in 2019/20 at a cost of £56.3m and two properties in 2020/21 for £9.9m. The 2020/21 financial statements show that as of 31 March 2021 the Council had a total of £79.8m invested in commercial property, achieving gross rent of £5.7m, with associated operating and financing costs of £1.1m.

To date these purchases have been funded through short term borrowing, largely with other local authorities. As at 31 March 2021 the Council had £98.0m of outstanding short term debt, all attributable to the Commercial Strategy. The forecast minimum revenue payments and interest costs in servicing debt relating to the Commercial Strategy is approximately £3m per annum from 2021/22.

The Council continued to invest in commercial property during the 2021/22 financial year, with an additional two properties purchased for £8.5m.

The Council mitigates the risk associated with commercial investments through the commercial investment risk reserve, which had a balance of £6.6m as at 31 March 2021. The Council also has strong governance arrangements in the form of the Investment Asset Group who make delegated decisions in accordance with the Strategy after appropriate due diligence. There is regular reporting on the performance of the portfolio to the District Executive, with the reporting frequency increased to quarterly during the pandemic.

From our review of the Council's investment in commercial property, we consider that it is a

departure from the principles of prudent activity as set out in the revised Prudential Code published in December 2021. Acquisitions include existing commercial enterprises, often some distance outside of the Council's administrative area. They are not regeneration projects but rather commercial investments purely for yield. The Prudential Code states that local authorities must not borrow to fund primarily yield generating investments and that this is not prudent activity. The changes to the PWLB lending terms in November 2020 sought to discourage this type of investment activity, which was reinforced by the revised CIPFA Prudential Code consultation that took place in the Spring of 2021.

The Council continued to invest in commercial property primarily for yield during 2021/22, after the introduction of the revised PWLB lending rules and after the consultation on the revised Prudential Code. The Council did take the decision to cease further investment in commercial property in December 2021, once the revised Code was published.

The revised Prudential Code confirms that local authorities with existing commercial investments are not required to sell these investments, but those with an expected need to borrow should review the options for exiting commercial investments through a financial risk appraisal and summarise this review in the annual Treasury and Investment strategies.

We have concerns around the scale of commercial investment and the potential risks that it exposes the Council to. The 2021/22 General Fund is dependent on £7.2m of commercial income and regardless of the performance of the portfolio will be required to pay the MRP and interest costs associated with the borrowing to fund the investments, estimated at £3m from 2021/22. The Council is currently financing these acquisitions through short term debt and internal borrowing which creates an additional risk around the availability of non-PWLB funding to refinance in the future, and the impact if interest rates rise. There are also implications for the new unitary council that will be created through local government reorganisation in March 2023 to consider, as they will inherit the commercial portfolio and its associated risks.

It should be noted that we have not concluded that the Council is acting unlawfully. The Council also has in place good governance arrangements around the appraisal of investments and mitigates risk through reserves. The Strategy was also approved before the introduction of the revised CIPFA Prudential Code and new HM Treasury borrowing rules.

Within the Governance section of the Auditor's Annual Report we are identifying a significant weakness with regard to decision making that could lead to significant loss or exposure to significant financial risk, and which is a departure from the principles of prudent activity. Investment in commercial property exposes the Council to risks with regard to greater than anticipated borrowing costs, or reductions in budgeted rental income.

Commercial strategy – SSDC Opium Power Ltd

The Council has 50% ownership of SSDC Opium Power Ltd. The company delivers and manages the battery storage schemes at Taunton and Fareham, funded through the loans made to the company by the Council. These green energy schemes contribute to the Council's net zero and environmental priorities by making the best use of renewable energy.

As at 31 March 2021 the Council had a total of £31.6m of loans outstanding with SSDC Opium Power Ltd, having approved an additional loan of £18.7m during 2020/21 to fund the Fareham battery storage scheme. The Council receives loan and interest repayments which are scheduled to reflect the expected cash flows of the business, with investment income received through dividend distribution once the loans are repaid. The Taunton scheme is fully operational with loan repayments now being made.

There are two Council officers on the Board of five company directors, but these are not statutory Council officers (Head of Paid Service, S151 or Monitoring Officer). Therefore we have not identified a conflict of interest with Council officers undertaking this role. There is detailed reporting to District Executive on the activity and financial performance of SSDC Opium Power through the Investment Asset Update reports.

Commercial loans to SSDC Opium Power are made under the Commercial Strategy, with the Investment Asset Group having delegated power for decision making after the required due diligence on investment proposals. There has been no specific business plan approved by the Council in relation to SSDC Opium Power. However, investments through SSDC Opium Power are a specialised investment in battery storage, with much longer lead in times to profitability in comparison to commercial property, while infrastructure is built and signed off by the National Grid.

Due to the specialised nature of these investments, their different cash flow profile to commercial property investments, and different associated risks, we have made an

improvement recommendation that the Council should consider a separate business plan is approved for future investments through SSSC Opium Power.

Capital strategy and treasury management

The Council approved the Capital Programme 2020/21 to 2024/25 in February 2021 for a total of £106.0m.

Approved schemes support corporate priorities such as regeneration projects for Chard (£14.3m), Wincanton (£2.0m) and Yeovil (£2.0m). The approved programme also includes £9.3m investment in SSSC Opium Ltd (Fareham) and £50.1m investment in land, property and renewables in accordance with the Commercial Strategy. New capital bids totalling £7.8m were approved as part of the capital programme, with £5.0m relating to decarbonisation of operational buildings in support of the South Somerset Environment Strategy.

The Council approved the Capital, Investment and Treasury Strategies 2021/22 to 2023/24 in February 2021 as part of the budget setting process. These documents set out the Council’s capital expenditure, capital financing and borrowing projections.

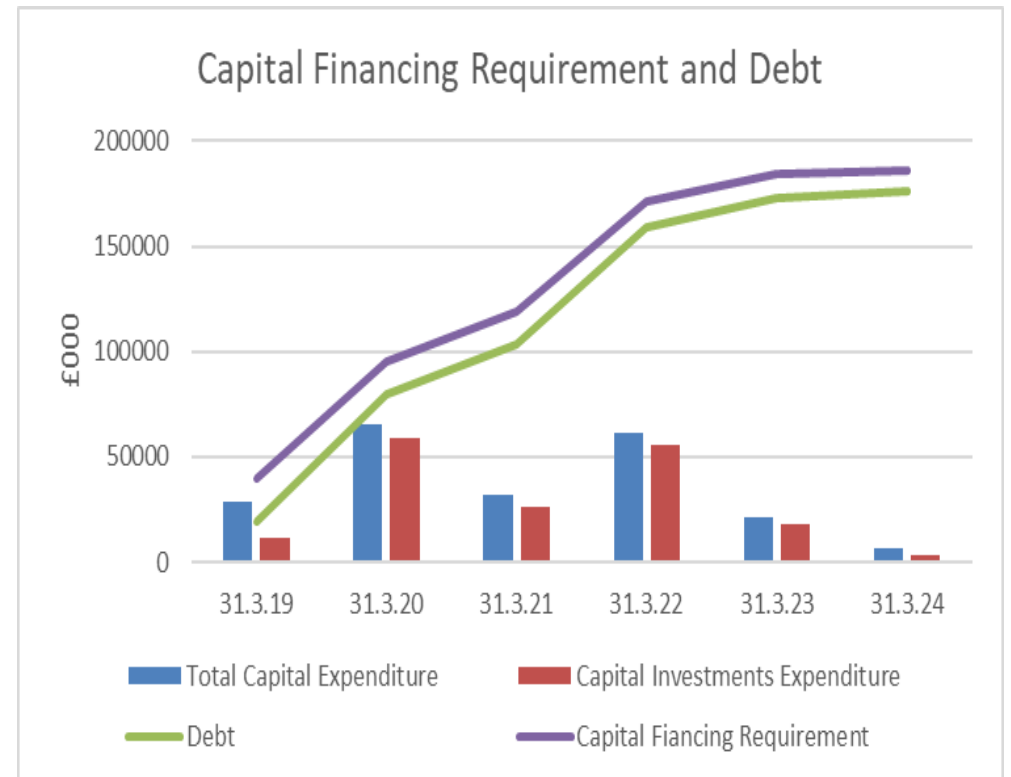
The Council’s strategy is to finance the majority of the capital programme through borrowing. Based on forecasts in the Capital Strategy, total debt is forecast to rise from £19.5m as at 31 March 2019 to £172.8m by 31 March 2023, reflecting an increase in the capital financing requirement from £39.3m to £184.1m over the same period. This is demonstrated by the graph overleaf. The graph shows the Council plans to maintain an under borrowed position against the capital financing requirement over this period. The minimum revenue provision for the repayment of debt is forecast in the Capital Strategy to increase from £0.2m in 2018/19 to £0.8m in 2022/23.

The Council has undertaken a review of its options for external borrowing with their external treasury management advisors. The current strategy is to continue to undertake short term borrowing due to its flexibility and so as not to restrict the new unitary authority in April 2023 by taking out long term borrowing before that date.

Due to the Council’s significant commercial property investments which are funded from short term borrowing, the risks the Council faces with regard to finance costs and reliance on significant levels of commercial income, we have made a key recommendation that the

Council should develop a clear plan to address and mitigate the risks that it is exposed to as a result of investing in commercial property.

We note that the actual outturn position for the CFR was £130.7m at 31 March 2021, higher than the £118.6m forecast in the Capital Strategy. This was due to commercial investments brought forward from the pipeline for future years, and so the overall trajectory for the CFR in the Capital Strategy will not differ significantly.



The Council's MRP Statement confirms that no MRP will be made in relation to capital expenditure for loans to third parties. Instead, the capital receipts arising from principal repayments will be applied to reduce the CFR. As at 31 March 2021 the Council had £36.0m of capital loans outstanding to third parties, of which £31.6m related to loans to SSDC Opium Power Ltd.

In our view prudent MRP must be determined with respect to the authority's total capital financing requirement, including capital loans. The government has consulted on revisions to the Local Authorities (Capital Finance and Accounting) Regulations 2003 and proposes to clarify that MRP provision has to be made for capital loans.

We have made an improvement recommendation that the Council should ensure that it complies with the revised 2003 Regulations when they are published.

The Council undertook daily cash flow monitoring during 2020/21. Despite the impact of the pandemic creating cost pressures and reducing income, the Council did not experience any liquidity issues during the year due to the significant government support it received and the cashflow benefits from the business grant process.

We have found no evidence of significant weakness in the Council's capital and treasury arrangements. The Council should ensure it complies with the revised Local Authorities (Capital Finance and Accounting) Regulations 2003 once they are published by providing for MRP on capital loans.

Reserves and risk mitigation

The Council holds unallocated GF balances that are maintained to mitigate the impact of unforeseen budget variances. The prudent range for unallocated GF reserves was confirmed as between £2.8m and £3.1 during the budget setting process. As at 31 March 2021 the Council held £4.3m in GF balances. This represents 26% of the £16.7m net GF budget approved for 2021/22.

