

Public Document Pack

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Date: Monday, 7 February 2022

To all Members of the Council

** Physical Meeting

While the meeting will take place in person at the Town Hall it will also be live broadcast on YouTube (see link below).

In line with ongoing public health advice, members of the public and media are encouraged to watch the meeting online rather than to attend in person. Should you wish to attend in person we ask that you notify the Contact Officer above at least 24 hours before the meeting as this will help us to manage the meeting safely.

Dear Sir or Madam

Summons to attend the Council Meeting – Tuesday, 15 February 2022 at 6.00 pm New Council Chamber, Town Hall

You are requested to attend the Meeting of the Council to be held at 6.00 pm on Tuesday, 15 February 2022.

Please Note that any member of the press and public may listen in to proceedings at this meeting via the weblink below –

<https://youtu.be/fuPR-ViS05I>

The agenda is set out below.

Yours faithfully

Assistant Director Legal & Governance and Monitoring Officer

This document and associated papers may be made available in a different format on request.

Agenda

1. **Public Participation, petitions, and deputations (Standing Orders 2 (vi) and 17)**

The Council will hear any person who wishes to address it in accordance with the Standing Orders. The Chairman will select the order of the matters to be heard. Each person will be limited to a period of five minutes for public participation and deputations and three minutes for petitions. This section of the meeting must not exceed 30 minutes and discussion must not refer to a current planning application.

The Council will also receive questions from the public and provide answers thereto, subject to the Chairman being satisfied that the questions are relevant to the business of the meeting.

Requests must be submitted in writing to the Assistant Director Legal & Governance and Monitoring Officer, or to the officer mentioned at the top of this agenda letter, by noon on the day before the meeting and the request must detail the subject matter of the address

2. **Apologies for Absence**

3. **Petitions to be presented by Members (Standing Order No. 16)**

These have to be received by the Assistant Director Legal & Governance and Monitoring Officer by 12.00 noon on the day of the meeting.

4. **Declaration of Disclosable Pecuniary Interest (Standing Order 37)**

A Member must declare any disclosable pecuniary interest where it relates to any matter being considered at the meeting. A declaration of a disclosable pecuniary interest should indicate the interest and the agenda item to which it relates. A Member is not permitted to participate in this agenda item by law and should immediately leave the meeting before the start of any debate.

If the Member leaves the meeting in respect of a declaration, he or she should ensure that the Chairman is aware of this before he or she leaves to enable their exit from the meeting to be recorded in the minutes in accordance with Standing Order 37.

5. **Minutes (Pages 7 - 18)**

9 November 2021 to approve as a correct record (attached).

6. **Motions by Members (Standing Order No. 14) (Pages 19 - 22)**

(1) Future of Swimming Pools in North Somerset: Councillor Keating (attached)

(2) Planning and Regulatory Committee - Membership and Procedures: Councillor Shopland (attached)

7. Matters referred from previous meeting

None.

8. Chairman's announcements

9. Leader's announcements

10. Chief Executive's announcements

11. Political Balance Update

Oral report from the Assistant Director, Governance and Monitoring Officer.

12. Forward Plan dated 31 January 2022 (Pages 23 - 36)

(attached).

13. Policy and Scrutiny Panel Report (Pages 37 - 50)

Report of Councillors Richardson, Cronnelly, Griggs and Crosby (attached).

14. Question Time (Standing Order No.18)

Questions must relate to issues relevant to the work of the Executive. Question Time will normally last for 20 minutes.

Members are requested to supply the Democratic Services Officer with a note of each question at, or just after, the meeting. A summary note of each question will be included in an appendix to the minutes.

15. Reports and matters referred from the Executive, 2 February 2022 (Pages 51 - 312)

The agenda item number mentioned in the heading of the individual extract refers to the agenda of the relevant Executive meeting. All Members have received the agenda papers and are commended to review them prior to the Council meeting.

(1) EXE 87 Treasury Management Strategy 2022/23 (Agenda Item 15)
(draft minute extract and report attached)

(2) EXE 88 Capital Strategy 2022-26 and Capital Budget 2022-23 (Agenda Item 16) (draft minute extract and report attached)

(3) EXE 89 Medium Term Financial Plan (MTFP) and Revenue Budget Update 2022/23 (Agenda Item 17) (draft minute extract and report attached)

Note: The published Equality Impact Assessments (EIAs) that underpin the 2022/23 budget savings plans can be found at Appendix 4 to the Executive report. Councillors are asked to familiarise themselves with the EIAs in advance of the meeting.

Note for Councillors:

Council is requested to consider item 15 (3) above together with the following report (item 16) which contains the Council Tax charges for the Council and the precepting authorities for 2022/23.

If changes are approved to the recommendations from the Executive, alterations to the recommended Council Tax resolution as contained within the following report might be required. In this case Council will be requested to adjourn to enable the figures in the Council Tax resolution report to be recalculated and re-circulated.

16. Revenue Budget Update and Council Tax Setting 2022/3 (Pages 313 - 332)

Report of Councillor Cartman (attached)

Note: Councillors are reminded that Standing Order 22A requires a named vote to be taken on the budget decision.

17. Reports and matters referred from the Policy/Overview and Scrutiny Panels other than those dealt with elsewhere on this agenda

None.

18. Reports and matters referred from the other Committees other than those dealt with elsewhere on this agenda (Pages 333 - 344)

Audit Committee, 27 January 2022

AUD18 Audit Committee Annual Report 2020-21 (draft minute extract and report attached)

19. Reports on joint arrangements and external organisations and questions relating thereto (Pages 345 - 360)

(1) Avon Fire Authority

Report of Councillor Jacobs (attached)

(2) Avon and Somerset Police and Crime Panel

Report of Councillor Crew (attached)

(3) West of England Combined Authority Joint Scrutiny Committee

Report of Councillor James (attached)

20. Procurement of External Auditors (Pages 361 - 364)

Report of the Director of Corporate Services (attached).

21. Development Programme: Commissioning Plan for Development of Sites in Weston-super-Mare (Pages 365 - 382)

Report of Councillor Canniford (attached).

22. Accommodation Strategy Update (includes exempt appendix) (Pages 383 - 398)

Report of Councillor Bridger (attached).

23. Urgent business permitted by the Local Government Act 1972 (if any)

For a matter to be considered as an urgent item, the following question must be addressed: "What harm to the public interest would flow from leaving it until the next meeting?". If harm can be demonstrated, then it is open to the Chairman to rule that it be considered as urgent. Otherwise the matter cannot be considered urgent within the statutory provisions.

Exempt Items

Should the Council wish to consider a matter as an Exempt Item, the following resolution should be passed -

"(1) That the press, public, and officers not required by the Members, the Chief Executive or the Director, to remain during the exempt session, be excluded from the meeting during consideration of the following item of business on the ground that its consideration will involve the disclosure of exempt information as defined in Section 100I of the Local Government Act 1972."

Mobile phones and other mobile devices

All persons attending the meeting are requested to ensure that these devices are switched to silent mode. The chairman may approve an exception to this request in special circumstances.

Filming and recording of meetings

The proceedings of this meeting may be recorded for broadcasting purposes.

Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting, focusing only on those actively participating in the meeting and having regard to the wishes of any members of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Assistant Director Legal & Governance and Monitoring Officer's representative before the start of the meeting so that all those present may be made aware that it is happening.

Members of the public may also use Facebook and Twitter or other forms of social media to report on proceedings at this meeting.

Emergency Evacuation Procedure

On hearing the alarm – (a continuous two tone siren)

Leave the room by the nearest exit door. Ensure that windows are closed.

Last person out to close the door.

Do not stop to collect personal belongings.

Do not use the lifts.

Follow the green and white exit signs and make your way to the assembly point.

Do not re-enter the building until authorised to do so by the Fire Authority.

Go to Assembly Point C – Outside the offices formerly occupied by Stephen & Co



Minutes

of the Meeting of

The Council

Tuesday, 9 November 2021

New Council Chamber - Town Hall

Meeting Commenced: 6.00 pm

Meeting Concluded: 7.58 pm

Councillors:

Richard Westwood (Chairman)

Mark Aplin

Nigel Ashton

Mike Bell

Steve Bridger

Peter Bryant

Gill Bute

Mark Canniford

Ashley Cartman

John Cato

James Clayton

Andy Cole

Peter Crew

John Crockford-Hawley

Ciaran Cronnelly

Mark Crosby

Donald Davies

Catherine Gibbons

Caroline Goddard

Wendy Griggs

David Hitchins

Steve Hogg

Nicola Holland

Huw James

Patrick Keating

John Ley-Morgan

Stuart McQuillan

Phil Neve

Ian Parker

Robert Payne

Marcia Pepperall

Bridget Petty

Lisa Pilgrim

Terry Porter

Geoffrey Richardson

Timothy Snaden

Mike Solomon
Richard Tucker

Apologies: Councillors Mike Bird, Caritas Charles, Sarah Codling and Ann Harley.

Absent: Councillors Hugh Gregor, David Shopland and James Tonkin.

Officers in attendance: Jo Walker (Chief Executive), Lucy Shomali (Director of Place), Sheila Smith (Director of Children's Services), Nicholas Brain (Assistant Director Legal & Governance and Monitoring Officer), Rachel Lewis (Development and Regeneration Programme Manager) and Mike Riggall (Information and ICT Security Manager).

Partaking via Microsoft Teams: Councillors Karin Haverson (Vice-Chairman), Caroline Cherry, Sandra Hearne, Ruth Jacobs, Roz Willis

Matt Lenny (Director of Public Health), Hayley Verrico (Director of Adult Services), Amy Webb (Director of Corporate Services), Sue Efford (Committee and Support Services Manager), Konrad Lansdown (Senior Project Manager (Programme)), James Wigmore (Lead Transport Planner) and Jack Wyatt (Transport Policy Officer)

COU Chairman's Welcome

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The Chairman welcomed everyone to this face-to-face meeting of the Council in the New Council Chamber. He referred to the public health recommendations to exercise caution and to the council's own health and safety advice which made it necessary to limit the number of councillors, officers and members of the public in attendance in the Chamber to ensure the meeting could take place safely.

He reported that for members and officers who did not yet feel comfortable attending in person or who were unable to attend there was an option to join the meeting via Microsoft Teams. This enabled them to partake in the debate remotely but they would not be formally 'in attendance', and members joining remotely would not be able to vote nor count towards the quorum of the meeting.

The meeting was being streamed live on the internet and a recorded version would be available to view within 48 hours on the North Somerset Council website.

To avoid the need for councillors to sign an attendance register and for the benefit of those watching via YouTube, the Assistant Director, Legal & Governance and Monitoring Officer undertook a roll call of councillors to confirm attendance.

COU Public Participation, petitions, and deputations (Standing Orders 2 (vi) and 67 17) (Agenda item 1)

(1) At the invitation of the Chairman Jill Maycock, a Churchill resident, addressed the Council on the matter of Churchill Sports Centre. She spoke on behalf of Mendip Villages Fitness, a working group established to secure the future of Churchill Sports Centre which was closed in October 2020. A copy of her statement is filed on the minute book.

The Chairman thanked Ms Maycock for her address and referred the matter to Councillor Solomon as the relevant Executive Member and to the Director of Place

for a response.

(2) At the invitation of the Chairman, the Assistant Director, Legal & Governance and Monitoring Officer read out a statement on behalf of Joe Tristram, a Winscombe resident on the matter of the A38 improvements and in particular the dangers for cyclists on the section between Winscombe and Churchill traffic lights. A copy of his statement is filed on the minute book.

The Chairman thanked Mr Tristram for his statement and referred his comments for consideration later in the meeting under agenda item 22 (Commissioning Plan for the Design and Build Contract of the A38 Major Road Network (MRN) Scheme and Associated Professional Services).

COU 68 Petitions to be presented by Members (Standing Order No. 16) (Agenda item 3)

(1) Councillor Canniford presented a petition from the Birnbeck Regeneration Group signed by local residents, in the following terms:

“We call on the planning & conservation authorities to limit the height of any redevelopment of the Royal Pier Hotel site to that of the former hotel building lost to fire.”

The Chairman thanked Councillor Canniford and referred the petition to the Director of Place.

(2) Councillor Richardson presented a petition from local residents and businesses in Clevedon West in the following terms:

“We the undersigned request that North Somerset Council investigate options for parking controls in Clevedon West including residents parking as soon as possible to relieve the issues caused by tourist parking including inability of locals to park, illegal parking, dangerous parking and abuse.”

The Chairman thanked Cllr Richardson and referred the petition to the Director of Place and to Councillor Canniford as the relevant Executive Member.

COU 69 Declaration of Disclosable Pecuniary Interest (Standing Order 37) (Agenda item 4)

None declared.

COU 70 Minutes - 21 September 2021 (Agenda item 5)

Councillor Tucker referred to Appendix 1 of the minutes and to his question to Councillor Solomon concerning the installation of litter bins for the two bus stops in the vicinity of Locking Road shops (Question 4 refers). He stated that the response given that the bins had been installed the previous day was incorrect and the bins had yet to be installed, and he asked for this clarification to be put on record.

Resolved: that the minutes be approved as a correct record.

COU 71 Chairman's announcements (Agenda item 8)

The Chairman welcomed Councillor Goddard to her first Council meeting.

He confirmed that refreshments would not be available after this Council meeting.

COU 72 Leader's announcements (Agenda item 9)

None

COU 73 Chief Executive's announcements (Agenda item 10)

The Chief Executive announced that a Foodworks tour had been arranged for 17 November at 4pm and she asked members to respond to Victoria Barenova if they wished to attend.

She also reported on the successful staff awards evening held on 4 November with over 200 nominations received across a range of categories.

COU 74 Forward Plan dated 2 November 2021 (Agenda item 11)

In the Leader's absence at this point in the meeting, Councillor Bell presented the Forward Plan.

Resolved: that the Forward Plan be noted.

COU 75 Corporate Parenting Responsibilities (Agenda item 13)

Councillor Gibbons presented the report. She drew particular attention to the work being undertaken to support care leavers into employment, education and training and highlighted the key issues as set out in paragraph 3 of the report. She welcomed Paul Johnson, the newly appointed Head of Corporate Parenting, and Becky Hopkins, Assistant Director of Children's Support & Safeguarding, and thanked Carolann James, Interim Assistant Director, for all her work in this area.

On the matter of apprenticeships and work experience opportunities for care leavers, Councillor Gibbons confirmed that Councillor Canniford, as Executive Member for Placemaking and Development, would be attending a future meeting of the Corporate Parenting Panel to discuss how best to engage with local businesses on this issue. She welcomed the suggestion to explore opportunities for apprenticeships at Hinkley Point and agreed to pursue this.

Resolved: that the report be noted.

COU 76 Question Time (Standing Order No.18) (Agenda item 14)

Oral questions were directed to the members concerned and the summary notes and topics involved are contained in Appendix 1.

COU 77 Reports and matters referred from the Policy/Overview and Scrutiny Panels other than those dealt with elsewhere on this agenda (Agenda item 16)

None

COU 78 Reports on joint arrangements and external organisations and questions relating thereto (Agenda item 18)

(2) Avon and Somerset Police and Crime Panel

Councillor Westwood presented his report. Councillor Holland welcomed the response she had received from the Commissioner in addressing some of the concerns around the 'spiking' of drinks, as referenced in the report, emphasising the importance of education. She would welcome further discussions with fellow female councillors on this matter.

Resolved: that the report be noted.

COU 79 Abbots Leigh, Ham Green, Pill and Easton-in-Gordano Neighbourhood Plan (Agenda item 19)

Councillor Canniford presented the report. He highlighted the key issues, confirming over 81% of the votes cast in the recent referendum were in favour of the Plan.

Motion: Moved by Councillor Canniford, seconded by Councillor Solomon and

Resolved: that Council resolves to "make" the Abbots Leigh, Ham Green, Pill and Easton-in-Gordano Neighbourhood Plan.

COU 80 Adoption of the Revised North Somerset Parking Standards SPD Following Public Consultation (Agenda item 20)

Councillor Canniford presented the report. He outlined the key objectives of the Parking Standards Supplementary Planning Document (SPD) and the main updates proposed following the comprehensive review of the existing SPD to address particular areas of concern, and the subsequent consultation process. He referred to the introduction of a 'Parking Needs Assessment' to identify locations where lower levels of parking may be appropriate, recognising that different areas of North Somerset required different levels of parking, the aim being to provide the right level of parking in the right places at the right time. The proposed changes would contribute towards the Council's ambition to be carbon neutral by 2030 by providing sufficient EV charging infrastructure at new developments, promoting the use of car clubs where appropriate, facilitating higher density development in accessible locations and ensuring adequate levels of cycle parking.

In discussing the report members generally welcomed the new SPD and raised the following issues: reference was made to the importance of flexibility in addressing particular requirements around increased visitor parking in certain areas, differential demand depending on the time of day and changes in demand due to changing work patterns; issues around inappropriate and unsafe parking at road junctions and how best to address this; complexities around the

establishment of car clubs and the need for this to be approached with caution; the importance of ensuring these new parking standards were not only implemented but also enforced.

Motion: Moved by Councillor Canniford, seconded by Councillor Solomon and

Resolved: that the revised Parking Standards SPD be adopted.

COU 81 Commissioning Plan Approval - Flexible Framework for the Procurement of Independent Fostering Providers for Placements for Children and Young People (Agenda item 21)

Councillor Gibbons presented the report. She outlined the proposal for a flexible framework contract for 48 months from 1st April 2022, with an optional 24 month extension as part of the South West Sub-Regional Commissioners Group (SWSRCG). The procurement of the new framework would be led by Bath & North East Somerset Council with the three other local authorities in the Group supporting the process including the evaluation of applications from prospective providers to join the framework. The SWSRCG would collaboratively oversee the management of providers and the contract for the duration of the arrangement.

In discussing the report reference was made to the importance of finding suitable activities for foster children available on a temporary membership or pay as you go basis, and Councillor Gibbons confirmed she would be pursuing this further now that activities were starting to re-open following the pandemic.

Motion: Moved by Councillor Gibbons, seconded by Councillor Griggs and

Resolved: that the commissioning plan be approved to proceed.

COU 82 Commissioning Plan for the Design and Build Contract of the A38 Major Road Network (MRN) Scheme and Associated Professional Services (Agenda item 23)

Councillor Bridger presented the report, referring to the scheme which aligned both Council priorities and Department for Transport (DfT) Major Road Network (MRN) objectives and proposed a series of targeted improvements for active travel, public transport, road safety, congestion alleviation and improved capacity along the A38 in both Somerset and North Somerset. The proposals included infrastructure improvements for cyclists, pedestrians and other non-motorised road users to better connect local communities. He confirmed he had now approved the procurement plan and if successful, the full business case would be submitted in 2023 allowing time for the detailed design requirements to be agreed.

In discussing the report Councillor Bridger noted the comments made by Joe Tristram in his public participation statement earlier in the meeting and undertook to address these, together with matters raised by councillors during the debate. The following issues were discussed: options for bringing forward certain schemes such as improvements to the Strawberry Line crossing at Shute Shelve; the importance of addressing active travel interventions as part of a larger ambition to connect up active travel routes rather than looking at individual schemes in

isolation; the need to consider this scheme alongside other major road projects such as the Banwell bypass to ensure a co-ordinated approach and that opportunities for improvements were maximised; the benefits of reducing congestion on the A38 and scope for looking at connecting routes to bring about greater improvements; the significant carbon footprint from transport and the need for an ambitious approach that prioritised cycling and addressed safe cycling routes between towns and villages, active travel and sustainable public transport; the need for carbon accounting as well as financial accounting in considering major projects so that the carbon impact was clear, targets were measurable and outcomes were deliverable; the importance of active engagement and on the issue of biodiversity, consideration of how local interest groups could input into proposed improvements and maintenance.

Motion: Moved by Councillor Bridger, seconded by Councillor Gibbons and

Resolved: that the Commissioning Plan for the procurement of the Design & Build contract for the A38 MRN Scheme and the Professional Services for the Full Business Case and Employer's Agent for the Scheme be approved, as set out in Section 3 of the report.

COU 83 Draft Municipal Calendar 2022-23 (Agenda item 23)

The Assistant Director Legal & Governance and Monitoring Officer presented the report.

Motion: Moved by Councillor Davies, seconded by Councillor Canniford and

Resolved: that the draft municipal calendar for 2022/23 be approved.

COU 84 Urgent business permitted by the Local Government Act 1972 (if any) (Agenda item 25)

Before moving in to exempt session, the Chairman confirmed there was no urgent business.

COU 85 Exclusion of Press and Public

Motion: Moved by Councillor Davies, seconded by Councillor Canniford and

Resolved: that the press, public, and officers not required by the Members, the Chief Executive or the Director, to remain during the exempt session, be excluded from the meeting during consideration of the following item of business on the ground that its consideration will involve the disclosure of exempt information as defined in Section 100I of the Local Government Act 1972 as follows:

Report on Birnbeck Pier (agenda item 24) - exempt under para 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information))

The Chairman confirmed this was the end of the open meeting and asked for the livestream to be cut.

COU 86 Birnbeck Pier (Exempt Report) (Agenda item 24)

Councillor Canniford presented the exempt report. He referred to the considerable work undertaken with partners at the RNLI and Historic England to save the derelict Grade II* Pier, and reported that the Compulsory Purchase Order process had led to the current owner agreeing to Heads of Terms for the sale of the site to the Council. He outlined the challenges and opportunities presented in pursuing an acquisition and working with partners to bring the Pier back in to use, as set out in the report, and referred to the option to no longer participate in the project. He sought cross party support for the proposals from across the district in order to take this forward and deliver a better future for Birnbeck Pier.

Motion: Moved by Councillor Canniford and seconded by Councillor Crockford-Hawley

“That the first set of recommendations as set out in the exempt report be approved and adopted.”

Councillor Cartman proposed an amendment to the recommendations, with the addition of a further recommendation requiring any increase in expenditure over and above that set out in the report to be brought back to Council, as follows:

“that no capital or revenue expenditure by the council (which for avoidance of doubt does not include any sums received from third parties) for any aspect of the project save those items specifically identified in section 5 of the report may be incurred without further consideration by and approval of full Council and no virement from any other budget to support the project may be made without consideration by and approval of full Council.”

The proposed amendment was taken on board by Councillors Canniford and Crockford-Hawley, as mover and seconder of the original Motion.

Members thanked officers and the council’s partners for their work and support in bringing these proposals forward and, following further discussion, it was, unanimously

Resolved: having noted that agreement has been reached with RNLI as to the proposed terms for a collaboration agreement and lease, and that Historic England or Levelling Up funding has been confirmed prior to this meeting, Council agrees:

(1) to enter into the Collaboration agreement and Lease agreement with the RNLI which will provide the principles and commitments around jointly taking forward the restoration of Birnbeck Pier;

(2) to delegate authority to the Director of Place, in consultation with the Executive Member for Placemaking and the Executive Member for Assets and Capital Delivery and the Executive Member for Corporate Services and the S151 and Monitoring Officers, to finalise the collaboration and lease agreements with the RNLI;

(3) to proceed with acquisition of the freehold of Birnbeck Pier and Island (ST212047), subject to completion of the collaboration and lease agreements with the RNLI and Historic England or Levelling Up funding to cover the acquisition cost being contractually committed;

(4) to delegate authority to the Directors of Place and Corporate Services, in consultation with the Executive Member for Placemaking and Executive Member for Assets and Capital Delivery, to finalise the acquisition of the Pier and Island and then enter into the lease with the RNLI for an area for the construction and operation of a new lifeboat house and associated facilities for its operation on the island;

(5) to delegate authority to the Director of Corporate Services/Section 151 Officer to apply for, accept and expend grants and complete the budgetary transactions associated with the project;

(6) to provide officer time to develop funding applications and explore establishment of not-for-profit organisation/s to support the future operating model; and

(7) that no capital or revenue expenditure by the council (which for avoidance of doubt does not include any sums received from third parties) for any aspect of the project save those items specifically identified in section 5 of the report may be incurred without further consideration by and approval of full Council and no virement from any other budget to support the project may be made without consideration by and approval of full Council.

Chairman

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Appendix 1

Council Meeting, 9 November 2021 Question Time (agenda item 14)

1. Question from Cllr Cato to Cllr Petty, Executive Member for Climate Emergency and Engagement

Cllr Cato asked the following question of Cllr Petty:

“In the light of COP26, time is marching on and further to my points raised at the last council meeting on the 21st September 2021, and my question also raised in council on the 16th June 2020 as Question 3, following my question at Executive Committee on 5th February 2020, I am interested to hear what progress has been made towards delivering actual metrics for lifecycle carbon emissions in reports and projects brought to members that show how we are moving towards or away from our stated climate emission goals and when might we anticipate this being mandatory in our reports so members can make more meaningful climate related considerations and decisions?

Is this another matter that requires an immediate call upon Government to provide the data and tools to enable all local government to meet our climate related obligations? ”

In response Cllr Petty thanked Cllr Cato for his continued commitment to the climate emergency and confirmed these matters had been raised with officers. She outlined the difficulties in estimating carbon emissions particularly where behavioural change was an issue. She confirmed that a range of carbon accounting technologies were being considered and decision making tools used by other councils were being looked at to establish what was working well. She confirmed there was real commitment within North Somerset to address carbon emissions and she outlined the wide range of initiatives in place to embed change.

2. Question from Cllr James to Cllr Gibbons, Executive Member for Children’s Services and Lifelong Learning

Cllr James referred to the issue of intergenerational justice and the importance of engagement with young people, referring to the Parliament of Young People set up by the Mayor of Bristol, and he asked Cllr Gibbons what steps were being taken to progress this within North Somerset.

Cllr Gibbons responded that she was committed to introducing a youth parliament or similar forum and stated that delivery of this project was being overseen by Cllr Holland, who she invited to respond. Cllr Holland outlined progress with the development of a youth panel, with a cross district meeting to discuss this planned for the New Year. She added she would welcome a meeting with Cllr James and Cllr Cronnelly as the council’s youth champions to discuss how best to take this forward.

3. Question from Cllr Keating to Cllr Solomon, Executive Member for Neighbourhoods and Community Services

Cllr Keating asked for an update on progress with plans for Churchill Sports Centre.

Cllr Solomon referred to the statement from the public speaker earlier in the meeting and confirmed there had been communication with all parties on this. Various options were being considered but there were difficulties to be addressed around funding. Further meetings were planned for the coming weeks and he would report back once the position was clearer.

4. Question from Cllr Neve to Cllr Payne, Assistant Executive Member for Parking Strategy and Delivery

Cllr Neve asked the following question of Cllr Payne:

“I refer to comments made following the Climate Emergency Progress Update report at last month’s meeting regarding funding. Councillor Cartman stated that tough decisions will need to be taken on what key services to cut if resources were to be redirected to the climate emergency.

Have the Executive considered the option of a Workplace Parking Levy as a means to both discourage private car use and raise additional revenue that could help pay for active travel measures, public transport provision and EV charging points?”

Cllr Payne responded that addressing these issues was a priority for the council, with any revenue generated from parking schemes being used for such improvements. A workplace parking levy would be considered alongside other measures as part of the long term parking strategy which would be coming before Council in due course. He confirmed the Executive had yet to consider such a levy, stating it was important to understand the impact and implications for residents and businesses.

Agenda Item 6

Council – 15 February 2022

Motions by Members (Standing Order No. 14)

Motion from Cllr Keating - The Future of Swimming in North Somerset

Council recognises the vital role swimming pools play in our local community. Swimming pools are community hubs where people of all ages come together for fun, fitness and sport.

It is estimated that the enormous benefits swimming brings to people's physical and mental health saves NHS and Social Care services more than £357 million each year across the UK. The benefits of physical activity on well being are recognised in North Somerset's own recently adopted Health and Well being policy.

Council reaffirms its commitment to providing top class swimming facilities in North Somerset.

Council notes with concern the report published by Swim England in September 2021 – A Decade in Decline: The Future of Swimming Pools in England – which warns that, without proper investment and refurbishment, up to 2000 swimming pools could be lost across the UK over the next decade.

Many swimming pools in North Somerset are coming towards the end of their lifespan, while others such as that at Churchill Sports Centre have been indefinitely closed due to historical lack of investment and the impact of the Covid pandemic.

Council also notes that Leisure centres can account for as much as 40 per cent of a council's direct carbon emissions. New or refurbished pools are much more sustainable (both economically and environmentally) than those left unimproved and can play a key part in meeting our climate change ambitions.

Council resolves to adopt the recommendations contained in Swim England's 'Future of Swimming Pools in England' report to:

- Undertake a Strategic Needs Assessment to identify the investment needed to improve existing swimming pools in North Somerset to avoid a future shortfall in the provision of local swimming facilities.
- Bid for full Government funding for the refurbishment works that are identified (and for new pools if required).
- Council further instructs the Chief Executive to write to the Chancellor of the Exchequer to demand that the full £1 billion of grant funding recommended in Swim England's report is made available to local authorities to refurbish and expand their swimming pool provision. As part of this funding grants should also be made available to support local authorities to undertake full strategic needs assessments of their local swimming provision

Cllr Patrick Keating,
Blagdon and Churchill Ward

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Council – 15 February 2022
Motions by Members (Standing Order No. 14)

Motion from Cllr Shopland – Planning and Regulatory Committee Membership and Procedures

1. That the Number of Members of the P & R Committee be increased to 25.
2. That the procedures for allowing Ward Members not on the Committee to refer items for consideration and their being able to debate and vote on them, be reviewed by Council.

Cllr David Shopland

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Forward Plan

for the four-month period commencing on

1st March 2022

published on 31 January 2022



This Forward Plan gives details of decision items to be presented during the forthcoming four months.

Councillors are invited to review the items and to consider whether any of them should be referred for scrutiny or discussed with the appropriate Executive Member.

Executive Members (8) (revised portfolios as announced at Council on 20 April 2021)

Leader of the Council - Councillor Don Davies: external liaison including strategic partnerships: Local Enterprise Partnership, North Somerset Partnership, Joint Executive Committee (WECA and North Somerset Council), Alliance, Police; strategic policy/corporate plan development, forward programme and strategic review; strategic communications and marketing (with Deputy Leader and Executive Member Engagement); strategic transport - transport policy, public transport, home to school transport, bus and rail strategy.

Deputy Leader of the Council and Executive Member for Adult Services, Health and Housing - Councillor Mike Bell: adult social care; Health and Wellbeing Board; public health and regulatory services; NHS, health and liaison; emergency management; housing solutions, private sector housing and unauthorised encampments.

Executive Member for Children's Services and Lifelong Learning – Councillor Catherine Gibbons: children and young people's services; education and skills; further and higher education liaison.

Executive Member for Corporate Services – Councillor Ashley Cartman: finance – revenue, capital programme and income generation; procurement; legal and democratic services (including electoral and registrar); property and asset management – financial business cases & financing; ICT, digital and customer services; lead for business support contracts – Agilisys and Liberata; human resources and organisational development; shareholder representative role for council companies.

Executive Member for Climate Emergency and Engagement – Councillor Bridget Petty: climate and ecological emergency; community engagement and consultation; town and parish liaison; North Somerset Together; voluntary sector liaison.

Executive Member for Placemaking and Economy – Councillor Mark Canniford: Placemaking and development - placemaking strategies, culture strategy, Weston placemaking delivery, Tropicana and Playhouse Theatre, strategic events programme, visitor economy development, development and commercial programme, affordable housing delivery; planning - policy, spatial planning, building control; economy and recovery - inward investment, business development and engagement, employment, high street and town centre renewal; parking strategy.

Executive Member for Neighbourhoods and Community Services – Councillor Mike Solomon: libraries; community venues; safer communities; environmental services - recycling and waste minimisation, waste and street cleansing contracts, enforcement strategy; highways operations and parking - highway network management, highway maintenance contract, streetlighting, parking management; highway technical services and delivery - liveable neighbourhood schemes, active travel schemes, highway structures; open spaces and natural environment – sports and leisure centre contracts, flood risk management, seafronts parks and lakes operational management, crematoria and cemeteries, marine environment.

Executive Member for Assets and Capital Delivery – Councillor Steve Bridger: major infrastructure project delivery – HIF, Metrowest, major schemes; property technical services and project delivery - strategic asset planning, corporate estate (including allocation/appropriation of assets between council directorates/functions), accommodation strategy project delivery, capital projects delivery.

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The items and the final decision taker are indicative. Decision making is subject to the Constitution.