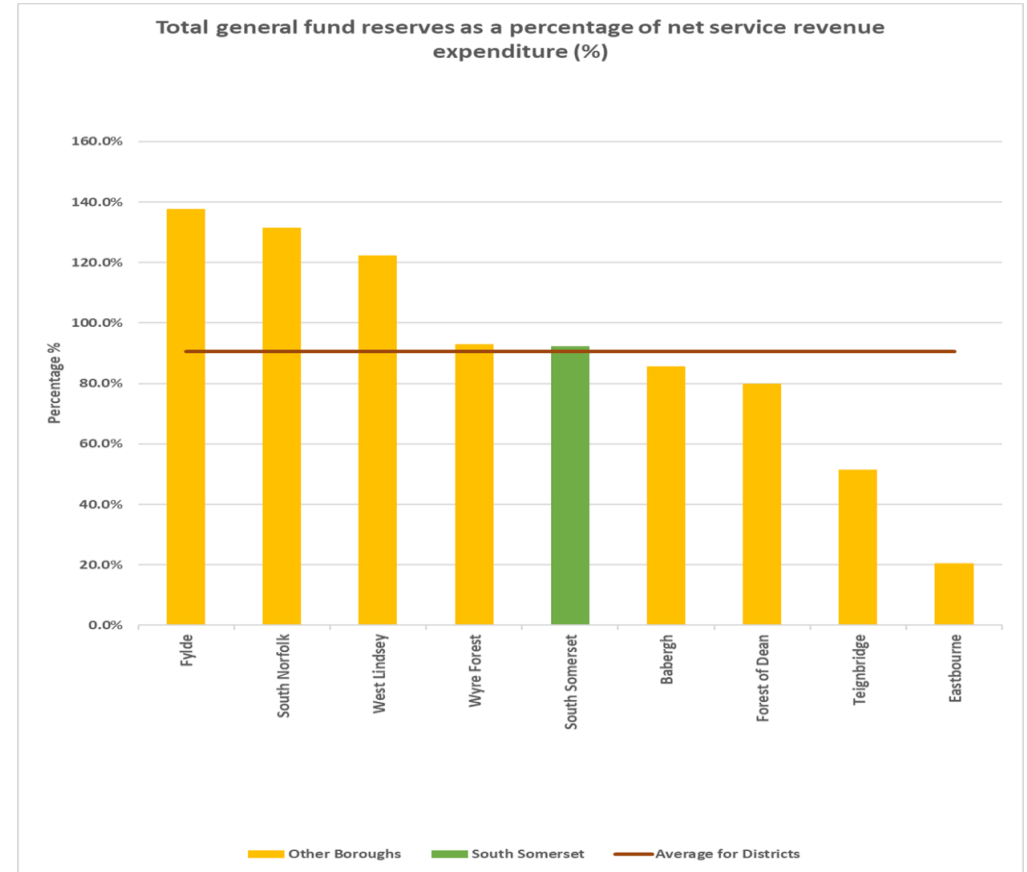
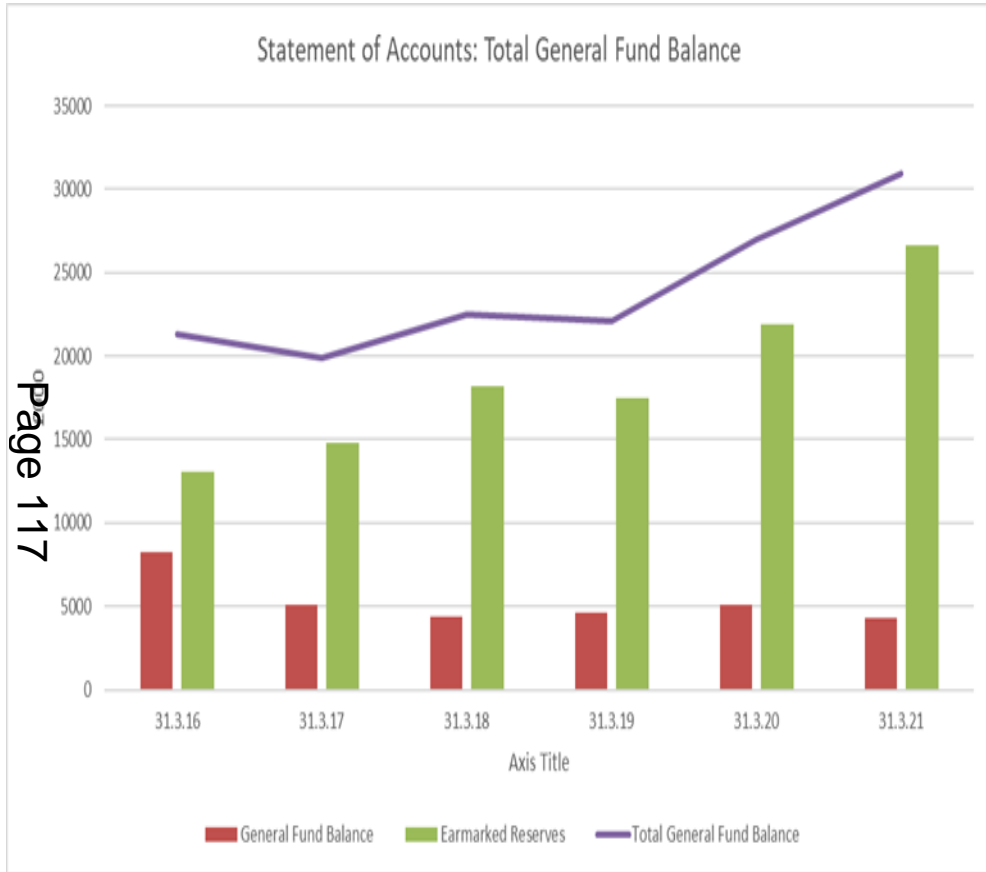
The prudent level is based on experience and knowledge of the risks within the Council's budget rather than a specific risk based calculation. While this level is in excess of the CIPFA benchmark of 5%-10% of net budget as a prudent GF balance, we have made an improvement recommendation that the Council should consider a risk based calculation

and include this within the annual budget report. This would ensure that the level of GF balances the Council maintains reflects, and is sufficient to mitigate, the specific budget risks that the Council is exposed to.

The Council also holds earmarked revenue reserves which include balances available to mitigate financial risk. As at 31 March 2021 the Council held the following risk mitigation reserves:

- business rate volatility reserve £4.6m;
- commercial investment risk reserve £6.6m;
- treasury management reserve £0.8m
- medium term financial plan support reserve £4.9m

The 2021/22 budget did not rely on the use of reserves to balance the financial position. The Council's statement of accounts confirm that total GF and earmarked reserves have steadily increased between the 2015/16 and 2020/21 financial years from £21.3m to £30.9m. This is demonstrated in the graph overleaf. This position is after adjusting for the £11.8m S31 grant that the Council held at 31 March 2021 to fund the deficit on the collection fund caused by the pandemic, in order to make the figures comparable.



When benchmarked against eight “nearest neighbour” authorities, the level of GF reserves that the Council holds as a percentage of net service revenue expenditure is not judged an outlier. The Council held reserves equal to 92.3% of net expenditure, compared to an average of 90.5%, as demonstrated overleaf. Data from the 2019/20 financial statements is used because 2020/21 data includes the S31 Collection Fund grants thus making comparisons difficult.

We have found no evidence of significant weakness with regard to the Council’s reserves strategy and mitigation of risk. The Council held significant levels of reserves at 31 March 2021 that are available to mitigate risk. There is no evidence that reserves have been eroded over time. We have made an improvement recommendation that the Council should consider a risk based calculation for the recommended level of GF balances.

Improvement recommendations



Financial sustainability

5 Recommendation	The Council should ensure that it consults with residents and businesses as part of the budget process.
Why/impact	Consultation during the budget setting process is good practice and allows for challenge of the Council's allocation of resources by the community and businesses.
Summary findings	Against the context of no service reduction savings being required to balance the 2021/22 budget, there was no consultation undertaken with residents or businesses.
Management comment	We have noted the recommendation. In view of local government restructuring, and the fact that we will now not undertake an independent budget setting process for this council, it is proposed to highlight this recommendation for consideration by the successor unitary authority through the LGR Implementation Programme.

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The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Financial sustainability

6 Recommendation The Council should consider the requirement for a separate business plan to be approved for future investments through SSDC Opium Power.

Why/impact Investments through SSDC Opium Power are a specialised investment in battery storage, with much longer lead in times to profitability, in comparison to commercial property, while infrastructure is built and signed off by the National Grid. Approval of a separate business plan would ensure that Members understand the specialised nature of these investments, the different cash flow profile and different associated risks.

Summary findings The Council has 50% ownership of SSDC Opium Power Ltd. The company delivers and manages the battery storage schemes at Taunton and Fareham, funded through the loans made to the company by the Council. As at 31 March 2021 the Council had a total of £31.6m of loans outstanding with SSDC Opium Power Ltd.

Commercial loans to SSDC Opium Power are made under the Commercial strategy, with the Investment Asset Group having delegated power for decision making after the required due diligence on investment proposals. There has been no specific business plan approved by the Council in relation to SSDC Opium Power.

Management comment We agree with the recommendation and will implement this alongside a number of other enhanced governance/financial arrangements. We are currently awaiting an internal audit report on the arrangements between SSDC and the company and once received will draw-up an action plan.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Financial sustainability

7 Recommendation The Council should ensure that it complies with the revised 2003 Regulations when they are published by providing prudent MRP provision on capital loans made to third parties.

Why/impact The proposed revisions to the 2003 Regulations will clarify that MRP should be provided on capital loans.

Summary findings The Council's MRP Statement confirms that no MRP will be made in relation to capital expenditure for loans to third parties. Instead that the capital receipts arising from principal repayments will be applied to reduce the CFR. As at 31 March 2021 the Council had £36.0m of capital loans outstanding to third parties.

In our view prudent MRP must be determined with respect to the authority's total capital financing requirement, including capital loans. The government has consulted on revisions to the Local Authorities (Capital Finance and Accounting) Regulations 2003 and proposes to clarify that MRP provision has to be made for capital loans.

Management comment As at the time of writing, revised regulations have not yet been published. We have already set aside from the budget surplus made in 2021/22 the amount required for making such MRP provision in the 2022/23 revenue budget should the revised regulations come into effect in that financial year. Going forwards from 2023/24, this is a recommendation for the new Somerset Council to implement.



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The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Financial sustainability

8 Recommendation	The Council should consider a risk based calculation for the minimum prudent GF balance and include this within the annual budget report.
Why/impact	A risk based calculation would ensure that the level of GF balances the Council maintains reflects, and is sufficient to mitigate, the specific budget risks that the Council is exposed to.
Summary findings	<p>The Council holds unallocated GF balances that are maintained to mitigate the impact of unforeseen budget variances. The prudent range for unallocated GF reserves was confirmed as between £2.8m and £3.1 during the budget setting process. As at 31 March 2021 the Council held £4.3m in GF balances. This represents 26% of the £16.7m net GF budget approved for 2021/22.</p> <p>The prudent level is based on experience and knowledge of the risks within the Council's budget rather than a specific risk based calculation.</p>
Management comment	We have noted the recommendation. In view of local government restructuring, and the fact that we will now not undertake an independent budget setting process for this council, it is proposed to highlight this recommendation for consideration by the successor unitary authority through the LGR Implementation Programme. The remaining General Fund balance held by SSDC as at 31 March 2023 will transfer to the new council.



The range of recommendations that external auditors can make is explained in Appendix C.

Improving economy, efficiency and effectiveness



We considered how the Council:

- responded to the changes required as a result of Covid-19
- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
- ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits.

Performance management

The Council approved the Council Plan 2020-24 in February 2020. This sets out the vision, values and aims of the Council and identifies the five corporate themes of: protecting core services; economy; environment; places where we live (housing); healthy, self reliant communities. An annual action plan for the year is agreed as part of the corporate planning process, which includes areas of focus within each of the five themes. Revised Key Performance Indicators (KPIs) are agreed to measure progress against corporate priorities.

District Executive receives quarterly Corporate Performance Reports, although for 2020/21 the quarter three report was not produced as a consequence of the redeployment of resources due to the pandemic. Performance reports are also published on the Council website, with the 2019/20 and 2021/22 publications confirming that four quarterly reports are produced under business as usual arrangements.