Copies of documents listed can be obtained by contacting the officer named in the attached schedules. Other relevant documents may be submitted to the decision maker and can be requested from the named officer as they become available or may be available on the Council's website www.n-somerset.gov.uk

March 2022

1. Council and Executive Items

(NB No Council or Executive meetings scheduled for March. Extraordinary Meeting now arranged for 14 March)

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
Extra-ordinary meeting 14/03	Street Cleansing and Grounds Maintenance contract (previously listed for February)	https://n-somerset.moderngov.co.uk/documents/s719/14%20Grounds%20Maintenance%20and%20Street%20Cleansing%20Contract.pdf	Executive	No	November / December (Place Panel subgroup)	Contact: Colin Russell 07919546457 John Flannigan 01934427346

March 2022

2. Executive Member Items and Director Key Decisions

Decision Not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/03	A38 MRN scheme: Acceptance of DfT Grant and approval of NSC Local Contributions (moved to April)	<p>– Director Decision: 19/20-DE295 https://www.n-somerset.gov.uk/sites/default/files/2020-05/19-20%20DE%20295.pdf</p> <p>– Exec Member Decision: A38 Major Road Network Scheme Outline Business Case Submission and Local Contribution Funding</p> <p>– Full Council/Exec Member: Commissioning & Procurement Plans for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services</p>	Executive Member (Cllr Bridger)	No	The Place P&SP was consulted at the OBC Submission Decision and Commissioning Plan stage in September/October 2021. A further briefing will be offered to the Place P&SP in February 2022.	Contact: Konrad Lansdown: 07917 184804

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/03	A38 MRN scheme: Contract Award of D&B Stage 1 Contract (moved to August)	<p>– Director Decision 19/20 DE295 https://www.n-somerset.gov.uk/sites/default/files/2020-05/19_20%20DE%20295.pdf</p> <p>– Exec Member Decision: A38 Major Road Network Scheme Outline Business Case Submission and Local Contribution Funding</p> <p>– Full Council/Exec Member: Commissioning & Procurement Plans for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services</p>	Director of Place (key decision)	No	The Place P&SP was consulted at the OBC Submission Decision and Commissioning Plan stage in September/October 2021. A further briefing will be offered to the Place P&SP in February 2022.	Contact: Konrad Lansdown: 07917 184804
01/03	A38 MRN scheme: Award of Professional Services Contract (moved to August)	<p>Director Decision: 19/20 DE295 https://www.n-somerset.gov.uk/sites/default/files/2020-05/19_20%20DE%20295.pdf</p> <p>Exec Member Decision DP 270: A38 Major Road Network Scheme Outline Business Case Submission and Local Contribution Funding</p> <p>Full Council: Commissioning Plan for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services</p> <p>Executive Member: Procurement Plan for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services</p>	Director of Place (key decision)	No	The Place P&SP was consulted at the OBC Submission Decision and Commissioning Plan stage in September/October 2021. A further briefing will be offered to the Place P&SP in February 2022.	Contact: Konrad Lansdown: 07917 184804

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/03	Road Lighting, Traffic Management and Decorative Lighting Maintenance Contract Extension	EXE 49 https://n-somerset.moderngov.co.uk/Data/Executive/201812041430/Agenda/10%20Street%20Lighting%20LED%20replacement%20contract%20award.pdf	Director of Place (key decision)	No	The Place Panel was consulted at its meeting on 01/12/21. Chairman has confirmed no further engagement required	Contact: Darren Coffin-Smith / Shaun Chilcott 01934 427647
01/03	Public Health & Regulatory Services Enforcement Policy	Regulatory Services Enforcement Procedure 2015 regulatory services enforcement procedure_0.pdf (n-somerset.gov.uk)	Executive Member (Cllr Bell)	No	Scrutiny engagement with ASH Panel WG and Health Overview & Scrutiny Panel to be arranged no later than 15th February.	Contact: Jane Day 01934 634528

April 2022

1. Council and Executive Items

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
12/04	Six month Climate Emergency progress report	Previous progress reports to Council – September 2021, January 2021	Council	No	Reporting to PCOM Panel informally through timetable of scrutiny engagement (to be agreed with the Panel Chairman)	Contact: Nicola Webb 07385 039423
12/04	Joint Commissioning & Procurement Plan for the re-procurement of the Energy Supply Contract	Decision CSD61 – Award of Energy Supply Contracts	Council	No	Engagement session with PCOM Panel held on 14 December. Further session to be arranged prior to Council meeting	Contact: Elaine Braund 01275 884195 Holly Wilkins
12/04	MetroWest – update and final business plan sign off (previously listed for February)	19 July 2021 report to Full Council 23 February 2021 report to Full Council 10 November 2020 report to Full Council	Council	No	Briefing given to Place Scrutiny Panel on 8th June 2021 and further briefings planned as the situation regarding the DCO decision unfolds	Contact: James Willcock 01934 426414
27/04	2021/22 Month 10 Budget Monitor	Previous Budget Monitor reports to Executive	Executive	No	Reporting to PCOM informally through timetable of scrutiny engagement as agreed with the Panel Chairman	Contact: Melanie Watts 01934 634618
27/04	Annual Information Report of Contracts awarded over £250,000	Decision reports for contracts awarded over £250,000	Executive	No	Information report - P&SP engagement undertaken as appropriate during each procurement process.	Contact: Mark Roddan (01275 884464)
27/04	Customer Service Strategy Approval	Existing Customer Access Strategy	Executive	No	PCOM Scrutiny on 10/01/22 and 17/03/22	Contact: Simone Woolley 07889224106
27/04	Housing Strategy 2022 – 2027 Approval	Final Housing Strategy 2022-2027 Existing Housing Strategy/ Housing Strategy Consultation Summary	Executive	No	Meetings with ASH Panel. Further ASH Panel briefing note & final draft for comment January 2022	Contact: Alison Smith 01934 426489

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Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
27/04	Acceptance of funding from Department for Business, Energy and Industrial Strategy (BEIS) for Greenhouse Gas Capture research project in support of HIF carbon objectives	Executive decision for acceptance of funding from BEIS for the Greenhouse Gas Capture Project	Executive	No	Place Scrutiny Panel to be engaged through HIF scheme scrutiny 18th April 2022	Contact: Tom Foster 07825903259
27/04	Accept Heads of Terms and enter into options agreement for purchase of land for construction of Banwell Bypass	Executive decision for purchase of land for construction of Banwell Bypass through landowner negotiation	Executive	No	Place Scrutiny Panel to be engaged through HIF scheme scrutiny 18th April 2022	Contact: Tom Foster 07825903259
27/04	Procurement route for the delivery of the Capital Project at Banwell Primary School	Report to Executive 20 th October 2021 – 2021/22 Budget Monitoring – Month 5	Executive	No	Partnerships, Corporate Organisation and Overview Management Panel To be picked up under PCOM by a scrutiny steering group to be established (Dec 21/ Jan 22)	Contact: Elaine Braund 01275 884195 Justin Harvey-Bennett 01934 427304
27/04	Winterstoke Road Bridge Replacement: Award of Stage 2 Design & Build Contract (previously listed as Director Decision in April)	<u>20/21 DP 262: Contract Award for Stage 1 of the Design & Build Services of Winterstoke Road Bridge</u> <u>COU 104 12/11/2019: Commissioning Plan & acceptance of MOD funding</u> <u>19/20 DE 257: Procurement Plan</u>	Executive	No	Place Policy & Scrutiny Panel Chairman consulted: no further Panel engagement necessary	Contact: Jason Reading 01275 884480

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
27/04	Decision to expand and create a 2 nd site for Baytree School for 72 to 120 pupils across the existing site in Weston super Mare and a 2 nd site in Clevedon (new entry)	<p>Education Provision in North Somerset ~ A Commissioning Strategy 2021 - 2024 – see Education Provision in North Somerset - A Commissioning Strategy 2021-2024 (n-somerset.gov.uk)</p> <p>Approval to start consaultions to expand Baytree Special School - https://www.n-somerset.gov.uk/wp-content/uploads/2019/07/19-20-PC-19-Signed.pdf</p> <p>Approval to designate a possible site for the expansion of Baytree Special School - https://www.n-somerset.gov.uk/wp-content/uploads/2019/08/19-20-CSD-43-signed.pdf</p> <p>Expansion of Baytree Special School Consultation: http://consult.n-somerset.gov.uk/consult.ti/Expansion_of_Baytree_School/consultationHome</p> <p>Extension to the Phase 1 consultation process – Baytree School Expansion - August 2021 executive member decisions North Somerset Council (n-somerset.gov.uk)</p>	Executive	No	Reporting to CYPS Scrutiny Panel and informally through the Panel's School Organisation Steering Group as required. The latest meeting was held on 19 January 2022. Officers also update Ward Cllrs monthly.	Contact: Sally Varley 01275 884857

April 2022

2. Executive Member Items and Director Key Decisions

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/ Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/04	Winterstoke Road Bridge Replacement: Award of Stage 2 Design & Build Contract (moved to April Executive)	<u>20/21 DP 262: Contract Award for Stage 1 of the Design & Build Services of Winterstoke Road Bridge COU 104 12/11/2019: Commissioning Plan & acceptance of MOD funding</u> <u>19/20 DE 257: Procurement Plan</u>	Director of Place (key decision)	No	Place Policy & Scrutiny Panel Chairman consulted: no further Panel engagement necessary	Contact: Jason Reading 01275 884480
01/04	A38 MRN scheme: Acceptance of DfT Grant and approval of NSC Local Contributions (previously listed for March)	- Director Decision: 19/20 DE295 https://www.n-somerset.gov.uk/sites/default/files/2020-05/19-20%20DE%20295.pdf - Exec Member Decision DP270: A38 Major Road Network Scheme Outline Business Case Submission and Local Contribution Funding - Full Council/Exec Member: Commissioning & Procurement Plans for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services	Executive Member (Cllr Bridger)	No	The Place P&SP was consulted at the OBC Submission Decision and Commissioning Plan stage in September/October 2021. A further briefing will be offered to the Place P&SP in March/April 2022.	Contact: Konrad Lansdown: 07917 184804

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May 2022

1. Council and Executive Items

(NB No Executive meeting scheduled for May)

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
10/05	Compulsory Purchase of land for construction of Banwell Bypass	Executive decision for Compulsory Purchase Order of land for construction of Banwell Bypass	Council (Annual)	No	Place Scrutiny Panel to be engaged through HIF scheme scrutiny 18th April 2022	Contact: Tom Foster 07825903259

May 2022

2. Executive Member Items and Director Key Decisions

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/05						

June 2022

1. Council and Executive Items

(NB No Council meeting scheduled for June)

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
22/06	2021/22 Month 12 Budget Monitor (new entry)	Previous Budget Monitor reports to Executive	Executive	No	Reporting to PCOM informally through timetable of scrutiny engagement as agreed with the Panel Chairman	Contact: Melanie Watts 01934 634618
22/06	Award of contract and authorisation to enter into Joint Venture with the recommended development partner for land to the south of The Uplands, Nailsea (new entry)	Report to Council, 19 th July 2021: Development Programme: Business Case and Commissioning Plan for development of council-owned land to the south of The Uplands, Nailsea	Executive	Part	As set out in Council report dated 19 th July 2019. A Member Advisory Group is also overseeing the procurement process.	Jenny Ford / Geoff Brakspear

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June 2022

2. Executive Member Items and Director Key Decisions

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/06						

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Forward Plan

for the four-month period commencing on

1st March 2022

published on 31 January 2022



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Executive Members (8) (revised portfolios as announced at Council on 20 April 2021)

Leader of the Council - Councillor Don Davies: external liaison including strategic partnerships: Local Enterprise Partnership, North Somerset Partnership, Joint Executive Committee (WECA and North Somerset Council), Alliance, Police; strategic policy/corporate plan development, forward programme and strategic review; strategic communications and marketing (with Deputy Leader and Executive Member Engagement); strategic transport - transport policy, public transport, home to school transport, bus and rail strategy.

Deputy Leader of the Council and Executive Member for Adult Services, Health and Housing - Councillor Mike Bell: adult social care; Health and Wellbeing Board; public health and regulatory services; NHS, health and liaison; emergency management; housing solutions, private sector housing and unauthorised encampments.

Executive Member for Children's Services and Lifelong Learning – Councillor Catherine Gibbons: children and young people's services; education and skills; further and higher education liaison.

Executive Member for Corporate Services – Councillor Ashley Cartman: finance – revenue, capital programme and income generation; procurement; legal and democratic services (including electoral and registrar); property and asset management – financial business cases & financing; ICT, digital and customer services; lead for business support contracts – Agilisys and Liberata; human resources and organisational development; shareholder representative role for council companies.

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Executive Member for Neighbourhoods and Community Services – Councillor Mike Solomon: libraries; community venues; safer communities; environmental services - recycling and waste minimisation, waste and street cleansing contracts, enforcement strategy; highways operations and parking - highway network management, highway maintenance contract, streetlighting, parking management; highway technical services and delivery - liveable neighbourhood schemes, active travel schemes, highway structures; open spaces and natural environment – sports and leisure centre contracts, flood risk management, seafronts parks and lakes operational management, crematoria and cemeteries, marine environment.

Executive Member for Assets and Capital Delivery – Councillor Steve Bridger: major infrastructure project delivery – HIF, Metrowest, major schemes; property technical services and project delivery - strategic asset planning, corporate estate (including allocation/appropriation of assets between council directorates/functions), accommodation strategy project delivery, capital projects delivery.

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The items and the final decision taker are indicative. Decision making is subject to the Constitution.

Copies of documents listed can be obtained by contacting the officer named in the attached schedules. Other relevant documents may be submitted to the decision maker and can be requested from the named officer as they become available or may be available on the Council's website www.n-somerset.gov.uk

March 2022

1. Council and Executive Items

(NB No Council or Executive meetings scheduled for March. Extraordinary Meeting now arranged for 14 March)

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
Extra-ordinary meeting 14/03	Street Cleansing and Grounds Maintenance contract (previously listed for February)	https://n-somerset.moderngov.co.uk/documents/s719/14%20Grounds%20Maintenance%20and%20Street%20Cleansing%20Contract.pdf	Executive	No	November / December (Place Panel subgroup)	Contact: Colin Russell 07919546457 John Flannigan 01934427346

March 2022

2. Executive Member Items and Director Key Decisions

Decision Not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/03	A38 MRN scheme: Acceptance of DfT Grant and approval of NSC Local Contributions (moved to April)	<p>– Director Decision: 19/20-DE295 https://www.n-somerset.gov.uk/sites/default/files/2020-05/19-20%20DE%20295.pdf</p> <p>– Exec Member Decision: A38 Major Road Network Scheme Outline Business Case Submission and Local Contribution Funding</p> <p>– Full Council/Exec Member: Commissioning & Procurement Plans for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services</p>	Executive Member (Cllr Bridger)	No	The Place P&SP was consulted at the OBC Submission Decision and Commissioning Plan stage in September/October 2021. A further briefing will be offered to the Place P&SP in February 2022.	Contact: Konrad Lansdown: 07917 184804

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/03	A38 MRN scheme: Contract Award of D&B Stage 1 Contract (moved to August)	<p>- Director Decision 19/20 DE295 https://www.n-somerset.gov.uk/sites/default/files/2020-05/19_20%20DE%20295.pdf</p> <p>- Exec Member Decision: A38 Major Road Network Scheme Outline Business Case Submission and Local Contribution Funding</p> <p>- Full Council/Exec Member: Commissioning & Procurement Plans for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services</p>	Director of Place (key decision)	No	The Place P&SP was consulted at the OBC Submission Decision and Commissioning Plan stage in September/October 2021. A further briefing will be offered to the Place P&SP in February 2022.	Contact: Konrad Lansdown: 07917 184804
01/03	A38 MRN scheme: Award of Professional Services Contract (moved to August)	<p>Director Decision: 19/20 DE295 https://www.n-somerset.gov.uk/sites/default/files/2020-05/19_20%20DE%20295.pdf</p> <p>Exec Member Decision DP 270: A38 Major Road Network Scheme Outline Business Case Submission and Local Contribution Funding</p> <p>Full Council: Commissioning Plan for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services</p> <p>Executive Member: Procurement Plan for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services</p>	Director of Place (key decision)	No	The Place P&SP was consulted at the OBC Submission Decision and Commissioning Plan stage in September/October 2021. A further briefing will be offered to the Place P&SP in February 2022.	Contact: Konrad Lansdown: 07917 184804

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Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/03	Road Lighting, Traffic Management and Decorative Lighting Maintenance Contract Extension	EXE 49 https://n-somerset.moderngov.co.uk/Data/Executive/201812041430/Agenda/10%20Street%20Lighting%20LED%20replacement%20contract%20award.pdf	Director of Place (key decision)	No	The Place Panel was consulted at its meeting on 01/12/21. Chairman has confirmed no further engagement required	Contact: Darren Coffin-Smith / Shaun Chilcott 01934 427647
01/03	Public Health & Regulatory Services Enforcement Policy	Regulatory Services Enforcement Procedure 2015 regulatory services enforcement procedure_0.pdf (n-somerset.gov.uk)	Executive Member (Cllr Bell)	No	Scrutiny engagement with ASH Panel WG and Health Overview & Scrutiny Panel to be arranged no later than 15th February.	Contact: Jane Day 01934 634528

April 2022

1. Council and Executive Items

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
12/04	Six month Climate Emergency progress report	Previous progress reports to Council – September 2021, January 2021	Council	No	Reporting to PCOM Panel informally through timetable of scrutiny engagement (to be agreed with the Panel Chairman)	Contact: Nicola Webb 07385 039423
12/04	Joint Commissioning & Procurement Plan for the re-procurement of the Energy Supply Contract	Decision CSD61 – Award of Energy Supply Contracts	Council	No	Engagement session with PCOM Panel held on 14 December. Further session to be arranged prior to Council meeting	Contact: Elaine Braund 01275 884195 Holly Wilkins
12/04	MetroWest – update and final business plan sign off (previously listed for February)	19 July 2021 report to Full Council 23 February 2021 report to Full Council 10 November 2020 report to Full Council	Council	No	Briefing given to Place Scrutiny Panel on 8th June 2021 and further briefings planned as the situation regarding the DCO decision unfolds	Contact: James Willcock 01934 426414
27/04	2021/22 Month 10 Budget Monitor	Previous Budget Monitor reports to Executive	Executive	No	Reporting to PCOM informally through timetable of scrutiny engagement as agreed with the Panel Chairman	Contact: Melanie Watts 01934 634618
27/04	Annual Information Report of Contracts awarded over £250,000	Decision reports for contracts awarded over £250,000	Executive	No	Information report - P&SP engagement undertaken as appropriate during each procurement process.	Contact: Mark Roddan (01275 884464)
27/04	Customer Service Strategy Approval	Existing Customer Access Strategy	Executive	No	PCOM Scrutiny on 10/01/22 and 17/03/22	Contact: Simone Woolley 07889224106
27/04	Housing Strategy 2022 – 2027 Approval	Final Housing Strategy 2022-2027 Existing Housing Strategy/ Housing Strategy Consultation Summary	Executive	No	Meetings with ASH Panel. Further ASH Panel briefing note & final draft for comment January 2022	Contact: Alison Smith 01934 426489

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Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
27/04	Acceptance of funding from Department for Business, Energy and Industrial Strategy (BEIS) for Greenhouse Gas Capture research project in support of HIF carbon objectives	Executive decision for acceptance of funding from BEIS for the Greenhouse Gas Capture Project	Executive	No	Place Scrutiny Panel to be engaged through HIF scheme scrutiny 18th April 2022	Contact: Tom Foster 07825903259
27/04	Accept Heads of Terms and enter into options agreement for purchase of land for construction of Banwell Bypass	Executive decision for purchase of land for construction of Banwell Bypass through landowner negotiation	Executive	No	Place Scrutiny Panel to be engaged through HIF scheme scrutiny 18th April 2022	Contact: Tom Foster 07825903259
27/04	Procurement route for the delivery of the Capital Project at Banwell Primary School	Report to Executive 20 th October 2021 – 2021/22 Budget Monitoring – Month 5	Executive	No	Partnerships, Corporate Organisation and Overview Management Panel To be picked up under PCOM by a scrutiny steering group to be established (Dec 21/ Jan 22)	Contact: Elaine Braund 01275 884195 Justin Harvey-Bennett 01934 427304
27/04	Winterstoke Road Bridge Replacement: Award of Stage 2 Design & Build Contract (previously listed as Director Decision in April)	<u>20/21 DP 262: Contract Award for Stage 1 of the Design & Build Services of Winterstoke Road Bridge</u> <u>COU 104 12/11/2019: Commissioning Plan & acceptance of MOD funding</u> <u>19/20 DE 257: Procurement Plan</u>	Executive	No	Place Policy & Scrutiny Panel Chairman consulted: no further Panel engagement necessary	Contact: Jason Reading 01275 884480

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Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
27/04	Decision to expand and create a 2 nd site for Baytree School for 72 to 120 pupils across the existing site in Weston super Mare and a 2 nd site in Clevedon (new entry)	<p>Education Provision in North Somerset ~ A Commissioning Strategy 2021 - 2024 – see Education Provision in North Somerset - A Commissioning Strategy 2021-2024 (n-somerset.gov.uk)</p> <p>Approval to start consaultions to expand Baytree Special School - https://www.n-somerset.gov.uk/wp-content/uploads/2019/07/19-20-PC-19-Signed.pdf</p> <p>Approval to designate a possible site for the expansion of Baytree Special School - https://www.n-somerset.gov.uk/wp-content/uploads/2019/08/19-20-CSD-43-signed.pdf</p> <p>Expansion of Baytree Special School Consultation: http://consult.n-somerset.gov.uk/consult.ti/Expansion_of_Baytree_School/consultationHome</p> <p>Extension to the Phase 1 consultation process – Baytree School Expansion - August 2021 executive member decisions North Somerset Council (n-somerset.gov.uk)</p>	Executive	No	Reporting to CYPS Scrutiny Panel and informally through the Panel's School Organisation Steering Group as required. The latest meeting was held on 19 January 2022. Officers also update Ward Cllrs monthly.	Contact: Sally Varley 01275 884857

April 2022

2. Executive Member Items and Director Key Decisions

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/04	Winterstoke Road Bridge Replacement: Award of Stage 2 Design & Build Contract (moved to April Executive)	20/21 DP 262: Contract Award for Stage 1 of the Design & Build Services of Winterstoke Road Bridge COU 104 12/11/2019: Commissioning Plan & acceptance of MOD funding 19/20 DE 257: Procurement Plan	Director of Place (key decision)	No	Place Policy & Scrutiny Panel Chairman consulted: no further Panel engagement necessary	Contact: Jason Reading 01275 884480
01/04	A38 MRN scheme: Acceptance of DfT Grant and approval of NSC Local Contributions (previously listed for March)	- Director Decision: 19/20 DE295 https://www.n-somerset.gov.uk/sites/default/files/2020-05/19-20%20DE%20295.pdf - Exec Member Decision DP270: A38 Major Road Network Scheme Outline Business Case Submission and Local Contribution Funding - Full Council/Exec Member: Commissioning & Procurement Plans for the Design & Build Contract of the A38 Major Road Network (MRN) Scheme and associated Professional Services	Executive Member (Cllr Bridger)	No	The Place P&SP was consulted at the OBC Submission Decision and Commissioning Plan stage in September/October 2021. A further briefing will be offered to the Place P&SP in March/April 2022.	Contact: Konrad Lansdown: 07917 184804

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May 2022

1. Council and Executive Items

(NB No Executive meeting scheduled for May)

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
10/05	Compulsory Purchase of land for construction of Banwell Bypass	Executive decision for Compulsory Purchase Order of land for construction of Banwell Bypass	Council (Annual)	No	Place Scrutiny Panel to be engaged through HIF scheme scrutiny 18th April 2022	Contact: Tom Foster 07825903259

May 2022

2. Executive Member Items and Director Key Decisions

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/05						

June 2022

1. Council and Executive Items

(NB No Council meeting scheduled for June)

Meeting Date	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
22/06	2021/22 Month 12 Budget Monitor (new entry)	Previous Budget Monitor reports to Executive	Executive	No	Reporting to PCOM informally through timetable of scrutiny engagement as agreed with the Panel Chairman	Contact: Melanie Watts 01934 634618
22/06	Award of contract and authorisation to enter into Joint Venture with the recommended development partner for land to the south of The Uplands, Nailsea (new entry)	Report to Council, 19 th July 2021: Development Programme: Business Case and Commissioning Plan for development of council-owned land to the south of The Uplands, Nailsea	Executive	Part	As set out in Council report dated 19 th July 2019. A Member Advisory Group is also overseeing the procurement process.	Jenny Ford / Geoff Brakspear

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June 2022

2. Executive Member Items and Director Key Decisions

Decision not before	Item/Issue requiring decision	Background Documents for Consideration	Decision Taker	Exempt Item? Yes/No/Part	Policy & Scrutiny Panel Activity & Engagement / Timeline	Contact Officer for Further Details
01/06						

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Executive

02 February 2022

Draft Extract

EXE Treasury Management Strategy 2022/23 (Agenda Item 15)
87

Councillor Cartman presented the Council's treasury management strategy for the 2022/23 financial year, detailing how the council plans to manage its cash-flows and resources to ensure effective treasury management, the proposed Prudential Indicators for 2022/23 and the proposed policy for making Minimum Revenue Provision in respect of the repayment of the council's external debt, within the revenue budget.

All the finance reports were discussed together en bloc (see minute no. EXE 86 above for the debate relating to these reports).

Recommended to Council:

- (1) that the Treasury Management Strategy for 2022/23, as described throughout the report and shown in Appendix 1 of the report, be approved;
- (2) that the Prudential Indicators for 2022/23, as shown in Appendix 2 of the report, be approved; and
- (3) that the Minimum Revenue Provision Statement for 2022/23, as shown in Section 3.5 of the report, be approved.

Reasons for the decision:

As set out in the report and discussed above.

Alternative options considered and rejected:

As set out in the report and discussed above.

EXE 88 Capital Strategy 2022-2026 and Capital Budget for 2022/23 (Agenda Item 16)

Councillor Cartman presented the Capital Strategy and Capital Budget, outlining the council's approach to capital investment over the short, medium and longer term and providing a high-level overview of how capital expenditure activity contributes to the provision of local public services within the area. These resources would be used to support the council's children and young people, tackle the climate emergency and invest in communities and infrastructure, whilst aiming to strengthen the delivery of basic services. The strategy matches the council's priorities and planned service requirements with funding projections and asset management considerations, being an overarching strategic plan closely linked to other key plans and strategies.

All the finance reports were discussed together en bloc (see minute no. EXE 86 above for the debate relating to these reports).

Recommended to Council:

(1) that the capital strategy 2022/23 to 2026/27 as outlined in the Executive Summary and set out in Appendix 1 of the report be approved; and

(2) that an increase to the capital programme of £38.722m in 2022/23 for a range of new investments relating to children and young people, delivering better basic services, investing in our communities and tackling the climate emergency as detailed in section 4.3 and Appendix 2 of the report be approved, subject to confirmation of grant funding allocations.

It was further

Resolved:

(1) that the revised borrowing impact within the capital programme of £94.291m for approved schemes to 2022/23, which could rise to £138m by 2026 be noted;

(2) that approval for the detailed highways schemes be delegated to the Executive Member for Neighbourhoods and Community Services; and

(3) that the amendments to the capital budget for the current year 2021/22, as detailed in Appendix 4 of the report, be approved.

Reasons for the decision:

As set out in the report and discussed above.

Alternative options considered and rejected:

As set out in the report and discussed above.

EXE 89 Medium Term Financial Plan (MTFP) and Revenue Budget 2022/23 (Agenda Item 17)

Councillor Cartman presented the report which finalised the MTFP process by updating all financial assumptions and integrating the impact of new investment proposals, to enable the Executive to recommend a final balanced revenue budget to Council for the 2022/23 financial year. Council would then consider the recommended budget as part of the council tax setting process for the year ahead.

All the finance reports were discussed together en bloc (see minute no. EXE 86 above for the debate relating to these reports).

Resolved:

- (1) that the updated revenue and capital budget forecasts in respect of the 2021/22 financial year, as detailed within section 3.1 of the report, be noted;
- (2) that the Equality Impact Assessment report attached at Appendix 4 of the report be noted, and members familiarise themselves with the published Equality Impact Assessments (EIAs) that underpin the 2022/23 budget savings plans; and
- (3) that the statement of the Chief Finance Officer on the adequacy of reserves and the robustness of the budget as detailed in section 3.8 of the report be noted.

It was further

Recommended to Council:

- (1) that a revenue budget for 2022/23 as detailed within the report and shown at Appendix 1 of the report be approved;
- (2) that a council tax increase of 1.99% for 2022/23 to support the proposed budget be approved; and
- (3) that an adult social care precept of 1% on the council tax for 2022/23 be approved.

Reasons for the decision:

As set out in the report and discussed above.

Alternative options considered and rejected:

As set out in the report and discussed above.

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North Somerset Council

REPORT TO THE EXECUTIVE

DATE OF MEETING: 2 FEBRUARY 2022

SUBJECT OF REPORT: TREASURY MANAGEMENT STRATEGY 2022/23

TOWN OR PARISH: ALL

OFFICER/MEMBER PRESENTING: CLLR ASHLEY CARTMAN, EXECUTIVE MEMBER FOR CORPORATE SERVICES

KEY DECISION: YES

RECOMMENDATIONS

The Executive is requested to:

Recommend to Council for approval;

- i) the Treasury Management Strategy for 2022/23, as described throughout the report and shown in **Appendix 1**,
- ii) the Prudential Indicators for 2022/23, as shown in **Appendix 2**,
- iii) the Minimum Revenue Provision Statement for 2022/23, as shown in **Section 3.5**.

1. SUMMARY OF REPORT

The purpose of the report is to present the annual *treasury management strategy* for the 2022/23 financial year, for recommendation onto Council for consideration and approval, as required by statute.

The report contains details of;

- how the council plans to manage its cash-flows and resources to ensure effective treasury management,
- the proposed Prudential Indicators for 2022/23, and
- the proposed policy for making Minimum Revenue Provision in respect of the repayment of the council's external debt, within the revenue budget.

Again, statute requires that each of these areas are required to be approved by Council.

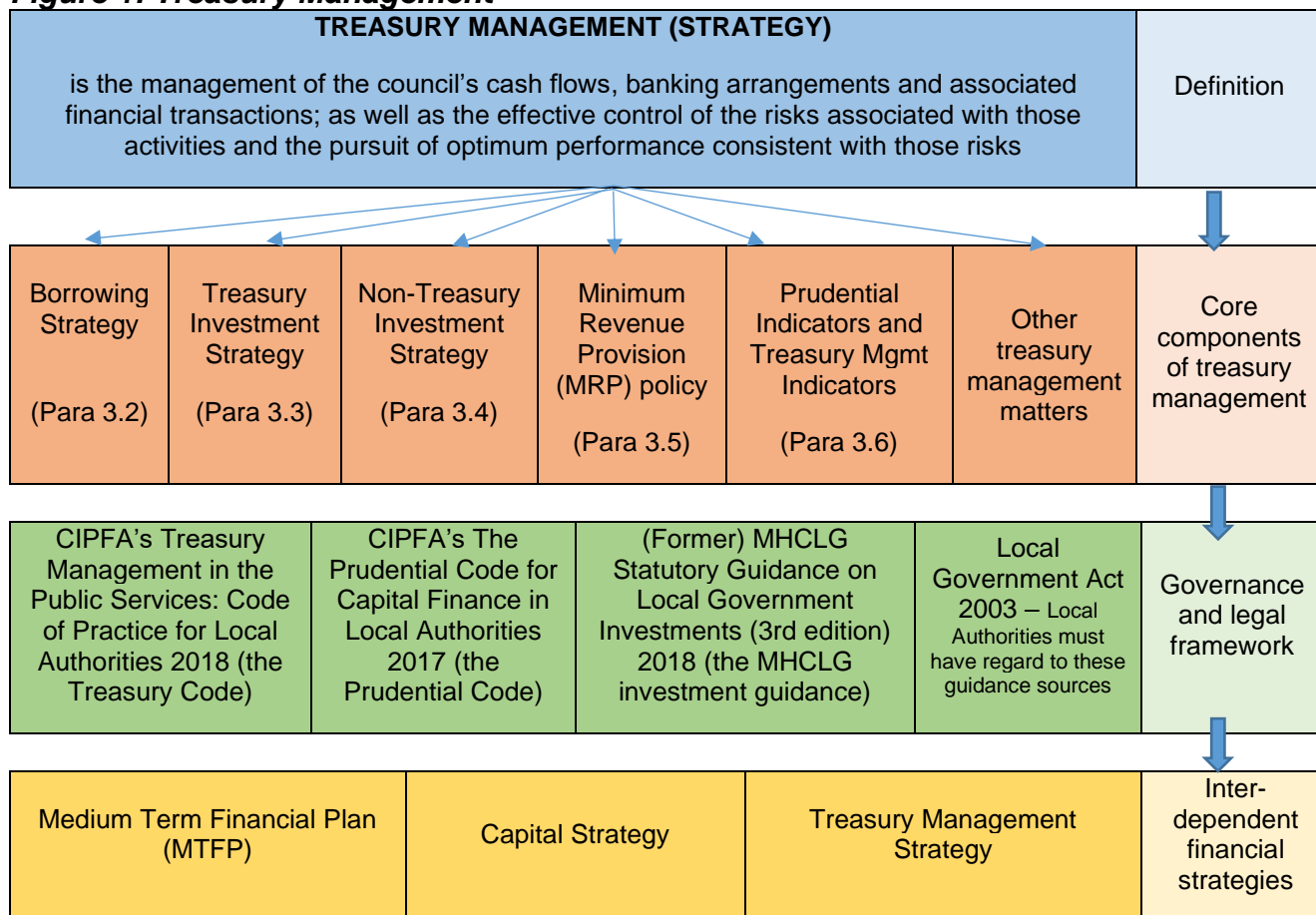
2. POLICY

The council's budget process should ensure that all resources are planned, aligned and managed effectively to achieve the corporate aims and objectives of the council. The

council’s treasury related strategies link directly into the revenue and capital budget planning processes and all aim to support effective service delivery across the council, in this year, as well as across the medium term.

Treasury management, its definition, constituent parts and its relationships with other policies and regulation is depicted in Figure 1 below.

Figure 1: Treasury Management



Each of the core components of treasury management, as noted above, are summarised in **Section 3** with further technical detail provided within the Treasury Management Strategy in **Appendix 1**.

3. DETAILS

3.1 Introduction and background

The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is therefore to ensure that this cash flow is adequately planned, with cash being available when it is needed. Much of the day-to-day **treasury** activity is linked to investing surplus monies in low-risk counterparties or instruments commensurate with the councils’ low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer-term cash flow planning, to ensure that the council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet council risk or cost objectives, subject to it being appropriate and affordable having taken into account premature redemption costs.

The contribution the **treasury management** function makes to the council is therefore critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

As expected given the nature of the transactions undertaken in this area, together with the significant amount and types of risk involved, treasury management is heavily regulated both in terms of legal statute, technical investment guidance provided by government departments as well as Codes of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The council is required to adhere to and give due regard, to all of these relevant frameworks.

CIPFA defines treasury management as “the management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This definition not only describes the various elements of treasury management activity, it also demonstrates how interlinked they are with other, which can make it difficult to explain the council's technical and strategic plans for the year ahead, in a way that can be easily understood.

The report has therefore been drafted to summarise the council's proposed approach for the 2022/23 financial within each of the following sections, with further detail contained within the appendices at the end of the paper;

- Borrowing strategy – paragraph 3.2
- Treasury investment strategy – paragraph 3.3
- Non-treasury investment strategy – paragraph 3.4
- Minimum revenue provision policy – paragraph 3.5
- Prudential indicators and treasury management indicators 3.6

3.2 Borrowing Strategy

3.2.1. Background and local context:

In some instances the council may find itself in a position whereby it may need to borrow short-term loans to cover unplanned cash flow shortages arising from operations. However, most of the council's borrowing activity is linked to its capital spending plans.

CIPFA's Prudential Code for Capital Finance in Local Government, requires the council to determine that all its capital expenditure and investment decisions are affordable, prudent and sustainable, and it must ensure that it sets limits on the amount that it can afford to borrow in the context of wider capital planning.

To understand whether new borrowing plans can be deemed affordable, the council must first understand its current borrowing position and then overlay planned changes.

On 31st December 2021, the council held £180m of borrowing which it has drawn down over a number of years to fund capital previous expenditure.

- £143m of this debt is held with the Public Works Loan Board (PWLB) at an average rate of 3.86%
- £ 12m of this debt relates to debt managed by Bristol City Council, in respect of the former Avon
- £ 25m of this debt relates to long-term leasing arrangements, the largest of which relates to the Sovereign Centre

The summary below details the estimated level of borrowing that are likely to be required over the next few years to fund the schemes that are included within the current capital programme, as well as those being requested for approval in the Capital Strategy report for 2022/23.

EXPENDITURE BUDGET	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000
Approved Programme	94,624	94,799	99,181	17,977	0	306,581
- Planned additions to the programme	0	38,722	58,331	37,689	20,569	155,311
DRAFT CAPITAL PROGRAMME	94,624	133,521	157,512	55,666	20,569	461,892

FUNDING RESOURCES	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000
Earmarked Grants and contributions	74,328	80,472	108,910	28,665	16,302	308,677
Unsupported Borrowing	14,216	48,969	43,263	27,274	4,267	137,989
Capital Receipts	1,510	1,621	1,500	1,562	0	6,193
Revenue Contributions	1,774	145	0	0	0	1,919
Non Earmarked Receipts	2,796	2,314	3,839	-1,835	0	7,114
	94,624	133,521	157,512	55,666	20,569	461,892

As can be seen from the table above, the overall level of new borrowing required over the period to 2026 is currently estimated to be £137.989m, with approximately £63.185m of this new borrowing being required to finance capital expenditure before the end of March 2023.

The summary above and all the borrowing calculations in this report only reflect proposals which are to be included within the council's approved capital programme. Should any further increases in borrowing or forward funding decisions subsequently be made beyond these levels, then further council approval would be required to re-state prudential indicators, and additional revenue resources identified to fund debt repayment costs.

The council may also borrow additional sums to pre-fund future years' requirements, providing that this does not exceed the authorised limit for borrowing, which is currently set at £244m.

3.2.2. Summary:

The council currently holds £180m of long-term debt and this would increase by a further £64m should the council spend the amount of capital expenditure that it plans to approve. Given the level of surplus cash-balances currently being held then the financial plan shows that the council does not anticipate a need to externalise this borrowing during 2022/23.

3.2.3. Objectives:

The council's main objectives when borrowing is to achieve a low but certain cost of finance, while retaining flexibility should plans change in future.

3.2.4. Proposed Strategy for 2022/23:

External borrowing decisions will be deferred in respect of the 2022/23 financial year and the focus would instead be to draw-down and access the council's internal borrowing through reducing cash balances.

3.2.5. Borrowing strategy beyond 2022/23:

Given the levels of planned investment the council recognises that it will be required to borrow externally over the period 2023-2026 however, before any future borrowing is considered, officers would seek advice from the council's treasury management advisors in relation to the potential costs of different options and to ensure an option proposal aligned to the objectives.

Whilst the council has previously raised the majority of its long-term borrowing from the PWLB it will consider long-term loans from other sources in the future, including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. An important change for local authorities is that they are no longer able to draw down loans from the PWLB if their plans relate to buying investment assets primarily for yield. Given that the council does not intend to borrow for yield, then it is likely that we will retain access to PWLB loans if needed.

3.3 Treasury investment strategy

3.3.1. Background and local context

Given that the primary purpose of treasury management is linked to the management of cash-flows, then it must be accepted that the council will make investment decisions on an almost daily basis in order to smooth cash-flows and ensure that cash is planned and available when needed. These decisions and transactions are known as **treasury investments** and sums are often placed in short-term, low risk, highly liquid products which is commensurate with the council's low-risk appetite.

In addition to the daily cash-flows that are related to the annual budget, at any one time the council's balance sheet will show that it is also holding surplus cash-flows in respect of prior year activities, examples include the receipt of capital grants in advance of spending plans and also the retention of monies within reserves, which are may be held to fund future spending or be held to manage risk. It will be necessary for these funds to also be placed in treasury investments during the year however, it is possible that some of these investments could be placed in a more strategic way that is more aligned to the nature and timescale of the relevant cash-flow, i.e. investments could be made across a longer-period of time if it is understood that the monies may not be required for a specific period of time.

Irrespective of whether the treasury related investment is placed for a short or a longer period, it is essential that **all** such investments are placed in accordance with the both the legal framework as well as the council's approach to risk and defined objectives.

Before considering its Strategy for treasury investments for the year ahead it is therefore important to firstly understand;

- the current level of investment balances held and performance,
- market conditions, interest rates and future expectations,
- current regulatory framework and also future changes,
- annual cash-flow forecasts for the year ahead,
- planned profile of spending linked to capital receipts, grants and reserves,
- new investment plans, and
- any other strategic decisions that may have been taken elsewhere within the council's treasury management strategy (i.e. its borrowing strategy)

3.3.2. Summary:

In the past 12 months, the council's treasury investment balance has ranged between £112m and £190m which is significantly above levels in previous years. A review has been undertaken which show that this is, to a large extent, linked to the ongoing impacts of Covid-19, notably surrounding the cash flows related to the many support packages and intervention measures that the government has put in place over the past 2 years. Forecasts do indicate that these levels are expected to reduce by 31 March 2022 as sums are paid to businesses, providers and potentially returned to the government, and even further during 2022/23.