The Corporate Performance Reports include a covering report containing a narrative overview of performance, with a detailed appendix of KPIs for each of the five Council Plan themes. KPIs include adequate information to allow stakeholders to analyse performance. This includes the performance measure, description; target, quarterly performance, rag rated performance against target and direction of travel, as well as a supporting narrative.

In addition to the KPIs, the outturn performance report includes an assessment of progress against the five focus areas of the Council Plan and progress made against priority projects.

Although performance targets were agreed before the onset of the pandemic, the Quarter Four Corporate Performance Report highlights that of the 41 KPIs, 21 were above target, 6 were on target and 11 below target, with 3 having no result. Performance in some areas was impacted by the pandemic, particularly KPIs relating to revenues and benefits processing times, online services take up, and those relating to healthy communities.

Although the Council does not have a formal data quality policy, it does have processes in place to ensure the accuracy of financial and performance data reported to District Executive. Each KPI has a data quality sheet which confirms what is being measured, how it is calculated, the data source, how verification of accuracy takes place, and how the data validated. Data supplied by KPI owners is reviewed by the Performance Specialist and relevant Director.

There is evidence that where service performance can be improved, the Council takes appropriate action. This includes the commissioning of external consultants to develop a roadmap to achieve a higher rate of housing delivery, and also the Planning Reimagined project that has aimed to improve the efficiency of the end-to-end planning process.

Our review of the Council's arrangements for managing performance has not identified any significant areas of weakness.

Benchmarking

Benchmarking is an effective tool that enables an organisation to compare and analyse its performance with others. It can provide a basis for collaboration and identify areas for improvement.

The Council does not have a corporate wide approach to benchmarking services with other organisations in order to analyse performance and identify areas where efficiencies can be made. Due to the recent completion of the transformation programme, services were at different levels of maturity during 2020/21 and benchmarking was not a priority when dealing with the pandemic.

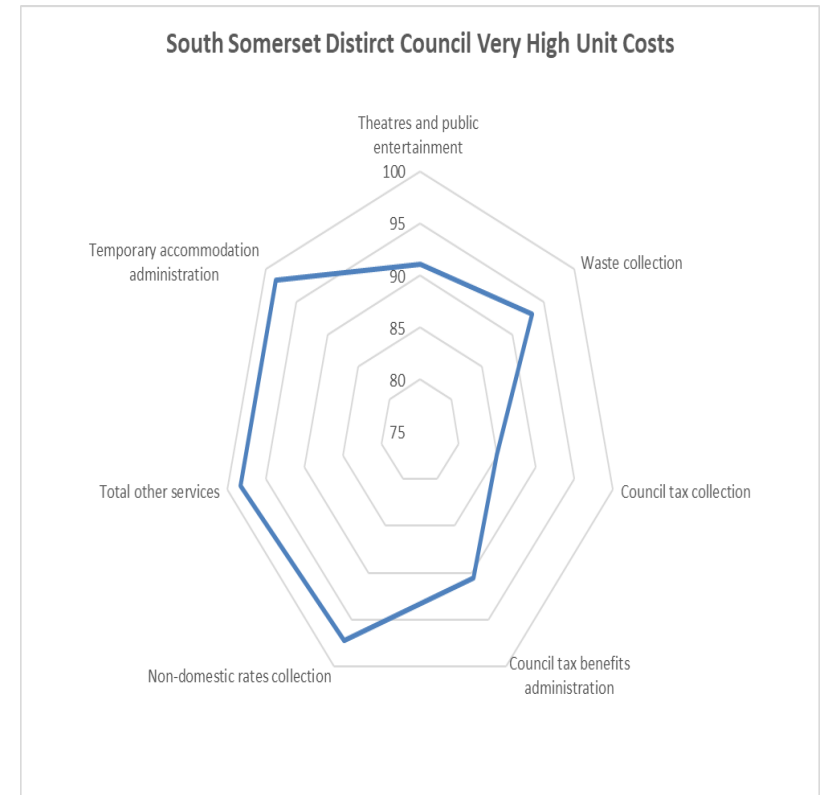
The benchmarking that we undertook using our management tool 'CFO Insights' compared the unit costs for a range of services and identified areas where the unit costs were very high in comparison to other district councils. These are summarised in the graph opposite and have been discussed with the finance team, with the impact of the pandemic identified as affecting service cost in many of these areas.

While the chart opposite are only able to provide an indication of where costs are high, we consider that the Council should be routinely benchmarking service costs in order to identify areas where efficiencies could be achieved. Formal corporate benchmarking of service costs can be used to inform future budget rounds and service redesign and could prove a useful tool in the run up to local government reorganisation.

We have made an improvement recommendation that the Council should introduce a corporate benchmarking approach to compare performance and cost with peer organisations, in order to identify areas for improvement and inform the allocation of resources.

On the spider chart a rank of 50 represents the group median. The group in this case is all district councils. If a measure is closer to the outside of the chart it would be classed as 'very high cost', whereas if the line is closer to zero, then it would be classed as 'very low cost' in comparison to the group.

The data is based on the 2020/21 Revenue Outturn submissions to the government.



Transformation and council priorities

The Transformation Programme Assessment and Final Report was presented to District Executive in January 2021. The three year programme was aimed to deliver cost savings through reduced staffing and other efficiencies, while maintaining service levels and implementing a new operating model. The final assessment concluded that the Council's culture and ways of working were positively impacted through transformation, with a more customer centric approach and agile working, which also assisted the Council's response to Covid-19.

The report identified that the financial benefits identified in the business case were realised, with £2.5m of recurring annual savings achieved through an investment of £7.45m. Efficiency against the four transformation benefit drivers was assessed as: customer enablement 86%; customer channel shift 79%; technology and processes 61%; and remodelling 83%.

The external consultant who prepared the transformation closedown report, and also advisory work by internal audit, identified learning outcomes from the programme. These include the need to fully understand the resources required to implement new technology, the tension between achieving staffing savings before service transformation, and consistency with the progress of services through the process. We have made an improvement recommendation that the Council should ensure that it applies the learning identified from the transformation programme to future strategic change programmes, such as local government reorganisation.

The Council approved the Digital Strategy in June 2020 to build on the transformation programme with the objective of continuous improvement and increased digital working, although the KPIs for 2020/21 show that performance targets for online accounts and new online services were impacted by Covid-19 and redeployment of staff.

The Annual Action Plan 2021/22 was approved in February 2021, and identifies the priorities for the coming year to deliver the Corporate Plan. Priorities include leading the recovery from Covid-19, delivery of regeneration projects, accelerating the delivery of housing and accelerating action to mitigate climate change.

We have found no risk of significant weakness with regard to the Council's arrangements for

reviewing corporate priorities, but have made an improvement recommendation to ensure that the Council applies the learning from transformation project. We will assess the progress made by the Council in achieving the 2021 priorities as part of the 2021/22 value for money work.

Significant partnerships

The Council works with a variety of partners in order to deliver corporate priorities. These include:

- the Somerset Waste Partnership which undertakes waste and recycling services on behalf of all local authorities within Somerset;
- the Safer Somerset Partnership, a statutory partnership comprising representatives from police, local authorities, social care and probation, which works to reduce crime and disorder;
- the Heart of the South West Local Enterprise Partnership, which includes representatives from local authorities, education and the private sector, and has the objective of contributing to economic growth and prosperity.

The Council has updated the partnership register as part of the work preparing for local government reorganisation, creating a county wide partnership register.

We have reviewed the arrangements for Council representation on these key partnerships, as well as arrangements for reporting on and monitoring their performance, and the actions that the partnerships take to deliver Council priorities.

Our work has not identified any areas of significant weakness regarding how the Council works with its strategic partners.

Procurement

From discussion with officers we understand that there was a draft Procurement Strategy in place for 2020/21, with the legacy Procurement Strategy 2015 being out of date. During 2020/21 the Council was working to develop an updated Strategy, procurement tools and the pro-contract register.

Council approved the Procurement Strategic Framework and Revised Standing Orders in October 2021, including the Contract Standing Orders, Procurement Strategy, Social Value Policy and Contract Management Framework. The Procurement Strategy incorporates government legislation and focuses on providing quality services that support strategic priority delivery, while delivering value for money.

The Strategy includes an action plan 2021-2023 that will be reviewed quarterly by the Lead Specialist. This includes refreshing and embedding effective and compliant procurement processes, developing the Council's competence throughout the commercial life-cycle, and embedding contract and strategic supplier management.

The Council has therefore addressed weaknesses in procurement processes that existed in 2020/21 relating to the lack of an up to date Procurement Strategy.

We note that procurement waivers, that approve the procurement of goods and services where the Council's competitive procurement processes are not followed, are not currently reported to the Audit Committee. Waivers are signed off by the relevant Director and Procurement Specialist and copied to the Monitoring Officer.

We have not found any evidence of inappropriate use of waivers. In addition, the appointment of Wealden Leisure to operate the Council's leisure sites provides evidence of an appropriate competitive procurement exercise being followed.

We have seen evidence that the Council is making progress with regard to contract management through the more rigorous contract monitoring arrangements for the new leisure contract that went live from 1 April 2021. While contract monitoring meetings did take place for the previous contract, the new arrangements include an annual report from the contractor to the Council, a contract management framework is in place, KPIs are linked to the contract and there is a contract risk register.

We have made an improvement recommendation that the Council should continue to further strengthen procurement arrangements. The Council should ensure that the actions within the 2021-23 procurement action plan are progressed as planned. We will review the progress made by the Council as part of our 2021/22 value for money work. The Council should also report procurement waivers quarterly to the Audit Committee to ensure there is adequate scrutiny and assurance provided where competitive procurements are not undertaken.

Management of regeneration projects

The Council is delivering major regeneration projects in Chard and Yeovil. During 2020/21 the Council incurred capital expenditure of £8.2m for Chard, with progress on Yeovil less progressed with £0.4m spent in year.

Regeneration Programme Boards oversee the delivery of each programme and monitor associated risks, reporting up to the Strategic Development Board.

The Council has since delivered phase one of the Chard regeneration project, completing the building of a new leisure centre on time and within the gross regeneration programme budget of £20m. Phase two however has been paused while additional funding is identified. The anticipated programme funding in the business case from asset sales was not realised due to the complexities of developing brownfield sites such as Boden Mill. Cost overspends for phase one also impacted on the ability to deliver phase two.

Internal Audit reported on lessons learnt from the Chard regeneration project to the Audit Committee in February 2022, identifying weaknesses in arrangements with regard to budget setting and project transparency. Lessons learnt include:

- original cost estimations were unrealistic and budgets and funding estimates were not updated as actual amounts became known;
- budget monitoring was based on the overall gross and net budget, and did not consider different project elements;
- decision making did not follow delegated authority where decisions impacted on the overall scope of the project.

Risk relating to future regeneration projects is to be mitigated through a more rigorous gateway decision making process, with end of stage assessments made to decide whether to proceed to the next project stage and escalation to Executive or Council to approve any amendments to scope, outcomes or budget.

The Director of Place and Recovery, and the Regeneration Programme Manager, submitted a further report on regeneration governance arrangements to the Audit Committee in May 2022. This identified improvements in relation to reviewing decision making at each level of

programme governance, and increasing the rigour of the stage review process. Standard documentation is to be used to support the end of each stage, and the project plan updated to ensure that the business case is still evidenced.

Therefore the Council has recognised the weaknesses in arrangements with regard to the governance arrangements for regeneration projects, and has identified actions for improvement. We have made an improvement recommendation that the Council should ensure that it implements the lessons learnt resulting from the review of regeneration governance arrangements.

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Improvement recommendations



Improving economy, efficiency and effectiveness

9 Recommendation	The Council should introduce a corporate benchmarking approach to compare performance and cost with peer organisations, in order to identify areas for improvement and inform the allocation of resources.
Why/impact	Benchmarking is an effective tool that enables an organisation to compare and analyse its performance with others. It can provide a basis for collaboration and identify areas for improvement, and could be particularly useful in the run up to local government reorganisation.
Summary findings	The Council does not have a corporate wide approach to benchmarking services with other organisations in order to analyse performance and identify areas where efficiencies can be made. Due to the recent completion of the transformation programme, services were at different levels of maturity during 2020/21 and benchmarking was not a priority when dealing with the pandemic.
Management comment	We have noted the recommendation. Given that this has been received in early August 2022, with eight months left before our services transfer to the new Somerset Council, we have taken a pragmatic view and will not implement this improvement as it would be unlikely to provide value for money.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Improving economy, efficiency and effectiveness

10 Recommendation The Council should ensure that it applies the learning identified from the transformation programme to future strategic change programmes, such as local government reorganisation.

Why/impact The Council will be embarking on a significant programme of change through local government reorganisation. Applying the learning from previous major change programmes will help ensure that objectives are delivered and benefits realised.

Summary findings The transformation project achieved the benefits set out in the business case, with £2,484k of recurring annual savings achieved through an investment of £7,448k.

The external consultant who prepared the transformation closedown report, and also advisory work by internal audit, identified learning outcomes from the programme. These include the need to fully understand the resources required to implement new technology, the tension between achieving staffing savings before service transformation, and consistency with the progress of services through the process.

Management comment The recommendation is noted. The lessons learnt report about the transformation programme at SSDC will be shared with the LGR Implementation Programme.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Improving economy, efficiency and effectiveness

- 11 Recommendation** The Council should continue to further strengthen procurement arrangements. Specifically:
- ensure that the actions within the 2021-23 procurement action plan are progressed as planned;
 - report procurement waivers quarterly to the Audit Committee.

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Why/impact

Effective procurement processes ensure that procurement activity complies with legislation, provides value for money, and contributes to achieving corporate priorities. Reporting procurement waivers to the Audit Committee ensures that there is adequate scrutiny and assurance provided where competitive procurements are not undertaken.

Summary findings

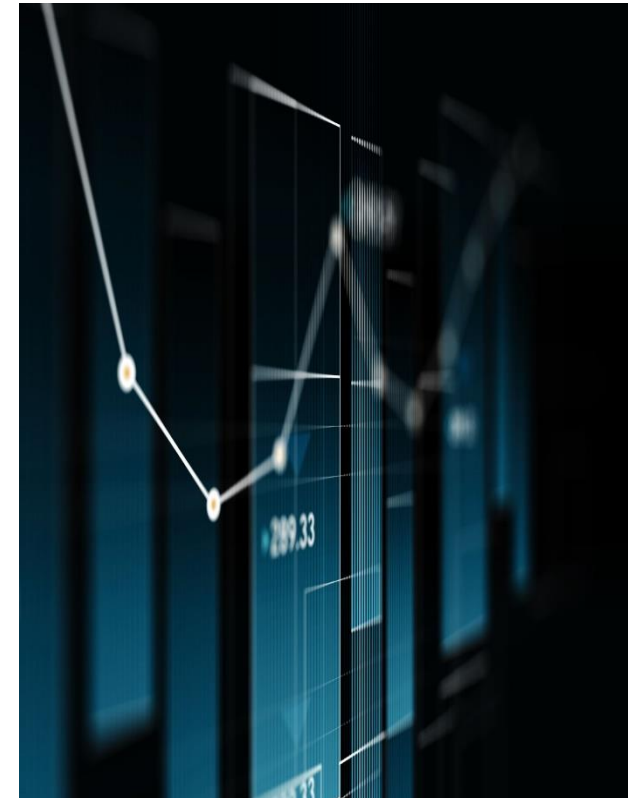
A draft Procurement Strategy was in place for 2020/21, with the legacy Procurement Strategy 2015 being out of date. Council approved the Procurement Strategic Framework and Revised Standing Orders in October 2021, including the Contract Standing Orders, Procurement Strategy, Social Value Policy and Contract Management Framework.

The Strategy includes an action plan 2021-2023. This includes refreshing and embedding effective and compliant procurement processes, developing the Council's competence throughout the commercial life-cycle, and embedding contract and strategic supplier management.

Procurement waivers are not currently reported to the Audit Committee. Waivers are signed off by the relevant Director and Procurement Specialist and copied to the Monitoring Officer.

Management comment

The recommendation is noted and is in progress of being actioned.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Improving economy, efficiency and effectiveness

12 Recommendation The Council should ensure that it implements the lessons learnt resulting from the review of regeneration governance arrangements.

Why/impact Effective governance arrangements for major regeneration projects ensure that the outcomes and objectives identified in the business case are achieved to agreed cost, quality and timescales, or that amendments to scope are properly authorised.

Summary findings The Council has delivered phase one of the Chard regeneration project, completing the building of a new leisure centre on time and within the gross regeneration programme budget of £20m. Phase two however has been paused while additional funding is identified.

Internal Audit have reported on lessons learnt from the project to the Audit Committee, identifying weaknesses in arrangements with regard to budget setting and project transparency

The Director of Place and Recovery, and the Regeneration Programme Manager, submitted a further report on regeneration governance arrangements to the Audit Committee. This identified improvements in relation to reviewing decision making at each level of programme governance and increasing the rigour of the stage review process.

Management comment In December 2021, the council agreed to introduce a gateway decision-making process for our regeneration projects. We now have end of stage reviews for all projects exceeding £1m and for projects exceeding £250k which also have a risk impact score of moderate or above in one or more risk categories. The end of stage review revisits the original PID (Project Initiation Document) and considers whether the project remains affordable, realistic and achievable.

The governance arrangements have been thoroughly reviewed and update Terms of Reference agreed for the Project Boards and the Strategic Development Board. We have agreed tolerances for scope, time, quality and cost and any movement beyond these tolerances are referred to District Executive and onwards to Full Council for decision.

We consider that these improvements have been fully implemented.



The range of recommendations that external auditors can make is explained in Appendix C.

Opinion on the financial statements



Audit opinion on the financial statements

We anticipate providing an unqualified opinion on the Council's financial statements in September 2022.

Audit Findings Report

More detail can be found in our Audit Findings Report, which was published and reported to the Council's Audit Committee on 24 March 2022.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the Council. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

These instructions have yet to be issued and as such we cannot complete this work or formally certify the closure of our audit.

Preparation of the accounts

The revised deadline for approving the draft statement of accounts in accordance with the Accounts and Audit (Amendment) Regulations 2021 was 31 July 2021, which was met.

Issues arising from the accounts:

One adjustment was required to the financial statements. Several non-material adjustments and presentational amendments were made.

We have made recommendations that:

- management reviews working papers to ensure they are sufficiently clear in order that the work can be easily reperformed and management can be confident the values in the financial statements are appropriate;
- management ensures all team members are aware of the requirements to produce sufficient, appropriate audit evidence. We also recommend that management encourages all team members to liaise to audit queries with mutual professional respect;
- management review the useful lives of their property, plant and equipment assets to ensure that they are consistent with the underlying policies determined by the Council;
- management revisits all asset floor areas, and appropriately documents the remeasurements to ensure appropriate records are kept;
- management review its fixed asset register to ensure that the register is up-to-date and we recommend clearing historical differences where applicable to ensure the correct balances are carried moving forwards;

We anticipate giving an unqualified opinion on the Council's 2020/21 financial statements in September 2022.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair,
- Prepared in accordance with relevant accounting standards,
- Prepared in accordance with relevant UK legislation.

Appendices

Appendix A - Responsibilities of the Council



Role of the Chief Financial Officer (or equivalent):

- Preparation of the statement of accounts
- Assessing the Council's ability to continue to operate as a going concern

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

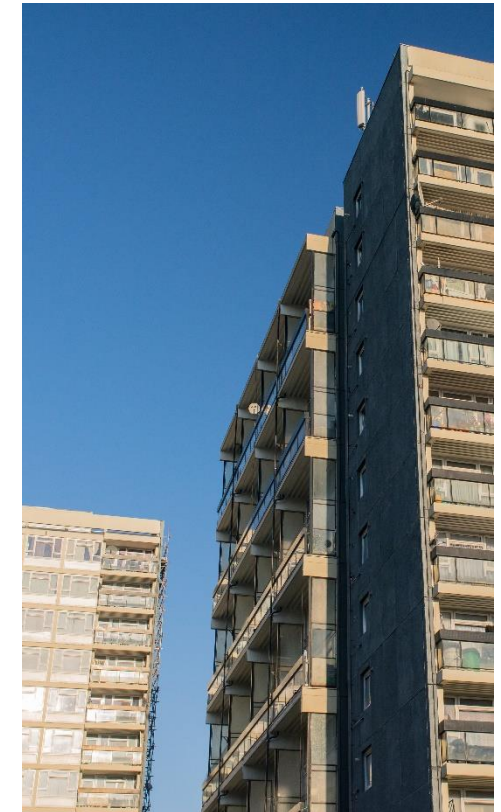
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B - Risks of significant weaknesses - our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Risk of significant weakness	Procedures undertaken	Findings	Outcome
Governance was not identified as a potential significant weakness at the planning stage, see pages 17 to 28 for more details.	As part of our standard Governance procedures we have reviewed the settlement agreement that the Council entered into.	A significant failing in governance arrangements in respect of decision making has been identified.	A statutory recommendation has been made with regard to the governance arrangements in respect to a settlement agreement that the Council made with an employee. See page 6 for more details
	As part of our standard Governance procedures we have reviewed the process for producing the financial statements.	A significant weakness in the Council's arrangements in respect of the production of the financial statements has been identified.	A key recommendation has been made in relation to the Council's capacity to produce accurate financial statements. See pages 7-11 for more details
	We have also reviewed the Commercial Strategy decision making process.	A significant weakness has been identified with regard to the Council's commercial property investments.	A key recommendation has been made in relation to commercial property investment. See pages 12-15 for more details. In addition, four improvement recommendations have been raised.
Financial sustainability was not identified as a potential significant weakness at the planning stage, see pages 29 to 39 for more details.	No additional procedures undertaken	No significant weaknesses identified	Appropriate arrangements in place, four improvement recommendations raised.
Improving economy, efficiency and effectiveness was not identified as a potential significant weakness, see pages 40 to 48 for more details	No additional procedures undertaken	No significant weaknesses identified	Appropriate arrangements in place, four improvement recommendations raised.

Appendix C - An explanatory note on recommendations

A range of different recommendations can be raised by the Council's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Council to discuss and respond publicly to the report.	Yes	Page 6
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as 'key recommendations'.	Yes	Pages 7-15
Improvement	These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council's arrangements.	Yes	Pages 24 – 28 Pages 36 – 39 Pages 45 – 48

Appendix D – Use of formal auditor’s powers

We bring the following matters to your attention:

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

We have issued one statutory recommendation.

Public interest report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We have not issued a public interest report.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We have not made an application to the Courts.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We have not issued any advisory notices.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We have not applied for a judicial review.

Statutory Recommendation in Respect of Settlement Agreements

Executive Portfolio Holder:	Councillor Val Keitch, Leader of Council and Portfolio Holder for HR
Lead Officer:	Jane Portman, Chief Executive and Head of Paid Service Jill Byron, Monitoring Officer Karen Watling, Section 151 Officer
Contact Details:	Jill.Byron@southsomerset.gov.uk

Purpose of the Report

1. The purpose of this report is to inform Council of a statutory recommendation made by the auditor and to recommend what action to take.