Arlingclose facilitate regular benchmarking programs to assess how the council's treasury management investment decisions and outcomes compare with other local authorities. Recent results show that the council's investment portfolio is not considered high risk, and,

whilst investment returns have significantly reduced due to the current economic environment, the portfolio is providing returns in line with the risks being taken.

Market conditions currently show that interest rates are beginning to rise, initially driven by the recent bank of England base rate rise, it will therefore be important to consider interest rates before placing any long-term fixed rate investments as the council may inadvertently lock in funds and miss a potential opportunity. Arlingclose, as the council's appointed treasury advisors, provide on-going economic commentary and interest rate forecasts to assist the Council in formulating its treasury strategies. Key issues from the latest economic commentary are detailed in Appendix 1, Section 7.

The borrowing strategy described in para 3.2.4 above recommends that external borrowing is not taken, but spending will instead be offset against current surplus cash balances, i.e. it will be funded internally.

3.3.3. Objectives:

Both the CIPFA Code and the MHCLG Guidance require councils to have two underlying objectives, these being;

- Security – protecting the capital sum invested from loss; and
- Liquidity – ensuring the funds invested are available for expenditure when needed

The generation of yield is distinct from these two prudential objectives although guidance says that this does not mean that local authorities are recommended to ignore potential revenues but, recognises that it would be reasonable to consider what yield could be obtained, consistent with these priorities once proper levels of security and liquidity are determined, as well as the council's appetite to risk.

3.3.4. Treasury Investment Strategy for 2022/23:

A) The council continues to place short-term treasury investments in fixed and variable-term cash deposits with a range of counter-parties; this Strategy would reduce the risk of capital losses, ensure liquidity is maintained and also limits the council's exposure to interest rate risk losses as well as minimising exposure to credit risk through diversification. This will be achieved through the application of limits on the amount and period of its investments with individual counterparties, and in individual countries.

B) The council continues to place some medium to longer-term investments in alternative investment products; this Strategy would align some longer-term cash balances to longer term investment periods, provide further diversification of the portfolio in terms of product, counter-party / credit risk and inflationary risk. These types of investment will provide higher rates of return however, it must be accepted that they may potentially provide a capital loss should prices fall beyond the initial investment levels, which would need to be reflected within the annual revenue budget from April 2023.

C) The council will not use any of its surplus cash-flows to make non treasury related investments, as these would fall outside of the permissions of the treasury investment policies and guidance and they would also expose the council to the potential for further capital losses.

3.3.5. Approved counterparties and limits:

The council may undertake treasury related investments of surplus funds with any of the counterparty types below, subject to the limits shown.

Sector	Overall Limit ¹	In-house Limit	Tradition Limit	Time Limit
UK Central Government	no limit	unlimited	unlimited	50 years
UK Local Authorities ³	£15m	£10m	£5m	25 years
Banks* and other organisations* (unsecured) whose lowest published long-term credit rating from Fitch, Moody's and Standard and Poor's is:				
AAA	£30m	£30m	£0m	5 years
AA+	£25m	£25m	£0m	5 years
AA	£22m	£22m	£0m	4 years
AA-	£20m	£16m	£4m	3 years
A+	£18m	£14m	£4m	2 years
A	£16m	£12m	£4m	13 months
A-	£13m	£9m	£4m	13 months
UK building societies* whose lowest long-term rating is A- and societies without credit ratings, that have an asset size of more than £0.4bn	£10m	£6m	£4m	6 months
UK building societies* whose lowest long-term rating is A- and societies without credit ratings, that have an asset size of more than £1bn	£10m	£6m	£4m	13 months
Money market funds ² and similar pooled vehicles whose lowest published credit rating is AAA*	£15m	£15m	£0m	N/A
Pooled Investment funds	£5m per Fund Type	<i>£5m per Fund type</i>	£0m	N/A
The Council's Bank accounts	Net £9m	Net £9m	£0m	No limit

¹ limits shown are per organisation

² as defined in the Local Authorities (Capital Finance and Accounting) Regulations 2003

³ as defined in the Local Government Act 2003

This table must be read in conjunction with the notes in **Appendix 1**

3.3.6. Investment limits:

The maximum that could be lent to any one organisation (other than the UK Government) will therefore **be £30m**. This will limit the potential loss in the case of a single bank. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

There is no intention to restrict investments to banks and building society deposits, and investments may be made with any public or private sector organisation that meets the credit rating criteria above.

3.3.7. Minimum credit rating:

Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

3.4 Non-treasury investment strategy

Non-treasury investments often include purchases which are deemed to be capital expenditure in nature, whether that be the purchase of financial assets, such as share capital in any body corporate or non-financial assets, such as the purchase of land or buildings.

To date, the council has not purchased share capital as this would provide potential exposure and further risk in terms of capital losses, which goes against the legal and regulatory framework in place for treasury related investments.

The council does however have non-treasury investments in the form of property through the commercial investment portfolio. The commercial strategy was approved by Council in January 2019, following professional advice provided by Montagu Evans. The strategy established a framework under which the council could acquire a portfolio of investments in commercial property which generate an income stream which can be used to contribute to the revenue budget pressures, whilst potentially providing capital appreciation over the longer-term.

Under this arrangement two assets have been acquired and the arrangements for the governance and management of associated risks of the council's service investments and commercial property investments is detailed in Section 5 of the Treasury Management Strategy shown at **Appendix 1**. No further commercial investments are being sought as this would be prohibited under the new borrowing permissions, which do not allow councils to borrow to generate a yield. There are no proposed changes to this area of the strategy for 2022/23.

3.5 Minimum Revenue Provision Statement

When the council funds capital expenditure by long-term borrowing, the costs are charged to the council tax-payer in future years, reflecting the long-term use of the assets procured. There are two elements to this cost – the interest on borrowing is charged in the year it is payable, and the principal (or capital) element is charged as a “minimum revenue provision” (MRP).

The Local Government Act 2003 requires the council to have regard to the former Ministry for Housing, Communities and Local Government's guidance on Minimum Revenue Provision (the MHCLG Guidance), most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital

expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the council to approve an Annual MRP Statement each year, and recommends several options for calculating a prudent amount of MRP. The council's policy adopts options recommended in the Guidance, as well as locally determined prudent judgements in applying the recommended methodologies.

It is recommended that the council continues to apply the following policy to determine its MRP for 2022/23:

- a. For capital expenditure incurred before 1st April 2008, the MRP for 'Supported borrowing' will be determined by writing down the Council's Capital Financing Requirement using a 'straight line' basis over the estimated average life of the relevant assets of 33 years. This approach results in the council charging the same value each year for this element of the MRP.
- b. For capital expenditure incurred after 31st March 2008, the MRP for 'Prudential borrowing' will be determined by charging the expenditure over the expected useful life of the relevant asset, starting in the year after the asset becomes operational.
- c. For assets acquired by finance leases, and for the transferred debt from Avon County Council, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- d. Where former operating leases have been brought onto the balance sheet on 1st April 2022 due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- e. Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24.

It should be noted that the MRP charge associated with current capital spending approvals has been included within the budget for 2022/23 and the planned spending for 2022/23 has been factored into the council's medium term financial plan for 2023/24.

3.6 Prudential Indicators

Under the Local Government Act 2003, and the associated CIPFA Prudential Code for Capital Finance in Local Authorities, 'Prudential Indicators' relating to the revenue implications of capital programme decisions need to be approved by members and considered when setting the revenue and capital budgets.

The CIPFA Treasury Management Code of Practice also requires locally decided indicators relating to treasury activities to be approved.

These indicators provide information to Members on the affordability of the council's borrowing plans, and whether the impact of treasury management actions on the council's revenue budget are sustainable.

The Indicators are detailed in **Appendix 2** for approval.

4. CONSULTATION

The Audit Committee has a key role to play in reviewing the council's treasury management arrangements and practices, and they routinely receive performance monitoring reports on the subject covering both prior and current years, as well as reports which provide an opportunity for discussion to take place to consider the proposed strategy for the year ahead. The latest reports were considered by the Committee in November 2021 and a further report will be considered at the meeting in January 2022.

Over recent years Member training and workshops have been provided to support understanding of technical matters, with the latest session held being in January 2022. The timing of the session enabled further opportunities to consider the proposed Strategy for 2022/23.

The meeting was facilitated by Arlingclose, the council's external advisors and featured information relating to the legal framework, the definitions and differences between capital and treasury investments and impacts, the types of investments available to the council and how these might fit in with the council's borrowing plans, as well as further information to understand the more strategic factors which are likely to influence treasury strategy decisions of a council.

5. FINANCIAL IMPLICATIONS

Financial implications are contained throughout the report. Treasury management decisions impact on both the revenue budget and the balance sheet in current and future years.

6. LEGAL POWERS AND IMPLICATIONS

Under the Local Government Act 2003 s1, and s12, local authorities may:

- invest money or borrow money:
- for any purpose relevant to their functions
- for prudent financial management

Under Local Government Act 2003 s2, and s13, local authorities must not:

- exceed their affordable borrowing limit
- borrow in foreign currency
- mortgage their property as security for loans borrowed

Under Local Government Act 2003 s3, s14, and s15, local authorities must:

- set and review affordable borrowing limits / authorised limits
- have regard to guidance published by CLG and CIPFA
 - CLG Investment Guidance
 - CIPFA Code of Practice on Treasury Management

- CIPFA Prudential Code

The council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2018 Edition (the CIPFA Code) which requires it to approve a treasury management strategy before the start of each financial year.

Under this guidance, the role of the (Full) Council is to:

- Set the budget and capital programme, including debt and investment interest, and the Minimum Revenue Provision
- Approve the Capital Strategy
- Approve the Treasury Management Strategy (which includes the (Non-Treasury) Investment Strategy)
- Approve the Prudential Indicators
- Approve Treasury Management Indicators
- Approve the MRP policy statement

Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, local authorities must not delegate the approval of an annual strategy to any committee or person.

The role of the Executive is to consider these strategies, and, if appropriate, recommend them for approval by Council.

Treasury risk management at the council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2018 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

7. CLIMATE CHANGE & ENVIRONMENTAL IMPLICATIONS

The council will continue to avoid any direct treasury management investments in fossil fuel related companies and will engage with its advisors to explore and assess the potential for any future investment opportunities in funds with a Renewable Energy & Sustainability focus as these products continue to be developed by the market in response to the Climate & Nature Emergency agenda.

The council has maintained its funds placed in a "Green Deposit Account", which is an investment facility that ensures deposits are linked to a wide range of projects in the pursuit of transition to a lower carbon economy. These projects cover a variety of themes including energy efficiency renewable energy, green transport, sustainable food, agriculture and forestry and greenhouse gas emission reductions.

It is also the intention to better understand the extent to which other investments held may contribute towards climate change, understand exposure to risks driven by climate change, and to keep abreast of potential investment opportunities that have regard to climate change. However, the primary considerations will remain security and liquidity, then yield.

8. RISK MANAGEMENT

Members will be aware that there is a direct link between the levels of risk and the levels of return achieved on investment, although there are many other factors which also affect the capital financing budgets.

The council's treasury management activities expose it to a variety of financial risks, notably:

- a. credit risk – the risk that other parties might fail to pay amounts due to the council. Includes bail-in risk – the risk that shareholders and depositors in banks and building societies bear losses in the event of counter-party's failure or reduction in net asset value,
- b. liquidity and re-financing risk – the risk that the council might not have funds available to meet its commitments to make payments as they fall due,
- c. market risk (interest rate and price risks) – the risk that financial loss might arise for the council as a result of changes in such measures as interest rates, investment valuations, and stock market movements.

The council's Treasury Management Strategy sets out the council's approach to managing these risks.

A summary of the risks relating to treasury management that the council is exposed to, and the mitigation arrangements in place through the Treasury Management Strategy, is detailed at **Appendix 3**.

The priority of the Treasury Management Strategy will continue to be the reduction of risk to safeguard public resources.

The risk appetite of the council is low in order to give priority to the security of its investments. The council will also aim to achieve the optimum return on its investments commensurate with desired levels of security and liquidity.

It should be noted that the council's Treasury Management Strategy sets out how the council manages and mitigates these risks but cannot eliminate risks completely.

9. EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? N/A

10. CORPORATE IMPLICATIONS

The safeguarding of public money is critical to the council's reputation, and the measures contained within the report are intended to address member and public concerns and ensure an appropriate balance of return on investment whilst ensuring managing associated risks.

11. OPTIONS CONSIDERED

This report considers the strategy to be followed during 2022/23, for investment and borrowing, which have been aligned with the capital programme. It also sets out the council's expectation for interest rates and highlights the uncertainties and risks in the forecast due to market conditions.

Furthermore, the report considers those aspects of treasury policy that change annually or more frequently, highlighting the council's views or interpretation of factors that may influence treasury management decisions and proposes how these matters will be dealt with during 2022/23.

The CIPFA Code and MHCLG statutory guidance require the authority to set out its approach to non-treasury investments. A summary of the impact and the council's approach is included in **paragraph 3.2** of this report.

The council's Treasury Management Strategy is broadly consistent with the previous strategy and is developed from and complies with the council's Treasury Management Policy and takes account of the CIPFA code and MHCLG guidance referred to above.

The Prudential Code and Treasury Management Codes of Practice have been updated effective from December 2021. Due to the late publication, and that not all guidance has been published at the time of writing, full adoption of the reporting requirements has been deferred until 2023/24 as permitted by the Code.

APPENDICES

1. Treasury Management Strategy for 2022/23
2. Prudential Indicators for 2022/23
3. Treasury Risk Register
4. Glossary of Terms

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BACKGROUND PAPERS

Capital Strategy 2022/23 (Feb 2022, included on this agenda)
MTFP & Revenue Budget Update 2022/23 (Feb 2022, included on the agenda)

Other relevant guidance includes:

- CIPFA – The Prudential Code for Capital Finance in Local Authorities 2017
- MHCLG – Statutory Guidance on Local Government Investments (3rd edition) 2018
- CIPFA - Treasury Management in Public Services – Guidance notes for local authorities 2018

1 INTRODUCTION

Treasury management is the management of the council's cash flows, borrowing and investments, and the associated risks. The council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the council's prudent financial management.

The council maintains and operates a treasury management policy comprising the principles and practices to which the activity will comply. Alongside this policy, the council must have regard to the (former) Ministry for Communities and Local Government (MCLG) guidance (the MHCLG guidance), under section 15(1)(a) of the Local Government Act 2003. This guidance provides for each authority to determine its own controls within a given framework.

Any external investment managers employed by the council are required, contractually, to comply with this Strategy.

2 STRATEGY OVERVIEW

Under the Local Government Act 2003, the council may invest money or borrow money:

- for any purpose relevant to its functions, and
- for prudent financial management.

The council invests its money for three broad purposes:

- Treasury management investments – ie management of operational cashflows. Investment of surplus cash balances generated as a result of its day-to-day activities, for example when income is received in advance of expenditure,
- Service investments - to support local public services by lending to, or buying shares in other organisations, and
- Commercial investments - to earn investment income, usually rental income, and to provide capital appreciation, from a portfolio of property investments.

The strategy for 2022/23 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on risks and interest rates, supplemented with advice provided by the council's treasury advisors, currently Arlingclose Ltd.

The strategy covers:

- Section 3 - current treasury portfolio
- Section 4 - the treasury investment strategy
- Section 5 - the non-treasury investment strategy
- Section 6 - the borrowing strategy
- Section 7 - interest rates and economic outlook
- Section 8 - other treasury management matters

3 CURRENT TREASURY PORTFOLIO

The Council's current treasury portfolio, as at 31st December 2021 is as follows:

Table 5: Current portfolio of borrowing and investment balances

LONG-TERM DEBT	Principal £m		Average rate	Average term
Fixed rate – PWLB	£142.9	£142.9	3.86%	1-36 years
Other long-term liabilities; - Ex-Avon loan debt - Other (incl leasing)*	£12.0 £24.7	£36.7	4.82% 4.60%	1-30 years 1-40 years
TOTAL DEBT	£179.6m			
SHORT-TERM TREASURY INVESTMENTS	Principal £m		Average rate	Average term
Managed in-house; - UK banks - UK building societies - Local authority/ DMO	£13.0 £22.0 £116.0	£151.0	0.15% 0.17% 0.10%	12 months 6 months 8 months
Cash managed by Tradition; - Local authority/ DMO	£10.0	£10.0	0.10%	10 months
LONG-TERM TREASURY INVESTMENTS	Principal £m		Average rate	Average term
Managed in-house; - CCLA - UBS Multi Asset Income Fund - Ninety-One Diversified Income Fund	£5.0 £1.0 £4.0	£10.0	4.63% 4.69% 3.59%	3-5 years 3-5 years 3-5 years
TOTAL TREASURY INVESTMENTS	£171.0m			
TOTAL NET DEBT	£8.6m			

*The lease principal, rate and term as at the previous year end (31st March 2021) - updated figures will be calculated at the end of the financial year.

The maturity profile of the Council's PWLB borrowing and investments is as follows (excluding Avon loan debt and lease liabilities):

Table 6: maturity profile of the Council's PWLB borrowing and investments

MATURITY PROFILE	PWLB LONG TERM DEBT	SHORT TERM INVESTMENTS	NET DEBT / (INVESTMENT)
	£m	£m	£m
Maturing Jan to March 2022	£2.5	£36.0	(£33.5)
Maturing 2022/23 & 2023/24	£6.0	£125.0	(£119.0)
Maturing 2024/25 to 2026/27	£28.3	£0	£28.3
Maturing 2027/28 to 2031/32	£31.1	£0	£31.1
Maturing 2032/33 to 2036/37	£33.0	£0	£33.0
Maturing 2037/38 to 2041/42	£22.0	£0	£22.0
Maturing after 2041/42	£20.0	£0	£20.0
TOTALS	£142.9	£161.0	(£18.1)

4 TREASURY INVESTMENT STRATEGY

- 4.1 The council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local bodies and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from CIPFA.
- 4.2 **Contribution:** The contribution that these investments make to the objectives of the council is to support effective treasury management activities.
- 4.3 **Objectives:** Both the CIPFA Code and the MHCLG Guidance require councils to invest their treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.
- 4.4 **Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 4.5 **Strategy:** The council minimises its exposure to credit risk through diversification, through the application of limits on the amount and period of its investments with individual counterparties, and in individual countries.
- 4.6 The council's current investment strategy allows surplus cash balances to be managed by two treasury teams, each having distinct and separate controls and flexibilities. This allows the council to spread risk by investing in different financial products, and utilising experienced external cash managers, who do not have responsibilities for managing the council's daily cash-flows. The treasury teams are;
- Tradition UK Ltd
 - In-house Treasury Team
- 4.7 **Approved counterparties:** The approved counterparties and notes are included in **Table 3** in the main body of the report. Further details on each of the permitted counterparties are included below.
- 4.8 The maximum duration of the investment will depend upon its lowest published long-term credit rating, time limits are included within the table.
- 4.9 Long-term investments will be limited to 50% of the counter-party limit (except the UK Government). The combined value of short-term and long-term investments with any organisation will not exceed the limits for investments in the table above.
- 4.10 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are

deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

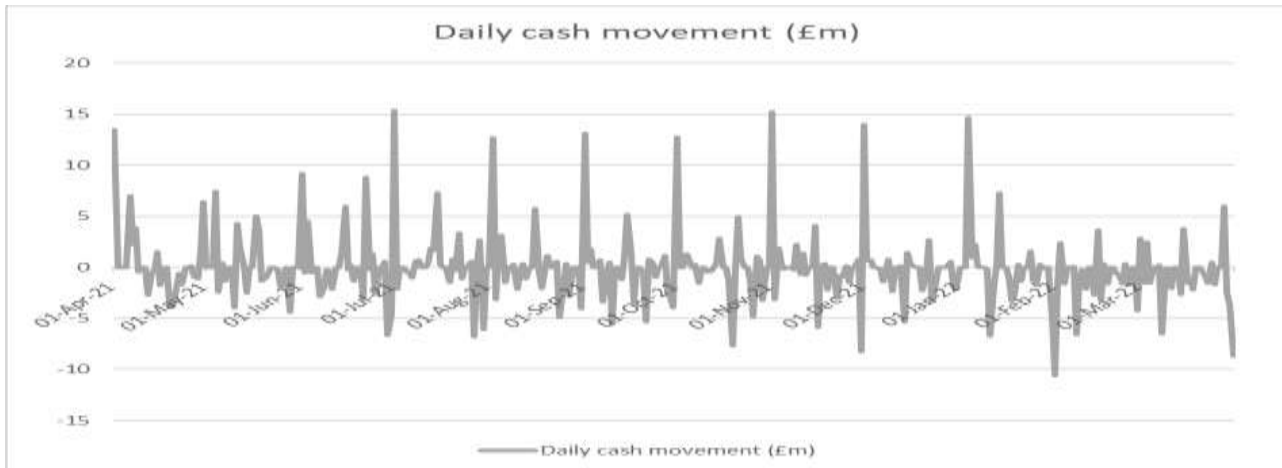
- 4.11 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 4.12 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 4.13 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the council's investment objectives will be monitored regularly.
- 4.14 **Operational bank accounts:** The council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £9m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the council maintaining operational continuity.
- 4.15 **Risk assessment and credit ratings:** One of the key ways that the council manages credit risk is by using credit ratings.
- 4.16 The council uses long-term credit ratings from the three main rating agencies, Fitch Ratings Ltd, Moody's Investors Service Inc and Standard & Poor's Financial Services LLC, to assess the risk of investment default. The lowest available credit rating will be used to determine credit quality.
- 4.17 Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as 'investment grade', while ratings of BB+ and below are described as 'speculative grade'. The council's credit rating criteria are set to ensure that it is unlikely that the council will hold speculative grade investments, despite the possibility of repeated downgrades.
- 4.18 Credit ratings are obtained and monitored by the council's treasury advisers on at least a monthly basis, who will notify changes in ratings as they occur.

- 4.19 **Other Information on the security of investments:** Full regard will be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 4.20 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 4.21 Foreign countries**
- 4.22 Investments in foreign countries will be limited to those that hold a AAA, AA+ or AA sovereign credit rating from all three major credit rating agencies, and to a maximum of **£12 million per country**, this limit to be divided between the in-house team (£8m) and cash manager Tradition (£4m). There is no limit on investments in the UK whatever the sovereign credit rating.
- 4.23 Banks that are domiciled in one country but are owned in another country will need to meet the rating criteria and will count against the limit for both countries. Overseas subsidiaries of foreign banking groups will normally be assessed according to the country of domicile of the parent organisation. However, Santander UK plc (a subsidiary of Spain's Banco Santander) will be classed as a UK bank due to its substantial UK franchises and the arms-length nature of the parent-subsidiary relationship.
- 4.24 Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.
- 4.25 Liquidity management**
- 4.26 The council uses a series of control spreadsheets to monitor and forecast the council's cash flows, to determine the maximum period for which funds may prudently be committed, and to manage the council's exposure to liquidity and re-financing risks. The forecast is compiled on a prudent basis, with receipts underestimated and payments over-estimated to minimise the risk of the council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the council's medium term financial plan and cash flow forecast.
- 4.27 The council has an agreed overdraft facility, and access to sources of cash such as borrowing from the PWLB, and other counterparties, such as banks and other local

authorities. In addition, the council’s investment holdings can be readily realised, if required.

4.28 Management of cash-flows

Annual cash-flow forecasts can be seen in the table below.



4.29 Although the cash-flow movements could be described as fluctuating or potentially even volatile, trends do begin to emerge when the nature of the movements are understood, for example;

- Significant inflows include council tax and business rates income, government grants and subsidy used to support and fund parts of the annual revenue budget including schools, contributions from stake-holders in respect of funding agreements (e.g. health partners), grants and contributions used to fund capital projects. Some of these inflows follow a regular pattern, which may be weekly, bi-weekly, monthly or quarterly and others do not, they simply arrive into the councils bank accounts.
- Significant outflows include monthly payments to staff, pension providers and government agencies, payments to suppliers 3 times each week covering both revenue and capital spending, payment of housing benefits, payments to major preceptors such as Fire, Police, Environment Agency, Town and Parish councils.

4.30 Over the past two years the councils cash-flows have been significantly impacted by Covid as it has received significant amounts of additional funding and support packages, both in relation to the council’s own budget, as well as when it has been acting as an agent for the government by passporting monies onto individuals, suppliers and businesses.

4.31 Whilst the new capital investment spending totals are anticipated for next year, the spending profiles associated with them have yet to be developed in any detail although it is estimated that less spending will be incurred during the first quarter of the year.

4.32 The intended borrowing strategy for 2022/23 recommends that external borrowing is not taken, but spending will instead be offset against current surplus cash balances, i.e. it will be funded internally, which means that cash-flow forecasts for next year will decrease from current levels.

5 NON-TREASURY INVESTMENT STRATEGY

5.1 This non-treasury management investment strategy focuses on the council's service investments and commercial property investments.

5.2 Service investments: Loans

5.3 Loans to social enterprises and local businesses may potentially be considered where they contribute to the council's overall objectives, through inclusion in the MTFP, treasury management and capital strategies. Where investment in regeneration and infrastructure in North Somerset clearly support local public services, and stimulate local economic growth, financing may also potentially be considered on projects that offer adequate security and returns, subject to the council having sufficient resources available to it at that time.

5.4 The only loan approved to date is an amount of £0.9m lent to a care home provider in 2008. The care provider has subsequently made repayments (including interest) in line with its agreed schedule. The outstanding balance at the time of writing is £0.8m.

5.5 Commercial investments: Property

5.6 The council's Commercial Investment Strategy was approved by Council in January 2019. In line with this strategy, the council has made two investments in commercial property to earn investment income, through a combination of rental and car parking income, whilst potentially providing capital appreciation over the long-term.

5.7 The investments made under the strategy to date consist of one outright purchase funded from long term borrowing, the North Worle District Centre, and one property acquired under a finance lease, the Sovereign Centre in Weston-super-Mare. Other sums have been set aside for improvements to the Sovereign Centre. There were no purchases or sale of assets during the year.

5.8 In February 2021 the Executive approved a revised Sovereign Centre Business Plan, setting out the challenges, opportunities and a new vision for the property. As part of this Business Plan, some of the vacant retail space within the centre is to be converted into office space to diversify away from pure retail use. Funding for this investment will come from the Getting Building Fund, which is a government grant with the regional allocation administered by the West of England Combined Authority (Weca).

5.9 After servicing costs, fees and borrowing costs, these assets are budgeted to generate an annual net return to the revenue budget of £0.3m (2021/22 £0.1m).

5.10 Commercial property investments are likely to be less liquid than financial investments, as property may take time to sell in certain market conditions. The council's commercial property investments are considered sufficiently proportionate to its overall investment and borrowing balances to not be likely to significantly impact on the council's overall liquidity position.

5.11 The council has no plans to dispose of its commercial investment properties at this time.

6 BORROWING STRATEGY

6.1 Local context

6.2 Forecast changes to the capital financing requirement and borrowing forecasts are shown in the balance sheet analysis in the table below.

Capital Financing Requirement vs forecast borrowing

	Actual 31/3/21 £m	Forecast 31/3/22 £m	Estimate 31/3/23 £m	Estimate 31/3/24 £m	Estimate 31/3/25 £m
Overall CFR	184.9	193.1	236.7	270.8	286.8
Less: CFR re finance leases and Ex Avon loan debt*	-34.7	-33.9	-33.0	-32.1	-31.3
CFR re loan debt	150.2	159.2	203.7	238.7	255.5
Less: External borrowing **	-150.6	-143.4	-200.9	-170.6	-142.6
Implies:	-0.4	15.8	2.8	68.1	112.9
Internal borrowing					

finance leases and Ex-Avon loan debt that form part of the Council's total debt

*** includes capital expenditure included in the Capital Strategy, but not yet approved*

6.3 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

6.4 The council's Capital Strategy forecasts indicate that it is likely to need to borrow to finance its planned capital expenditure. The decision of whether, and when, to take external borrowing will be made considering current and forecast interest rates. The council may choose to finance this borrowing requirement from its operational cash resources, known as 'internal borrowing'. This reduces interest costs and exposure to other risks.

6.5 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The table in para 6.2 above shows that the Authority expects to comply with this recommendation during 2022/23.

6.6 **Sources of borrowing:** the approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- Other Local Authorities and Pension Funds (except the Avon Pension Fund)
- UK Municipal Bond Agency plc and other special purpose companies created to enable local authority bond issues
- Funds administered by the West of England Combined Authority including

- i) Revolving Infrastructure Fund
- ii) Local Growth Fund
- iii) Economic Development Fund
- e) any institution approved for investments (see above)
- f) any other bank or building society on the Financial Services Authority list

- 6.7 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- a) leases
 - b) private finance initiative schemes
 - c) sale and leaseback
 - d) revolving infrastructure grants
- 6.8 The council's debt portfolio is managed to ensure that the maturity profile will not leave any one future year with a high level of repayments that could present difficulties in refinancing. Fixed rate loans are usually taken to lock into known interest rates, thus protecting against fluctuations and providing certainty when managing and setting the budget.
- 6.9 Whilst the above deals with past or present borrowing requirements, it is also possible to borrow in advance of need where there is a clear business case for doing so and only for the approved capital programme or to finance future debt maturities, as permitted by the guidance. Borrowing in advance of need introduces additional credit and interest risk. Whilst there is no present intention to borrow in advance, all risks will be considered as part of any borrowing decision, should conditions favour such action.
- 6.10 Furthermore, the PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

7 INTEREST RATES AND ECONOMIC OUTLOOK

- 7.1 **Economic background:** The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the council's treasury management strategy for 2022/23.
- 7.2 The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.
- 7.3 Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP

growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

- 7.4 UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.
- 7.5 **Credit outlook:** Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.
- 7.6 The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.
- 7.7 Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the council's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the council's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.
- 7.8 **Interest rate forecast:** The council's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.
- 7.9 Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

8 OTHER TREASURY MANAGEMENT MATTERS

- 8.1 The CIPFA Code requires the council to include the following in its treasury management strategy:

- 8.2 **Financial Derivatives:** Councils may make use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals), and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 8.3 In line with the CIPFA Code, the council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications. The council has no plans to make use of financial derivatives in 2022/23.
- 8.4 **Markets in Financial Instruments Directive:** The council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the council's treasury management activities, the Section 151 Officer believes this to be the most appropriate status.

1.1 INTRODUCTION

Having adopted both the CIPFA Treasury Management in the Public Services Code of Practice, and also the Prudential Code for Capital Finance in Local Authorities, the council is required follow the elements within the Guidance and set 'indicators' which demonstrate that it follows good practice and has implemented and operates within appropriate systems of control before making capital financing and treasury management decisions.

1.2 PRUDENTIAL INDICATORS: 'PRUDENTIAL' CODE

The Prudential Code aims to improve the transparency of investment decisions. The Code include the requirement to produce a Capital Strategy, and the inclusion of prudential indicators within the report to allow the reader to understand the forecast the council's overall debt levels, in conjunction with the capital programme and investment decisions, and how this external borrowing will be repaid.

1.2.1 Authorised borrowing limit and Operational limit

The council is required to set an 'affordable borrowing limit' (also termed the 'authorised limit for external debt') each year. In line with statutory guidance, a, lower, "operational boundary" is also set, as a warning level should debt approach the affordable borrowing limit.

The **authorised limit** is the 'affordable borrowing limit' which the council is required to set in section 3 of the Local Government Act 2003 and cannot be exceeded without acting ultra vires. The authorised limit is set at a higher level than the operational boundary to provide headroom for unexpected borrowing requirements.

The **operational boundary/ limit** should be the council's best estimate of the most likely, prudent, maximum levels of debt to be held during the years in question. The boundary can be exceeded in the short-term should the council need to undertake temporary borrowing, or debt rescheduling, but should not be exceeded for new long-term borrowing proposals.

Table 1.2.1: PI: Authorised limit and operational boundary for external debt

Authorised limit and operational boundary for external debt	2021/22 limit £m	2022/23 limit £m	2023/24 limit £m	2024/25 limit £m
Authorised limit – total external debt	234	243	283	254
Operational boundary – total external debt	224	238	260	229

It is currently estimated that long-term borrowing at the end of 2022/23 will be **£169.7m** (PWLB debt £134.4m, Salix £2.3m, Ex Avon loan debt £11.3m, and finance leases £21.7m).

The council's Treasury Management Strategy aims to keep sufficient, but not excessive, cash available to meet the council's spending needs, while managing the associated risks. Surplus cash is invested until required to produce a return, while shortages of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

The council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. Due to decisions taken in the past, the council currently has £179.6m external borrowing, charging an average interest rate of 4.0%, and £171m treasury investments, earning an average rate of 0.35%.

1.2.2 Capital Expenditure

This indicator details the Capital Expenditure to be incurred by the council. The actual spend for 2020/21, the revised programme for 2021/22 and totals for the proposed programmes for 2022/23 to 2024/25, as set out in the Capital Strategy, are shown below.

Table 1.2.2: PI: Capital expenditure

Capital Expenditure	Actual 2020/21 £m	Forecast 2021/22 £m	Estimate 2022/23 £m	Estimate 2023/24 £m	Estimate 2024/25 £m
Total Capital Expenditure	41.9	94.6	133.5	157.7	55.7

1.2.3 Actual external debt and the Capital Financing Requirement

In this indicator, projected levels of the council’s total outstanding external debt (which comprises borrowing and leases) are compared with the Capital Financing Requirement. The Capital Financing Requirement measures the council’s underlying need to borrow for a capital purpose for the current and future year. The actual Capital Financing Requirement as at the year-end is included in each year’s statutory accounts.

Table 1.2.3: PI: Gross external debt and the Capital Financing Requirement

Gross external debt and the Capital Financing Requirement	Actual as at 31/3/21 £m	Forecast as at 31/3/22 £m	Estimate as at 31/3/23 £m	Estimate as at 31/3/24 £m	Estimate as at 31/3/25 £m
Capital Financing Requirement	184.9	193.1	235.7	270.6	286.5
Total Debt (incl leases ex-Avon)	185.3	177.2	232.9	203.9	175.5

Statutory guidance is that total debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from the table above, the council expects to comply with this requirement in the medium-term.

In accordance with best professional practice, North Somerset Council does not associate its borrowing with particular items or types of expenditure. The council manages its treasury position, borrowings and investments in accordance with its approved Treasury Management Strategy and practices. In day-to-day cash management, no distinction is made between revenue cash and capital cash. External borrowing arises because of all the financial transactions of the council, and not simply those arising from capital spending. The council may choose to finance capital expenditure from its existing operational cash resources, rather than undertaking external borrowing, in order to minimise interest costs.

In contrast, the Capital Financing Requirement reflects the council’s underlying need to borrow for a capital purpose. The capital financing requirement indicators shown above reflect the totality of the capital expenditure contained within the proposed capital programme.

1.2.4 Affordability - Ratio of Financing Costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans, the MRP, and loans fund repayments are charged to revenue, offset by any investment income receivable. The net annual charge is known as the council's financing costs. In this indicator, financing costs are compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants, to provide a measure of the affordability of the council's forecast borrowing.

Table 1.2.4: PI: Proportion of financing costs to net revenue stream

	Actual 2020/21	Forecast 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
Net Financing costs (£m)	£10.3m	£10.7m	£11.5m	£12.6m	£13.6m
Proportion of net revenue (%)	6.4%	6.0%	6.1%	6.6%	7.0%

1.2.5 Maturity structure of borrowing

Refinancing risk is the risk that a borrower cannot refinance by borrowing to repay existing debt. In order to address this risk, limits are set of the proportions of the council's borrowing which are due to fall due in specified periods.

Table 1.2.5: PI: upper & lower limits on borrowing maturities, as a % of total borrowing:

Maturity Structure of Borrowing	Upper	Lower
Under 12 months	50%	0%
12 months and within 24 months	30%	0%
24 months and within five years	40%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

1.2.6 Principal sums invested for periods longer than a year

The purpose of this indicator is to control the council's exposure to the risk of incurring losses by seeking early repayment of its investments.

Table 1.2.6: PI: The limits on the total principal sum invested with final maturities longer than 365 days beyond the period end:

Investments longer than 365 Days	2022/23	2023/24	2024/25
Limit on principal invested with maturities longer than 365 days beyond year end	£60m	£50m	£50m

1.3 TREASURY MANAGEMENT INDICATORS: 'TREASURY CODE'

The council measures and manages its exposures to treasury management risks using the following indicators.

1.3.1 Interest rate exposures

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget, and which is used to update the budget quarterly during the year. This allows any adverse changes to be identified and accommodated. The analysis also informs whether new borrowing is taken out at fixed or variable interest rates.

1.3.2 Total value exposure to risk

The first indicator below shows the council's total exposure to potential investment losses.