Public Interest

2. On 23 August 2022 the Chief Executive received the **Auditor's Annual Report on South Somerset District Council for 2020-21**. A copy of this report is attached to Agenda item 11 for this meeting. The Annual Report contains a statutory recommendation from the auditor, which can be found at page 6 of the Report. Full Council is required to consider and publicly respond to this recommendation within one month of receipt and decide (i) whether or not the recommendation is accepted and (ii) what action, if any, to take in response to the recommendation.

Recommendations

3. That Council:
 - (a) accepts the statutory recommendation set out in the Auditor's Annual Report on South Somerset District Council for 2020-21
 - (b) adopts the Procedure Note for Officers set out in the Appendix to the report with immediate effect
 - (c) delegates authority to the Chief Executive to notify the auditor of these decisions and publish a notice approved by the auditor that summarises them on its website.
 - (d) delegates authority to the Monitoring Officer to make any necessary amendments to the Council's Constitution to ensure the following specific provisions contained in the Statutory Guidance on Special Severance Payments are clearly stated:
 - **payments below £20,000** will be approved in accordance with the Council's scheme of delegation



- **payments of £20,000 and above, but below £100,000** must be signed off by the Head of Paid Service (Chief Executive), with a clear record of the Leader's approval endorsed on the report
- **payments of £100,000 and above** must be approved by a vote of full council

The Statutory Recommendation

4. On 23 August 2022 the Chief Executive received the **Auditor's Annual Report on South Somerset District Council for 2020-21**. A copy of this Report is attached to the Agenda for this meeting. The Annual Report contains a statutory recommendation.

5. The statutory recommendation reads as follows:

"When considering making settlement agreements with, or payments to employees, the Council should:

- Comply with Financial Regulations, Standing Orders and the Constitution;
- Ensure that appropriate consultation takes place with the statutory officers;
- Ensure that approval for the agreement is obtained from the appropriate elected Members;
- Maintain appropriate and sufficient evidence for the decision making process;
- Assure itself of the legality of the transaction, including seeking legal advice;
- Clearly demonstrate value for money has been achieved."

6. The background detail is set out in the Auditor's Summary Findings (page 6 of their report) as follows:

"During 2020/21 the Council entered into a settlement agreement with a senior officer. This resulted in the officer leaving the employment of the authority with a substantial settlement payment.

From our enquiries of management, we have concerns that there was a lack of due process, insufficient records were maintained to evidence how the agreement was reached, and that the agreement does not reflect value for money. There is no evidence that there was approval for the sign off of the agreement or that the requirements of the Financial Regulations and the Constitution were followed. The Council did not obtain legal advice and the Monitoring Officer and s151 Officer were not aware of the agreement. There is no evidence that value for money was considered."

7. The management response is as follows:

"We accept and regret that the management controls that were in place did not operate as they should have done on this occasion. The controls have been reviewed by management and a revised procedure that takes these findings into account will be recommended to our next meeting of Council."



8. The Auditor's Report and management response were considered by Audit Committee on 2 September and members of the Audit Committee have had the opportunity to comment on the procedure set out in the Appendix.

Suggested Response to the Statutory Recommendation

9. It is important to understand that it is not being suggested that the Council did not have the proper processes and controls in place. The statutory recommendation arises from a failure to follow those processes which meant those controls were not triggered.
10. As the necessary controls are already in place and there is a new Senior Leadership Team in place, this could be treated as a serious one-off failure without the need to introduce any further governance. However, that would not necessarily give sufficient assurance to Councillors and members of the public that the existing processes and controls would be applied in the future. To provide this assurance, a detailed procedure note for officers, that aligns with and will sit below the Council's Constitutional provisions, has been drawn up and is attached as an Appendix to this Report. In preparing this procedure note, particular attention has been paid to the recently issued Statutory Guidance on Special Severance Payments to ensure it is appropriately reflected.
11. The Statutory Guidance contains specific provisions on where different levels of payment should be agreed:
 - **payments below £20,000** will be approved in accordance with the Council's scheme of delegation
 - **payments of £20,000 and above, but below £100,000** the fully authorised report must be personally approved and signed off by the Head of Paid Service (Chief Executive), with a clear record of the Leader's approval endorsed on the report
 - **payments of £100,000 and above** must be approved by a vote of full council
12. It is also recommended that the Council's Constitution is amended to give these provisions greater prominence.

Financial Implications

13. There are no financial implications arising from this report.

Legal implications (if any) and details of Statutory Powers

14. Paragraph 2 of Schedule 7 of the Local Audit and Accountability Act 2014 gives a local auditor power to make a written recommendation, which must then be considered under the provisions of the Schedule. Copies of all written recommendations are sent to the Secretary of State at the time they are made.
15. Where an auditor has made a written recommendation, paragraph 5 of Schedule 7 requires it to be considered by a meeting of the authority within one month of the day on which it was sent to the authority. When considering the recommendation, the authority must decide (a) whether or not the recommendation is to be accepted and (b) what, if any, action to take in response to the recommendation. The authority must notify the



South Somerset District Council

auditor of those decisions as soon as is practicable and publish a notice that summarises those decisions and has been approved by the auditor on its website.

Council Plan Implications

16. There are no Council Plan implications arising from this report.

Carbon Emissions and Climate Change Implications

17. There are no carbon emissions and climate change implications arising from this report.

Equality and Diversity Implications

18. There are no equality and diversity implications arising from this report.

Privacy Impact Assessment

19. There are no privacy impact assessment implications arising from this report.

Background Papers

Auditor's Annual Report on South Somerset District Council for 2020-21
Statutory Guidance on the Making and Disclosure of Special Severance Payments by Local Authorities in England - <https://www.gov.uk/government/publications/special-severance-payments/statutory-guidance-on-the-making-and-disclosure-of-special-severance-payments-by-local-authorities-in-england>

Appendix

South Somerset District Council

Statement on the application of the *Statutory Guidance on the making and disclosure of Special Severance Payments by local authorities in England* published on 12 May 2022

Special Severance Payments (SSP)

1. A special severance payment is any additional discretionary sum paid to an employee, officeholder, worker, contractor, and others leaving employment in public service in addition to statutory and contractual redundancy or severance. Such a payment should only be considered in exceptional cases as they do not usually represent value for money.
2. Statutory guidance on the use of special severance payments is set out in **Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England (12 May 2022)** - <https://www.gov.uk/government/publications/special-severance-payments/statutory-guidance-on-the-making-and-disclosure-of-special-severance-payments-by-local-authorities-in-england>
3. South Somerset District Council will only make a Special Severance Payments if:
 - there is a clear, evidenced justification;
 - all relevant internal policies and procedures have been followed;
 - all alternative actions have been fully explored and documented; and
 - the arrangements are fair, proportionate, lawful and provide value for money for the taxpayer.
4. The following payments will nearly always be Special Severance Payments:
 - payments under a settlement agreement to discontinue legal proceedings without admission of fault;
 - the value of any employee benefits or allowances which continue beyond the exit date;
 - write-offs of any outstanding loans;
 - honorarium payments;
 - any hardship payments;
 - payments for retraining related to termination of employment
5. The following payments will sometimes be Special Severance Payments:
 - pay in lieu of notice where the payment is not greater than the salary due in the contractual period of notice
 - pension strain payments arising from employer discretions to enhance standard pension benefits



6. The following payments are not Special Severance Payments:
- statutory redundancy payments;
 - contractual redundancy payments, whether voluntary or compulsory redundancy;
 - severance payments made in accordance with the Council's policy under Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006
 - a strain cost paid under LGPS Regulation 68(2) which results from a LGPS member's retirement benefits becoming immediately payable without reduction under Regulation 30(7) or under Regulation 30(6) where the employer has waived the reduction under Regulation 30(8)
 - payment for untaken annual leave
 - payments ordered by a court or tribunal or agreed as part of a judicial or non-judicial mediation
 - payments made as part of the ACAS Early Conciliation process
 - payments made to compensate for injury or death;
 - payments made in consequence of the award of ill-health retirement benefits.
7. If a manager wishes to make a Special Severance Payment (SPP) in respect of a person who has or is about to leave the Council's service, they must first obtain written confirmation from their People Specialist about whether or not the Statutory Guidance applies or may apply to the proposed payment.
8. If the People Specialist confirms that the Statutory Guidance applies or may apply, the manager must prepare a report covering the points set out in the Schedule to this statement. If the manager concludes, having completed the report, that a Special Severance Payment is justified by the evidence, that all alternative actions have been fully explored and documented and that the arrangements are fair, proportionate, lawful and provide value for money for the taxpayer, the manager must circulate the report for authorisation by:
- The manager's SLT lead
 - The Lead Specialist (People)
 - The Section 151 Officer
 - The Monitoring Officer
9. Once a report has been authorised in accordance with paragraph 8 the final decision will depend upon the level of Special Severance Payment proposed.
- payments below £20,000** will be approved in accordance with the Council's scheme of delegation
- payments of £20,000 and above, but below £100,000** the fully authorised report must be personally approved and signed off by the Head of Paid Service (Chief Executive), with a clear record of the Leader's approval endorsed on the report
- payments of £100,000 and above** must be approved by a vote of full council



Note: if the proposed payment is to the Head of Paid Service, then to avoid a conflict of interest the report must be approved by a panel including at least two independent persons.

- Once a payment has been approved in accordance with paragraph 9, the signed copy must be sent to the Lead Specialist (People) for retention with the employee’s record. The Lead Specialist (People) is responsible for notifying payroll in writing that payment has been formally approved. This is in addition to the normal payment approval process and payments must not be made without such written notification from the Lead Specialist (People).

Approved by Council - 15 September 2022

Appendix – Issues that must be covered in any report recommending a Special Severance Payment (SSP)

Issue	Questions to answer include:
economic rationale	<p>Is there is any feasible possibility of exiting the individual at a lower cost? If yes, an Special Severance Payment (SSP) must not be considered</p> <p>How will the SSP be perceived by the public?</p> <p>Is an SSP in line with the Council’s duty to manage taxpayers’ money appropriately?</p> <p>All SSPs reduce the funds that would otherwise be available to deliver important public services - what alternative use could be made of that expenditure?</p> <p>Will this SSP set a precedent?</p> <p>Is this SSP potentially discriminatory?</p> <p>What evidence is there that the person to be offered the SSP would not have been willing to leave with their statutory and contractual benefits alone?</p>
impact on efficiency and effectiveness	<p>What is the legal advice on the prospects of successfully defending an Employment Tribunal or other claim, if this person challenged the termination of their employment? How do the chance of success and the likely costs (fees and staff time) weigh against the cost of the SSP?</p> <p>Is an SSP being suggested to avoid management action or disciplinary processes or unwelcome publicity or to avoid embarrassment?</p> <p>Is there any evidence to show how a similar claim would be dealt with in the private sector?</p> <p>Are there any conflicts of interest to be taken into account?</p>
exceptional circumstances	<p>Are existing statutory and/or contractual entitlements insufficient to facilitate an exit or offer sufficient compensation for loss of employment or office? If so, what are those</p>