Table 1.3.2: Total investment exposure in £millions

Total investment exposure	Actual Held as at 31/03/21 £m	Forecast Held as at 31/03/22 £m	Forecast Held as at 31/03/23 £m
Treasury management investments	143.0	127.0	107.0
Service investments: Loans	0.8	0.8	0.8
Commercial investments: Property*	32.6	32.6*	32.6*
TOTAL EXPOSURE	176.4	160.4	140.4

* Commercial investment properties are re-valued annually by the council's valuers - valuations as at 31/3/22 are not yet available and cannot be forecast with reasonable certainty.

As noted above, there are significant uncertainties over the timing and amounts of cash balances available for investment during the Covid pandemic. Significant uncertainty also applies to the valuation of commercial property investments during the current economic environment.

1.3.3 Rate of return received on investments

This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 1.3.3: Investment rate of return (net of all costs)

Investments net rate of return	Actual 2020/21 %	Forecast 2021/22 %	Forecast 2022/23 %
Treasury management investments	0.56	0.37	0.53
Service investments: Loans	2.38	2.36	2.36
Commercial investments: Property	0.10	0.27	-0.10
ALL INVESTMENTS	0.42	0.35	0.35

Treasury management risk register

Appendix 3

Risk	Impact	Probability	Unmitigated risk	Mitigating arrangements:	Revised probability	Residual risk
Credit risk - Loss of principal and/or interest due to counter-parties not being able to meet principal / interest payments as they fall due. Includes losses due to 'bail in' requirements. - Potential delays in being able to access funds. - Emerging markets carry a higher risk of financial loss than more developed markets, as they may have less developed legal, political, economic or other systems.	5	4	20	- Measurement of risk (use of credit ratings, CDS spreads, balance sheet analysis). - Monitoring of TM advisor advice, news, discussions with brokers, and reacting to events (eg both trading and regulatory). - Setting appropriate lending limits per counter-party re amounts, period and country of investment. - Diversification between lenders, lender types, countries. - Exposure to equity and tradable debt instruments only through diversified funds.	3	15
Liquidity risk - Running out of accessible cash, leading to inability to make payments as they are due. - Needing to borrow at higher cost than otherwise available. - Needing to sell assets / investments at short notice / at lower prices. - Not having available counter-parties to invest in.	4	2	8	- Daily cash flow forecasting. - Overdraft facility agreed. - Ready access to sources of cash from eg PWLB, other local authorities and banks and building societies. - Holding investments that can be readily realised.	1	4
Interest rate risk - Increasing interest rates lead to increase in cost of fixed rate and variable rate borrowing. - Decreasing market value of tradable fixed income investments (e.g. bonds) when interest rates rise. - Falling interest rates lead to lower return - Re-financing risk - Falling borrowing interest rates mean opportunity to re-finance borrowing at lower cost missed. - The use of derivatives may increase overall risk, by magnifying the effect of both gains and losses, leading to large changes in value and potentially large financial loss.	4	5	20	- Monitoring of TM advisor advice, news, discussions with brokers re economic outlook, and expected interest rate movements. - Taking into account uncertainty in future outcomes. - Monitoring of available / emerging sources of borrowing. - Maintaining suitable mix of fixed and variable interest rates for borrowing and investments. - Maintaining mix of maturity dates. - Monitoring of cost of re-financing borrowing compared to potential savings - Diversification of investment types. - Exposure to tradable debt instruments only through diversified funds. - Restriction of use of derivatives to stand-alone instruments that can be clearly demonstrated to reduce overall risk.	4	16
Inflation risk - The value of cash balances is eroded over time due to inflation (notably when interest rates on investments are lower than inflation)	4	4	16	- Monitoring of TM advisor advice, news, discussions with brokers re economic outlook, and expected inflation and related interest rate movements. - Identify balances not likely to be needed in the short term for operational cash flows, and invest these balances in longer term to generate sufficient income to at least match inflation.	3	12
Currency risk - The risk of loss from fluctuating foreign exchange rates when an investor has exposure to foreign currency or in foreign-currency-traded investments	1	0	0	- Local authorities are not allowed to borrow or invest in foreign currencies. All transactions must be in sterling.	0	0
Regulatory and political risk Risk that changes in regulations or legislation may have an adverse impact on the Council's finances, including: - Brexit - leads to uncertainty in the economic outlook, and hence uncertainty over future interest rates and economic growth, and hence inflation, and government expenditure. - Changes in PWLB / other borrowing rates impact on the Council's borrowing costs - Changes in PWLB regulations limit availability/criteria of borrowing. - Changes in MIFID 2 regulatory requirements may increase costs and decrease access to markets.	3	4	12	- Monitoring of TM advisor advice, news, discussions with brokers, and reacting to events (eg both trading and regulatory). - On-going professional training and development of treasury management officers. - On-going training and updates to members on Treasury Management. - Regular review and update of overall Treasury Management Strategy. - Regular review and update of mix of borrowing and investments held to ensure the portfolio continues to meet the objectives of the Treasury Management Strategy.	3	9

Key: Scores: 1 (Lowest)-5 (Highest)

Authorised Limit – the maximum amount of external debt at any one time in the financial year.

Bank Rate – the Bank of England base rate.

Capital Financing Requirement – financing needs of the council – i.e., the requirement to borrow.

CIPFA - the Chartered Institute of Public Finance and Accountancy. The institute is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public sector. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards. Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for a significant part of the economy, namely local government. CIPFA's members work, in public service bodies, in the national audit agencies and major accountancy firms.

CLG – Communities and Local Government – see MHCLG.

Counterparty – the organisation the council is investing with.

Credit Rating – an assessment of the credit worthiness of an institution.

Creditworthiness – a measure of the ability to meet debt obligations.

Finance Lease - a finance lease is a lease that is primarily a method of raising finance to pay for assets, rather than a genuine rental. The latter is an operating lease. The key difference between a finance lease and an operating lease is whether the lessor (the legal owner who rents out the assets) or lessee (who uses the asset) takes on the risks of ownership of the leased assets. The classification of a lease (as an operating or finance lease) also affects how it is reported in the accounts.

Gilts – long term fixed income debt security (bond) issued by the UK Government and traded on the London Stock Exchange.

LIBID – London Interbank BID Rate – the interest rate at which London banks are willing to borrow from one another.

MHCLG – Ministry of Housing, Communities and Local Government. The Government department that sets policy on supporting local government, communities and neighbourhoods, regeneration, housing, planning building and the environment and fire. The name for this Government department has recently changed and is now known as **DLUCH**, which is the **Department for Levelling Up, Communities and Housing**.

Minimum Revenue Provision - the minimum amount which must be charged to an authority's revenue account each year and set aside towards repaying borrowing.

Money Market - the market in which institutions borrow and lend.

Money Market Rates – interest rates on money market investments.

Ninety-One – one of the council's cash managers who invest in multi-asset funds. They were previously known as Investec.

Operational Boundary – the most likely, prudent but not worst-case scenario of external debt at any one time.

Pooled Funds – investments are made with an organisation who pool together investments from other organisations and apply the same investment strategy to the portfolio. Pooled fund investments benefit from economies of scale, which allows for lower trading costs per pound, diversification, and professional money management.

Prudential Code – a governance procedure for the setting and revising of prudential indicators. Its aim is to ensure, within a clear framework, that the capital investment plans of the council are affordable, prudent, and sustainable and that treasury management decisions are taken in accordance with good practice.

Prudential Indicators – indicators set out in the Prudential Code that calculates the financial impact and sets limits for treasury management activities and capital investment.

PWLB (Public Works Loans Board) - a central government agency which provides long and medium-term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow. Local authorities can borrow to finance capital spending from this source.

Sovereign – the countries the council can invest in.

Tradition UK Ltd – is one of the council's cash managers who manage £10m of investments on our behalf. Tradition place funds in fixed term cash deposits with a range of financial institutions.

Treasury Management – the management of the council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risk associated with those activities and the pursuit of optimum performance with those risks.

Treasury Management Practices – schedule of treasury management functions and how those functions will be carried out.

Variable Net Asset Value money market funds – the principal invested may fluctuate below that invested.

North Somerset Council

Report to the Executive

Date of Meeting: 2 February 2022

Subject of Report: Capital Strategy 2022-2026 and Capital Budget for 2022/23

Town or Parish: All

Officer/Member Presenting: Ashley Cartman, Executive Member for Corporate Services

Key Decision: Yes

Reason: The council will incur expenditure in excess of £500,000 and spending covers more than two wards.

Recommendations

The Executive are asked to: -

1) Recommend to Council for approval the following:

- a) The capital strategy 2022/23 to 2026/27 as outlined in the Executive Summary and per Appendix 1.
 - b) An increase to the capital programme of **£38.722m in 2022/23** for a range of new investments relating to children and young people, delivering better basic services, investing in our communities and tackling the climate emergency as detailed in section 4.3, and Appendix 2, subject to confirmation of grant funding allocations
- 2) Note the revised borrowing impact within the capital programme of **£94.291m** for approved schemes to 2022/23, which could rise to £138m by 2026
 - 3) **Delegation of Approval** for the detailed highways schemes to the Executive Member for Neighbourhoods and Community Services.
 - 4) **Approve** the amendments to the capital budget for 2021/22 as detailed in Appendix 4.

1. Summary of Report

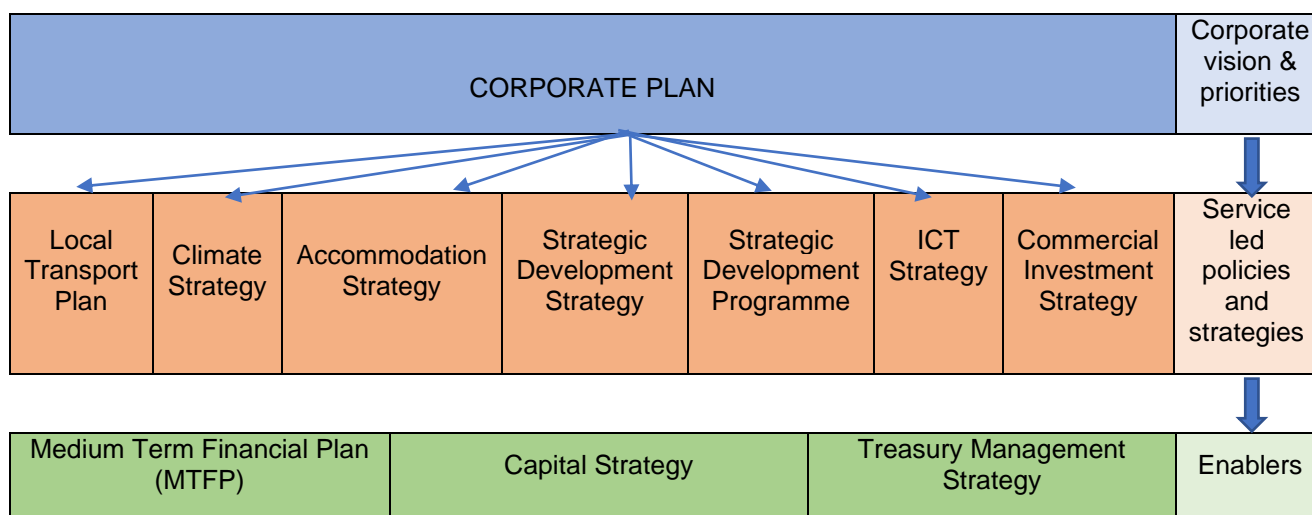
The Capital Strategy outlines the council's approach to capital investment over the short, medium and longer term and gives a high-level overview of how capital expenditure activity contributes to the provision of local public services within the area. We will use these resources to back our Children and young people, tackle the climate emergency and invest

in our communities and infrastructure, whilst aiming to strengthen the delivery of our basic services.

It matches the council’s priorities and planned service requirements with funding projections and asset management considerations. It is very much an overarching strategic plan, and is closely linked to other key plans and strategies, for example:

- The Corporate Plan – which sets the overall vision, aim and objectives for the council
- Strategic Asset Management Plan, including the Office Accommodation Strategy – which sets the context for holding, using and investing in assets
- Place-making & Strategic Development Strategy – which sets the vision for a programme of investment, divestment or disposal for our potential development sites
- The Local Transport Plan – which sets the context of the infrastructure requirements
- Directorate based Service Delivery Plans - which sets the context for Schools, Place Adult Social Care requirements
- Digital and ICT Strategy – which sets the context of the council’s ICT requirements as an enabler to facilitate Directorate Services Plans
- The Capital Programme – details the planned expenditure and resources
- The Medium-Term Financial Plan (MTFP) – integrates associated revenue impacts
- The Treasury Management Strategy – integrates financing and cashflow implications

The Capital Strategy and its relationships with other Plans and Strategies is depicted below.



The council recognises that decisions made this year on capital spend and financed through its associated treasury management activities, will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, as summarised throughout this report.

2. Policy

The Prudential Code for Capital Finance in Local Authorities was developed by CIPFA to support local authorities in taking decisions in capital investments. Key objectives within this Code are to ensure that local authorities capital investment plans are affordable, prudent and sustainable, and that associated treasury management decisions are taken in accordance with good professional practice and that local strategic planning, asset management planning and proper option appraisals are fully supported.

The Code requires Council to approve an annual capital strategy as part of its budget setting process. The purpose being to demonstrate that capital expenditure and investment decisions are in line with service objectives, and that the plans are affordable and sustainable, with the resulting revenue impacts fully integrated within the annual budget setting process. The council must also review and approve a series of prudential indicators which provide an assessment of the spending and financing plans on key metrics.

3. Executive Summary of our Capital Strategy

3.1. Introduction

North Somerset Council has ambitious plans for investment in the region, to deliver sustainable projects with a tangible benefit to our communities. Alongside plans for infrastructure, housing and economic generation we also need to maintain Council schools and assets, to ensure these are fit for the future. Our Capital programme must be affordable over the long term and align with our commitments to be Open, Fair and Green

This document outlines how we will make the best use of our finite resources, how we will prioritise investment needs and opportunities and how we will approach funding these projects to deliver sustainable outcomes. Whilst it describes some of the key projects we will be working on and our action plan, the programme will continue to be developed over time.

3.2. Sustainable budget setting

Capital investment needs to be funded from revenue budgets via feasibility, costs of borrowing and making provision for repayment. We have ambitious plans, but finite resources. Our revenue budgets are increasingly pressurised by reduced funding, increasing demand and costs for delivering essential council services. Each pound that we borrow costs the Council around 6-8% per year to finance and therefore it is vital that we assess these costs in the context of our medium-term financial planning. This has been made more challenging by the recent government announcement of a one-year financial settlement for 2022/23; inhibiting our ability to make longer term plans and introducing the risk that capital schemes agreed now become unaffordable in future years.

Lack of sustainable budget funding and the need to demonstrate value for money mean we may need to make difficult decisions about how we prioritise investment. We need to consider our asset base and how we prioritise projects, which may result in asset divestment and deprioritising projects which cannot demonstrate a long-term sustainable impact. We also know that we have a backlog of maintenance needs. We operate in a different world post-Covid and, in some cases, there is reduced demand for assets (such as office accommodation) which accelerates the case for rationalising our estate.

We also need to ensure that projects which can achieve long term benefits to our communities are considered on merit and for potential return on investment, so distinct funding will be allocated to enhancement via development, strategic investment and match funding plans. The council has a successful track record of securing Government Funding with over £100m secured so far across the 2020-2025 period.

Our target is to be a net-zero Council by 2030, to achieve this we need to ensure that carbon impacts of our investments are made clear and evaluated through options appraisal.

Carbon impact will become a core element of our decision making and funding will be made available to support our climate change objectives.

Capital expenditure needs to align with the aims and priorities of the council and reflect existing policies such as our Active Travel schemes and Health and Wellbeing Strategy. The council has recently introduced a framework to better evaluate the social value of our procurements and these themes, outcomes and measures will be used to support our objectives.

As we increase our levels of investment, we will need robust governance in place to promote clarity and consistency of decision making and demonstrate value. Our prioritisation process and action plan will be progressed during 2022/23 to deliver the strategy.

3.3. We are investing

Our agreed 2020-25 capital programme covers **£306m** of investment to support council plans, underpinned by £74m of council borrowing. The wide-ranging programme encompasses many aspects of council services, from ensuring that we have appropriate ICT in place to keep information safe, to building new schools and major road upgrades.

We have an established asset strategy which describes our ambitions for Place-based investment through the following themes:

- Placemaking – making our towns desirable places to live, work and enjoy through support for digital, cultural and heritage programmes - such as the restoration of Birnbeck Pier – aimed at revitalising our town centres and providing support to businesses
- Development programme - enabling the delivery of high quality and inclusive places with a mix of homes, jobs that support growth in key sectors, open spaces, community infrastructure, digital connectivity, retail, and leisure space that meet need and build cohesive communities
- Critical Projects – delivering £200m of investment in;
 - improved infrastructure and connectivity across the region including major cycling, road and rail networks whilst maintaining existing networks
 - building capacity in our schools through expansion projects and the addition of three new primaries
 - facilities which benefit communities such as flood relief projects, provision of play areas and leisure services

The proposed capital schemes for 2022/23 build on the existing programme with deliverable projects for the first year of investment as we continue to develop clear methodology to prioritise our spending on strategic assets. Our Strategic Asset Management Plan has identified the need for urgent maintenance, compliance and improvements to schools, office buildings, leisure and depot facilities which will be prioritised over the remaining Capital Strategy period.

We will focus the **£39m of additional investment** around supporting Children and young people, delivering better basic services, investing in our communities and tackling the climate emergency alongside our statutory responsibilities such as delivery of housing. Our schemes will maximise grant funding where possible but we still expect to need to borrow a further £20m to fund spending plans.

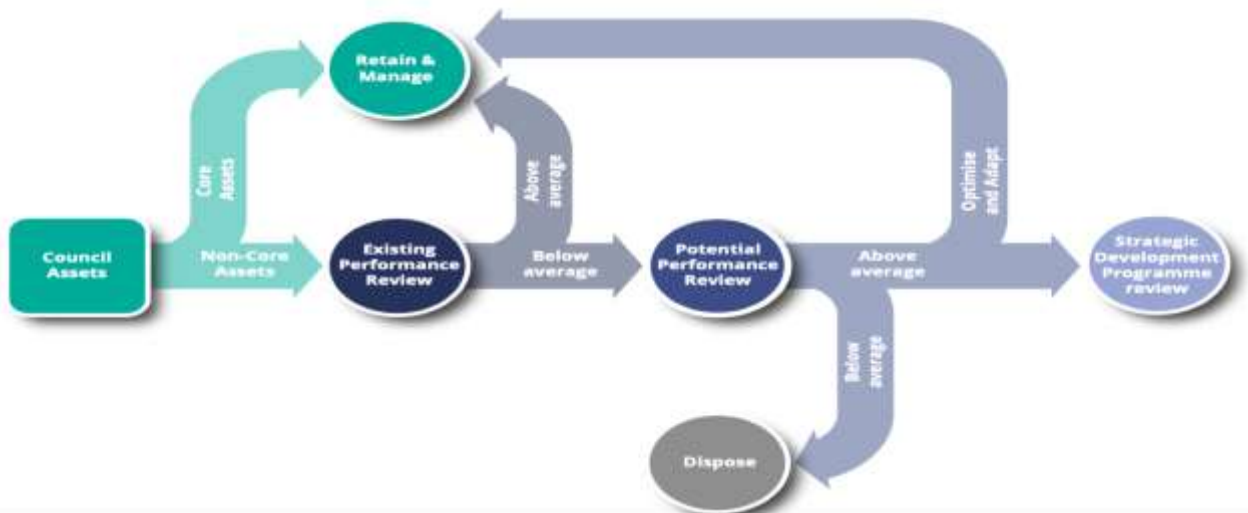
3.4. How we will prioritise the capital programme

Additions to the capital programme for the coming year will need to be prioritised due to restrictions on affordability using the following criteria as an iterative process:



In the future, development and transformation projects will need to demonstrate a positive net present value and benefit/cost ratio to be considered as part of the capital programme.

Council assets will be considered and prioritised ahead of inclusion in the capital programme using the methodology established in the Strategic Asset Management Plan.



4. Further Details

4.1. Capital programme update 2021/22 - £306.581m in total; **£94.625m in 2021/22**

As noted above the council already has ambitious spending plans and this can be seen from the approved capital programme shown in Appendix 3, which covers the period 2021-2025 and currently totals £306.581m, with over £94m of this spending due to be delivered during 2021/22. This programme has been increased significantly over the past 18 months and reflects a wide range of spending on both current and new assets, for example;

- £97m of investment linked to the design and build of Banwell bypass, village and local area road improvements and local utility upgrades, as well as delivery of a new 900-place secondary school, all of which will be funded from Homes England via their Housing Infrastructure Fund (HIF) grant scheme.

- a further £92m of investment to complete the design phases of the Metro West Rail project, up to and including the Development Consent Order phase, as well as approval for delivery and implementation of the scheme.
- projects to support delivery of core educational services linked to the provision of the new Baytree Special School as well as extending existing schools to facilitate the increasing demand for places.
- the ongoing maintenance of existing road networks, as well as the creation and enhancement of major infrastructure such as the Weston Town Centre Enhancement Scheme, completion of the North South Link road, works to replace the bridge along Winterstoke Road and the early stages of improvements to the A38 network.
- schemes designed to create or improve infrastructure, facilities and other assets which benefit communities and neighbourhoods such as delivery of the new health centre at Locking Parklands, flood relief projects, provision of parks and play areas, improvements to leisure related services.
- capital grant allocations to providers and other stakeholders to fund affordable housing schemes across North Somerset or directly influence affordable housing delivery such as at Millcross in Clevedon and Uplands in Nailsea. Grants are also paid to individual residents so that they can make adaptations to their homes enabling them to continue to live independently, and investment in Technology Enabled Care projects, again to support independent living.
- ongoing maintenance, compliance and improvements to schools, office buildings, leisure facilities and ICT systems and infrastructure.

The table below summarises the current capital programme and highlights key areas of interest.

Table 1: Approved Capital Programme – as at 31 December 2021

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTAL £000
Place					
HIF - Banwell Bypass & Infrastructure	11,276	17,140	35,740	0	64,156
MetroWest Rail	9,412	31,373	42,237	8,951	91,972
Winterstoke Road Bridge	3,650	6,658	2,421	0	12,729
Local Transport Plan Projects, incl Pot Holes	10,704	0	0	0	10,704
Locking Parklands Health Centre	4,976	0	0	0	4,976
Weston Town Centre Enhancement	5,102	0	0	0	5,102
Other Place Projects	22,047	705	894	46	23,692
Children's Services					
HIF - Winterstoke Hundred Academy Expansion	6,726	14,092	12,257	0	33,075
Baytree Special School	4,276	9,864	0	0	14,141
Breach Classes	0	1,625	1,625	0	3,250
Other Children's Projects	4,514	1,660	125	100	6,399
Adult Social Care & Housing Services					
Disabled Facilities Grants	2,412	2,081	2,081	2,081	8,656
Affordable Housing Grants	2,487	0	0	0	2,487
Repurchase Leasehold Properties	1,500	1,500	1,500	1,500	6,000
Technology Enabled Care Projects	750	0	0	0	750
Other Adults and Housing Projects	628	300	300	300	1,528
Corporate Services					
Asset Management Plan & Urgent Repairs	1,962	800	0	0	2,762
Accommodation Strategy	0	1,000	0	0	1,000
ICT Programme	909	0	0	0	909
Commercial Investment / Sovereign Centre	0	5,000	0	5,000	10,000
Development Programme	892	0	0	0	892
Other Corporate Projects	400	1,000	0	0	1,400
	94,625	94,798	99,181	17,978	306,581

Table 2: Funding for the approved Capital Programme – as at 31 December 2021

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£000	£000	£000	£000	£000
Grants and Contributions	74,328	61,811	78,505	2,481	217,125
Unsupported Borrowing	14,216	28,908	15,337	15,769	74,230
Capital Receipts - ring-fenced	1,510	1,621	1,500	1,562	6,193
Revenue Contributions and Reserves	1,774	145	0	0	1,919
Other Capital Resources	2,796	2,314	3,839	-1,835	7,114
	94,625	94,798	99,181	17,978	306,581

4.2. Planned spending within the approved capital programme in 2022/23 - £94.798m

Table 3: planned spending in 22/23

	£000
Place	
Shop Front Enhancement	50
Heritage Action Zone improvements	350
Campus Gym	184
Winterstoke Road Bridge	6,658
MetroWest Rail	31,373
HIF - Banwell Bypass & Infrastructure	17,140
Vehicle replacement programme	121
Children's Services	
Additional capacity for breach classes	1,625
Banwell Primary School	1,000
HIF - Winterstoke Hundred Academy Expansion	14,092
Gordano School - Delivery of 2 Year 7 Classes	30
Baytree Special School	9,864
Other, incl provision for SEMH, ASD, Compliance	630
Adult Social Care & Housing Services	
Aids & Adaptations Equipment	300
Disabled Facilities Grants	2,081
Repurchase Leasehold Properties	1,500
Corporate Services	
Corporate Asset Management Plan	800
Accommodation Strategy	1,000
Commercial Investment Fund - Sovereign Centre	5,000
Decarbonisation of heat (replacement boilers)	1,000
	94,798

As can be seen from paragraph 4.1 above, the council has already started to approve further spending plans, for delivery during the 2022/23 financial year, with the value of these investments totalling over £94m.

The majority of this spending is linked to large one-off capital projects, which can often take several years to design and build or alternatively, annual programmes which the council delivers each year, such as purchasing equipment or giving grants to residents so that they can make alterations to their homes and maintain their independence.

4.3. Proposed new investment in 2022/23 - £38.722m

The table below shows the total value of the council's new additional investment proposals, which are to be included within the capital programme for spending to start in 2022/23. The investment plans have been summarised and grouped into the council's investment themes, with a further detailed list of all projects being shown in Appendix 2.

Table 4: Summary of new investment proposals and funding sources for 2022/23

	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Children & young people	7,937	1,175	3,455	3,455	3,450	19,472
Delivering better basic services	16,232	34,605	20,073	8,378	8,498	87,786
Investing in our communities	10,648	19,950	11,925	7,500	1,500	51,523
Tackling the climate emergency	1,440	1,790	1,890	990	1,090	7,200
Other investments, statutory functions	2,465	811	346	246	246	4,114
TOTAL - New investment plans	38,722	58,331	37,689	20,569	14,784	170,095
Grants and contributions	18,661	30,405	26,184	16,302	10,302	101,854
Unsupported Borrowing	20,061	27,926	11,505	4,267	4,482	68,241
TOTAL - New capital funding	38,722	58,331	37,689	20,569	14,784	170,095

4.4. Draft capital programme 2022 to 2026

As noted in para 4.1 above, the council already has an existing ambitious capital programme of £306m, which will increase by a total of £170m should all the planned additions and new investment plans are added into it across the next four years. This would mean that the council's investment plans would reach at least £476m by 2026.

However, given the uncertainties surrounding the council's funding position at the current time, the report recommends that only the new investment proposals relating to the 2022/23 are approved and incorporated into the approved capital programme and that the investment plans for future years be approved when further information is known.

Table 5: Draft capital expenditure 2021 to 2026

	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Place	67,167	55,876	81,292	8,997	0	0	213,332
Children's Services	15,516	27,241	14,007	100	0	0	56,864
Adult Social Care & Housing Services	7,778	3,881	3,881	3,881	0	0	19,422
Corporate Services	4,163	7,800	0	5,000	0	0	16,963
Children & young people	0	7,937	1,175	3,455	3,455	3,450	19,472
Delivering better basic services	0	16,232	34,605	20,073	8,378	8,498	87,786
Investing in our communities	0	10,648	19,950	11,925	7,500	1,500	51,523
Tackling the climate emergency	0	1,440	1,790	1,890	990	1,090	7,200
Other investments, statutory functions	0	2,465	811	346	246	246	4,114
	94,625	133,520	157,512	55,667	20,569	14,784	476,676
	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Grants and Contributions	74,328	80,472	108,910	28,665	16,302	10,302	318,979
Unsupported Borrowing	14,216	48,969	43,263	27,274	4,267	4,482	142,471
Capital Receipts - ring-fenced	1,510	1,621	1,500	1,562	0	0	6,193
Revenue Contributions and Reserves	1,774	145	0	0	0	0	1,919
Other Capital Resources	2,796	2,314	3,839	-1,835	0	0	7,114
	94,625	133,520	157,512	55,667	20,569	14,784	476,676

The revenue impacts of the 2022/23 spending plans have been reflected within the medium term financial plan, and are therefore funded (subject to approval of the revenue budget) and they have also within the prudential indicators, which are reflected within the treasury management report.

It should be noted that some of the values presented may be indicative and subject to confirmation by the awarding body, and so the final expenditure budget may be adjusted when final notifications are received to ensure that council spending is aligned to funding resource levels

5. Consultation

The government, through its legislative framework, clearly expects that local authorities will be able to demonstrate that they have in place mechanisms to ensure that 'representatives of local people' are being appropriately informed, consulted or involved in services, policies or decisions that affect or interest them.

There are many aspects of service delivery which impact on our residents, customers and other stakeholders and members of the public, and so we recognise that it is our

responsibility to ensure that any changes we make to them through the budget, need to be considered and consulted upon. Failure to do so adequately could result in aspects of the budget being subject to legal challenge.

The Capital Programme for 2022/23 provides a mechanism to bring together a series of individual investment projects within an overarching programme, although individual projects will still be subject to further governance as they progress through commissioning and procurement stages, which means that local people and key stakeholders will be provided with opportunities to understand more details on these projects before they are fully implemented.

6. Financial Implications

Financial implications are contained throughout the report.

7. Legal Powers and Implications

The Local Government Act 1972 lays down the fundamental principle by providing that every local authority shall make arrangements for the proper administration of their financial affairs, although further details and requirements are contained within related legislation.

The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires it to approve a Capital Strategy before the start of each financial year.

Under this guidance, the role of the (Full) Council is to:

- Set the budget and capital programme, including debt and investment interest, and the Minimum Revenue Provision
- Approve the Capital Strategy
- Approve the Treasury Management Strategy (presented elsewhere on this agenda)
- Approve the Prudential Indicators

Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, local authorities must not delegate the approval of an annual strategy to any committee or person.

The role of the Executive is to consider these strategies, and, if appropriate, recommend them for approval by full Council.

8. Climate Change and Environmental Implications

Climate and environmental related implications continue to be at the forefront of the council's thinking when considering the underlying Corporate Plan and service strategies as well as detailed capital investment and options that are described throughout this report.

The council has identified climate as one of its main investment priorities for the year ahead and has developed an initial approach which puts this at the centre of plans by seeking to invest in several new projects which entirely meet the climate vision, aims and objectives as their core theme.

However in addition to this, the council is also progressing the concept of 'additionality' by ensuring that climate related issues are recognised, considered and incorporated in planned investments in other areas of priority spending. The council believes that it is

important to fully consider climate issues within the design and scope of other spending proposals which means that it can begin to embed climate considerations and outcomes through a broader range of capital investments across the council.

Examples of this dual approach are demonstrated below;

- Climate priority - it is the council's intention to deliver improvements in the strategic management of wildlife and biodiversity by purchasing land and creating North Somerset Nature Parks.
- Children and young people priority – it is the council's intention to undertake a series of improvements and extensions to school buildings to accommodate more children and ensure their learning environment meets their needs; the scope of this proposal will be widened to ensure that climate issues are considered before final designs are approved, this could mean that solar panels are added to a roof, energy efficient boilers are purchased, decarbonisation of walls and windows ensuring that they meet higher insulation and energy efficiency standards. It is possible that some of these measures will increase the cost of the planned investment, but they will be built into plans wherever possible.

One of the next steps to consider will be how to record and assess the impact of the council's capital investment plans in respect of carbon outcomes as well as other factors such as health and well-being.

9. Risk Management

In setting the capital budgets, the council must consider the known key financial risks that may affect its plans and these will either be explicitly provided for within the base budget or be offset and held against the unallocated contingency budget or the council's general fund working balance.

The council's Section 151 Officer has led work over recent months to assess and review these items, which are held in the Capital risk register below. Whilst there are several inherent risks within the Capital Strategy, the top 3 risks are:-

- Capital Delivery issues – delivering within approved timescales and within budget, which given the uncertainties arising because of the pandemic and the wider economic position, could be challenging as contractors are required to adhere to national guidelines for social distancing, and inflationary measures are less stable than before. This is becoming particularly apparent in the delivery of some of our major projects such as MetroWest, where forecast costs in future years of the programme have increased significantly because of these factors alongside delays to central government decision making. An initial allocation has been factored into the draft capital programme beyond 2023/24 but will be subject to specific decisions on each scheme.
- Capital Grants and funding streams – there are a number of grant allocations that are still subject to change, some of which relate to central government allocations as they have not yet advised of the 2022/23 allocations for all grants. Other external funding relates to being successful following the submissions of bids. There may be risks associated with any of these grant funding streams, some of which are also time-limited which would mean that delays in spending could put these at risk. All these funding streams will be reviewed and monitored to understand the level of risk that the council may be exposed to.

- Economic Development Funded (EDF) schemes which rely on achieving and sustaining increased business rate income and Revolving Infrastructure Funded (RIF) schemes whose repayments rely on generating significant capital receipts from land sales, which given the impacts of the pandemic on various elements of the business sectors, as well as the wider economic factors currently prevailing, could prove extremely challenging for the council to achieve the pre-pandemic forecast levels. Should these levels not be met then the council would be exposed to the risk of either stop spending on the relevant capital project (if that were even a possibility) or replacing the funding for these capital schemes.

10. Equality Implications

There are many aspects relating to the investment priorities within the council's capital strategy, as well as the delivery of the individual capital projects within the overall programme, which impact on our residents, customers and other stakeholders and members of the public, and so we recognise that it is our responsibility to ensure that any investments we make through the capital budget, may need to be considered and consulted upon. There are no specific equality implications to note at this time although capital projects will be assessed at an individual level through the approvals processes.

11. Corporate Implications

The Corporate Plan and MTFP are vital tools to help align effort across the organisation and ensure that services are all are focused on delivery to agreed community and organisational priorities. With continuing financial pressures and demands for services, it is essential that the councils' limited resources continue to be prioritised and allocated in line with the identified priorities and changes reflected within the budget where required.

12. Options Considered

The Council is required to formally approve a Capital Strategy for 2022/23. This could be undertaken as a multi-year strategy or a stand-alone annual process. Although a one-year approach for new approvals has been adopted due to the one-year funding settlement for local government, planning will continue to focus on a multi-year funding horizon which sets the context within which decisions relating to the setting of annual budgets are taken.

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Appendices:

Appendix 1 Capital Strategy & Asset Requirements

Appendix 2 Developing the Capital Programme 2022/23 to 2025/26

Appendix 3 Monitoring of the 2021/22 Capital Programme

Appendix 4 Changes to the 2021/22 Capital Programme

Background Papers:

Reports presented to the Executive:

Capital Strategy report 2021/22 (Feb 2021),

Budget monitoring reports 2021/22 (July 2021-December 2021)
MTFP and Revenue Budget update (Feb 2022), Treasury Management Strategy (Feb 2022)

CAPITAL STRATEGY & ASSET REQUIREMENTS

1. General principles for capital planning

Definition: capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. This includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

There are some general strategic principles underlying capital planning for all services which are to:

- Integrate capital planning into the council's overall strategic planning, both in general and as part of the Corporate Plan and Budget and the Long-Term Financial Plan
- Maximise external funding and supplement this with the council's own resources where appropriate, especially where external funding supports the council's priorities
- Procure the use of capital assets where this is affordable and delivers best value for money to the council, including a robust process for the appraisal and approval of capital projects and programmes
- Work with partners, including the community, businesses, and other parts of the public and voluntary sector, whilst retaining clear lines of accountability and responsibility.
- Relate capital resources and expenditure planning to asset planning.

2. Strategic capital priorities

The council's vision and priorities continue to shape where capital investment needs to be delivered and these are defined within the Corporate Plan which was updated in February 2020, and is focused around three themes:

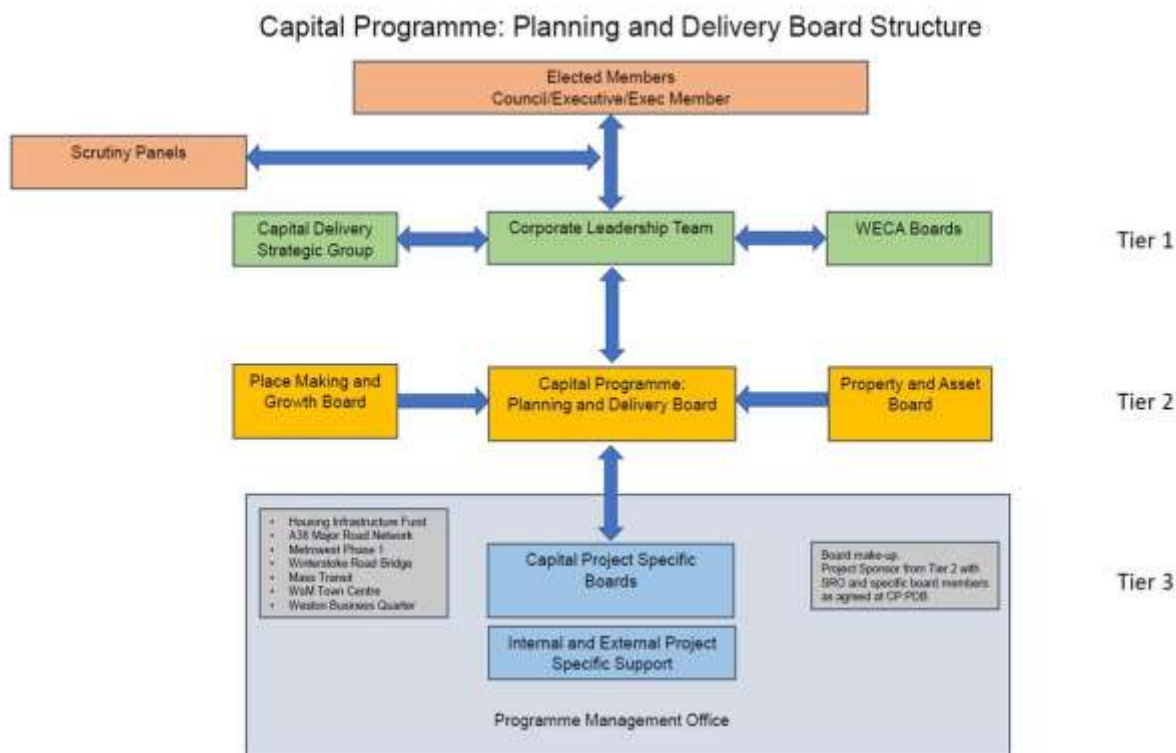
- **Open** – We will provide strong community leadership and work transparently with our residents, businesses, and partners to deliver our ambition for North Somerset.
- **Fair** – We aim to reduce inequalities and promote fairness and opportunity for everyone.
- **Green**- We will lead our communities to protect and enhance our environment, tackle the climate emergency, and drive sustainable development.

3. Governance

Capital investment decisions are made in accordance with the council's financial regulations which are contained within the Constitution. These regulations set out the governance of budget setting, budget monitoring, financial administration, and financial controls, as well as the procedure for approving capital expenditure.

Governance surrounding capital strategy and delivery continues to be developed and refined to ensure that it stays relevant to changes which may occur within the organisation.

The updated governance framework in respect of capital delivery and programme management, the chart below shows the current proposal which aims to strengthen and improve communication and reporting, and thereby reduce risks.



3.1 Capital Programme: Planning and Delivery Board

This officer board will ensure quality, consistency of approach and co-ordination across the Capital Programme as part of the Council’s Capital Strategy. It will oversee the operational, risk and financial performance of capital projects which align to the organisation’s intended outcomes and make recommendations to decision makers. Bringing together programme planning, monitoring and delivery in to one place with a wide range of stakeholders to consider effective investment proposals.

Each directorate has nominated representatives on the board which is currently chaired by the Director of Corporate Services and Section 151 Officer. The board is responsible for making recommendations to decision makers.

3.2 Place-Making & Growth Board (formerly Driving Growth Board)

The main priorities of the driving growth board relate to strategic visioning of the places within North Somerset and putting communities at the centre of planning considerations. This is achieved through revitalising towns to make them more prosperous, facilitating housing developments where required, supporting key infrastructure projects and bringing more growth to the area.

3.3 Capital Programme Approvals

The approval of spend for inclusion within the capital programme is outlined within the councils financial regulations as follows:

- Greater than £5m – Council
- Greater than £1m and less than £5m – The Executive
- Greater than £0.5m and less than £1m – Director, S151 and Executive Member
- Less than £0.5m - Director and S151 approval

All proposals will be considered by the Capital Programme: Planning and Delivery Board prior to any decision.

3.4 Council and the Executive

Council and the Executive are the key democratic decision-making bodies nominated within the Council's constitution. The Council approves the key policy documents and the capital programme as part of the Council's Policy and Budgetary Framework. The Executive recommends priorities, policy direction and the capital programme to the Council for approval. The Executive also approves new inclusions to the capital programme in line with the scheme of delegation and the financial regulations.

4. **Service priorities**

Each service has developed their own strategy in line with the Corporate Plan which sets out service priorities over the next few years and identifies the services resource requirement, shaping the capital resources required in the capital programme to fund new assets and maintain existing ones. The individual capital strategies are therefore shaped by each service and set out in several key strategic documents.

4.1 Existing Assets

The suitability and condition of the council's existing assets to meet service requirements are reviewed through:

- **Strategic asset management plan** – the council has previously commissioned consultants Arcadis to undertake a strategic review of its entire asset base with a view to formulating a direction of travel for the future, determining which of the current assets should be held, maintained or listed as surplus and therefore for potential disposal. The outcomes of this review still need to be considered by the Asset Strategy Board and once complete proposals arising from the SAMP will be considered by council and integrated with the longer-term planning.

This includes portfolio management, estate management, energy efficiency and regeneration strategy

- **Highways asset management plan** – The Highways Asset Management Strategy sets out the process of asset management and the strategy for maintaining the Council's highways infrastructure. The document sets out the principles for investment in the major asset types including carriageways, street lighting and traffic management and highways structures.

For investment in the management of highway assets we take an asset management approach. This balances the need to repair life expired roads/ assets in poor condition with more preventive measures which extend the life of existing assets. We use surveys to provide information on the condition of assets and supplement this with data relating to road safety, traffic volumes, community facilities, customer complaints etc to help determine the final priority of resources. We complete an annual self-assessment for the Department for Transport which checks our approach against 22 criteria. Our most recent assessment showed that we were a level 3 authority for asset management which is the highest level possible.

A new piece of work is currently being prepared by the Head of Service to inform the value of investment which the Council should consider including within its Strategy over the next 5 years, which would enable a steady state of repairs to be maintained. This will be included within future reports presented to the Executive.

4.2 New Assets

- **Strategic Development** – A programme of development delivery continues to be updated by the Head of Development alongside the SAMP work (above), which is supported by Arcadis. This creates an investment programme to stimulate growth and achieve place-making objectives. Priorities will bring forward council owned land for development to accelerate housing growth across the region, including areas such as Weston, Portishead, Nailsea and the surrounding towns across North Somerset, some of will feature within the programme for delivery in 2022/23.
- **Schools programme** – Education Provision in North Somerset ~ A Commissioning Strategy 2021 – 2025 is the latest policy base for local decisions in relation to school place planning and the school's capital programme. The current document provides the strategic overview of how North Somerset Council, acting as the local 'Children's Champion', and working in partnership with others, will secure sufficient suitable education and training to meet the reasonable needs of all children and young people in its area. The council works with its partners (schools, academies, health and care professionals) with the aim of securing sufficient places for children and young people resident in North Somerset.

Capital allocations come to the council from a range of sources including: Basic Need; Targeted Basic Need; s106 contributions/Community Infrastructure Levy (CIL) and Free School Bids. The Department for Education (DfE) may also allocate bespoke funding for priority areas as national priorities dictate. Whilst the Local Authority (LA) receives a Maintenance Allocation to cover urgent health and safety and condition needs of Community and Voluntary Controlled (VC) schools, and Voluntary Aided (VA) schools have been supported by the Locally Coordinated Voluntary Aided Programme (LCVAP), all schools have earmarked Devolved Capital paid to them to meet the improvement needs of their sites. Smaller academies/academy chains can bid for funds from the Academies Condition Improvement Fund whilst larger academy chains qualify for School Condition Allocations.

- **ICT replacement programme** – New software, ICT hardware and network requirements are routinely identified through the ICT replacement programme in collaboration with the council's partnership with Agilisys, although the programme is being refreshed to consider further investment in digital and transformation solutions which may deliver revenue budget savings, as well as any changes which may be required as a response to new ways of working. The council changed the way in

which its staff work in a very short space of time following the announcement of the first national lockdown.

- **Major projects** - Investment in major projects are drawn from the priorities identified in the Corporate Plan and Joint Local Transport Plan. These have been tested at a strategic level against plan objectives and for deliverability and an initial value for money assessment. In many cases, investment in major projects requires external funding bids and so the criteria for these also influences the order in which projects are bought forward. The largest projects, particularly those above £5m are assessed in detail for value for money, following criteria set by Government, and a cost benefit ratio (BCR) is calculated to measure the return on investment (Benefits/ costs). Government determines that a BCR above 2 provides “high” value for money and is typically used as the minimum threshold for which projects will be funded. For large projects costing less than £5m a BCR is also frequently generated but often using a cheaper and more proportionate methodology. All the major project currently being promoted or delivered by the council have a BCR above 2.
- **Better Care Fund** - An annual capital grant is received from Government to resource Disabled Facilities Grants (DFGs) and Social Care capital projects, as part of the Better Care Fund arrangements. DFGs fund adaptations to homes to support disabled people to live independently and their award is mandatory, subject to eligibility criteria being met. The resource requirements for DFGs is therefore demand led. Subject to the demand for DFGs a range of social care capital projects could be supported through the Government grant, including investment in new supported housing, assistive technology and other aids and adaptations. The council’s Housing with Support Strategy and Housing Strategy set out priorities for investing in new supported housing

5. Capital Strategy Action Plan

Our action plan to support development and delivery of an affordable capital programme

5.1 Financial planning and risk management

- Embed the decision-making pathways from the Strategic Asset Management Plan
- Establish £1.5m one-off Capital Strategy and Infrastructure Planning budget, creating headroom for exploratory work including for Strategic Investment Funds
- Review outturn performance against budgets and compare with market information to ensure that our contingencies are robust
- Develop detailed cash flows for projects so that borrowing requirements can be better profiled
- Introduce an optimism bias to mitigate against timing differences and slippage against the programme
- Use data and outputs from the Strategic Asset Management Plan to inform future maintenance requirements
- Use indices to consider delaying projects where market conditions may prevent delivery within budget and timescales

5.2 Governance/ decision making

- Simplification of our governance model at officer level to combine the Capital Projects Programme Board with the Infrastructure and Investment Board into a Capital Programme – Planning and Delivery Board
- Expand the remit of the new board beyond major projects to consider all capital
- Use our Programme Management Office to develop standard templates and reporting frameworks to support clarity and consistency
- Establish clear triggers for escalation of risk; including budget, timescale, deliverability and scope
- Update our reports for councillors to provide enhanced visibility of risks
- Establish a framework to assess the carbon impact of our schemes

DEVELOPING THE FUTURE CAPITAL PROGRAMME

1. Monitoring of the Current Programme 2021/22

The current capital programme 2021/22 is a multi-year programme which covers the period up to 2025/26 and has been built up in several phases following different stages of approval, and comprises of the following;

- the rolling 5-year capital programme approved by the Executive in February 2020,
- new schemes for 2021/22, approved by the Executive in February 2021,
- slippage from the previous year - slippage includes budgets that have remained unspent at year-end due to changes within planned timescales
- changes which have occurred since April 2021 – these have been considered by the Investment and Infrastructure Board, or approved by Directors, Executive Members, or Council

Appendix 3 presents Members with a detailed schedule showing all the schemes within the Council's current capital programme and includes the budget for the current year and the following four financial years. Currently, the Council's overall programme totals £306.581m, of which £94.625m relates to the current financial year.

In addition to the project expenditure costs, the schedule also provides details of how these schemes will be funded and what types of resources will be used. The largest proportions of the programme will be funded by grants and contributions (£217.332m) and long-term borrowing (£74.230m).

The capital summary shows that the council has spent £23.934m in 2021/22, and ordered, approximately £30.504m. The total committed expenditure for 2021/22 therefore equates to 58% of its budget for the year which is slightly behind anticipated levels, and so a review is currently being carried out to understand why this may be the case and to identify projects which may need to be re-profiled. That being said, Members will be aware that the spending profile of large capital projects is different to the profiles within the annual revenue budget, in that a large degree of planning and preparatory work is carried out towards the start, in advance of actual spend being incurred.

Appendix 4 details changes to the approved capital programme reflecting re-phasing of capital works, increased grant funding and other decisions recommended for approval by the Investment & Infrastructure Board or the Section 151 Officer. These changes require formal approval through this report.

2. New Approvals from 2022/23

Sections 3 and 4 of the main body of the report provide an overview of the planned new investments for 2022/23 and this appendix provides further details of the schemes and projects being recommended for inclusion within the draft programme for next year.

The sections below align to the council's key investment themes and detailed projects within each area can either be linked to existing areas of spending, a new one-off project or part of an annual programme of investment.

Values have been included across the period of the Strategy although approval within this report is focused on the 2022/23 financial year as spending in future years will be updated and included within later reports once the scope of works for subsequent years has been agreed and detailed feasibility works undertaken, and in some cases business cases developed.

This is standard practice for the council as whilst a lot of the proposals are new areas of investment, some of these schemes featured in the Capital Strategy report last year as projects which were in early design, feasibility and scoping stages, but have matured and progressed through the council’s internal governance processes and are now ready for inclusion at a more formal stage:

2.1. Children and young people

Investment proposals included below show that the council takes planning for the children and young people within our community seriously and has identified their needs as one of our key priorities, both for today and into the future.

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	TOTAL £'000
Children & young people						
Investment to deliver additional school places - various sites and locations	2,141	0	0	0	0	2,141
Provision for Special Educational Mental Health and Special Educational Needs places, through Hubs and Clusters	1,601	800	800	800	800	4,801
Maintenance programme for schools sites	3,445	125	5	5	0	3,580
Investment and improvements for Play Areas owned by North Somerset	300	150	150	150	150	900
Investment for other Areas / Skate Parks - match funding for other local projects	250	0	0	0	0	250
Children & Young People - Carlton Centre	200	100	0	0	0	300
Winscombe Primary Expansion	0	0	2,500	0	0	2,500
Wrington Primary - school replacement	0	0	0	2,500	0	2,500
Sandford Primary Expansion	0	0	0	0	2,500	2,500

The proposals aim to address several issues within the ‘school’ environment, such as repairs and enhancements to learning facilities, the expansion of sites to accommodate the growing numbers of young people and the creation of local hubs for those who require additional support because of special or mental health needs, all of which will help contribute towards their educational experiences and support better outcomes in the future.

Investment is also planned for children’s centres, which are seen as essential services to families within the local community, as they provide a range of advice and support whenever it is needed to improve the outcomes for young people or to help prevent any problems from developing in the future.

Thought has also been given to areas within the community that children and young people regularly use and enjoy, such as parks and play areas, including skate parks. The council has ambitious plan to improve and enhance the current facilities that it owns by establishing a rolling programme of investment covering the next five years. Initial investment of £300k is planned for next year in at least 5 locations covering Nailsea, Clevedon and Weston and it is hoped that additional facilities could be provided with this money, including those that can be used by children with disabilities, who may find the more traditional equipment difficult to use.

In addition to this, the council recognises that it can be challenging for other community groups or parish councils to identify all the funds they need to upgrade play area facilities that they manage and so the council is planning to introduce a scheme to enable it to offer match funding so that more areas can be improved.

Investing to provide better access for children to play and encouraging these outdoor activities also supports the council’s vision within the health and well-being strategy.

2.2. Delivering better basic services

Whilst the council has the responsibility to provide a range of core services to the residents and businesses who live and work within North Somerset, it also wants to ensure that the assets linked to these services are fit for purpose, maintained and aligned to the needs of the community who use them.

Delivering better basic services						
Maintenance programme for highways network	8,672	7,972	7,972	7,972	7,972	40,560
A38 Improvements, including active travel and public transport Investments	2,302	13,138	9,404	0	0	24,844
Continuation of Public Rights of Way programme	0	100	100	100	100	400
Provision of a new Waste Depot	1,705	4,688	2,132	0	0	8,525
Vehicle replacement programme for Waste and Recycling service	3,203	8,707	465	306	426	13,107
Maintenance and improvements to Household Waste Recycling Centres	350	0	0	0	0	350

One of the council’s largest ‘assets’ is its highways and infrastructure network which provides many ways to move around the area and connect to the surrounding regions. Whether residents, businesses or visitors use the highways network in vehicle or on a bicycle, the council recognises that it is essential that these assets are maintained at safe levels and so further investment is planned which will stop deterioration and maintain a steady state.

The A38 is a significant transport route which runs through North Somerset and a joint initiative with Somerset County Council is currently being proposed which will deliver a range of improvements covering at least ten locations between Barrow Tanks and Junction 22 of the M5 motorway at Edithmead, six of which are within North Somerset. The scheme, which will provide improvements to the existing highway, carriage-way widening, and include active travel improvements, contributes towards several of the council’s Corporate Plan priorities and so will benefit many residents and businesses. The values presented within this report are the total projected costs of the scheme and although the council will be expected to provide a local contribution, it is anticipated that approximately 85% of the funding will be provided by the Department for Transport, subject to the submission of business cases and relevant approvals, which makes this an attractive investment for local people.

Significant investment has been included to provide a new waste depot so that the council can manage the household waste and recycling services in a safe and maintained space. Waste services are an essential part of daily life and it is hoped that the new depot will also provide facilities to sort, bail and store recyclable materials and be a storage location for the council’s fleet of waste vehicles.

2.3. Investing in our communities

The council recognises through its place-making strategy that it is important for residents to have access to local amenities, services, networks and facilities to become thriving and successful communities and so has prioritised investment in communities as a key theme within its capital strategy.

Investing in our communities						
Community facilities - repairs to Leisure Centres, Playhouse, Nailsea Library	2,850	500	0	0	0	3,350
Extension of the Strawberry Line to Clevedon	0	0	500	0	0	500
Joint place-making initiatives - Birnbeck Pier and Heritage Action Zone	1,400	3,900	7,500	7,500	1,500	21,800
Strategic place-making projects - Magistrates Courts and Tropicana	2,600	4,800	800	0	0	8,200
Place-making investments around Weston seafront - lighting, shelters, traffic signals	910	0	0	0	0	910
Place-making investments around Clevedon, Nailsea and Portishead	125	250	125	0	0	500
Development programme in key sites across North Somerset - Weston Business Quarter	2,763	10,500	3,000	0	0	16,263

The council already provides a range of 'built' facilities within communities such as schools, childrens centres, leisure centres, libraries, community halls as well as other amenities used by the public such as seafronts, public open spaces, cycle routes and public rights of way, many of which need investment to maintain, enhance or adapt the assets being used. Examples of this are included within the proposed spending plans for next year.

The council also plans to invest significant sums in new projects which build on the place-making ambitions for our communities and spending proposals shown above include examples of investment which are likely to transform areas.

Investment will be shared across the district although major proposals include the joint project to repair Birnbeck Pier and provide a lifeboat station once again, changes to the magistrates court and tropicana in Weston and the delivery of infrastructure within Weston Business Quarter, which is a site next to the Food Works that has been earmarked for business growth.

It is important to note that in addition to delivering real change next year, the council will also be actively planning for the future by investing in business cases to scope and develop future projects, an example of this is the Strawberry Line proposal noted in the table above. It is anticipated that residents and businesses will be able to see the tangible changes that will be delivered as a result of investment proposals, as well as benefiting from increased levels of prosperity arising from new businesses coming to the area.

2.4. Tackling the climate emergency

Since the council has announced a climate it has been developing and progressing an action plan to show the changes that need to be made to achieve the required outcomes. However as noted in Section of the report, other investments are being made which have climate and environmental considerations incorporated into them.

Tackling the climate emergency						
Purchase of land to support strategic management of wildlife and deliver biodiversity net gain - Local Plan	300	0	0	0	0	300
Further works to the Superpond in Weston-Super-Mare	150	0	0	0	0	150
Active Travel Investment Programme	45	245	295	345	395	1,325
Investment to support Low Emission Vehicle Provision across North Somerset	45	145	195	245	295	925
Annual programme to rebuild and enhance sea defences in Clevedon and Weston	400	400	400	400	400	2,000
Initiatives to improve energy efficiency and generation of NSC assets	500	1,000	1,000	0	0	2,500

2.5. Other investments, including statutory responsibilities

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	TOTAL £'000
Other investments, statutory functions						
Investment in ICT - technology upgrades to systems and networks	1,465	811	346	246	246	3,114
Accommodation at the Town Hall - to include urgent maintenance and ICT	1,000	0	0	0	0	1,000

Whilst planned investments in these areas may not have a direct and tangible impact on communities it is anticipated that residents will feel and understand the benefits that they will bring, for example, by investing in technology means that services can become more efficient and deliver outcomes more effectively and sometimes at less cost than before, which means that savings can potentially be realised and seen within the annual revenue budget.

3. **Potential Future Approvals**

The council's capital planning activities remain ongoing and it is anticipated that several other capital schemes will continue to be progressed over the coming months although they have been excluded from the capital strategy framework at this time. It may be that if other funding sources are identified and confirmed and detailed business cases developed, then they may go on to be reported separately at the appropriate time for consideration be either the Executive or Council.

However in addition to those specific schemes, the council continues to plan more broadly for investment in other areas will need to be considered as part of the overall strategic planning assumptions to ensure that they meet the required aims and objectives, are robustly costed, financed and deemed affordable and sustainable, and can be delivered within the required timescales.

4. **Prudential Indicators**

4.1 Introduction and context

The Prudential Code was updated in 2017 following consultation with local authorities to improve the transparency of investment decisions. Changes to the Code include the requirement to produce a Capital Strategy which contains a reference to a series of **prudential indicators** which enable the reader to understand overall financial impact of capital investment decisions, with a focus on debt levels and how these will be repaid.

It should be noted that the Treasury Management Code of Practice also provides for the same reporting requirements meaning that there is an overlap in terms of the preparation and reporting of such prudential indicators.

To avoid confusion, and to ensure that all Treasury and Capital indicators use the same base data, we have reflected all the indicators within one of the core strategy reports, they are all contained within the Treasury Management Strategy report, considered elsewhere on the agenda for this same meeting. This is because the treasury report also requires local authorities to consider the impacts of capital planning on its treasury management strategy, as well as both borrowing and investment decisions.

Attention should therefore be drawn to the Prudential Indicators for capital expenditure, the capital financing requirement, revenue budget impacts of borrowing, as well as borrowing and investments thresholds and forecasts as shown in Appendix 2 of the Treasury Management report.

4.2 Knowledge and Skills

The council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

Where council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The council currently employs Arlingclose Limited as treasury management advisers and Montagu Evans as property consultants. This approach is more cost effective than employing such staff directly and ensures that the council has access to knowledge and skills commensurate with its risk appetite.

Monitoring of the Capital Programme in 2021/22

MONITORING OF 2021/22 CAPITAL PROGRAMME						APPENDIX 3							
	APPROVED BUDGET					MONITORING TO 31 DECEMBER 2021			Approved Funding				
	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend	TOTAL APPROVED BUDGET	Actual Spend	Commitments	2021/22 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	Total Approved Funding
	£	£	£	£	£	£	£	£	£	£	£	£	£
APPROVED GENERAL FUND CAPITAL SCHEMES													
Childrens Services	15,516,321	27,240,992	14,007,174	100,000	56,864,487	4,223,918	13,723,763	17,947,681	2,760,000	54,076,785	0	27,703	56,864,488
Adult Social Services	510,001	300,000	300,000	300,000	1,410,001	189,390	0	189,390	0	1,410,001	0	0	1,410,001
Housing	7,268,016	3,581,237	3,581,237	3,581,237	18,011,727	2,492,240	307,160	2,799,400	421,498	11,517,004	0	6,073,225	18,011,727
Corporate Services	4,163,418	7,800,000	0	5,000,000	16,963,418	473,991	558,922	1,032,913	13,800,000	1,322,493	195,764	1,645,162	16,963,419
Place	67,166,840	55,875,736	81,292,098	8,996,902	213,331,576	16,554,113	15,914,288	32,468,401	57,248,618	149,005,298	1,723,469	5,354,192	213,331,576
AUTHORITY TOTAL	94,624,595	94,797,965	99,180,509	17,978,139	306,581,208	23,933,652	30,504,133	54,437,785	74,230,116	217,331,581	1,919,233	13,100,282	306,581,211
								58%					

MONITORING OF 2021/22 CAPITAL PROGRAMME						APPENDIX 3							
	APPROVED BUDGET					MONITORING TO 31 DECEMBER 2021			Approved Funding				
	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend	TOTAL APPROVED BUDGET	Actual Spend	Commitments	2021/22 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	Total Approved Funding
	£	£	£	£	£	£	£	£	£	£	£	£	£
CHILDRENS SERVICES													
Primary Schools													
Breach Classes	0	1,625,000	1,625,000	0	3,250,000	0	0	0	0	3,250,000	0	0	3,250,000
Parklands Temporary School a	11,976	0	0	0	11,976	0	0	0	0	11,976	0	0	11,976
Parklands Primary School	120,607	0	0	0	120,607	34,396	0	34,396	0	120,607	0	0	120,607
New Yatton Primary School - Chestnut Park	210,729	0	0	0	210,729	45,442	0	45,442	0	210,729	0	0	210,729
St Josephs demountable	13,852	0	0	0	13,852	792	0	792	0	13,852	0	0	13,852
Banwell Primary School	100,000	1,000,000	0	0	1,100,000	2,818	837	3,655	738,591	361,409	0	0	1,100,000
Secondary Schools													
Central Secondary	557,927	0	0	0	557,927	0	0	0	0	557,927	0	0	557,927
HIF School Design and Planning	1,852,665	0	0	0	1,852,665	2,645,143	515,999	3,161,141	0	1,852,665	0	0	1,852,665
HIF School Build	4,873,063	14,091,833	8,434,191	0	27,399,087	18,505	0	18,505	0	27,399,088	0	0	27,399,088
HiF School Fit Out	0	0	1,080,000	0	1,080,000	0	0	0	0	1,080,000	0	0	1,080,000
HiF Contingency	0	0	2,742,983	0	2,742,983	0	0	0	0	2,742,983	0	0	2,742,983
HIF - WHAE School	6,725,728	14,091,833	12,257,174	0	33,074,735	2,663,648	515,999	3,179,647	0	33,074,736	0	0	33,074,736
Gordano School - 2 * Yr7 Classes	120,000	30,000	0	0	150,000	0	0	0	0	150,000	0	0	150,000
Special Schools													
Resource Base - (Nailsea Autism Hub)	144	0	0	0	144	144	0	144	0	144	0	0	144
Mendip Green - Upgrade demountable to Hub	174,201	0	0	0	174,201	111,119	0	111,119	0	174,201	0	0	174,201
SEMH - Churchill	100,000	0	0	0	100,000	0	0	0	0	100,000	0	0	100,000
Baytree Special School - Brookfield Walk Cleve	4,276,500	9,864,159	0	0	14,140,659	259,405	12,802,969	13,062,375	0	14,140,659	0	0	14,140,659
Westhaven Special School	360	0	0	0	360	360	0	360	0	360	0	0	360
Westhaven Special School - Infant Phase Unit	1,914	0	0	0	1,914	1,289	0	1,289	0	1,914	0	0	1,914
SEND	100,000	0	0	0	100,000	0	0	0	100,000	0	0	0	100,000
SEMH Nailsea	100,000	100,000	0	0	200,000	0	0	0	200,000	0	0	0	200,000
ASD Hubs School Clusters	150,000	150,000	0	0	300,000	0	0	0	300,000	0	0	0	300,000
SEMH School Clusters	180,000	180,000	0	0	360,000	0	0	0	360,000	0	0	0	360,000
Ravenswood Expansion - internal remodelling	125,000	0	0	0	125,000	109,064	0	109,064	0	125,000	0	0	125,000
VLC - Ashcroft House	344,568	0	0	0	344,568	274,449	31,643	306,092	344,568	0	0	0	344,568
Ravenswood Roof	716,841	0	0	0	716,841	377,416	327,801	705,217	716,841	0	0	0	716,841
VLC Milton project	150,832	0	0	0	150,832	133,439	15,794	149,233	0	150,832	0	0	150,832
Programmes													
Devolved Formula Capital	490,183	0	0	0	490,183	43,659	0	43,659	0	490,183	0	0	490,183
Statutory Compliance	701,159	200,000	125,000	100,000	1,126,159	166,479	28,720	195,199	0	1,126,159	0	0	1,126,159
Contingency Fund	43,799	0	0	0	43,799	0	0	0	0	16,097	0	27,703	43,800
	15,516,321	27,240,992	14,007,174	100,000	56,864,487	4,223,918	13,723,763	17,947,682	2,760,000	54,076,785	0	27,703	56,864,488

MONITORING OF 2021/22 CAPITAL PROGRAMME						APPENDIX 3							
	APPROVED BUDGET					MONITORING TO 31 DECEMBER 2021			Approved Funding				
	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend	TOTAL APPROVED BUDGET	Actual Spend	Commitments	2021/22 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	Total Approved Funding
	£	£	£	£	£	£	£	£	£	£	£	£	£
ADULT SOCIAL SERVICES													
Adult social care accommodation shift	204,188	0	0	0	204,188	17,164	0	17,164	0	204,188	0	0	204,188
Other													
Aids & Adaptations Equipment	300,000	300,000	300,000	300,000	1,200,000	172,226	0	172,226	0	1,200,000	0	0	1,200,000
Housing & Technology Fund	5,813	0	0	0	5,813	0	0	0	0	5,813	0	0	5,813
	510,001	300,000	300,000	300,000	1,410,001	189,390	0	189,390	0	1,410,001	0	0	1,410,001
HOUSING													
Private Sector Renewal													
Disabled Facilities Grants	2,412,293	2,081,237	2,081,237	2,081,237	8,656,004	1,122,676	158,782	1,281,457	0	8,656,004	0	0	8,656,004
Other Private Sector Renewal	38,225	0	0	0	38,225	98,164	148,379	246,543	0	0	0	38,225	38,225
Social Housing Grants (LASHG)	693,498	0	0	0	693,498	0	0	0	421,498	272,000	0	0	693,498
Grant funding of affordable housing	1,794,000	0	0	0	1,794,000	0	0	0	0	1,794,000	0	0	1,794,000
Other													
Repurchase Leasehold Properties	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000	1,226,400	0	1,226,400	0	0	0	6,000,000	6,000,000
First Time Buyer Loan Scheme	35,000	0	0	0	35,000	0	0	0	0	0	0	35,000	35,000
Clarence Park Lodge	45,000	0	0	0	45,000	45,000	0	45,000	0	45,000	0	0	45,000
Technology Enabled Care	750,000	0	0	0	750,000	0	0	0	0	750,000	0	0	750,000
	7,268,016	3,581,237	3,581,237	3,581,237	18,011,727	2,492,240	307,160	2,799,400	421,498	11,517,004	0	6,073,225	18,011,727
CORPORATE SERVICES													
ICT Projects													
ICT Replacement Programme	909,408	0	0	0	909,408	106,051	67,472	173,523	0	0	129,000	780,408	909,408
Asset Management Plan													
Corporate Asset Management Plan	533,241	800,000	0	0	1,333,241	5,670	1,936	7,607	350,000	59,329	59,158	864,754	1,333,241
Leisure Asset Management Plan	1,415,606	0	0	0	1,415,606	381,094	486,328	867,422	1,158,000	250,000	7,606	0	1,415,606
Town Hall - Police EO	13,164	0	0	0	13,164	964	0	964	0	13,164	0	0	13,164
Accommodation Strategy	0	1,000,000	0	0	1,000,000	0	0	0	1,000,000	0	0	0	1,000,000
Development Strategy	892,000	0	0	0	892,000	0	0	0	892,000	0	0	0	892,000
Other													
Commercial Investment Fund - Sovereign Cent	0	5,000,000	0	5,000,000	10,000,000	0	0	0	10,000,000	0	0	0	10,000,000
CCTV Upgrade	0	0	0	0	0	-19,851	3,186	-16,666	0	0	0	0	0
Decarbonisation of heat (boilers)	0	1,000,000	0	0	1,000,000	0	0	0	0	1,000,000	0	0	1,000,000
Energy efficiency buildings	300,000	0	0	0	300,000	63	0	63	300,000	0	0	0	300,000
Rooftop solar pilot	100,000	0	0	0	100,000	0	0	0	100,000	0	0	0	100,000
Awaiting Full Approval	4,163,418	7,800,000	0	5,000,000	16,963,418	473,991	558,922	1,032,913	13,800,000	1,322,493	195,764	1,645,162	16,963,419

MONITORING OF 2021/22 CAPITAL PROGRAMME						APPENDIX 3							
	APPROVED BUDGET					MONITORING TO 31 DECEMBER 2021			Approved Funding				
	2021/22	2022/23	2023/24	2024/25	TOTAL	Actual Spend	Commitments	2021/22 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	Total Approved Funding
	Estimated Spend	Estimated Spend	Estimated Spend	Estimated Spend	APPROVED BUDGET								
PLACE	£	£	£	£	£	£	£	£	£	£	£	£	£
Community													
RFID In Libraries	20,584	0	0	0	20,584	1,551	0	1,551	0	2,160	0	18,424	20,584
Banksy Pinwheel	30,881	0	0	0	30,881	0	0	0	0	30,881	0	0	30,881
Shop Front Enhancement	236,041	50,000	0	0	286,041	62,025	0	62,025	0	286,041	0	0	286,041
Heritage Action Zone	500,500	350,000	30,500	0	881,000	0	0	0	0	881,000	0	0	881,000
Campus Gym	0	184,143	0	0	184,143	0	0	0	0	184,143	0	0	184,143
Integrated Transport Schemes													
Public Transport Schemes	253,610	0	0	0	253,610	40,672	95,795	136,467	0	253,610	0	0	253,610
Congestion Management	0	0	0	0	0	1,096	0	1,096	0	0	0	0	0
Walking	127,629	0	0	0	127,629	29,610	36,986	66,596	0	127,629	0	0	127,629
Cycling Programme	54,969	0	0	0	54,969	2,443	990	3,433	0	54,969	0	0	54,969
Safety & Travel Plans	386,136	0	0	0	386,136	67,544	49,584	117,129	0	386,136	0	0	386,136
Other Schemes	120,035	0	0	0	120,035	97,250	8,955	106,205	0	120,035	0	0	120,035
Programme Management	5,375	0	0	0	5,375	639	0	639	0	5,375	0	0	5,375
Cross Cutting	369,600	0	0	0	369,600	22,382	0	22,382	0	369,600	0	0	369,600
Parking	20,000	0	0	0	20,000	0	0	0	0	20,000	0	0	20,000
COVID Grant - Walking & Cycling (EATF)	1,093,404	0	0	0	1,093,404	160,325	112,316	272,640	16,299	1,077,105	0	0	1,093,404
Pot Hole and Challenge Fund	232,485	0	0	0	232,485	0	0	0	0	232,485	0	0	232,485
City Deal - Transport	1,690,000	0	0	0	1,690,000	0	0	0	0	1,690,000	0	0	1,690,000
Maintenance Schemes													
Principal Roads	1,129,467	0	0	0	1,129,467	384,753	689,744	1,074,497	220,173	909,294	0	0	1,129,467
Non Principal Roads	1,354,504	0	0	0	1,354,504	668,172	700,156	1,368,328	322,373	1,032,131	0	0	1,354,504
Bridges & Structures	1,861,731	0	0	0	1,861,731	243,490	81,418	324,908	678,260	1,183,471	0	0	1,861,731
Street Lighting	250,000	0	0	0	250,000	31,407	0	31,407	250,000	0	0	0	250,000
Traffic Signals	85,080	0	0	0	85,080	2,680	65,969	68,649	81,712	3,368	0	0	85,080
Footways	303,118	0	0	0	303,118	11,399	153,820	165,219	46,238	256,880	0	0	303,118
Asset Officer	55,000	0	0	0	55,000	19,827	0	19,827	55,000	0	0	0	55,000
Drainage Schemes within LTP	1,083,726	0	0	0	1,083,726	106,937	165,907	272,845	52,292	1,031,434	0	0	1,083,726
Fencing	52,876	0	0	0	52,876	7,256	17,938	25,194	52,876	0	0	0	52,876
Road Restraint Programme	175,000	0	0	0	175,000	112,286	0	112,286	100,000	75,000	0	0	175,000
Other Highways & Street Lighting													
NSC Capital Unclassified Roads	1,193,596	0	0	0	1,193,596	933,439	373,309	1,306,749	111,996	1,081,600	0	0	1,193,596
Safe Routes to Schools	181,419	0	0	0	181,419	0	0	0	0	0	0	181,419	181,419
Wrighton Flood Relief Scheme	81,618	0	0	0	81,618	127	0	127	0	76,998	4,620	0	81,618
A370 Yanley Viaduct	24,665	0	0	0	24,665	-28,728	0	-28,728	0	24,665	0	0	24,665
Summer Lane Flood Relief Scheme	413,273	0	0	0	413,273	85,853	0	85,853	0	322,426	8,770	82,078	413,273
Street Lighting Lamp Column Replacement	1,279,002	0	0	0	1,279,002	915,788	735	916,523	1,279,002	0	0	0	1,279,002
Winterstoke Rd Bridge	3,650,333	6,658,000	2,421,000	0	12,729,333	675,847	-3,493	672,354	0	12,729,333	0	0	12,729,333
A371 Safer Roads	900,310	0	0	0	900,310	35,692	858,217	893,909	0	900,310	0	0	900,310
VMS Units and Barriers	88,300	0	0	0	88,300	86,600	0	86,600	0	0	88,300	0	88,300
Clevedon Sea Front Illuminations	60,000	0	0	0	60,000	414	0	414	0	0	60,000	0	60,000