Issue	Questions to answer include:
	<p>circumstances and how would an SSP provide value for money?</p> <p>Would an SSP set aside what would otherwise be a reduction in entitlement caused by a break in continuity of service (e.g. where a member of staff has taken a break in service to accompany their spouse on military service overseas)?</p> <p>Is an SSP appropriate because, to help recruitment and retention, the Council has resolved to recognise past service with another employer for severance payment calculation purposes?</p>
<p>Settlement of disputes, where it can be demonstrated that other routes have been thoroughly explored and excluded</p>	<p>Can it be properly demonstrated that other routes have been thoroughly explored and excluded?</p> <p>Has appropriate professional advice been received and does it suggest that an SSP is the most suitable option and a prudent use of public money?</p> <p>If the SSP relates to a settlement agreement is there appropriate evidence to show attempts were made to resolve disputes before they escalated to a legal claim?</p> <p>Even if the cost of defeating an apparently frivolous or vexatious claims will exceed the likely cost of an SSP, is it still desirable to take the case to formal proceedings to discourage future frivolous or vexatious claims and demonstrate that the Council does not reward such claims?</p>
<p>Other</p>	<p>Does the SSP comply with the provisions of the Council's pay policy statement?</p> <p>Does the SSP comply with the requirements of the Council's policy under regulation 60 of the Local Government Pension Scheme Regulations 2013 in relation to the exercise of the discretion to enhance pension benefits under regulations 16(2)(e) and 16(4)(d) (funding of additional pension), regulation 30(6) (flexible retirement), regulation 30(8) (waiving of actuarial reduction); and regulation 31 (award of additional pension)?</p> <p>Will the SSP be consistent with the Council's Public Sector Equality Duty under the Equality Act 2010?</p>

Wincanton Regeneration Scope Change

Executive Portfolio Holder	Cllr Sarah Dyke, Wincanton Regeneration
Strategic Director:	Peter Paddon, Acting Director of Place and Recovery
Service Manager:	Natalie Fortt, Regeneration Programme Manager
Lead Officers (for report):	Pam Williams, Wincanton Regeneration Project Manager James Griffin, Regeneration and Capital Accountant
Contact Details:	Pam.williams@southsomerset.gov.uk James.griffin@southsomerset.gov.uk

Purpose of the Report

1. To seek agreement from Council to significantly alter the scope within the approved budget of the Wincanton Regeneration Project from that agreed by District Executive in February 2022. This will provide a focused workstream on the re-use of key vacant properties until the end of March 2023. This new focus will provide better regeneration outcomes for Wincanton.

Public Interest

2. The intention is to focus resources on the main priority of bringing key vacant premises back into use to ensure that work advances as far as possible, in the remaining months of the Wincanton regeneration project, until the end of March 2023, when the new Somerset Council comes into being. This new focus will provide better regeneration outcomes than the public realm works proposed previously. Additional footfall in the town centre will be generated, which will also support existing businesses and add to the vibrancy of the area.
3. The important work of events and activities, plus building repair grants will also continue but applications closed for both at the end of August to enable completion in March 2023. Whilst public realm construction will not commence, the Highways Safety Audit 2 works will be completed to allow Somerset Council the option to progress public realm works in future.

Recommendations

4. That Council approve a significant change in project scope, for the Wincanton Regeneration Scheme within the existing agreed project budget of £2.392m, to accommodate the revised over-riding priority of bringing key vacant premises back into use (more detail provided in the Confidential Appendix).

Whilst noting that:

- The events and activities, plus building repair grants work will also continue but applications closed for both at the end of August to enable completion in March 2023.

- Whilst public realm construction will not commence, the Highways Safety Audit 2 works will be completed to allow Somerset Council the option to progress public realm works in future.
- Agreement will be sought from Somerset County Council for any land acquisition or Compulsory Purchase Order under the s24 Direction that is over the value of £100k.

Background

5. A meeting of Wincanton Regeneration Board held 1st August 2022 reached consensus on the way forward in the remaining seven months (up until 31 March 2023) of the project, prioritising the re-use of key vacant premises. This new focus will provide better regeneration outcomes than the public realm works proposed previously. Additional footfall in the town centre will be generated, which will also support existing businesses and add to the vibrancy of the area.
6. Other consensus reached was that the important work of events and activities, plus building repair grants would also continue with applications to close for both at the end of August to enable completion in March 2023. Also, that public realm construction will not commence but Highways Safety Audit 2 works will be completed to allow Somerset Council the option to progress public realm works in future.
7. The focus to bring key vacant premises back into use may require the use of a Compulsory Purchase Order (CPO). The first phase will include options and feasibility work, plus public consultation required to agree an end-use, prior to acquisition. A project plan is being developed for this towards clear proposals for a three-phased approach for future acquisition, demolition and re-development.
8. The next section of the report sets out the proposed revision to project scope within the agreed budget.

Project Scope

9. To concentrate work on key vacant properties, the following workstreams will be de-scoped. Table one below sets out the budget by workstream, as previously envisaged, which will be remaining beyond 31 August 2022.

Table 1

Work-stream	De-scope timescale	Anticipated residual budget*
Wayfinding and signage	Immediate	180,000
Events and Activities grants	Closed to new applications on 31 August. Applications will only be processed for events which can happen and be claimed by 31 March 2023	*29,000
Public Realm Design	Completion by September of Stage 2 Highway Safety audit and 'technical approval' to construct. No further work to undertake	0



Public Realm construction	Immediate – contract not entered in to	1,100,000
Property Project	Applications/Expressions of Interest already received will be processed. Closed to new applications on 31 August. Works will need to be fully completed and final claims made by 11 March 2023.	*92,557
Anchor Store retailer review	Immediate – no foundation work undertaken	5,000
Marketing/image development	Immediate – no foundation work undertaken	40,000
Seasonal planting	Immediate – not required (commuted maintenance sum for planting proposed within public realm scheme)	52,000
	Budget surplus generated by de-scope	1,498,557

*balance if pipeline grant applications are approved and once existing commitments are honoured.

Workstream scope

10. To bring key vacant premises back into use, renewed attempts will be made to engage owners. As a tool of last resort, the use of compulsory purchase powers could be considered.
11. If land/property requires the use of compulsory purchase powers, an early step in this process would be obtaining an ‘in principle’ decision from District Executive to use these powers and also other powers to obtain information and require access to the site. This ‘in principle’ request would need to include the intended use of the site so initial work on options and feasibility including public engagement is therefore required before a preferred end use can be recommended to District Executive.
12. To advance this work, external consultancy support required would include:
 - undertaking surveys (from adjacent publicly accessible areas) to inform designs and cost
 - advice on future end uses for key location(s) having regard to acceptable town centre uses and site suitability
 - assessment of demand and impact of proposed end uses
 - create concept designs with visualisations
 - to prepare and evaluate on-line and in person consultations including developing material
 - production of cost plan with site relevant, high-level sums
 - provide clear recommendations which reflect above and a phased approach to delivery
 - specialist legal/planning advice to support in-house teams
13. Briefs for these services will be developed so that procurement can be progressed promptly.

14. The ambition for the town centre is to have quality mixed-use development, which combines upper floor residential and ground floor commercial. The options and feasibility work will guide the next stages, which is essential to bring about the change needed in the heart of the town.

Project Budget

15. Although now closed to new applications, expenditure on the property grants programme is expected to be approximately £92,000. Eighteen expressions of interest were received in the five months the grant programme was open. Applications are from owners of prioritized buildings requiring urgent or high level works such as gutters and fascias. This workstream will deliver visible benefits to historic town centre buildings once works are completed.
16. It is anticipated that the cost of the CPO external consultancy support would be in the region of £40,000. The options and feasibility consultancy is estimated at £25,000 and specialist legal/planning support up to £15,000. The £40,000 total figure for external support reflects the scope of work that can be completed by end March 2023.
17. The furtherance of work on the Levelling-Up fund bid is also retained within scope with no change to the existing (£65,000) budget proposed, pending the decision on the bid which is expected in Autumn/Winter this year.
18. Table 2 below shows the proposed budget for Wincanton Regeneration project. Provisional costs related to acquisition, demolition and future development are being worked-up and will form part of a cost review during the feasibility and options phase. A timeline and project plan are also being developed.
19. The budget figures quoted in Table 2 are those agreed at Full Council in February 2022. The table does not include the £0.260m that was sought from the Capital Contingency Fund in July 2022, as this was to specifically cover the rising costs of the public realm construction, which will no longer be required if Full Council agree the change of scope as set out in this report.

Table 2: Wincanton capital and revenue budget re-profiled for 2022/23 and 2023/24 – Subject to Full Council approval

Project/Package	Approved 2022/23 £000's	Revised 2022/23 £000'S		Revised 2023/24 £000's	Total Budget £000's
Wincanton Regeneration Capital Programme Budget	2,099	620		1,479	2,099
Wincanton Regeneration Revenue Programme Budget	293	273		20	293
Total	2,392	893		1,499	2,392

Financial Implications

20. Table 2 (above) shows a revised budget £0.893m for this financial year 2022/23 with the sum of £1.5m re-profiled into 2023/24 for future works relating to



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acquisition, demolition and development. The scope of the project and detailed budget allocations within the total approved budget will be determined upon conclusion of the options and feasibility work. The overall Wincanton Regeneration project budget is unchanged at £2.392m and will be financed as shown in the table below.

Table 3: Wincanton capital and revenue budget financing

Wincanton Regeneration Capital Funding Sources	Amount £000's
Capital Funding	
Capital Receipt (Churchfield)	478
Regeneration Reserve	190
External Borrowing	1,431
Total Capital Funding	2,099
Revenue Funding	
Regeneration Reserve	293
Total Revenue Funding	293
Total Funding	2,392

21. The majority of the capital expenditure for the project (£1.42m) has been previously agreed to be financed by the use of Prudential Borrowing. Members should note that the Bank of England's base rate currently stands at 1.75% and it is widely believed that this will increase during the rest of this financial year. The 2022/23 revenue budget agreed by Full Council in February 2022 assumed a prevailing interest rate of 1% for the year.
22. The Chief Finance Officer advises District Executive in the Quarter 1 revenue budget monitoring report, on the same agenda as this report, of the possible impact the higher interest rate will have on the council's revenue budget. The figure given is for the whole of the council's capital programme that is to be financed by Prudential Borrowing including the Wincanton Regeneration Project. District Executive does have the option, if it wishes, to cease further activity on this project and by so doing decrease the council's overall borrowing needs saving between £125k and £150k per annum to the revenue budget (the total MRP and interest charges).

Legal implications (if any) and details of Statutory Powers

23. It is likely that Legal support will be necessary, both from our internal team and external legal advisors. Use of the following legislation may be required:
 - Local Government (Miscellaneous Provisions) Act 1976 and/or section 5A Acquisition of Land Act 1981 to secure information about ownership and occupation
 - Housing and Planning Act 2016 to obtain the right to enter and survey or value the Land and if necessary appoint consultants and/or contractors for these purposes

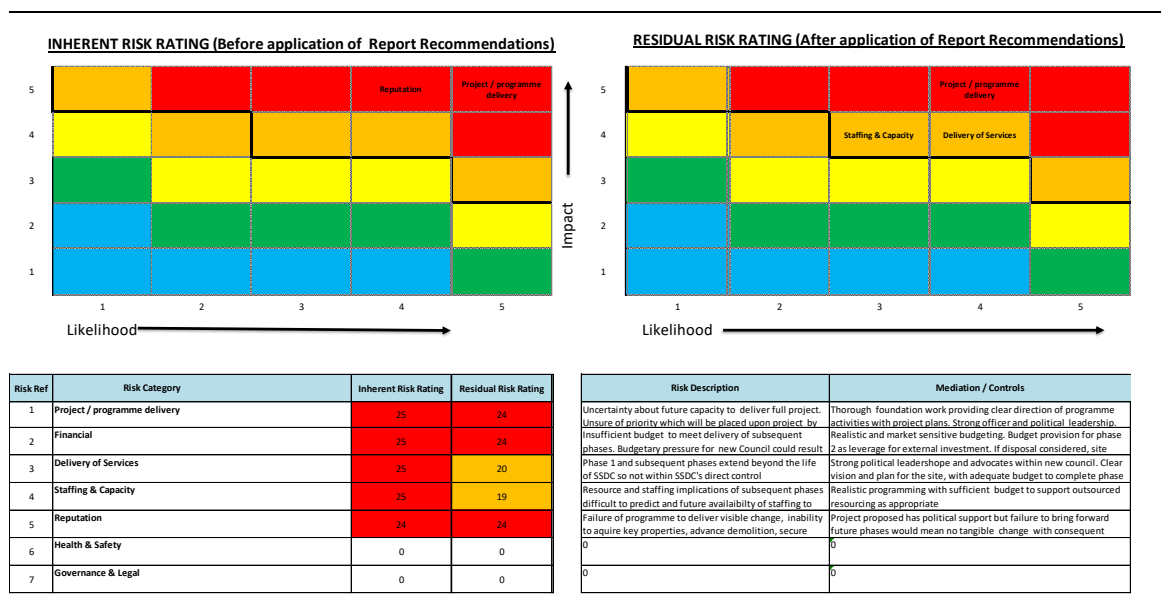


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- Planning Act powers to bring about the development, redevelopment or improvement of the land

Risk Matrix

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



25. Despite the mitigation measures put in place, a number of significant risks remain. If members agree the suggested changes to the project scope, the project would continue beyond vesting day, so final delivery is beyond the control of this council. However, the project does have the support of the new Somerset County Council Ward Members who will continue to represent Wincanton for the new Somerset Council.