MONITORING OF 2021/22 CAPITAL PROGRAMME						MONITORING TO 31 DECEMBER 2021					Approved Funding				
	APPROVED BUDGET				TOTAL APPROVED BUDGET	Actual Spend	Commitments	2021/22 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	Total Approved Funding		
	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend											
	£	£	£	£	£	£	£	£	£	£	£	£			
Transport															
South Bristol Link	1,041,261	0	0	0	1,041,261	115,263	-6,834	108,429	0	705,704	335,557	0	1,041,261		
Metro West subtotal	9,411,793	31,372,655	42,236,811	8,951,124	91,972,383	3,051,478	1,711,060	4,762,538	49,531,000	37,783,513	288,879	4,368,990	91,972,382		
North South Link	1,560,143	0	0	0	1,560,143	834,806	60,416	895,223	0	1,560,143	0	0	1,560,143		
Land at Parklands Village	974,275	0	0	0	974,275	79,696	0	79,696	0	974,275	0	0	974,275		
Utilities at Parklands Village	742,936	0	0	0	742,936	72,764	0	72,764	0	742,936	0	0	742,936		
Office for Low Emission Vehicles (OLEV)	570,938	0	0	0	570,938	142,005	54,790	196,795	0	570,938	0	0	570,938		
HIF	11,276,374	17,140,029	35,739,883	0	64,156,286	2,264,470	1,540,329	3,804,799	0	64,156,286	0	0	64,156,286		
LGF4 (Old LSTF) 2018/19 - sustainable transport	175,060	0	0	0	175,060	17,844	15,092	32,937	84,994	90,066	0	0	175,060		
Weston to Clevedon Cycleway (Tutshill Sluice)	2,826,396	0	0	0	2,826,396	521,979	1,731,807	2,253,786	125,479	2,700,917	0	0	2,826,396		
Metrobus Contingency/ AVTM	300,000	0	0	0	300,000	376	0	376	0	0	300,000	0	300,000		
J19 Wyndham Way	39,402	0	0	0	39,402	71,445	24,321	95,766	39,402	0	0	0	39,402		
Weston Transport Enhancement Scheme	5,102,181	0	0	0	5,102,181	2,611,538	1,775,547	4,387,085	716,000	3,866,181	0	520,000	5,102,181		
Real Time Information	5,220	0	0	0	5,220	0	0	0	0	5,220	0	0	5,220		
J21 Northbound Slip	527,394	0	0	0	527,394	0	0	0	450,000	77,394	0	0	527,394		
Major Road Network (A38)	188,249	0	0	0	188,249	285,885	101,089	386,974	0	188,249	0	0	188,249		
Cycle hub	65,320	0	0	0	65,320	0	0	0	0	0	65,320	0	65,320		
Festival Way / B3128 Crossing (Ashton Court c)	59,530	0	0	0	59,530	47,648	0	47,648	0	59,530	0	0	59,530		
Avonmouth Bridge Wayfinding	120,000	0	0	0	120,000	12,154	0	12,154	0	120,000	0	0	120,000		
Open Spaces															
Beach Recycling Weston Bay	3,050	0	0	0	3,050	0	0	0	0	0	3,050	0	3,050		
Ashcombe Tennis Court	3,538	0	0	0	3,538	6,702	0	6,702	0	3,538	0	0	3,538		
England Coast Path	438,000	0	0	0	438,000	197,441	10,091	207,531	0	438,000	0	0	438,000		
Parks & Street Scene - vehicles & equipment	691,566	0	818,126	0	1,509,692	521,025	166,585	687,610	1,445,450	45,742	18,500	0	1,509,692		
Weston Marine Lake - Dredging	300,000	0	0	0	300,000	36,365	70,645	107,010	300,000	0	0	0	300,000		
Portishead Lakegrounds	250,000	0	0	0	250,000	0	0	0	250,000	0	0	0	250,000		
Clevedon Marine Lake	150,000	0	0	0	150,000	0	0	0	150,000	0	0	0	150,000		
Clapton Lane Pitches	120,000	0	0	0	120,000	107,546	-105,896	1,650	0	120,000	0	0	120,000		
Boardwalk Portishead	24,088	0	0	0	24,088	10,000	13,588	23,588	0	24,088	0	0	24,088		
Parking															
Parking Schemes	35,716	0	0	0	35,716	0	0	0	35,716	0	0	0	35,716		
Leigh Woods Parking	162,771	0	0	0	162,771	72,962	79,825	152,787	140,172	0	22,600	0	162,772		
Parking Review	757,869	0	0	0	757,869	0	0	0	685,000	72,869	0	0	757,869		
Vehicles															
Purchase of Vehicles - Place	69,210	120,909	45,778	45,778	281,675	0	0	0	29,184	0	69,210	183,281	281,675		
Other															
Waste - Garden Waste Bins	358,663	0	0	0	358,663	15,000	0	15,000	0	0	358,663	0	358,663		

MONITORING OF 2021/22 CAPITAL PROGRAMME						APPENDIX 3							
	APPROVED BUDGET				TOTAL APPROVED BUDGET	MONITORING TO 31 DECEMBER 2021			Approved Funding				
	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend		Actual Spend	Commitments	2021/22 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	Total Approved Funding
	£	£	£	£		£	£	£	£	£	£	£	£
Strategic/Regeneration Projects													
Town Square	17,517	0	0	0	17,517	17,982	123	18,105	0	17,517	0	0	17,517
Creative Hub	32,131	0	0	0	32,131	0	0	0	0	32,131	0	0	32,131
The Foodworks SW	555,273	0	0	0	555,273	56,926	13,398	70,324	0	555,273	0	0	555,273
Locking Parklands Health Centre	4,975,690	0	0	0	4,975,690	560,798	3,580,589	4,141,387	0	4,975,690	0	0	4,975,690
CDS - Connecting Devon & Somerset	200,000	0	0	0	200,000	0	0	0	0	100,000	100,000	0	200,000
Weston General Stores	1,765,000	0	0	0	1,765,000	229,166	1,669,377	1,898,543	0	1,765,000	0	0	1,765,000
Land Release Fund - Churchill Avenue, Cleved	350,000	0	0	0	350,000	0	0	0	0	350,000	0	0	350,000
Land Release Fund - Uplands, Nailsea	481,020	0	0	0	481,020	0	0	0	0	481,020	0	0	481,020
Brownfield Release Sites - Walliscote Place	1,075,000	0	0	0	1,075,000	0	0	0	0	1,075,000	0	0	1,075,000
Completed Schemes													
Strawberry Line	0	0	0	0	0	8,968	0	8,968	0	0	0	0	0
	67,166,840	55,875,736	81,292,098	8,996,902	213,331,576	16,554,113	15,914,288	32,468,401	57,248,618	149,005,298	1,723,469	5,354,192	213,331,576

Changes to the Capital Programme in 2021/22

ANALYSIS OF CHANGES TO THE 2021/22 CAPITAL PROGRAMME	2021/22	2022/23	2023/24	2024/25	Total
	Capital Programme Budget £000	Capital Programme Budget £000	Capital Programme Budget £000	Capital Programme Budget £000	Capital Programme Budget £000
ORIGINAL APPROVED CAPITAL EXPENDITURE BUDGETS (as per P9)	50,131	34,036	53,460	29,027	166,654
Adj P10 - P12	4,148	337	869	0	5,355
Planned Additions to the capital Programme - Exec 11th Feb 2021	19,085	38,042	44,658	8,951	110,736
New Investments to the capital Programme - Exec 11th Feb 2021	8,810	0	0	0	8,810
Slippage of approved budgets from 2020/21	24,505	0	0	0	24,505
TOTAL ORIGINAL CAPITAL BUDGETS	106,679	72,416	98,987	37,978	316,060
AMENDMENTS TO THE PROGRAMME IN 2021/22					
Months 1-3					
Addition - DP090 Public Enquiry Equipment - KFI115	29	0	0	0	29
Addition - SBL - KDT107	322	0	0	0	322
Addition - CY31 Ravenswood - KCE262	125	0	0	0	125
Addition - AVTM - KDT141	300	0	0	0	300
Addition - CSD022 - Footpath Yatton Co-op to School - KDH109	109	0	0	0	109
Addition - CSD032 - ICT Capital Programme - KFI115	100	0	0	0	100
Addition - CS12 Mendip Green Autistic Spectrum Disorder (ASD) Resource Base	50	0	0	0	50
Addition - MetroWest Rail	329	0	0	0	329
Saving - Project spend financed prior year on KFA101 not KFA108	(100)	0	0	0	(100)
Saving - Grant Funding of Affordable Housing - KAH203	(816)	0	0	0	(816)
Saving - Nailsea Autism hub - KCE258	(1)	0	0	0	(1)
Saving - SEMH Mendip - KCE261	(107)	0	0	0	(107)
Saving - remove commercial investment from the programme - until decisions made	0	0	0	(20,000)	(20,000)
Rephase - Vehicles - KDS303	100	(100)	0	0	0
Rephase - Breach Classes	(3,250)	1,625	1,625	0	0
Rephase - Gordano - KCS216	(30)	30	0	0	0
Rephase - SEMH Nailsea -	(100)	100	0	0	0
Rephase - ASD Hubs School Clusters	(150)	150	0	0	0
Rephase - SMH School Clusters	(180)	180	0	0	0
Rephase - Commercial Investment - Sovereign Centre	(3,000)	3,000	0	0	0
Rephase - MetroWest Rail	(1,465)	1,465	0	0	0
Addition - CSD141 Clarence Park	20	0	0	0	20
Addition - DP135 Kubota	17	0	0	0	17
Addition - DP137 Gym Equipment	48	0	0	0	48
Rephase - Baytree School	(8,387)	8,387	0	0	0
Addition - DP202 Boardwalk Portishead	24	0	0	0	24
Addition - DP225 Avonmouth Bridge Wayfinding Project	120	0	0	0	120
Addition - DP240 Clevedon Sea Front Illuminations	60	0	0	0	60
Addition - Affordable Housing - Exec Report 08/09/2021	1,794	0	0	0	1,794
Addition - DP391VMS Barriers	88	0	0	0	88
Addition - WHAE	2,100	0	0	0	2,100
Addition - Weston Town Centre Enhancement Scheme	520	0	0	0	520
Rephase - Campus Gym	(184)	184	0	0	0
Saving - KDS411-Waste Vehicles,Equipment & Plant - Scheme Complete	(141)	0	0	0	(141)
Addition - DP185 Wintersoke Road Bridge	1,804	0	0	0	1,804
Rephase - Banwell Bypass	1,411	0	(1,411)	0	0
Rephase - CAMP	(800)	800	0	0	0
Rephase - WHAE	(1,561)	1,561	0	0	0
Rephase - Decarbonisation of Heat Boilers	(1,000)	1,000	0	0	0
Rephase - Commercial Investment - Sovereign Centre	(2,000)	2,000	0	0	0
Rephase Parks and Streetscene P&M	21	0	(21)	0	0
Rephase Banwell Primary School	(1,000)	1,000	0	0	0
REVISED 2021/22 CAPITAL PROGRAMME	94,625	94,798	99,181	17,978	306,581

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North Somerset Council

Report to the Executive

Date of Meeting: 2 February 2022

Subject of Report: Medium Term Financial Plan 2022-2025 and Revenue Budget for 2022/23

Town or Parish: All

Officer/Member Presenting: Ashley Cartman, Executive Member for Corporate Services

Key Decision: Yes

Reason:

Financial implications within the report are in excess of £500,000 and impact on all wards and communities within North Somerset

Recommendations

The Executive is asked to:

- i. Note the updated revenue and capital budget forecasts in respect of the 2021/22 financial year as detailed within section 3.1 of the report;
- ii. Note the Equality Impact Assessment report attached at Appendix 4, and familiarise themselves with the published Equality Impact Assessments (EIAs) that underpin the 2022/23 budget savings plans;
- iii. Note the statement of the Chief Finance Officer on the adequacy of reserves and the robustness of the budget as detailed in section 3.8 of the report;
- iv. Recommend to Council a revenue budget for 2022/23 for approval as detailed within this report and shown at Appendix 1;
- v. Recommend that Council approve a council tax increase of 1.99% for 2022/23 to support the proposed budget;
- vi. Recommend that Council approve an adult social care precept of 1% on the council tax for 2022/23 to support the proposed budget;

1. Summary of Report

Reports have been presented to the Executive over recent months, which have provided updates on the council's financial planning assumptions across the period of the Medium

Term Financial Plan (MTFP), giving particular focus to the preparation of the revenue budget for the 2022/23 financial year.

In December 2021 the Executive published details of the draft budget proposals which were available for review and comment by residents and other stakeholders. All elected Members were invited to attend a dedicated scrutiny session on the budget to provide them with an opportunity to fully understand the details being considered, ask any questions and to share their thoughts and views on any issues.

Since that time the council has received details of the Provisional Local Government Finance Settlement as well as some of the specific grant funding allocations which North Somerset can expect to receive next year, which are a key component of the council's financial planning.

Elsewhere on the agenda for this meeting is the council's Capital Strategy report, which details the proposed capital investment plans for the year ahead. It is important to understand these investment plans, particularly how they are likely to be funded, so that we can ensure that any financial impacts are fully integrated into the council's revenue budget plans.

This report therefore finalises the MTFP process by updating all financial assumptions and also integrating the impact of new investment proposals, to enable the Executive to recommend a final balanced revenue budget to Council for the 2022/23 financial year. Council will then consider the recommended budget as part of the council tax setting process for the year ahead.

In broad terms the 2022/23 budget delivers a balanced combination of **robust** budgeting in terms of our core services, further **investment** in key priorities, and **protects** both front line services, residents and the wider community.

Further details are contained throughout the report however, the main points to highlight are;

- A **robust** budget is being proposed having considered the various inflationary cost and demand pressures faced across many of the service areas,
 - This allows the council to maintain and support the existing good quality and effective services that are valued by the many people across North Somerset who use them in their everyday lives
 - The recommended budget also includes significant sums of new money into the adult social care budgets to address the existing pressures experienced within the service, which are not fully funded by the government (the Health and Social Care Levy / National Insurance increase is making no contribution to these pressures)
 - There is investment being made in Children's Services to secure improvement and achieve better outcomes for our young people, as well as additional funding being prioritised to address the increasing demand for our home to schools transport service
- The Executive want to make a difference for residents by improving the facilities and the environment across our communities and are keen to deliver new capital **investment** plans during 2022/23 of £44m, which will be on top of the £306m of

existing plans, focused around; children and young people, climate and the green agenda, and changes to our physical environment and place-shaping priorities.

- This additional investment will be further supported by our capital and infrastructure feasibility fund, which will be used flexibly to help plan for even more investment in the future, through scoping new proposals, developing and preparing business cases, delivering additional capacity, or by funding one-off investment opportunities should they arise
- Whilst some savings proposals have been included within the budget for next year to help fund the pressures we face, they are at the lowest levels for many years and are focused on **protecting** services and customers wherever possible – these proposals have been assessed and do not have any high risk impacts on customers and residents are also being protected from increases in discretionary fees and charges in some areas

2. Policy

The MTFP is a core strategic document that supports the delivery of the council's Corporate Plan which outlines the key priorities for residents and businesses within our communities. The MTFP itself describes the council's current and projected financial position and compares these to the anticipated resources available. It highlights the key risks inherent within the budget planning process and incorporates a range of financial strategies to address these.

There is a legal requirement to produce a robust revenue budget for the 2022/23 financial year along with relevant council tax bandings and rates, and these will be recommended for approval by Council at the meeting in February 2022.

3. Details

3.1. Update on the 2021/22 revenue budget monitoring position

When preparing budgets for future years it is important to firstly review the baseline position for the current financial year and to understand and quantify the extent to which any existing risks and pressures will impact on the council's budget in the future. Should ongoing pressures be identified as part of this review, it is essential that they are addressed as part of the council's work to prepare a sustainable budget going forwards.

Shown below in Table 1 is an update on the council's revenue budget position for the current financial year using forecasts made at the end of November 2021.

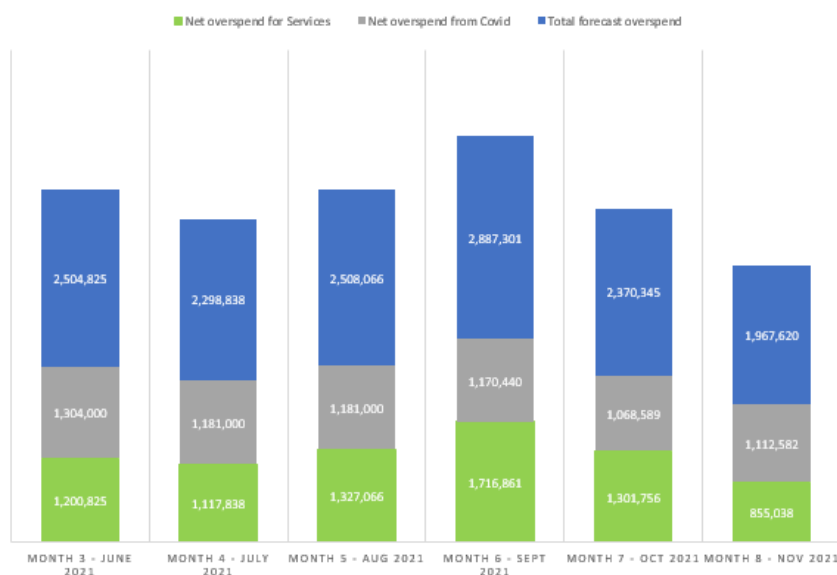
Revenue Budget Monitoring Summary 2021/22								
	Original Net Revenue Budget £000	Month 7 Forecast			Month 8 Forecast			
		Revised Revenue Budget £000	Projected Out-turn £000	Projected Variance £000	Budget Share %	Revised Revenue Budget £000	Projected Out-turn £000	Projected Variance £000
Service Expenditure Budgets								
Adult Social Services	67,905	67,960	69,399	1,439	38.3%	67,960	69,331	1,372
Children's Services	26,512	27,270	26,809	(461)	15.4%	27,270	26,734	(536)
Corporate Services	25,739	24,703	24,696	(7)	13.9%	24,703	24,700	(3)
Place	29,565	29,780	31,121	1,340	16.8%	29,780	31,211	1,430
Public Health & Reg Services	911	919	949	30	0.5%	919	920	1
Capital Financing	10,674	10,674	10,673	(1)	6.0%	10,674	10,673	(1)
Other Non Service Budgets	16,118	16,118	16,147	30	9.1%	16,118	15,822	(295)
Total Net Revenue Budget	177,423	177,423	179,794	2,370	100.0%	177,423	179,391	1,968
General Fund Financing Budgets	(177,423)	(177,423)	(177,423)	0		(177,423)	(177,423)	0
NET REVENUE BUDGET TOTALS	0	(0)	2,370	2,370		(0)	1,968	1,968
Use of Covid Funding			(1,069)	(1,069)			(1,113)	(1,113)
REVISED REVENUE BUDGET TOTALS			1,301	1,301			855	855
Dedicated Schools Deficit	7,150		12,224	5,074			13,001	5,851

The table is displayed in the council's standard financial monitoring template and depicts the financial position for each of the directorates in turn as well as the aggregated picture for all council services and financing resources.

The projected forecasts contain Covid and non-Covid impacts and it is important to recognise and understand the reason for the all of the budget movements so we can ensure that we apply the Covid grant income appropriately and assess whether any of these pressures will continue into future years.

The table above shows that at this time the council is projecting an overspend of approximately **£855k** after taking into account the Covid related impacts and ring-fenced funding which can be used to offset them. This movement equates to a relatively small proportion of the overall budget for the year, at approximately 0.5%.

REVENUE BUDGET FORECASTS 2021/22



It can be seen from the trends depicted within the chart that the latest forecast is a continued improvement from the monitoring positions reported over recent months and is in fact the lowest reported level all year.

Further movements are expected over the next few months when the values have been substantiated.

Integration of 2021/22 and 2022/23 financial years

The information presented above is a high-level financial summary based on the council's more detailed budget analysis and forecasts. The detail which support these values enable us to understand the pressures that relate to the delivery of the council's ongoing service provision, and therefore to assess which of these movements are likely to be one-off in nature or continue into the future.

This review shows that there are several material budget pressures being experienced in the current year, which are likely to continue into future years and a summary of these items is provided below. Additional growth provision has been added into the budget for next year to provide a more sustainable and realistic baseline for these services going forwards.

- £1,400k – Demand pressures in adult social care
- £460k – Legacy issues within the disabled children's budgets
- £300k – Increasing demand pressures within home to schools' transport budgets
- £650k – Short-fall in parking income budgets

The budget for children's placements has been reviewed and subsequently reduced by £960k to reflect the current underspend resulting from a reduction in the number of children looked after.

The Covid pandemic continues to be a factor for the council to consider when delivering services and the impact on our financial position. Our monitoring shows that the council continues to receive and distribute ring-fenced financial support to individuals, providers and businesses and to incur additional unplanned expenditure or receive less income than expected. The continuation of these Covid impacts are uncertain and we recognise the risk that the pandemic may continue to have on us and communities in the future. However, unlike previous years, the government has not allocated any additional funding in respect of Covid and so we have been unable to include any specific provision within the budget at this time.

3.2. Building a sustainable and robust budget, spending and investment plans

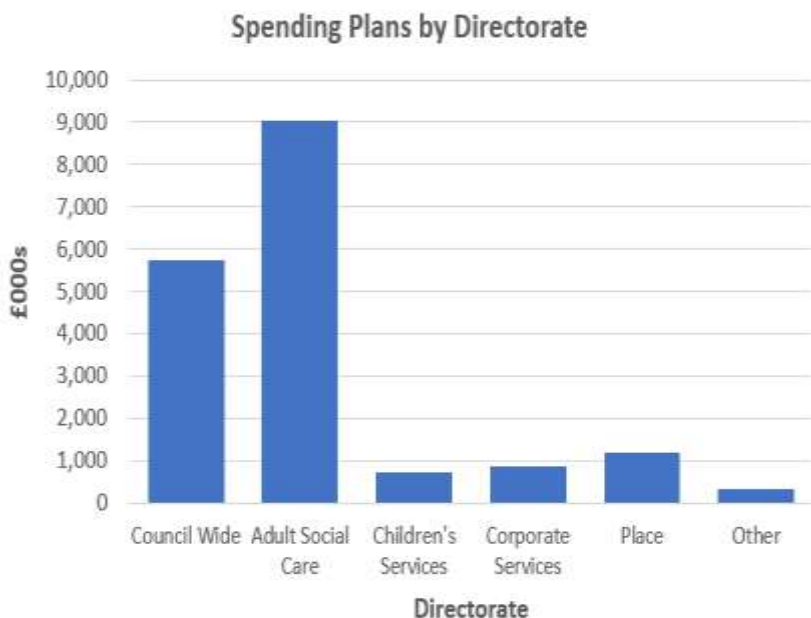
When preparing the budget for next year the council has ensured that key areas have been updated and refreshed to incorporate the latest information in all of its planning forecasts and underlying assumptions.

As noted in para 3.1 above, the results of budget monitoring forecasts in respect of the current financial year have been reviewed to ensure that the budget for next year does not feature any legacy issues and is set at **robust** levels wherever possible.

Information has been gathered from a variety of sources to ensure that any new spending plans or growth allocations are supported by evidenced based assessments and that these reflect key drivers, such as changes in legislation, inflation rates and the national living wage (both of which are rising significantly), as well as internal information relating to the projected numbers and volumes within demand led services such as waste, home to schools' transport, adults and children's social care.

The council has also chosen to include a range of strategic investment proposals within the future revenue budgets, some of this **investment** relates to planned service improvements

in areas such as children’s services, whilst other areas of new spending relate to the action plans supporting core strategies such as the communications and customer services and digital, which are focused on improving how we communicate, engage and interact with residents in the future.



As can be seen from the chart, increases in spending plans amount to over £17m, more than half of which relate to adult social care.

‘Council-wide’ pressures relate to borrowing costs, inflation on staffing, pensions and energy, as well as spending on council priorities. These costs are allocated to services as part of the budget work and are reflected within the totals shown in Appendix 1.

Further commentary on significant or notable areas is provided below.

Adult Social Care

Cost and demand pressures in the council’s adult social care budgets are significant and not fully funded by the Government. Planned increases in service spending total £8.7m, with £5.5m relating to increased care provider costs driven by a 6.6% increase in the National Living Wage which was announced by the Government in the Autumn, plus increases in employer National Insurance contributions for the Health and Social Care Levy, which will be passed on.

Demographic pressures are estimated to lead to increased costs of £1.5m; these relate to the increasing numbers of older people needing services and the number of children with complex needs moving into adulthood. By way of example, population estimates indicate that there will be around 1,000 more people aged 75 and over in North Somerset in the coming year and we expect more than 20 young people who reach 18 to need adult social care support.

In addition, as noted in para 3.1 above, there is a budget gap of £1.4m in the current financial year in adult social care due to changes in patterns of demand and this is expected to continue as the impact of Covid persists, including increased waiting time for elective surgery and other treatment, deconditioning and deterioration, and increased pressure on unpaid carers and mental health.

It is worth noting that the increased new revenue being generated by the Health and Social Care Levy is not making any contribution to any of the additional costs described above. Instead of funding existing council pressures and those arising from Government decisions, the new money is designed to fund increased capacity in the NHS and the new Social Care Reforms, which are aimed at ensuring that individuals are not faced with making excessive or unpredictable contributions to their care costs (the Care Cap and changes to capital limits).

The council's initial allocation from this funding for 2022/23 was announced in December 2021 as part of the funding Settlement for local government, and totals £626k. The Government has indicated that this sum must be used to begin the process of paying a "fair cost for care" to adult social care providers where the council arranges that care and so this sum has been ring-fenced in the budget to cover those costs.

Children's Services

Planning growth in spend in Children's Services totals £2.1m and is largely split into two categories – existing cost pressures and investment to deliver service improvements.

Section 3.1 above indicates that additional growth of £460k is needed within the budget for next year so that the council can continue to support families with disabled children.

Other new investment of £1.1m is being included within the budget to support the council's improvement plan for social care and children with special educational needs and disabilities. This will enable us to achieve our vision to make North Somerset a great place for children and young people to thrive, where all have the best possible life and opportunities, including those who are vulnerable, disadvantaged and / or have special educational or additional needs.

Following a review of the estimated numbers of children looked after, the budget for these placements has been reduced by £960k to reflect the reduction in demand that has been experienced since the Spring of 2020.

Corporate Services & Place Directorate

In addition to covering the legacy issues identified in Section 3.1 above, additional resources have also been allocated to these areas to address specific service-related issues such as the Ash-Dieback programme, investment in ICT cyber security and capacity in the council's website and communications services. Other growth relates to increased costs pressures, such as insurances, and also sustained reductions in income budgets.

3.3. Updated resource assumptions

The council has recently updated its resource assumptions following the release of the provisional local government finance settlement announcement on 16 December 2021 and has also confirmed its taxbase for next year.

The provisional settlement focused on providing stability to local government in the immediate term and promised a fundamental review of future funding starting early in 2022. As a national level the government advised that the core spending power, i.e. how much more all councils can spend, increased by over 4% in real terms, when including the new funding for social care reforms although it should be noted that in reality, the increase will differ for all councils depending on their individual circumstances, responsibilities and budget decisions. The provisional settlement for 2022/23 rolls forward many aspects of the current year's settlement with some elements as expected. There were however several changes to the council's previous planning assumptions, and these are noted below;

- a new grant of £626k was allocated to cover the first year of the **social care reforms**, specifically aimed at sustaining the market and providing a fair price for care. The council's spending plans have also been adjusted by this sum and monies

will be ring-fenced to ensure that they meet the relevant criteria. Further sums are expected in later years to fund changes associated with other Reform measures, such as the 'care-cap', although no details have been provided at this time.

- the government confirmed the values and distribution methodology for **existing social care grants**, with the council's share reaching £8.095m in 2022/23 which is slightly higher than the previous forecast and will be maintained and included within future budgets. The council has reflected the new value within the resource budget and this has helped to reduce the budget gap.
- the government announced a further year of the **new homes bonus grant**, on top of the final legacy payments. The council's forecasts had reflected the legacy payment and so the resources budget has been updated to include the latest one-off award of £1.5m in 2022/23, reversing in 2023/24. This will be ring-fenced and used as a one-off fund to support capital planning, feasibility and investment proposals.
- **services grant (lower tier)** – a new allocation of £224k was awarded to the council for 2022/23 which was not included within the previous forecasts. It was announced that this grant will be one-off and so has been included for next year and removed in 2023/24.

The local government finance settlement also confirmed the planning assumptions for council tax referendum thresholds, which is the maximum amount that the council can increase its council tax before undertaking a referendum with residents. The levels remain as expected; i.e. a maximum increase of 2% for core spending and an option to levy a further 1% through the adult social care precept, making a total increase of up to 3%.

It is important to note that whilst the ministerial statement has provided a degree of stability over the next 12-month period through sharing details of the council's grant allocations, it can be seen that there remains significant uncertainty in respect of future years.

Not only are several of these grant allocations one-off in nature, no details were given about funding levels after next year, which was extremely disappointing given the announcements made by the Chancellor in his November 2021 Spending Review, which provided for a 3-year horizon.

North Somerset, along with many others in local government, had hoped that they would be able to receive details of their funding beyond a single year so that they could feed this information into their medium-term strategic plans, thereby reducing areas of risk and uncertainty and enabling focus to be on delivering vital services and implementing investment plans.

The Secretary of State has however, confirmed that the government is committed to ensuring that future funding allocations for councils are based on an up-to-date assessment of their needs and resources, rather than the outdated information currently being used, and so over the coming months will work to update this information as well as look at the challenges and opportunities facing the sector before consulting on any potential changes. It will be essential for the council to feed into this process wherever possible so that it can model and understand the impact that future changes may have on its financial position.

The council's resources have been updated to reflect the latest council tax base information and there are no material changes to note from the information presented in December.

The council has yet to update its business rate resource forecasts for next year as the information was not available for the meeting, although it will be included within the February Council report. The council is required to review the information held in respect of businesses within North Somerset and prepare a detailed forecast for the year ahead which must be submitted to the government by the end of January 2022. Whilst an update will be provided to Members it is not expected that the values will differ from the estimated sums included within the financial modelling at this time because the council has taken care to reflect the detailed information currently held within its records.

3.4. Budget savings and income generation plans

The Executive presented the draft savings proposals for inclusion within the budget at the meeting in December 2021, all of which were supported by an initial equalities impact assessment.

The primary focus of the Executive continues to be to retain and **protect** front-line services and their customers wherever possible, and to introduce savings plans which generate viable and targeted income streams, deliver transformational change within services which can reduce costs, and to ensure best value is achieved through contracts and commissioning arrangements.

Since the December report was published, the savings proposals have been reviewed and discussed in various forums and the following changes have been reflected within the recommended budget for 2022/23,

- Removed £686k of adult social care savings
- Removed £160k of increased garden waste charges
- Reduced car parking savings from £350k to £150k

A full schedule of the remaining savings proposals included within the MTFP is shown at Appendix 2. Each of the proposals is supported by an Equality Impact Assessment to enable the council to understand both their individual and cumulative impacts and mitigate against these. Further information is provided in Appendix 4 of the report.

3.5. Updated financial summary 2022-2025

Having reviewed and updated all assumptions in relation to income levels as well as spending commitments, investment plans and savings proposals, the council is in a position to present a robust and balanced budget for the 2022/23 financial year, which is a significant achievement given the challenges and uncertainties that it has faced over recent months.

However, it is clear that the financial future of the council over the remaining MTFP period remains challenging, which is partly as a result of the continued uncertainty beyond 2022/23 arising from several one-off funding allocations and also the potential changes in how local government funding may be distributed in the future.

The council will await the outcomes of any policies or information so that it is possible to understand and model specific impacts for North Somerset, to enable the council to plan decisions relating to future service delivery more appropriately. Given the scale of the financial challenge presented in the table below, it is important that the council refreshes its budget planning as soon as it is able.

The table below summarises the proposed movements within its budget plans across the period of the MTFP.

MTFP - FEBRUARY 2022			
	2022/23	2023/24	2024/25
	£000	£000	£000
- Resources - Grants, Council Tax & Bus Rates	179,088	183,515	187,408
- Base Spending Position	171,317	179,088	183,515
- Budget pressures, spending and investment plans	17,947	14,068	13,592
- Remove Covid & other one-off impacts	-6,019	0	0
- Savings proposals and increased income	-4,157	-730	-715
- Revised Spending Base	179,088	192,426	196,392
- Budget Gap	0	-8,911	-8,984
		-17,895	

3.6. Allocation of budgets across council service areas

All of the proposed changes to the councils' budget for next year, both investment and savings plans will be allocated to specific service areas, and these items will be added to the existing base budgets currently held and managed by Directors. A summary of the recommended budgets for 2022/23 is shown at Appendix 1.

3.7. Update on reserves

The council has a series of reserves which can be used to support spending within the revenue or capital budgets, or which it can hold to cover future financial risks. A review of these reserves has been undertaken to ensure that they are sufficient to meet the planned business need and also provide cover towards the inherent risks held within the recommended budget for next year, or those risks highlighted within the risk register. The council's Section 151 has assessed these levels and considered them to be adequate and will provide an updated summary of the reserve balances at the end of the current financial year.

3.8. Chief Finance Officer review of the recommended budget

The Chief Financial Officer (CFO) is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

- a) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) applies is making calculations in accordance with that section, the Chief Finance Officer of the authority must report to it on the following matters:
 - The robustness of the estimates made for the purposes of the calculations, and
 - The adequacy of the proposed financial reserves.
- b) An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made. This includes reporting and taking into account:
 - The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.

- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council.

The CFO Statement has to be considered and approved by full Council as part of the budget approval and council tax setting process and although it concentrates on the General Fund revenue budget and associated capital programme, it must also consider key issues faced by the council over the medium-term. The Statement covering the council's MTFP and 2022/23 budget is included at Appendix 5, although key points are listed below:

Preparing the budget during an ongoing period of significant financial uncertainties, largely brought about by the sustained impacts of the pandemic, remains extremely challenging as Covid continues to bring uncertainties, volatility and capacity issues to the council in terms of the services it has been able to deliver to residents, businesses and the wider community.

That being said the council has successfully managed to continue to operate during heightened and pressured times and has delivered change and created opportunities in terms of the ways in which it works which were unimaginable a short time ago.

- A review of the council's financial performance over the last three years, excluding the impacts of the pandemic indicate that there is some residual risk within core services, particularly with regards to demand led services, especially care for older and vulnerable people, children looked after and with disabilities, and home to school transport services, where demand is continuing to increase. Account has been taken of current spending trends and, where known, unavoidable cost pressures have been built into the recommended budget for 2022/23.
- The council is aware that the delivery and demand pressures for some services appears to be changing over time. The longer-term impact of Covid-19 such as "Long Covid", delays to elective surgery, deterioration and deconditioning, and impacts on mental health and on carers is an emerging issue, along with the increasing number of children and young people that require specialist education provision.
- Provision has been made for pay awards, pension and national insurance increases, contractual inflationary pressures and the forecast impact of the National Living Wage which will largely arise through increased provider costs. However it should be noted that given the wider economic outlook, inflationary pressures remain a key risk for the council to consider and it may be that additional costs beyond those budgeted could arise.
- Consideration to the funding pressures within the High Needs Block of the Dedicated Schools Grant (DSG) has been given. Whilst the Council has a DSG Management Plan, it is worth noting that the increases in funding from Government cannot keep up with the increases in demand. Whilst action is proposed as part of our SEND Improvement Plan, it is likely that the in-year deficit will not be able to be reduced in the short term.
- There is an emerging risk in relation to the Social Care Funding Reforms announced at the end of 2021. £3.6bn has been promised to the sector over the next 3 years to fund the impacts of reducing client contributions and the move towards paying a "fair cost of care" to providers. It will take some time to understand the additional costs

and whether the funding provided by Government will be sufficient to compensate local authorities for those additional costs.

- Contracts, commissioning and service delivery models will continue to be reviewed and potentially changed across the medium-term and an important area of focus starting in 2022 will be to review the options associated with the council's Support Services Contract.
- The council has prepared its resource forecasts for future years based upon the information available at this time however it is recognised that there remains a great deal of uncertainty regarding the funding position for future years, particularly as the government was only able to deliver a one-year Settlement and none of the intended reforms relating to the financing of local government as a sector. These remain outstanding and need to be reviewed and considered as and when information is released.
- Other risks faced by the council have been reviewed and assessed to identify and quantify potential financial impacts on the budget, and where appropriate have either been provided for, or aligned to resources held by the council within its reserves. This includes specific service risks such as Ash Die-back, or broader impacts such as reductions in rental income which have arisen following the economic downturn. Continuing to support recovery plans and facilitating development will be key to deliver change in these areas in the future.
- The level of reserves has been examined and will continue to be closely monitored during the period of this MTFP, in the context of protecting the council from existing and future liabilities.
- On the basis of the above, the Section 151 Officer's advice is that the financial standing of the council is sound in the context of the key risks, that the recommended budget for 2022/23 has been prepared robustly and is achievable, and the level of reserves held are adequate.

3.9. Schools Budget

The council, through the Strategic Schools' Forum (SSF), is responsible for managing the Dedicated Schools Grant (DSG) and distributing funding to schools and early years providers. The total DSG for 2022/23 is expected to be £191.171m, although this is before any deductions for funding which is made directly from central government to academies (this is known as "recoupment").

Each year, the council and the SSF consults with schools and interested stakeholders, and then takes decisions on the formula for distributing resources to providers (including academies), along with associated funding arrangements, including any proposals for moving funding from one block to another. From April 2018, the DSG has consisted of 4 blocks of funding, and the values (before recoupment) for the current year and next year are shown below.

	2021/22	2022/23 est.	Change	Change %
Schools Block	141,092,716	145,657,318	4,564,602	3.2%
High Needs Block	28,534,328	32,265,778	3,731,450	13.1%
Early Years Block	11,813,242	11,578,185	-235,057	-2.0%
Central Services Block	1,793,442	1,670,194	-123,248	-6.9%
TOTAL	183,233,728	191,171,475	7,937,747	4.3%

The schools block is ring-fenced and must be allocated to schools, although local authorities may transfer up to 0.5% of their schools' block into another block, with the approval of the SSF. Transfers in excess of 0.5% require the approval of the Secretary of State.

The previous and proposed approved transfers are shown in the table below and are used to mitigate spend in the High Needs Block (see below). In view of the increase in High Needs funding provided by the government, and the clear Government policy to protect funding for schools, the council and the SSF restricted its request to a transfer of 0.5% for 2022/23.

	2018/19	2019/20	2020/21	2021/22	2022/23
% transfer from Schools Block to High Needs Block (HNB)	0.97%	1.65%	0.50%	0.50%	0.50%
£s transfer from Schools Block to High Needs Block (HNB)	1,152,341	2,021,557	649,843	674,401	728,287

The High Needs Block increase includes an additional £1.2m to take account of the employer costs of the Health and Social Care Levy and wider cost pressures. Whilst the total increase is welcome, pressures in the High Needs Block continue at a greater pace than the increase in funding, with the latest figures indicating a 23% annual increase in the number of children with an Education and Health Care Plan.

The proposed budget for 2022/23 for the dedicated schools grant is shown in the table below.

Block	Income (DSG) (£s)	Gross Expenditure (£s)	Net Expenditure (£s)
Schools Block	145,657,318	144,929,031	-728,287
Less: DSG paid direct to academies	-135,785,587	-135,785,587	0
Schools Block, after recoupment	9,871,731	9,143,444	-728,287
High Needs Block	32,265,778	32,994,065	728,287
Less: Direct funding of high needs places	-3,464,000	-3,464,000	0
High Needs Block after deductions	28,801,778	29,530,065	728,287
Early Years Block	11,578,185	11,578,185	0
Central Services Block	1,670,194	1,670,194	0
TOTAL	51,921,888	51,921,888	0

The allocation to schools that is distributed through the formula will increase from £139.636m in 2021/22 to £143.121m in 2022/23, which represents a 2.5% increase in funding. This increase will ensure that all primary schools receive at least £4,265 in funding per pupil and all secondary schools £5,525 per pupil, with some schools receiving significantly more than that.

In addition to the DSG funding paid through the formula, mainstream schools will also receive a Supplementary Grant of £4.189m to cover costs associated with the Health and Social Care Levy and wider cost pressures.

3.10. Looking ahead

The council's financial planning forecasts will continue to be reviewed and updated regularly to reflect any material changes in locally generated resource assumptions,

national funding reforms as well as any spending pressures identified through the budget monitoring reports.

However as throughout the report, there remains significant uncertainty in terms of the continuation of the pandemic throughout the next 12 months as well as government resource allocations and constraints beyond 2022/23.

Notwithstanding that, the council will continue to plan for the future and formulate strategic financial proposals to close the budget gap, which will require new savings ideas to be generated and delivered. It is anticipated that a large proportion of these will focus upon the council's technological ambitions and transformational approach as evidence of pilots in these areas have been successful in the past and shown potential for further progress.

All such initiatives will be set within the Corporate Plan vision and will seek to promote independence and well-being.

4. Consultation

The government, through its legislative framework, clearly expects that local authorities will be able to demonstrate that they have in place mechanisms to ensure that 'representatives of local people' are being appropriately informed, consulted or involved in services, policies or decisions that affect or interest them.

There are many aspects of service delivery which impact on our residents, customers and other stakeholders and members of the public, and so we recognise that it is our responsibility to ensure that any changes we make to them through the budget, need to be considered and consulted upon. Failure to do so adequately could result in aspects of the budget being subject to legal challenge.

Publication of the council's draft budget in December 2021, along with details of the core assumptions, planned budget changes for both additional costs and the proposed savings plans supports the objective of the Executive to be as transparent as possible.

Previous reports have shared details of the council's communication, consultation and engagement plans, including a review of the responses and views given by the Citizens Panel to the questionnaire they completed on the draft budget. Further engagement has taken place during January, most notably with the Equalities Stakeholders Group and Town and Parish councils.

5. Financial Implications

Financial implications are contained throughout this report.

6. Legal Powers and Implications

The Local Government Act 1972 lays down the fundamental principle by providing that every local authority shall make arrangements for the proper administration of their financial affairs, although further details and requirements are contained within related legislation. The setting of the council's budget and the resultant council tax levels for the forthcoming year is an integral part of the financial administration process.

7. Climate Change and Environmental Implications

Climate and environmental related implications continue to be at the forefront of our thinking when considering the underlying Corporate Plan and service policies and priorities, as well as the detailed capital investment options. The council is acutely aware of the pledges it has made and the action plan required to achieve core climate outcomes and has also focused attention on fully understanding the impacts arising from the decisions it takes through developing specific sections within all formal governance reports.

There are numerous climate related implications within the revenue budget although these are integrated into the business-as-usual ways in which services are being considered and delivered, rather than be seen as a separate component of the budget itself. For example, the budget reflects provision for increased energy costs however, the procurement activity associated with assessing what types of energy to purchase and where to buy it from, now also include objectives linked to achieving 'greener' outcomes. Similar considerations were taken into account when re-procuring the parks and Streetscene contract, as re-wilding and other environmental impacts were assessed.

The council also has the ability to influence the environmental impacts when investing in services and projects, further details relating to planned investments for next year are described in the Capital Strategy report, elsewhere on the agenda for this meeting.

8. Risk Management

In setting the revenue and capital budgets, the council must take into account the known key financial risks that may affect its plans and these will either be explicitly provided for within the base budget or be offset and held against the unallocated contingency budget or the council's general fund working balance.

One of the most significant issues for the council to be aware of is that there are currently many more uncertainties or unknown factors within our medium-term financial planning in respect of both service delivery and also resource levels.

It could be argued that the sustained impacts and legacies associated with the Covid-19 pandemic are contributing to this, at both a national and a local level, as not only does capacity continue to be focused on helping to respond to the pressing issues faced on a daily basis rather than be seen to address the strategic plans and priorities for the country as a whole; but the pandemic also continues to impact on the broader economic position. Inflation particularly, would be of concern for the council should rates continue to climb at current levels.

In addition to this there remain inherent uncertainties within the local government finance sector, particularly with regards to proposed arrangements surrounding the Spending Review because although a three-year Review was announced by the Chancellor in November 2021, the individual financial allocations for local councils have only been calculated and shared for the year ahead. This means that local government as a whole will have received a single-year settlement for the third consecutive year and is not something which enables strategic 'local' decisions to be made across the medium-term.

The council is also aware that the planned reforms to local government finance, such as the Fair Funding Review, the Levelling Up agenda and changes to the business rate system have been deferred again bringing yet more uncertainty. When allocating funding for the 2022/23 financial year, the government have provided additional funding to councils although only for a single year and reports have been clear in that these resources will not

form part of the base funding position and should not be relied upon to continue into the future. The government plan to announce further consultation in the Spring 2022 and it will be important to understand what this might mean for the council going forward.

An MTFP risk register is continually updated which reflects some of the more specific areas of risk associated with the council's financial planning, although at this time some of the most significant risks are shown in Appendix 3.

9. Equality Implications

There are many aspects of service delivery which impact on our residents, customers and other stakeholders and members of the public, and so we recognise that it is our responsibility to ensure that any changes we make to them through the revenue budget, need to be considered and consulted upon. Failure to do so adequately could result in aspects of the budget being subject to challenge.

The Equalities Act 2020 (Section 149) sets out public sector duties, the general duties are to have due regard to the need for:

- Eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act,
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

These duties should be considered in the development and approval of the council's budget. To aid understanding and the consideration of these important equality duties, managers complete Equality Impact Assessments (EIAs) for each budget proposal.

Appendix 4 provides an overall summary and all of the EIAs that underpin the £4.157m of budget savings and increased income proposals as recommended for inclusion within the 2022/23 revenue budget.

One of the areas included in the budget savings were initially identified as having a potential 'medium' impact on equality groups so those EIAs have been discussed in detail at the Equality Stakeholder Group meeting, held in January 2022, and feedback from the consultation has been taken fully into account within the final Assessments.

10. Corporate Implications

The Corporate Plan and MTFP are vital tools to help align effort across the organisation and ensure that services are all are focused on delivery to agreed community and organisational priorities. With continuing financial pressures and demands for services, it is essential that the councils' limited resources continue to be prioritised and allocated in line with the identified priorities and changes reflected within the budget where required.

11. Options Considered

The council is required to formally approve a revenue and capital budget for 2022/23. This could be undertaken as a stand-alone annual process however, planning will continue to focus on a multi-year funding horizon and MTFP period where possible as this sets the context within which decisions relating to the setting of annual budgets are taken.

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Appendices:

- Appendix 1 Recommended budget for 2022/23, allocated across Directorates
- Appendix 2 Savings proposals incorporated into the recommended budget
- Appendix 3 Risk register summary
- Appendix 4 Equality Impact Assessment report on the 2022/23 savings proposals
- Appendix 5 Section 151 Officers statement on the adequacy of reserves and the robustness of the budget

Background Papers:

MTFP & 2020/21 Budget Setting Reports (Executive & Council – Feb 2021 to Dec 2021)
Budget Monitoring Reports (Executive - June-December 2021)

RECOMMENDED NET REVENUE BUDGETS FOR 2022/23

	Adult Social Care £000	Children's Services £000	Corporate Services £000	Place £000	Public Health & Reg Serv £000	Capital Financing £000	All / Other £000	TOTAL £000
2021/22 Revised Budget - December 2021	67,960	27,270	24,703	29,780	919	10,674	10,012	171,317
Budget movements;								
- Growth and additional areas of spending	9,333	2,063	1,837	2,304	168	950	699	17,354
- Budget reduction to reflect demand	0	-960	0	0	0	0	0	-960
- Savings proposals and additional income	-1,389	-626	-455	-1,365	-41	-281	0	-4,157
Changes from Growth & Savings (£000)	7,944	477	1,382	939	127	669	699	12,237
Changes from Growth & Savings (%)	11.7%	1.7%	5.6%	3.2%	13.8%	6.3%	7.0%	7.1%
Other budget changes;								
- Other budget adjustments, incl prior year impacts	-200	-150	-45	-349	0	0	-3,722	-4,466
- Budget transfers between service areas, incl recharges	-565	-589	1,422	-291	328	-136	-170	0
Overall total budget change (£000)	7,179	-262	2,760	299	455	533	-3,193	7,771
Overall total budget change (%)	10.6%	-1.0%	11.2%	1.0%	49.6%	5.0%	-31.9%	4.5%

Budget transfers are where services or areas of responsibility transfer between directorates, for example, the budgets for housing services are currently all reflected within the Adult Social Care directorate however, some services are now delivered within the public health and regulatory services directorate.

The largest adjustment relates to internal legal recharges, which need to be reflected within the relevant directorates as these are charged on an actual basis throughout the year – this schedule reverse out the charges incurred in the 2021/22 financial year.

MTFP SAVINGS PROPOSALS - FEBRUARY 2022					
Directorate	Ref	Idea / proposal	Financial Impact		
			2022/23 £000	2023/24 £000	2024/25 £000
Adults	ASS S1	Review of Care Packages - care needs	-250	0	0
Adults	ASS S2	Review of Care Packages - NHS funding opportunities	-200	0	0
Adults	ASS S3	Improved TEC / reablement pathways	-350	0	0
Adults	ASS S4	Accommodation Shift arising from extension to Diamond Court Extra Care Housing Scheme	-90	0	0
Adults	ASS S5	Better Care Fund inflation	-145	0	0
Adults	ASS S7	Supported Living schemes as more independence-promoting alternatives to residential placements	-100	-100	0
Adults	ASS S8	New / Increased Extra Care capacity as alternative to residential placements	0	0	-250
Childrens	CH S1	Further reduction in Looked After Children placement costs, through increased use of inhouse foster placements and more local supported independent provision	-214	0	0
Childrens	CH S2	More robust challenge and monitoring of health contributions to children with complex needs	-200	0	0
Childrens	CH S3	Delivery of more effective commissioning of individual community support packages	-200	0	0
Corporate	CSD S1	Increase in trading income - Inspire opportunities	-20	0	0
Corporate	CSD S2	Contracted Support Services - TOM for Customer Services	-25	0	0
Corporate	CSD S3	Contracted Support Services - Business Support	-50	0	0
Corporate	CSD S4	Contracted Support Services - Review of contracted support cost base provision	-50	0	0
Corporate	CSD S5	Internal Support Services - Review of operational staffing and support costs	-100	0	0
Corporate	CSD S6	Other - Reduction in former employee pension costs	-50	-10	-10
Corporate	CSD S7	Other - Review of operational building costs	-50	0	0
Corporate	CSD S8	Other - Increase in investment interest following rise in market rates	-162	0	0
Corporate	CSD S9	Other - Reduction in debt costs and charges (Avon Loan Debt & RIF)	-119	-20	-15
Corporate	CSD S10	Other - transformation initiatives relating to contracted support services	-75	75	0

MTFP SAVINGS PROPOSALS - FEBRUARY 2022					
Directorate	Ref	Idea / proposal	Financial Impact		
			2022/23 £000	2023/24 £000	2024/25 £000
Place	PD S1	Increase of recycling materials income	-500	0	0
Place	PD S2	Re-base garden waste income budget to align to actual levels	-230	0	0
Place	PD S4	Use income from Permit Scheme to fund existing staff	-50	0	0
Place	PD S6	Establishment of a single, council-wide transport function and improved commissioning	0	-50	0
Place	PD S7	Revisit safe Home To Schools Transport routes	-100	-100	0
Place	PD S8	Safer roads initiatives (additional sites meeting relevant criteria)	-30	0	0
Place	PD S9	Events programme to become cost neutral or minimal support	-65	0	0
Place	PD S10	Introduce break-even policy for Building Control	-20	0	0
Place	PD S11	Libraries income	0	-50	0
Place	PD S12	Seafront concessions - additional income / review model of service	0	-40	0
Place	PD S13	Parking income - range of proposals to apply inflationary measures to existing charges	-150	0	0
Place	PD S14	Reduction in Concessionary Fares costs - aligned to lower levels of demand for the service	-50	0	0
Place	PD S15	Reduction in staff travel costs - to reflect the new ways of working	-25	0	0
Place	PD S16	Reduction in street lighting energy costs - aligned to roll-out of LED investment programme	-40	0	0
Place	PD S17	Increase in income levels, e.g. public conveniences	-15	0	0
PH&RS	PH S1	Review of operational staffing budgets within public health and regulatory services and align to external funding opportunities	-32	0	0
Adults	CORP S1a	Annual inflationary increase applied to fees and charges income budgets - Adult social care; client contributions towards care costs and services (NB increase in income generated from increased charges depends on clients' assessed ability to pay)	-254	-255	-256
Childrens	CORP S1b	Annual inflationary increase of 1.25% applied to fees and charges income budgets - Children's services; nursery charges; children's centres	-12	-13	-14
Corporate	CORP S1c	Annual inflationary increase of 1.25% applied to fees and charges income budgets - Corporate services; carelink services; contract related trading activities	-35	-36	-37
Place	CORP S1d	Annual inflationary increase of 1.25% applied to fees and charges income budgets - Place services; parking fees and charges; seafronts, concessions, the Bay and Tropicana; Libraries; and Highways related activities	-90	-121	-122
PH&RS	CORP S1e	Annual inflationary increase of 1.25% applied to fees and charges income budgets - Public health and regulatory services; licensing, trading standards, food safety inspection activities	-9	-10	-11
TOTALS			-4,157	-730	-715

MTFP RISK REGISTER

	Risk area	Initial Risk Score			Potential mitigation	Risk Score After Mitigation		
		P	I	S		P	I	S
1	Legacy overspending through not delivering a balanced budget in 2021/22	4	4	16	Month 8 budget monitor shows a projected net over spend of £0.8m, which is a further reduction on previous months reports, thereby providing encouraging signs that mitigating actions are helping the council to address some of the challenges it faces. The 2022/23 draft budget has allocated growth to key areas of ongoing pressure to re-base the budgets meaning that there is a lower probability that adverse variances will continue into future years.	3	3	9
2	Unable to achieve financial savings in all areas of the council's budget	4	4	16	Detailed delivery plans have been drawn up to support achievement of savings plans, and attention given to capacity and existing service pressures. Savings plans will be embedded within the council's monitoring framework to ensure continuous review and scrutiny. Savings included within the budget are also at lower levels than in previous years.	3	4	12
3	Unable to mitigate budget demand pressures within social care and other related areas, such as Home to Schools Transport	4	4	16	Cost & volume data has been incorporated into the monitoring processes along with indicative growth for core demand in future years, which reflects the latest levels of demographic and demand growth. That being said, there remains the distinct possibility that demand will continue to grow beyond these forecasts and so such areas will continue to be closely monitored within future reports.	4	4	16
4	Unable to deliver the Housing and economic growth required to deliver forecasted income streams	4	5	20	Increased focus including regular reviews, along with increased place-making and development aspirations will help support delivery of housing growth. Direct intervention using council resources to influence the local economy will help to sustain and build business rate growth.	4	4	16
5	Uncertainties in funding for Adult Social Care in future years and potential implications arising from the Health & Social Care Reforms	3	4	12	Prudent assumptions have been reflected within the MTFP about the extent to which increases in adult social care funding will be sustained under current proposals. Changes arising from the newly announced Social Care Reforms will need to be modelled at a national and level and then scrutinised at a local level once detailed proposals are released to ensure that funding allocations given to local government are appropriate.	3	3	9
6	Financial stability of adult social care providers	3	5	15	The council will continue to annual uplift fees to providers taking into account increases in costs, whilst maintaining affordability for the council.	3	4	12

	Risk area	Initial Risk Score			Potential Mitigation	Risk Score After Mitigation		
		P	I	S		P	I	S
7	Changing market conditions for major contracts could lead to a changed risk profile	4	4	16	Clarity and flexibility in the council's contracting processes, exploring different delivery models, monitoring of contract performance, ability to renegotiate terms and conditions as a last resort.	3	4	12
8	Uncertainties in future funding levels following potential changes to local government finance arrangements, previous reforms included the Fair Funding Review, and transition to 75% Business Rate Retention	5	4	20	The council has submitted responses to previous government consultations to ensure the needs of council are shared and can be reflected within future changes where possible. However the council notes the potential change in direction in terms of Levelling Up, which means a change of approach may be considered and implemented by the government. This will result in further work being required once further information is released early in the new year. This will be fed into the council's refreshed financial modelling and MTFP processes.	5	4	20
9	Impact of more frequent and impactful weather conditions	4	3	12	Repairs and maintenance programme focused on asset management approach. Renewed emphasis on climate change in all policies and decisions. Greater emphasis on risk assessment measures and early intervention where possible.	3	3	9
10	Inability to reduce the Dedicated Schools Grant deficit in the short term	5	5	25	Increased funding from central government was announced for this area in the Spending Review 2021 and additional local special provision and mitigations are also planned. However, this is unlikely to reduce the deficit in the short term. The Deficit is currently not chargeable to the General Fund following a temporary change in the accounting regulations.	5	2	10
11	Availability of one-off revenue resources to mitigate risk, and fund investment in key priorities such as transformation	3	4	12	Retain a General Fund working balance of between 4-6%. Mitigate current and future overspends through rigorous financial monitoring to protect use of existing risk reserves. Review opportunities to increase reserves and identify investment resources.	3	3	9
12	Prioritising, funding and implementing projects within the Capital Strategy to ensure that the council strategically plans for the future in terms of ensuring that the aspirational vision of the council is focused on delivering the needs for the residents and business within our communities.	5	5	25	The council's Capital Strategy is being developed alongside the MTFP and officers and Members are focused on ensuring that all of the needs of the organisation (for both today and the future) are captured and considered before any decisions are made. Any new spending plans will be aligned to a range of core strategies, action plans and priorities as well as an overall affordability envelope because all such plans must be sustainable within the context of the MTFP.	4	5	20

APPENDIX 3

	Risk area	Initial Risk Score			Potential Mitigation	Risk Score After Mitigation		
		P	I	S		P	I	S
13	<p>Sustained impacts arising from Covid-19.</p> <p>Many of the financial impacts have been funded by central government by way of a series of general and specific grant allocations. However there remain a series of legacy issues as pandemic continues, or because there are now changed ways of living and working within communities</p>	4	4	16	<p>Continued review and monitoring will support submissions to the government, open dialogue to advise on where additional funding may be required.</p> <p>Review of service delivery and adaption to new ways of working.</p> <p>Prioritisation of resources where possible to ensure service delivery is maintained</p>	4	3	12

Please refer to separate document on the website

ASSURANCE STATEMENT FROM THE SECTION 151 OFFICER

The following are the summary assurances and recommendations of the council's Section 151 Officer who is Amy Webb, the Director of Corporate Services.

A Review of the Revenue Budget

In relation to the 2022/23 revenue budget I have examined the underlying base spending position, assessed future demand forecasts, considered potential risks and future impacts, and also reviewed the draft savings proposals which are to be included within the budget for next year.

I believe that, whilst some elements of the council's spending and service delivery proposals are challenging, they are nevertheless achievable given the political and management will to implement the required changes, good management, and the sound monitoring of performance and budgets, which has been evidenced this year, whilst continuing to deal with the on-going financial volatility which has arisen from the Coronavirus pandemic situation.

I am satisfied that sufficient management processes currently exist within the council to deliver this budget and to identify and deal with any new problems which may arise during the year, this of course includes the continuation of the Covid-19 pandemic itself.

The council must however recognise that the financial information that it has received from the Government in respect of a funding package to support spending **over the medium-term**, is insufficient as it has only provided limited information relating to the 2022/23 financial year.

The Government has advised that some elements of funding that it intends to provide to the council next year, are one-off in nature and cannot be relied upon to support spending in the future. This is concerning, but when seen in the context of the potential changes in Government policy in respect of the planned fair funding review, levelling up agenda and reforms to the business rate retention system, it does mean that the council faces greater uncertainties in its funding than ever before and must re-assess its financial plans for the medium-term as soon as is practicable.

My recommendations are also conditional upon:

- The council approving the updated projections within the Medium Term Financial Plan for 2022/23 to 2025/26,
- A recognition that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic, and shows a clear commitment to prudent contingency planning. It must be noted however, that the recommended levels of reserves could still leave the council exposed to the very exceptional risks identified in this review and, if all those risks crystallised, then the total level of reserves could be inadequate;
- Directors and managers not exceeding their ongoing operational allocated base budgets for 2021/22;

- Taking every opportunity to ensure that underspends or favourable windfall variances are fed into the council's bottom line as a first call rather than be used for alternative purposes within the service, thereby ensuring a one-council approach to financial management and a more strategic use of resources to meet the council's Corporate Plan aims;
- Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. Any excess reserves should be targeted towards business transformation, asset management and invest to save initiatives, economic recovery following the pandemic or to smoothing reserves to mitigate further risks associated with current issues such as demand-led pressures and broader economic impacts.
- That the council has arrangements and resources in place to **consider value for money in preparation for future years' budgets.**

B Adequacy of Reserves

In relation to the adequacy of reserves, I recommend the following Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances.

- An absolute minimum level of unallocated reserves within the general fund working balance of £9 million is maintained throughout the period between 2022/23 to 2025/26;
- An optimal general fund working balance level of £11 million over the period 2022/23 to 2025/26 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
- A maximum recommended level of unallocated reserves within the general fund working balance of £14 million for the period 2022/23 to 2025/26 to provide additional resilience to implement the Medium Term Financial Plan;

The council's general fund working balance at 31 March 2022 based on current projections is £9.053 million. Therefore:

- The absolute minimum level of reserves of £9 million is currently being achieved;
- The optimal level of reserves of £11 million criteria is achievable for 2022/23, if departments spend against budget as currently projected, the impacts of the Adult Social Care Reforms are fully funded by government funding, and there is no call on the council's contingency budget;
- The maximum level of reserves of £14 million is not being exceeded;
- Reserves should remain within the recommended range of reserves during 2021/22, and no transfers out of the general fund working balance should be made.

These recommendations are made on the basis of:

- The risks identified by the Chief Executive and Directors reviews of their budgets;
- My own enquiries during the development of the current budget proposals;
- The resilience and sustainability required to deliver the Medium Term Financial Plan;

- That the general fund working balance reserves in 2022/23 and the foreseeable future are used only if risks materialise and cannot be contained by management or policy actions.
- That where reserves are drawn down, the level of reserves is maintained in line with the latest Medium Term Financial Plan.

There are also serious exceptional risks which, if they crystallise, could significantly impact the council's reserves and leave its financial standing seriously in question. Some of these include:

- The continuation of the Covid-19 pandemic together with no further allocations of government funding, compared to those received in the current financial year.
- The potential for unforeseen and material remediation works relating to the council's owned infrastructure issues;
- Ongoing and sustainable provision within the market to cover the social care requirements;
- Other material contract failures or changes;
- Additional financial implications from the Social Care Reforms, other welfare reform changes or updates to associated Housing legislation;
- The increasing cost and demand pressures for adult and children social care;
- Failure to provide a permanent funding solution in respect of the overspending and pressures within the High Needs Block of the Dedicated Schools Budget;
- The risk surrounding the non-delivery of savings and exceeding investment proposals within the budget package for 2022/23;
- Material insurance claims;
- The extreme financial issues for the public sector arising from the prevailing and continuing national and local conditions;
- Significant changes in the assumptions supporting the delivery of capital investment plans, whose funding may be linked to funding streams such as asset sales or capital receipts;
- The risk of significant reductions in both locally generated income and also government grant funding, particularly in relation to:
 - Sustainable growth and / or decline in the council's tax base and business rates base;
 - Ongoing business rates appeals from the last revaluation;
 - The local council tax support scheme with reduction in subsidy funding and no protection for caseload increases;
 - Further changes to the way in which local government is financed by government particularly with any changes to the business rates retention scheme;
 - Future government changes in policy and funding for local government, particularly the unknown impact of the fair funding review and levelling up agenda;
- The need to address the country's ongoing Public Sector Borrowing Requirement (PSBR), the structural financial deficit or inflationary impacts, all of which may result in significant changes to interest rates.
- Further changes to Public Sector Borrowing permissions which are likely to arise through updates to the Prudential Code and other capital financing regulations, which place restrictions on the council's ability to borrow in order to fund its investment plans.

C Capital Planning

In relation to the Capital Programme 2021/22 to 2025/26 (including commitments from previous years and new approvals):

- The capital budgets are based on the best information available in terms of project costs.
- The council has established a Major Projects Capital Delivery Team within the Place Directorate who have the required skills and experience to deliver significant infrastructure projects on time and on budget, and which demonstrate value for money;
- The council has also introduced new Capital Programme Planning and Delivery board to oversee and manage all aspects of capital spending, approvals and performance
- New processes are currently being introduced which will require project managers for all schemes to provide a monthly forecast of planned spending, along with a highlight report at least once a quarter. The monitoring of all schemes will be reviewed by the Capital Programme Planning and Delivery although more intense scrutiny will be applied to schemes above a range of financial thresholds. Details of the council's 'strategic' schemes will be shared with Members who sit on the Strategic Capital Delivery Board;
- Whilst there is currently less certainty around the actual phasing of planned expenditure as this can fluctuate, this will be monitored and developed throughout the year to understand associated cash-flows and assess whether any re-phasing across financial years may need to be carried out;
- The council operates a rolling capital programme which means that changes and additions can be reflected on an ongoing basis, subject to the relevant approvals;
- That the funding identified for the approved capital programme has been assessed as being prudent, affordable and sustainable.

In relation to the medium to long term Capital Programme:

- The delivery of the agreed Capital Strategy and Asset Management Plan is a critical priority to enable the matching of resources to needs and priorities. Work is currently underway to develop and finalise medium-term service based and asset requirements, and further reports will be presented to the Executive later in the financial year;
- Funding to support these plans is less developed at this stage although will be included within the same report however it is accepted that this may result in an additional borrowing requirement for the council, some of which has already been reflected within the Medium Term Financial Plan.

D Assurance

Given all these factors, I, as the council's Section 151 Officer, consider the estimates for 2022/23 to be sufficiently robust for approval by the council. I am also able to advise the council that the level of general fund revenue reserve is adequate and to recommend a Reserves Strategy which is achievable during 2022/23.

2022/23 Budget Reduction Proposals – 2nd February 2022

1. Introduction

This paper provides Members with information to help them fulfil their equality duties; it should be read in conjunction with the Equality Impact Assessments that have been prepared and provided for each budget reduction proposal in advance of the 2nd February 2022 Executive meeting.

2. Public Sector Equality Duties

The Equality Act 2010 (Section 149) sets out public sector equality duties, which elected Members must consider. Members will recall that the general duties are to have due regard to the need to:

1. Eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act.
2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
3. Foster good relations between people who share a protected characteristic and those who do not.

Advancing equality of opportunity involves having due regard to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

3. Due Regard

'Due regard' is the regard that is appropriate, in all the particular circumstances. Members must also pay regard to any countervailing factors. The weight to be given to the countervailing factors is a matter for Members. There is no requirement to take certain steps or to achieve certain results. The duty is only to have due regard to the need to take the relevant steps.

4. Protected characteristics

These general equality duties cover the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation
- and marriage and civil partnership. (This protected characteristic applies only to general duty 1.)

In addition to these areas (protected by the general duties) council EIAs also consider the impact on people on a low income.

5. Considering the equality duties

When considering the equality duties listed above in 2, thought must be given to the following areas:

- Meeting different needs includes, for example, taking steps to take account of disabled people's needs.
- Fostering good relations includes having due regard to the need to tackle prejudice and promote understanding between people who share a protected characteristic and those who do not share it.
- Compliance with the general equality duty may involve treating some people more favourably than others.
- The general equality duty also applies to other organisations that carry out services on behalf of the Council.

6 2022/23 Equality Impact Assessments (EIAs)

To aid understanding and the consideration of these important equality duties, managers have completed initial EIAs for each proposed budget reduction.

The potential impact on equalities groups has been assessed as:

- High (H)
- Medium (M)
- Low (L)
- None – If there are no identified impacts on any protected group

Consideration is then given if the impact is likely to be 'negative' or 'positive'.

Taking account mitigating action that is planned or in place, most of the savings are considered to have no, low, or in some cases a positive impact on service users. If the impact has been assessed as potentially having a negative 'medium' or 'high' impact on service users, then a detailed Equality Impact Assessment has been undertaken and is included within this report.

Where the proposals are not yet developed to a stage to allow a more detailed Equality Impact Assessment to be completed, such as:

- any review of discounts to the garden waste scheme (PD S2)
- as each Safer Walking Scheme is developed as a part of the review of Home to School Transport Routes (PD S7)
- any proposed changes to parking charges (PD S13)

More in-depth consultation and data analysis will take place as the proposals are taken forward. The results from this will be reflected in a revised Equality Impact Assessment as the proposals are developed in more detail.

As appropriate the EIAs include information about the impact on users of services and the detailed EIAs include the following important information:

- An assessment of the relevance of the budget proposal to the general equality duties and the protected characteristics.
- Where appropriate, collection and analysis of equality information to ensure equality issues can be fully explored and considered.
- Plans for and results of consultation and engagement with the people affected by proposed changes, to further understand the equality implications of the proposals. (Any consultation and engagement activity will be proportionate to the significance of equality issues to the budget decision)

7 Diversity in North Somerset

It may also be helpful for Members to reflect on the diversity profile of North Somerset.

The *Office of National Statistics in their mid-year estimates 2020* indicate that North Somerset has a population of 215,574 people

Age - breakdown (2020 mid-year population estimates, ONS):

0 to 15 - 39,130

16 to 64 – 124,441

65+ - 52,003 (including 85+ - 7,433)

Sex – There are slightly more females (51.3%) than males (48.7%) in North Somerset. This is in line with the national figures - 50.5% female and 49.5% male (*2020 mid-year population estimates, ONS*)

Race – People from Black, Asian and Minority Ethnic backgrounds make up 3.29% of North Somerset's population compared to 4.96% of the South West area and 14.52% nationally.

An additional 2.35% of people in North Somerset are from 'Other White Groups', which include Irish, European and other White groups. This compares to 4.31% in the South West and 5.97% nationally.

Source: 2016 Population estimates by ethnic group, ONS

Religion and Belief – 52.6% of the population indicate that they are a Christian, with 39.4% indicating they have no religion, those with a religion other than Christianity make up 7.9% of the population.

Nationally the profile is: 59.3% Christianity, 25.1% no religion and 8.4% other religions.

Source: 2018 Annual Population Survey, ONS

The 2011 Census identified:

Disability - Disabled people make up 19.2% of the North Somerset population, 38,740 people. This compares to 17.9% of the population nationally.

Sexual Orientation – data available is very limited however the Census indicates that 0.1% of households are within same sex civil partnerships. This is the same figure nationally.

Deprivation - Within the Indices of Multiple Deprivation 2019 the local authority district with a rank of 1 is the most deprived, and the area ranked 317 is the least deprived. North Somerset is ranked at 221.

North Somerset's rank of 221 for overall deprivation compares to a range of 48 to 274 in the South West. Torbay is the most deprived local authority area (48) in the South West, and Bath and North East Somerset is the least deprived (274). North Somerset has 5 LSOAs within the most deprived 5% in England, all within South and Central wards of Weston-super-Mare. There are 12 LSOAs within the least deprived 5% in England, these are spread across the district.

8. Consultation on the 2021/22 EIAs

Draft Equality Impact Assessments were published through the council's website on 21st December 2021, and Members have been encouraged to review and comment on the EIAs.

A stakeholder discussion group was held on 12th January 2021 to share information about the 'medium' impact EIA and to seek feedback on the issues raised.

The discussion group included representatives from:

- Citizens Advice North Somerset
- Voluntary Action North Somerset
- Disability Access Group
- Vision North Somerset
- Equality North Somerset
- UNISON

Any further comments received on the EIAs prior to Members considering the Council's budget at their meeting of 15th February 2022 will also be shared with Members.

In some areas, service user consultation will continue as the proposals are implemented, for example PD S7 - Revisit safe Home to School Transport Routes and ASS S1 – Review of Care Packages (in adult care).

8.1 Results from Stakeholder consultation

At the consultation meeting information about the council's overall budget position was shared including information about our available resources, areas for budget growth and savings proposals. The Equality Stakeholder Group noted the ongoing challenges faced by people in North Somerset, specifically those who have a low income, which may have been exacerbated by the impact of COVID on employment, the availability of services etc. In addition, that it is important to recognise the cumulative impact of a number of budget proposals that have been assessed as 'low impact', including in service areas that are seeing an increase in charges against broader national issues such as rising energy and food costs.

The potential impact on the voluntary sector and how they maybe providing more services as a result in a 'shift in provision' for example as more services are made available online was also discussed, with council officer's describing the work currently underway to share resources with the voluntary sector to strengthen our ability for partnership working when supporting the residents of North Somerset.