26. Whilst options and feasibility work will provide greater clarity, there remains a high level of financial risk at this stage as there is uncertainty around the site conditions, future use and purchase costs of any potential property acquisitions.

27. If the council is required to seek a CPO, there is no guarantee that the order will be granted. Funding for specialist legal advice is included in the revised budget but there remains a reputational risk to the council should the CPO be unsuccessful and therefore the anticipated outcomes of the Wincanton Regeneration Project not fully delivered.

Council Plan Implications

28. Wincanton regeneration is included as a priority project in the SSDC Corporate Plan: Annual Action Plan 2022-23. This report therefore directly links to and supports this priority.

Carbon Emissions and Climate Change Implications



29. None directly arising from this report.

Equality and Diversity Implications

30. This report is purely a financial change of scope. Equality and diversity will be considered at the relevant stages as the project advances.

Is a full Equality Impact Assessment required?	NO
If Yes, Please provide a brief description of where there may be negative impacts, and for whom. Then complete a full Equality Impact assessment Form	
If No, Please set out your justification for why not.	
Whilst the public realm schemes, which are to be removed from scope, would have resulted in some improvements advantageous to people with protected characteristics, these particular elements were not guaranteed. The overall change in scope, therefore, does not result in any material change that would lead to negative impacts for residents sharing protected characteristics. The report sets out initial steps, timeline and budget which will be refined to reflect work planned over the remaining seven months of the project and beyond. A full EIA is not required.	
Service Director / Manager sign-off and date	N Fortt 10/08/22
Equalities Officer sign-off and date	Dave Crisfield 10th August 2022

Privacy Impact Assessment

There are no identified issues relating to this matter.

Background Papers

District Executive and Full Council reports February 2022
District Executive report July 2021

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Sale of commercial development land at Lufton, Yeovil (Lufton 2000 joint venture)

Executive Portfolio Holder: John Clark, Portfolio Holder for Economic Development
Ward Member(s) Cllr Barbara Appleby, Cllr Peter Seib, Cllr Jeny Snell
Strategic Director: Jill Byron, Solicitor and Monitoring Officer
Service Manager: Robert Orrett, Commercial Property, Land & Development
Manager
Contact Details: Robert.orratt@southsomerset.gov.uk or 01935 462075

Purpose of the Report

1. To recommend the sale of the Council's 50% share in the Lufton 2000 Joint Venture to its joint venture partner Abbey Manor Developments Limited.

Public Interest

2. The Council owns a 50% share in an area of land intended for commercial development on the west side of Lufton Trading Estate, Yeovil. The proposal is for the Council to sell its share to the joint venture partner in return for an immediate capital receipt reflecting the current value of the Council's interest. There are commercially sensitive details with this matter and those are contained in a confidential appendix to protect the commercial position of the buyer and the joint venture partner.

Recommendations

3. That Full Council agree to:-
 - a. note the contents of this report.
 - b. approve the proposal to sell the Council's share in the Joint Venture in the asset named Lufton 2000 on the terms outlined in the confidential appendix to this report.
 - c. authorise the Chief Financial Officer to seek the approval of the Somerset County Council to the sale under the Section 24 direction.
 - d. delegate the power to the Solicitor and Monitoring Officer to approve the detail of the sale.

Background

4. The Council entered into a joint venture (JV) contractual agreement (a Declaration of Trust and Joint Venture) with Abbey Manor Developments Limited (AMDL) on 10 September 1999 under which the parties jointly acquired land at Lufton Trading Estate with the stated purpose being to "facilitate the development of the Property for commercial and industrial purposes.....generating a proper financial return on the investment made". In March



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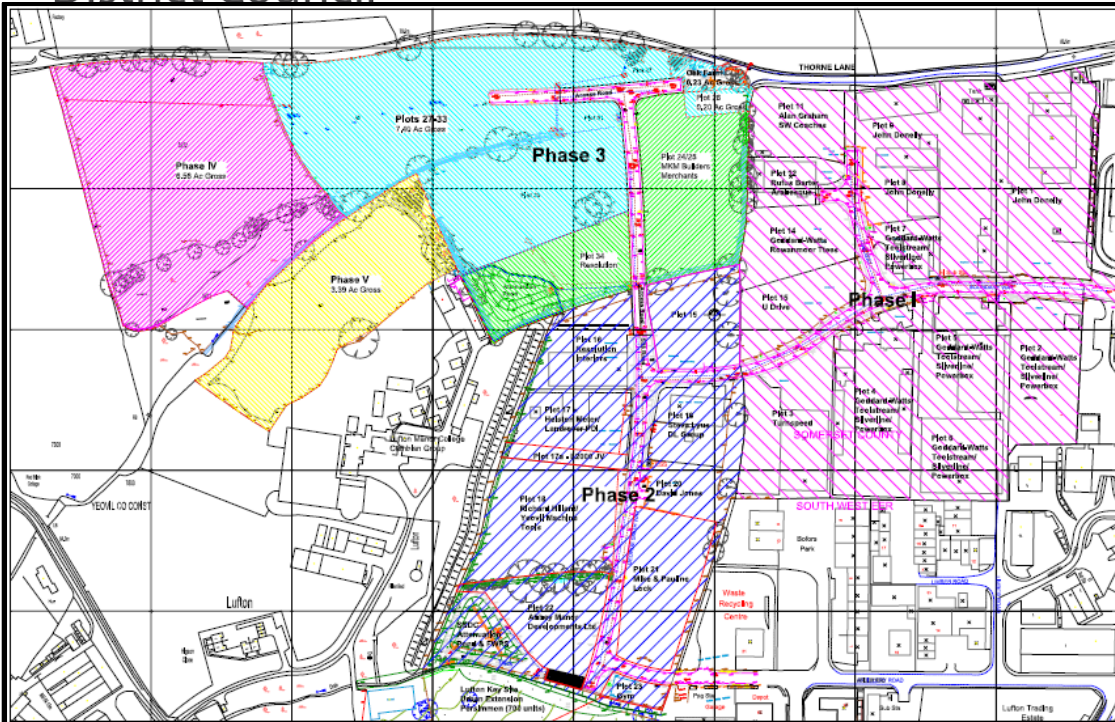
District Council

2006, the parties jointly completed the purchase of further land adjoining the initial ownership.

5. Over the 23 years since the JV was entered into, approximately 67% of the total land area has been sold by the JV partners. The remaining land amounts to 13.05 acres (5.281 ha) of developable land. Based on past rates of progress, this residual land may take might take 10-15 years to conclude disposal of all areas. There is no current live interest.
6. AMDL has proposed to Council Officers that AMDL would purchase the Council's share of the JV to produce a position where AMDL becomes the sole owner. The Council and AMDL have approached their respective positions fully at arm's length but are subject to the previously agreed terms of their legal contract.
7. A similar report was presented to District Executive on 1 September 2022. The recommendations were approved by District Executive.

JV Land Ownership

8. This land was acquired by the JV in two phases – in 1999 and 2006. The total land area acquired was 51.15 acres (20.701 ha). The extent of the land is shown on the plan below. The original ownership comprised all of the areas coloured on the plan. The approach has been for the JV to obtain planning consent and deliver infrastructure for the area. There have then been sales of sites for development of premises by/on behalf of end users.
9. Phases 1 and 2, and the part of phase 3 coloured green have been disposed of except for estate roads and infrastructure. The residual land owned by the JV comprises the remainder of phase 3 together with phases 4 and 5 – areas coloured pale blue, purple and yellow on the plan. The remaining gross area owned by the JV is 18.48 acres (7.48 ha). There is significantly less land area in "net" terms due to areas of woodland, ponds, roads for adoption or similar.



10. The areas coloured green are the last plots sold off. These were both sold in late 2018.

Development Approach

11. The land acquired by the JV has been subject to outline planning applications to establish the principle for development. Phase 3 was granted outline consent in March 2010 subject to a S106 Agreement. Reserved matters are later subject to a detailed application as in the case of plots 24/25 which were granted full consent in 2018.
12. The JV deals with the construction of the estate roads and infrastructure and any related management matters. Almost all the delivery work by the JV is done by AMDL on behalf of the JV, with their time costs covered by the JV. Council officers meet regular with AMDL to agree management direction and all implementation decisions for the JV. This is a significant continuing demand on officer time.
13. Phases 4 and 5 are subject to a legal overage provision which requires 47.5% of any sale value over a total of £50,000 to be paid to the seller.

Risks

14. There is a risk involved in any property transaction that either party might change their mind and not proceed, until near certainty is achieved by exchange of contracts. This risk is considered low in the circumstances that both parties already have a high level of understanding. However, major matters of recent years show how major national and world changes can arise quite unexpectedly causing unforeseen impacts on parties.



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15. There is also risk in relation to the price that has been discussed. Again, with the level of familiarity this is not considered to be a high risk but detailed preparatory work could reveal an unforeseen issue.
16. The matter will require Somerset County Council approval under the S24 direction, which cannot be guaranteed.

Financial Implications

17. Lufton 2000 can be identified in the Council's Balance Sheet as an "Investment in a Joint Venture". The current value of the investment in the Council's Balance Sheet is £581k which has increased annually due to regular revaluations alongside all other Council investment assets. Any gain from revaluation is accounted for in the Council's revaluation reserve, which is an unusable reserve.
18. The recommended option in this report will deliver a net capital receipt for the Council on any sale price above the existing Balance Sheet value. The sale of the asset would require the existing value of £581k to be written out of the Balance Sheet and the revaluation reserve, hence the final benefit of the capital receipt will be a net gain. Any receipt that is a gain from the sale of a Council asset, is accounted for in movement in reserve statement and is added to the Council's capital receipts reserve, it is not added to the Council's General Fund balances.
19. Capital receipts can be used to fund the existing capital programme and can replace external borrowing. The Chief Finance Officer (S151) sets out in regular capital budget monitoring reports how the Council's capital programme is funded, including the use of capital receipts. The Council also has an over-arching capital plan which outlines its capital proposals for each financial year.
20. There are no direct revenue implications for this report any other balances related to the recommendation in this report will be written out of the Council's accounts accordingly.

Legal implications (if any) and details of Statutory Powers

21. If Full Council approves this recommendation, it will be necessary to the contract for the sale and complete the transaction. This should be relatively straightforward as both parties have long term involvement with the property. It will also be necessary to ensure that all aspects of the JV are up-to-date and finalised alongside the property transaction.
22. The Council has wide ranging legal powers in relation to this transaction including the General Power of Competence under Section 1 of the Localism Act 2011.
23. S.120 Local Government Act 1972 –
24. Acquisition of land by agreement by principal councils for the purpose of its functions under this or any other enactment, or the benefit, improvement or development of their area the council may acquire by agreement any land, whether situated inside or outside their area.



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25. S.145 Local Government Act 1972

26. A local authority may do, or arrange the doing of, or contribute towards the expenses of the doing of, anything (whether inside or outside their area) necessary or expedient for any of the following purposes, that is to say: (a) the provision of entertainment (b) the provision of theatre, concert hall, dance hall or other premises suitable for the giving of entertainment.

Council Plan Implications

27. This project contributes positively across the Council Plan themes – Protecting Core Services and Economy.

Carbon Emissions and Climate Change Implications

28. There will be no impact on Carbon Emissions and Climate Change Implications if the recommendation is approved.

Equality and Diversity Implications

29. There are no specific implications in these proposals.

Privacy Impact Assessment

30. There are no adverse personal data implications to this report.

Background Papers

- None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted



Appointment of Members to Council Committees – change to Scrutiny Committee membership

Executive Portfolio Holder: Val Keitch, Strategy
Strategic Director: Jill Byron, Monitoring Officer
Lead Officer: Angela Cox, Democratic Services Specialist
Contact Details: Angela.cox@southsomerset.gov.uk or 01935 462148

Purpose of the Report

This report seeks to confirm a change to the Scrutiny Committee membership as requested by the Conservative group, following the appointment of Councillors to various committees and working groups at the Annual Council meeting on 19 May 2022.

Public Interest

Each year, the Council reviews the membership of its Committees, Boards and representation by Councillors on outside organisations. This report seeks to confirm a request by the Conservative group to make a change to representation on the Scrutiny Committee.

Recommendation

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

- a) Councillor Lucy Trimnell be appointed to the Scrutiny Committee to replace Councillor Mike Lewis.

Report Detail

The membership of committees and working groups for 2022/23 was approved at the Annual Council meeting on 19 May. Since that meeting, the Conservative group have indicated they wish Councillor Lucy Trimnell replace Councillor Michael Lewis on the Scrutiny Committee. This report seeks to confirm the request by the Conservative group.

Financial Implications



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There are no direct financial implications in agreeing the appointments in this report. There is a budget provision to cover the basic and special responsibility allowances of all Councillors.

Legal implications (if any) and details of Statutory Powers

The Local Government and Housing Act 1989 requires the Council to review the representation on committees and to allocate seats to political groups on the basis of the overall political composition of the Council.

Council Plan Implications

Council Plan 2020 – 2024 – Council Values:

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

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

Carbon Emissions and Climate Change Implications

There are no specific carbon emission or climate change implications in this report.

Equality and Diversity Implications

There are no specific equality or diversity implications arising from the subject matter of this report.

<i>An Equality Impact Relevance Check Form has been completed in respect of the Proposal?</i>	Yes
<i>The Impact Relevance Check indicated that a full EIA was required?</i>	No
<i>If an EIA was not required please attach the Impact Relevance Check Form as an Appendix to this report and provide a brief summary of its findings in the comments box below.</i>	
<i>If an EIA was required please attach the completed EIA form as an Appendix to this report and provide a brief summary of the result of your Equality Impact Assessment in the comment box below.</i>	
Additional Comments	

Privacy Impact Assessment



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No personal data is involved or processed as a result of this report.

Background Papers

The Council's Constitution – Parts 2 and 3
Annual reports to Council - Appointment of Member Level Bodies
Local Government and Housing Act 1989



Report of Executive Decisions

Executive Portfolio Holder: Val Keitch, Leader of Council, Strategy
Director: Jill Byron, Monitoring Officer
Lead Officer: Angela Cox, Democratic Services Specialist
Contact Details: angela.cox@southsomerset.gov.uk or (01935) 462148

Purpose of the Report

This report is submitted for information and summarises decisions taken by the Chief Executive, Portfolio Holders and District Executive Committee since the last meeting of Council in July 2022.

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

Background Papers

All Published

Appendix A

Portfolio	Subject	Decision	Taken By	Date
Yeovil Crematorium/Yeovil South	Yeovil Crematorium Project Request for Additional Funding from the Corporate Capital Contingency	That District Executive:- a. noted the updated position of the Yeovil Crematorium project and the support of the Project Board for the recommended approach. b. noted that the total budget be increased by £185,400, being shared 89/11% between SSDC and YWPC in accordance with the ownership shares. c. agreed to fund £165,000 from the Corporate Capital Contingency Fund towards the Yeovil Crematorium project as an addition to the budget approved by Full Council in February 2022.	District Executive	04/08/22
Economic Development	Millers Garage Car Park Project, Crewkerne Request for Additional Funding from the Corporate Capital Contingency	That District Executive:- a. noted the updated position with the Millers Garage Car Park project and the estimate of the project cost; b. noted the increase in the total budget for this project to £413,000; c. agreed to fund £203,000 from the Corporate Capital Contingency Fund towards the Millers Garage Car Park Project as an addition to the budget approved by Full Council in February 2022.	District Executive	04/08/22
Yeovil Refresh	Yeovil Key Sites Change of Scope Request	That District Executive endorsed the proposal that officers will submit a formal scope change request to the Department for Levelling Up, Housing and Communities (DLUHC) in relation to the Future High Streets Fund (FHSF) in Yeovil, subject to approval by the Portfolio Holder for the Yeovil	District Executive	04/08/22

Portfolio	Subject	Decision	Taken By	Date
		Refresh, the Director for Place and Recovery and the Section 151 Officer.		
Yeovil Refresh	Yeovil Refresh Wyndham Street Public Realm Funding	That District Executive agreed:- a. to allocate up to £0.891m from the Corporate Capital Contingency Fund to the delivery of public realm improvements in the Wyndham Street Area, Yeovil. b. a budget increase of £0.891m making the revised Yeovil Refresh budget £22.729m.	District Executive	04/08/22
Finance and Legal Services	2022/23 Revenue Budget Monitoring Report for the Period Ending 30 June 2022	That District Executive agreed to:- a. note the variances being forecast against the 2022/23 revenue budget as set out in Table One. b. note the budget virement made under delegated authority as detailed in Appendix A. c. note the forecast year-end reserves position shown in Appendix B.	District Executive	01/09/22
Finance and Legal Services	2022/23 Capital Budget Monitoring Report for the Period Ending 30 June 2022	That District Executive agreed to:- a. note the expenditure on the capital programme as at the end of quarter one and the revised budget for the year, given in table one; b. note the amount remaining the Corporate Capital Contingency Budget, given in table two; c. approve the decrease the Huish Park land acquisition capital budget of £0.195m as explained in paragraph 17; d. approve the removal of the unspent additional capital budget of £660k given to the Yeovil Refresh project at Full Council in December 2021, see paragraph 27; e. note that the re-scoping and re-profiling of the Wincanton Regeneration project, seeking	District Executive	01/09/22

Portfolio	Subject	Decision	Taken By	Date
		<p>approval elsewhere on this District Executive's agenda, is taken into account in this budget monitoring report - see paragraph 31;</p> <p>f. note that £1.959m of the Yeovil Crematorium Refurbishment budget will slip from 2022/23 into 2023/24– see paragraph 13;</p> <p>g. note that the virement agreed by Full Council from the decarbonisation phase 2 capital budget into the PSDS (Public Sector Decarbonisation Scheme) budget of £1.276m should have been a virement of the funding budget rather than the expenditure budget see paragraph 21 and therefore the expenditure budget for the PSDS has consequentially been reduced by this amount; h. note that the revenue budget is at significant risk of requiring an increase in the 2022/23 revenue budget, currently estimated at £277k, arising from increasing interest rate costs that will be incurred in borrowing the funding required to finance this year's capital expenditure budget, see paragraphs 47 to 50.</p> <p>That District Executive recommends to Full Council to increase the Disabled Facilities Grant capital budget by £1.405m – see paragraph 41.</p>		
Strategy and Policy	Corporate Performance Report 2022-23: 1 st Quarter	<p>That District Executive agreed to:-</p> <p>a. note improvements/changes to the reporting approach for the Council's agreed key performance indicators for 22/23;</p> <p>b. note and comment on the report with consideration to the current organisational</p>	District Executive	01/09/22

Portfolio	Subject	Decision	Taken By	Date
		pressures as detailed in paragraph 7.		
Wincanton Regeneration	Wincanton Regeneration Scope Change	This report was recommended to Council and appears elsewhere on the agenda.	District Executive	01/09/22
Economic Development including Commercial Strategy	Sale of Commercial development land at Lufton, Yeovil (Lufton 2000 joint venture)	That District Executive agreed to:- a. note the contents of the report. b. approve the proposal to sell the Councils share in the Joint Venture asset named Lufton 2000 on the terms outlined in the confidential appendix to this report. c. authorise the Chief Financial Officer to seek the approval of the Somerset County Council to the sale under the Section 24 direction. d. delegate the power to the Solicitor and Monitoring Officer to approve the detail of the sale.	District Executive	01/09/22

Audit Committee

Committee Chairman: Cllr Mike Hewitson
Lead Officer: Karen Watling, Section 151 Officer
Contact Details: Karen.watling@southsomerset.gov.uk

This report summarises the items considered by the Audit Committee since the last report to Council in July 2022. The Audit committee met informally on the 28th of July 2022 and formally on the 2nd September 2022. The minutes for the July meeting can be viewed here.

[Agenda for Audit Committee on Thursday 28th July 2022, 10.00 am \(southsomerset.gov.uk\)](#)

Below are the items that have been considered.

28th July 2022

- Briefing on Progress on Preparing the 2021/22 Statement of Accounts & Update on 2020/21 Audit of Accounts
- Risk Management Update Q1 2022/23

2nd September 2022

- Progress on the 2020/21 Audit
- Introduction to the External Auditors' Annual Report 2020/21
- External Auditors' Annual Report for 2020/21

The next meeting is scheduled to take place on Thursday 22th September at 10.00am

Mike Hewitson
Chairman of Audit Committee



Scrutiny Committee

This report summarises the work of the Scrutiny Committee since the last report to Council in June 2022.

Since the last report, the committee have met informally, on 5 July and in-person on 2 August and 30 August to consider the reports going before District Executive and providing 'critical friend' challenge. A Task and Finish Group has also met twice to consider the Somerset County Council draft Section 19 Flood Investigation reports for the Ilminster flooding event and one of the Chard flooding events.

Minutes of the committee meetings will be viewable on the website at:
<https://modgov.southsomerset.gov.uk/ieListMeetings.aspx?CId=141&Year=0>

The Scrutiny and Member Development Specialist invites all members and officers to feed matters of interest into the scrutiny work programme. Anyone who wishes to submit an item/issue for scrutiny review can email:
stephanie.gold@southsomerset.gov.uk

Gerard Tucker
Scrutiny Committee Chairman



Date of Next Meeting

Members are asked to note that the next scheduled meeting of the Full Council is a reserve date and will only be engaged if there is business to discuss.

The reserve date is **Thursday, 20th October 2022 at the Council Offices, Brympton Way, Yeovil** and as a virtual meeting using Zoom meeting software **commencing at 7.30 p.m.**

The following month, the scheduled meeting of Full Council will be **Thursday 17th November 2022 at the Council Offices, Brympton Way, Yeovil** and as a virtual meeting using Zoom meeting software **commencing at 7.30 p.m.**