Helpful, constructive feedback was received on the detailed EIA that was presented as having a potential 'medium' impact on equality groups, these included:

CSD S2 – Contracted Support Services - TOM for Customer Services

- The provision of high quality, accessible 'gateway' services is as important as the delivery of the service itself.
- The importance of ongoing consultation with groups who may experience disadvantage when contacting the council. For example, those who are deaf or have a hearing impairment, those who are blind or with a visual impairment, people who have a learning disability or whose first language is not English to ensure that any mitigation we put in place is appropriate for the communities of North Somerset.
- The need to improve the council's understanding of who is likely to be 'digitally excluded' through the development of our customer service strategy.
- Ensuring that we make our processes as simple as possible, for example our automated phone messaging and applications forms etc.
- Colleagues on the Equality Stakeholder Group were pleased with the ongoing consideration of equality issues in this area and helpfully offered to continue to provide support and information to help resolve any access issues for equality groups.

The consultation responses have been included in and have influenced the development of mitigating actions identified in the EIA.

9 Initial EIA that identified a potential 'medium' impact

The table below provides a summary of the area initially assessed as 'medium' impact and the mitigating actions being taken to reduce the level of potential impact wherever possible.

Budget Reference	Service Area	Savings Proposal	Reason for being included as 'medium' impact	Initial service user impact	Mitigating actions	Impact after mitigating actions
CSD S2	<p>Corporate Transformation Programme – Year 2 of the Target Operating Model for Customer Services which will look at how we interact with customers and the channels and facilities we use to do this, i.e. Gateways, buildings, contact centres.</p>	£25,000	The continued reduction in the ability to access a 'walk-in' service may disproportionately affect customers who are over pension age, or financially vulnerable, or otherwise vulnerable and needing assistance with navigating their way through applications forms or council processes.	Medium	<ul style="list-style-type: none"> • Face to face services continue to be available, but by appointment only. It has been shown that most customer queries are able to be resolved either on-line or over the telephone. • We will continue to meet the needs of customers who require any reasonable adjustments to access our services. • Review of the Concierge role (at Town Hall) to ensure the best option for assessing the needs of customers. • Ongoing consultation with Equality Groups to ensure the potential impact is fully understood and any mitigating actions are appropriate. 	Low

10 Impact on North Somerset Council staff

The 2022/23 budget includes a small number of areas where there is an opportunity to focus staff in areas that support the delivery of a budget proposal such as in adult social care to review care needs (ASS S1), reviewing care packages to ensure they are funded correctly (ASS S2) and additional staff to administer the safer roads initiative (PD S8).

In some areas the work of the teams may have changed, or processes added, for example in children's services as more robust challenge and monitoring of health contributions to children with health needs takes place (CH S2).

If substantial workforce changes are required, we will commence consultation at the earliest possible opportunity, irrespective of the number of employees involved.

10.1 Diversity across Council Workforce

It may be helpful for Members to be aware of the overall profile of the Council's workforce, which is shown below, dated December 2021:

The Council currently employs around 1,400 people outside of schools.

Age - the age profile of the non-school workforce is shown in the table:

Age Range	Percentage
16 - 20	0.6%
21 - 30	11.9%
31 - 40	18.8%
41 - 50	28.4%
51 - 65	37.3%
Over 65	3.0%

Gender – 74% of the non-school workforce are female.

Ethnicity – 86.2% of the non-school workforce are from English/ Welsh/ Scottish/ Northern Irish/ British Groups. The remaining 13.8% are from Black and Minority Ethnic (BME) and ‘Other White’ groups. (Figures based on the number of staff who have declared their ethnicity on iTrent)

Disability – 12.9% of council staff have declared that they have a disability. (Figures based on the number of staff who have declared if they have a disability on iTrent)

Gender re-assignment, Sexual orientation & Religion or belief - there is insufficient data currently held to accurately report on the workforce profile in relation to these areas

11. A summary of equality impacts

Analysis of the EIAs, show that 37 budget reduction proposals have been assessed as having the following potential impact on equality groups:

- 7 assessments (19%) indicate that service users should see a positive impact as a result of the budget proposals
- 17 assessments (46%) indicate that there should be ‘no’ impact on equality groups through the implementation of the budget reduction proposals
- 12 assessments (32%) indicate that there could be a ‘low’ impact on some equality groups through the implementation of the budget reduction proposal
- 1 assessment (3%) indicate that there could be a ‘medium’ impact on some equality groups through the implementation of the budget proposal, however after the proposed mitigating actions are taken, this has also been reduced to ‘low’ impact.

11.1 Positive Impacts

It should be noted that 7 of the 2022/23 budget proposals have identified a positive impact on equality groups. Improvements and innovations in delivering services has resulted in improved outcomes for service users, the method of delivery may have changed but positive outcomes are being achieved, examples of these include:

- Improved long term outcomes for those being discharged from hospital through the provision of an enhanced therapy and Technology Enable Care (TEC) service (ASS S3)
- An extension to the extra care provision; improving the availability of housing with support as an alternative to residential care for older people and those with a learning disability (ASS S4)

- Further provision of housing with Support Strategy approach to developing further supported living schemes as more independence-promoting alternatives to residential placements for people with a learning disability. (ASS S7)
- Improvement to our in-house fostering provision to enable children to have closer links with family, friends and local support services (CH S1)
- Routine screening of all children and young people with complex health needs to ensure appropriate funding is sought for their care (CH S2)

12. Overview of Budget Reduction Proposals

Creating a picture of how people are being affected by the Council's budget proposals and proposed future changes to services is difficult and complex. People are different in terms of their needs and expectations; people's interaction with public services and level of support they need will vary.

However, the publication of all Equality Impact Assessments at the same time and altogether in one place (in this report and on the council's website), in advance of Council considering the 2022/23 budget, should help Members gain an overall picture of the impact of the proposed changes.

In addition, this report identifies areas where protected groups potentially affected by the budget reductions are being considered in more detail and mitigating actions proposed.

13. Conclusion

The MTFP is proposing savings of around £4.1million in 2022/23, the lowest level of saving for many years. From an equalities perspective it is very positive to note that the focus of the budget proposals continues to be on transforming services, reviewing income, and driving efficiencies in services with the aim of protecting front line services wherever possible. In particular the approach to:

- Maximising independence and well-being in Adult Social Care,
- More effective commissioning and enhancement of in-house services in Children's services
- Reviewing services, income generation and matching the budget to the demand across Place Directorate and Corporate Services.

This is reflected in there being just 1 saving area that has been identified as having a potential 'medium' impact EIAs.

Through a more detailed review of this saving (CSD S2), officers have identified a range of options to mitigate the impact of the saving and the potential level of impact has been reduced from 'medium' to 'low'.

14. Monitoring the Impacts of the budget reduction proposals

Within each EIA there is detailed information about the mitigating actions that are being taken to ensure that any impact is reduced where possible. The budget proposals are regularly monitored by the Corporate Leadership Team, the Executive, and Policy & Scrutiny Panels.

Actions arising from the EIAs are also reviewed by the Equality Stakeholder Group.

15. Completed Equality Impact Assessments

Please see the following for completed Equality Impact Assessments:

[Full Equality Impact Assessment for CSD S2 - Page 11](#)

[Initial Equality Impact Assessments Adult Care - Page 28](#)

[Initial Equality Impact Assessments Children's Services - Page 54](#)

[Initial Equality Impact Assessments Corporate Services - Page 69](#)

[Initial Equality Impact Assessments Place - Page 108](#)

[Initial Equality Impact Assessments Public Health and Regulatory Services - Page 158](#)

Medium Term Financial Plan Equality Impact Assessment Updated for 2022/23

Please add content where << XXX>> is indicated. Please make Yes or No bold as appropriate.

Service area:	Customer Services
Budget reference:	CSD S2
Budget reduction proposal:	Transformation - Introduce a new Target Operating Model for Customer Services.
Budget saving for this financial year:	£25,000
Equality impact assessment owner:	Simone Woolley
Assistant Director/Director sign off:	Amy Webb
Review date:	5 th January 2022

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1. Equality Impacts

Please make High, Medium or Low bold as appropriate

Service User Impact

Before mitigating actions	High	Medium	Low
After mitigating actions	High	Medium	Low

Staff Impact

Before mitigating actions

High

Medium

Low

After mitigating actions

High

Medium

Low

2. The Proposal

2.1 Background to proposal

(Please provide a brief explanation of the project/proposals. You should consider the impact on both customers and staff)

Please note this is second year of the implementation of the changed target operating model for Customer Services. Planned changes took effect from the 1 July 2021.

The Town Hall gateway reception is no longer staffed, and we offer an appointment only service.

Face-to-face appointments are available by prior arrangement, with the request triaged over the phone to check whether a visit is necessary. This will mean that the contact centres will first assess whether the matter can be dealt with either over the phone or digitally. If it cannot (example, help completing a blue badge application), then an appointment is arranged.

Due to Covid 19 we trialled this approach by default. We found that there are very few enquiries which can't be dealt with over the phone or digitally. Customers can contact us in multiple ways: by telephone, by online enquiry form, complaint request, online reporting, social media, etc.

Support for completing blue badge applications was trialled with the Library service in 2021 as this is the area of highest demand and it would be beneficial to customers if support was available more locally to them through the Library network. However, the Library team found that the process was too lengthy, and this returned to the appointments process.

During 2021/22 it has become apparent that changing the behaviour of customers will require further messaging and reinforcement due to a small number of customers dropping into the Town Hall Gateway without appointments. Additionally, there are a small number of changes required to support the concierge service to assist in triaging visitors, supporting drop-in visitors, and providing security to the extended opening hours of Weston Library. The role of the concierge is currently being reviewed to look for the best option going forward.

Inevitably making such a change takes time to embed and we need to change the environment to reflect the new service, for example removing the large reception desk and improving signage and communications. These arrangements are in the process of being made so we will see changes in the environment in early 2022.

Volume comparisons for the month of September each year are shown below:

Year (Sept only)	Appointments
2019	2781
2020	11
2021	85

In terms of consultation, the original proposal was taken to the Community and Corporate organisation policy and scrutiny panel in November 2020 and was discussed at an online session with the Citizens Panel in December 2020. There was consultation in January 2021 with the Equalities Stakeholder Group and further consultation in January 2022.

2.2 Please detail below how this proposal may impact on any other organisation and their customers

There may be an impact on other organisations such as the voluntary sector if customers feel that they are not able to get the service they need from the council in the way that they want it. Potentially they may refer to, for example, Citizens Advice, who similarly support customers by telephone where possible and face to face through prior appointment only. During the consultation with Equality Stakeholders in January 2022, Citizens Advice North Somerset were asked for more information about the potential impact on their services as a result of the council's approach to customer services to help us to understand this potential impact in more detail.

Section 3 – What Do We Know?

3.1 Customer/staff profile details – what data or evidence is there which tells us who is, or could be, affected?

We keep records of why people visit the Town Hall.

Looking at data for December 2021:

Blue Badge Appointments	38
Scanning Documents	15
Other	10

It is difficult to assess impact on groups, however, we have seen from recent volumes and reasons for appointment that the majority are customers who need assistance with their blue badge applications or with scanning documents, therefore people who are likely more digitally excluded.

3.2 What does the data or evidence tell us about the potential impact on diverse groups, and how is this supported by historic experience/data?

Most of the customers who are visiting us are blue badge holders or are looking for help scanning documentation. This would suggest that the customers most in need of a face-to-face service are those with a disability or those who find it difficult to use digital technology. This pattern of face-to-face customers has been consistent over the period of appointment only and therefore we can assume that these groups are those most in need of the service.

3.3 Are there any gaps in the data, for example across protected characteristics where information is limited or not available?

We do not ask our callers or visitors for their demographic information, and we do not necessarily know if someone has visited the town hall and was given a number to call, and therefore part of the group that we wish to understand more deeply. We would welcome advice from the Equality Stakeholder Group on what should be monitored and the methods to use and have made plans for further consultation in this area.

3.4 How have we involved or considered the views of the people that could be affected?

For the Council Tax and benefits service, without set appointment times our Town Hall team have been able to deal with more customers and deal with them quicker than would have previously been the case. This service has, in most cases, been very well received by the customers.

We have received two formal complaints from customers about the changes in the Town Hall gateway. The dates for these were 24/6/21 and 10/11/21.

The issues raised were:

- It's harder to access services if you don't have the internet
- Older person unable to go online

Prior to going live with the service, we held a consultation exercise with the Citizens Panel to ask for their feedback on the issue of changing the face-to-face service in the town hall. We asked for their thoughts on how this change could affect people and their ability to access council services.

Feedback suggested that:

- Housing needs may be urgent (these are managed by the Housing team)
- They like the online reporting forms

- They feel that older people may prefer telephone or face to face over digital
- Face to face should continue in some way
- If a query can't be answered, then a follow up appointment should be used

We have worked with Housing to ensure that urgent needs are met, and a space has been created for the team in the pod area of the town hall gateway for emergency appointments.

We have improved the online reporting functionality.

We have not reduced our telephony offer and continue to support face to face to meet current demand of c.80 appointments a month.

If a query can't be answered over the phone, an appointment is arranged.

In January 2021 we shared this Equality Impact Assessment with a group of representatives from Equality Groups working across North Somerset. They provided helpful, constructive feedback in relation to this proposal.

Consultation Comment	Response
<p>Consideration should be given to mitigating the impact of the proposed focus on telephony services on the deaf community. This should be more explicit in the EIA. A Textphone and BSL relay service should be considered.</p>	<p>Consideration of the implementation of relevant technology will be added to the mitigation in the EIA.</p> <p>This still needs to be actioned and we would value support from the community in doing this.</p>
<p>The council should make it clearer in its communications what is meant by the contact centre. Can we publicise which number should be called for which services.</p>	<p>We reviewed the communications about the service and reviewed the website content. The switchboard number is advertised in our contact us page.</p> <p>We are in the process of developing a new customer service strategy and we will be reviewing contact methods and routes as part of this.</p>
<p>The amount of information that is given in recorded messages on the telephone seems excessive, particularly for those who have difficulty processing information. Can this information be reviewed to ensure it is all essential? Also reviewing the number of times that</p>	<p>We are reviewing all our IVR (Interactive Voice Response service) messages and will update in Q1 2022. This review has been delayed due to the constant changes to the IVR during the pandemic, the subsequent introduction of various grant</p>

customers are asked to go online to be considered as it can be frustrating for those who cannot access services in this way.	schemes and during the period when we have had garden waste issues.
There is now too much emphasis being given to contacting the council by phone, can a text service, text phone and email address also be considered? Can the webchat facility be advertised/used more often?	We promote the use of eforms (same as email but structured). The contact us page offers this option. We need to review the option of a text service – this is not something we have done before. We are in the process of upgrading our web chat which will be live early 2022 and advertised on the website.
For some, particularly for those with a learning disability or for someone whose first language is not English the confidence to talk over the phone will be a barrier to accessing services.	This has been noted, we will continue to offer face to face appointments for customers who are unable to access services over the telephone. This issue has been included in our training plans.
Information about a person's well-being can be missed when you aren't able to meet face to face. What training will be provided to staff to ensure that important information is not missed. This is particularly important for people with a learning disability. Can a plan for this be added to the mitigation?	This important point has been noted and has been included in our training plans.
Can the approach to monitoring the impact on equality groups be improved as this approach is developed?	The data we have about people accessing customer services will continue to be considered, including the information we hold on equality groups. We categorise the customers that are visiting the town hall so that we understand their needs and can focus on supporting those in the best way possible. We will seek advice from the Stakeholder group on how else to monitor equality groups.
How will members of the public be able to access the police information desk?	The police to have their own separate space in the town hall with a separate entrance.

Will the concierge be able to offer any kind of support to those who come along to the town hall?	Yes, outside of COVID restrictions the concierge will be able to offer basic information and advice, including providing access to a telephone if customers do not have phone credit or access to a phone. We have created a useful telephone number list which the concierge gives out so that customers can get through to the right department for their needs.
Equality stakeholders offered their support to discuss any access or equality issues encountered through the transformation of this service.	Service leader will attend a future Equality Stakeholder Meeting with an update.

Further consultation was facilitated with Equality Stakeholder Group in January 2022, their feedback included:

Consultation Comments/questions	Response
Members of the group were pleased to see and be involved with the ongoing consideration of equality issues in this area. Specifically, ongoing consultation with local Deaf Community, representatives from Vision North Somerset and the Disability Access Group.	Service leader to attend meetings with the deaf community on 7 February 2022 and 17 February 2022, and with the Access Group during February 2022 (date tbc).
Call for a review of the council's auto-messaging service as there is still too much emphasis on accessing online services.	Service leader to review Interactive voice response systems for all contact centres to ensure that the messages are shorter and to reduce repetition around the online offer.
How aware is the council about the demographics of those in North Somerset who are digitally excluded?	A working group has already been established as this is recognised as an area where we lack a full understanding.
As the application for Blue Badges seem to be challenging for a wide range of people how can the council improve this process?	Service leader intends to review the process in order to see how it can be made more accessible to all.
Council should acknowledge that the cost of IT equipment and 'data' will	This is acknowledged and the contact centres remain open, opening hours are

mean that some people cannot access our services digitally.	unchanged. The wider organisation is working on a number of initiatives around digital exclusion in order to work to address this.
Review of 'contact us' page on Council website to be reviewed as not all options included.	Agreed, this is part of an existing work plan and a review of contact points more generally will be included in the customer service strategy which is currently in development.

3.5 What has this told us?

It suggests that there is an understanding that we can move away from face-to-face appointments for all, but that we need to ensure that the offer is still there for people who really need it. Evidence from the contact centre would suggest that we have successfully dealt with most people's enquiries over the phone, and the lack of complaints would suggest that customers are largely satisfied, although further consultation needs to be done to ensure that this is accurate. We need to ensure that our service is appropriate for the needs of all equality groups including those who are deaf or who have a hearing impairment, who have a learning disability, visual impairment or who do not speak English as a first language.

For example, in our Council Tax and Benefit service, our letters, emails, IVR (Interactive Voice Response system) and customer service advisors will direct customers to self-serve. Where self-service is not an option the call advisor will support the customer.

All call advisors, as part of their induction, receive training on how to identify all different types of vulnerability along with details of the support organisations that customer can be referred to.

- Deaf/hard of hearing customers – Customers regularly contact us using the RNID's Relay UK service (<https://mid.org.uk/information-and-support/technology-and-products/relay-uk/>). The customer will text an intermediary who will speak to an advisor on the customers behalf and they will relay the response back to the customer by text. We will also speak to 3rd parties on the customers behalf if we have authority to do so or the customer is able to pass data protection checks.
- Language barriers - We will also speak to 3rd parties on the customers behalf if we have authority to do so or the customer is able to pass data protection checks. Very occasionally, we have also made use of the Language line service used by the Council using our locally based customer service team.

- Vulnerable customers - We will also speak to 3rd parties on the customers behalf if we have authority to do so or the customer is able to pass data protection checks. We will also signpost customers to organisations that may be able to assist them.

Consultation with equality groups is ongoing to ensure we fully understand these issues and we are mitigating the impact wherever possible.

Average abandonment rates in the contact centre are within tolerance which demonstrates that there is good availability in terms of getting through to talk an adviser.

For Council Tax and benefits, although a telephone appointment is currently the default method of dealing with customer enquiries the Town Hall appointment service is still available if customers are unable to liaise with us by any other method. As with home visits we have a criteria for face-to-face appointments – customer has an illness/disability preventing them from using the telephone or have a vulnerability making it more effective to be dealt with face to face. This second criteria we expect to be mainly used by our First Steps service for customers who are not being assisted by external support agencies (e.g., Citizens Advice).

With regards the First Steps service, we do have criteria in place to determine whether a customer is eligible for a home visit. Details of the visit qualifying criteria for customers of the Revenues and Benefits service are as follows:

1 - Critical

- Over 70's
- Health conditions or disabilities making it difficult for customer to liaise with us by any other method

2 - Priority

- Digitally Vulnerable
- Other Vulnerability Identified such as
 - people with some mental incapacity that means it is easier to deal with them Face to Face.
 - people fleeing domestic violence if they do not feel safe talking over the telephone.
 - people with language difficulties.
 - people who have suffered a recent trauma (e.g., loss of a partner or close relative)

3 – Non-priority

- Any task that cannot be dealt with by other means (for example, a home visit may be required to validate some Council Tax discounts)

The service is primarily available to Council Tax Support claimants in Council Tax arrears. But is available to any customer where a vulnerability has been identified and support is needed to pay their Council Tax. For example, the

FirstSteps Team work closely with the Leaving Care Personal Advisors to support Care Leavers and customers adversely affected financially by COVID will also be supported.

Performance of the FirstSteps service in terms of customers supported and outcomes is reported monthly. Below demonstrates the number of customers supported through FirstSteps in December 2021.

Customer type	Number
Assist with CTS claim/CT discount	8
Customer contacted, awaiting response	34
Customer contacted, engaging	5
Debts settled	25
Deduction from benefits	8
EA cases held, pending further contact	17
Engaging with support worker/3 rd party	22
No longer engaging	61
Payment arrangement	150
Possible DRO/insolvency	9

We do get some enquiries regarding providing documents and when we do, if the customers are unable to use the online evidence upload or email facilities, we advise customers to either post the documents into us or post them through the Town Hall letterbox. Alternatively, we may arrange an appointment to assist.

We have worked with the Weston-super-Mare Library team to provide support and training to ensure that they can deal with simple enquiries.

3.6 Are there any gaps in our consultation, what are our plans for the future?

The service went live in July 2021, we have received feedback since implementation and changes put in place to improve the service. For example, we have worked with the Library service to ensure that simple enquiries can be dealt with immediately and queries are effectively signposted. We have also created a useful telephone list to give out to customers so that they can get through to the right team for their enquiry. We have worked with the Housing team to provide them with a booth to deal with any emergency appointments.

Section 4 – Assessment of Impact

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None | + = Positive, = = Neutral, - = Negative

Impact Level **Impact type** **Summary of Impact**

	H	M	L	N	+	=	-	
Disabled people		X					X	It may be more difficult to access services via telephony and online. However, we will continue to meet the needs for reasonable adjustments to our services when they are requested or identified as being needed.
People from different ethnic groups			X				X	Potentially language issues over the telephone may impact ability to arrange appointment. We will continue to use an interpreter or have information provided in an alternative language to support customers whose first language is not English.
Men or women (including pregnant women or those on maternity leave)				X		X		
Lesbian, gay or bisexual people				X		X		
People on a low income			X				X	It may be that those on low income do not have access to telephony or have money to top up phones to make the call. We would make arrangements that a person presenting themselves at the Town Hall in these circumstances would be called back by the contact centre. We also suggest that the customer can use the telephone in

									reception to call services such as Council Tax and Housing.	
People in particular age groups				X					X	Older people may prefer a face-to-face service if they have been used to it. They may struggle to adapt. For this reason, we intend to maintain face to face appointments for those who really need them.
People in particular faith groups				X			X			
People who are married or in a civil partnership				X			X			
Transgender people				X			X			

Impact Level					Impact type			Summary of Impact
	H	M	L	N	+	=	-	
Other specific impacts, for example: carers, parents, impact on health and wellbeing, Armed Forces Community etc. Please specify:				X		X		

Does this proposal have any potential Human Rights implications?

Yes **No**

If 'yes', please describe

Could this proposal have a Cumulative Impact with any other budget savings?

Yes **No**

This is an impact that appears when you consider services or activities together; a change or activity in one area may create an additional impact somewhere else

If 'yes', please describe?

Section 5 – Action Plan

Where you have listed that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	How will it be monitored?
1. Review impacts	Continued monitoring of feedback via the contact centres, concierge and visiting officers, and monitoring of equality issues.
2. Casual enquiries and digital assistance supported by Libraries	Feedback from the library service
3. Prompt appointment service for those that require Face to Face	Monitoring of time between booking and date of appointment. Maximum time is usually one week.
4. Prompt visiting office service for those that require it	As above
5. Telephone points in closed Gateways/ Libraries	Usage can now be monitored as a new phone system has been implemented. Waiting for a first report (volume and team)
6. Potential for video booths (zoom booths) in Libraries	Being considered as part of the future customer service strategy

7. Use of concierge and contact centres to assess need	Continuous feedback from both to ensure that needs are being met effectively
8. Customers who have an access need and require a reasonable adjustment will continue to have their access needs met through a range of methods of communication such as telephone and face to face appointments and the provision of accessible information where needed.	Continuous feedback/monitoring. Meetings arranged in order to ensure that we are meeting access needs.
9. Consideration should be given to mitigating the impact of the proposed focus on telephony services on the deaf community. This should be more explicit in the EIA. A Textphone and BSL relay service should be considered.	We will arrange a consultation session with the Deaf community to discuss ways in which we can improve our customer services that looks at website, town hall attendance and customer services more generally. To be take place in February 2022.
10. The lengthy GDPR statement at the start of the contact centre messaging will be reviewed to assess whether it can be reduced as this is seen as a potential barrier.	Switchboard – it takes 24 seconds to get through to select the option required, e.g., waste. Other messages within the IVR take approximately 30 seconds so the call will be ringing for an agent within one minute. All interactive voice response systems will be reviewed to ensure that the messages are shorter and to reduce repetition around the online offer.
11. Promotion of the other method of communication should be considered, such as web chat and eforms (email).	Eforms are available on the website and promoted on the contact us page amongst others. Web chat is
12. Put in place a training plan for contact centre staff around people with learning disabilities so that they	

are aware of the importance of listening for clues and being knowledgeable about the best way to engage.

13. Equality stakeholders offered their support to discuss any access or equality issues encountered through the transformation of this service. Service lead will attend.

being upgraded and will be live in Jan 2022. The contact us page will be reviewed and ensure that we include details of all support, eg. Web chat and Relay UK.

Review training plans.

Confirmation of attendance.

If negative impacts remain, please provide an explanation below.

As listed in the action plan above.

Equality Impact Assessments

2022/23 Medium Term Financial Plan

Adult Care – December 21

Contents

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Medium Term Financial Plan Initial Equality Impact Assessment 2022/23



1. The Proposal

Directorate:	Adult Social Services
Service area:	Adult Social Care
Budget reference:	ASS S1
Budget reduction proposal:	Review of Care Packages – care needs
Budget saving for this financial year:	£250,000

Description of the proposal:

The established review team to continue to review the existing packages of care within the adult social care teams. The team will target specific reviews that have been identified to increase independence and therefore reduce dependence and cost to Adult Social Care

Summary of changes:

It is proposed that the team will continue to review packages of care within adult social care.

- The review project has demonstrated that the key factor is 'dedicated time'. The staff need to be able to focus on the review work without the pressures of the front-line demand.
- The review project has shown that reviews are most effective where there are packages which can be changed 'by degree' such as direct payments or domiciliary care.

It is assumed that having planned reviews will decrease the volume of requests for unplanned reviews and reduce emergency situations.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment?

PCA1 Year 2021/22

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

	Impact Level				Impact type		
	H	M	L	N	+	=	-
Disabled people			X		X		X
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X			

3. Explanation of customer impact

Reviews of packages of care will be carried out in a planned way and not at a time of crisis for the person; this is positive and can help to ensure that the person's independence is maximised for longer and any additional signposting for support / services can be provided.

It will provide opportunities to identify where people may be able to access alternative services to meet their care needs, for example the voluntary sector or Continuing Healthcare.

Any situations where packages of care can be reduced will be done with full consideration of the impact on the person and any informal carers and will ensure that they have an appropriate level of care.

Where the assessment identifies a reduction of care is appropriate, we work with the person, and their carer(s) to safely implement the changes. This may include a re-assessment from an Occupational Therapist to identify adaptations and aids, or assistive technology.

4. Staff equality impact summary

Are there any staffing implications for this proposal? **Yes** No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected. Please state whether they are vacant or filled permanently or temporarily.

Staffing vacancies in the locality teams enabled formation of a small Reviewing Team. There was no change to the full-time staff equivalent across adult social care. Changes are being made to where staff resources are allocated. These would be permanent changes within the directorates.

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? Yes **No**
If 'yes', when will the further assessment be completed?

Service Manager: Kathryn Needham

Date: 22nd October 2021

1. The Proposal

Directorate:	Adult Social Services
Service area:	Adult Social Care
Budget reference:	ASS S2
Budget reduction proposal:	Review of Care Packages - NHS funding opportunities
Budget saving for this financial year:	£200,000

Description of the proposal:

People whose assessed needs relate to their health conditions require an assessment for Continuing Healthcare (CHC) funding, to determine their eligibility. If eligible their care and support is funded by the Clinical Commissioning Group (CCG). To navigate through the process, knowledge of the National Framework and an understanding of its application is required. It is beneficial for people to access this funding firstly because it is not subject to a financial contribution and secondly it ensures that their care (of a complex health nature) is co-ordinated by the relevant health care professional. Where care needs were being met by the Local Authority there is a saving.

Summary of changes:

We have extended our dedicated resource to support front line staff in identifying when a person has a primary health need and is therefore eligible for CHC funding.

This proposal includes:

- Identification of people from all areas of adult social care who may be eligible for CHC funding, completion and submission of checklists.
- Continue to increase knowledge of staff in identifying when CHC checklists need to be completed.
- Build expertise and knowledge to ensure staff are well equipped to apply the framework in order to secure CHC funding where appropriate.
- Improve knowledge and confidence to support staff to identify when it is appropriate for Adult Social Care to challenge decision making and ensure joint funding options are also considered.

The resource was made available in July 2019 and from mid-November 2020 was increased; it has proved very successful in raising awareness of CHC

process and supporting applications, increasing resources will enable further success.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment?

PCA2 Year 2021/22

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level

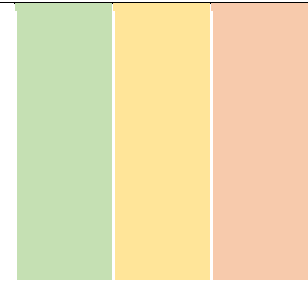
Impact type

	H	M	L	N	+	=	-
Disabled people			X		X		
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			

Other specific impacts, for example: carers, parents, impact on health and wellbeing.

Please specify:

X



3. Explanation of customer impact

The decision for either a person to be CHC funded, or joint funded should not affect their care delivery, it is clear in statute that no funding can be withdrawn by either party without clear agreement and that any disputes over funding cannot interrupt or delay care provision. It is not envisioned to have any impact on the care received.

Individuals who are deemed eligible for CHC are not financially assessed and therefore do not pay a financial contribution to their care.

Additionally, people who have care and support needs arising from a primary health need will benefit from having their care coordinated by a health care professional rather than a social care professional due to the nature of their needs.

4. Staff equality impact summary

Are there any staffing implications for this proposal? **Yes** **No**

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

As part of the workforce proposals for adult social care, 1 additional staff member is requested to support the development of the service and achieve the savings.

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
	Total

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? Yes **No**
If 'yes', when will the further assessment be completed?

Service Manager:

Kathryn Needham

Date:

22nd November 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23



1. The Proposal

Directorate:	Adult Social Services
Service area:	Commissioning and Contracts
Budget reference:	ASS S3
Budget reduction proposal:	Improved TEC / reablement pathways
Budget saving for this financial year:	£350,000

Description of the proposal:

The establishment of a new reablement service with revised pathways which focuses on therapy and Technology Enabled Care (TEC) to improve long term outcomes for citizens.

Collaborative working between North Somerset Council, the CCG and Sirona led to creation of the D2A business case. The document focuses on redevelopment of the reablement offer and funding through the CCG has been agreed. The new service will be a collaboration between occupational therapists, Access Your Care, the TEC hub, and the wellness services to deliver a proactive and preventative service which supports the D2A process and improve outcomes for individuals, there will also be an improved offer for plus sized people and scope for increased staffing resource within these services. A Care Act assessment will be completed once the reablement pathway is completed.

There will be improved alignment of hospital discharge pathways, involving closer working with Sirona and an improved access to TEC and dedicated Occupational therapist support to support each strategic domiciliary care provider. This will enable improved outcomes from provider reviews over the reablement pathway. It will also lead to reduced packages of care and higher proportion of clients no longer requiring care following successful reablement outcomes.

Summary of changes:

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

2021/22 PCA9

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level

Impact type

	H	M	L	N	+	=	-
Disabled people			X		x		
People from different ethnic groups			X		X		
Men or women (including those who are pregnant or on maternity leave)				x			
Lesbian, gay or bisexual people				X			
People on a low income			X		X		
People in particular age groups			X		X		
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify: Older People				x	X		

3. Explanation of customer impact

The impacts offer positive alternatives and greater independence through an enhanced therapy offer. Whilst Technology Enable Care (TEC) has the potential to benefit all, its scope to maximise the independence of the disabled and older people receiving reablement following hospital discharge is particularly positive.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

There are no specific staffing implications but will result in closer alignment between Sirona, NSC and domiciliary care provider staff.

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

This is a positive offer with expected improved outcomes

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed?

Service Manager: Gerald Hunt

Date: 7th December 2021

Medium Term Financial Plan

Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Adults Social Care
Service area:	Commissioning and Contracts
Budget reference:	ASS S4
Budget reduction proposal:	Accommodation Shift arising from extension to Diamond Court Extra Care Housing Scheme
Budget saving for this financial year:	£90,000

Description of the proposal:

Extension to Diamond Court for additional Extra Care Housing flats

Summary of changes:

This proposal includes the plan to build on the foundations of the existing housing with support plans to an accommodation shift away from residential care options and alternatives for older people and those with Learning Disabilities.

This includes:

- Extra Care developments for older people with support as an alternative to care homes along with the opportunity to reassess people to support moves from residential care into supported living option in the North Somerset Local Area. Similarly, to the option for people with learning disabilities it offers older people more choices and self-determination and independence. It supports individual choices to meet people's needs more readily than residential care.
- 20 flats will be built as an extension to Diamond Court Extra Care Housing Scheme in Weston super Mare. North Somerset Council will have the full nomination rights over all 20 flats.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment?

PCA4 – 2021/22

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level

Impact type

	H	M	L	N	+	=	-
Disabled people	X				X		
People from different ethnic groups			X		X		
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income	X				X		
People in particular age groups	X				X		
People in particular faith groups				X			
People who are married or in a civil partnership			X		X		
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing, Armed Forces Community etc.	X				X		
Please specify:							

3. Explanation of customer impact

The outcomes so far show that this way of working has a positive impact for users and their families and helps support people's local connections and

closeness to their local networks, friends, and families. It also provides an assured secure tenancy with options for users to choose who supports their care needs. The groups identified are reflected as this type of accommodation is being developed for these specific cohorts of individuals who have been the most impacted by a lack of choices around care with residential care generally being the only option.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

There is an opportunity to gain further funding that would create a small increase in Job opportunities in North Somerset, although not specifically North Somerset Council staff

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

<u>Service area</u>	<u>Value of saving</u>
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

This is a continuation of an existing Housing Strategy and plans.

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed?

Service Manager: Gerald Hunt
Date: 7th December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX >> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate: Adult Social Services
Service area: Adult Care
Budget reference: ASS S5
Budget reduction proposal: Inflation in relation to the Better Care Fund
Budget saving for this financial year: £145,000

Description of the proposal:

Use of Better Care Fund inflation to fund corresponding increases in costs

Summary of changes:

No material changes, this simply reflects the additional income from the Better Care Fund, which will be used to offset corresponding inflationary increases in costs

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

PCA1 2020/21; PCA7 2021/22

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X			
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X			

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

No customer impact, this is a technical budget adjustment to account for the Better Care Fund inflation that will contribute to cost inflation

Please describe how you will communicate these changes to your customers

N/A

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes **No**

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

N/A

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Technical adjustment, no equality impact from this budget proposal

Is a further detailed equality impact assessment needed? Yes **No**

If 'yes', when will the further assessment be completed?

N/A

Service Manager:

Katherine Sokol

Date:

29 November 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Adults Social Care
Service area:	Commissioning and Contracts
Budget reference:	ASS S7
Budget reduction proposal:	Supported Living schemes as more independence-promoting alternatives to residential placements
Budget saving for this financial year:	£100,000

Description of the proposal:

A continuation of the Housing with Support Strategy approach to developing further supported living schemes as more independence-promoting alternatives to residential placements

Summary of changes:

This proposal includes the plan to build on the foundations of the existing housing with support plans to an accommodation shift away from residential care options and alternatives for older people and those with learning disabilities.

This includes:

- The development of Housing for people with a learning disability with support in place to meet individual's needs. This is supporting a change that allows people with a learning disability and their families to have choices that support self-determination and values including choice and independence. Housing with support offers the opportunity to remain in your local area close to friends, families and established networks, this isn't always available when considering residential care options. This option is based on tenancies that support people being able to keep their home and change care which is not available with residential care.
- There will be a 12-unit scheme developed in Nailsea which will be able to provide long term secure accommodation to people with learning

disabilities and/or people with physical disabilities. The scheme is in partnership with Specialist Supported Housing and Leonard Cheshire Disability.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment? PCA4 – 2021/22

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level

Impact type

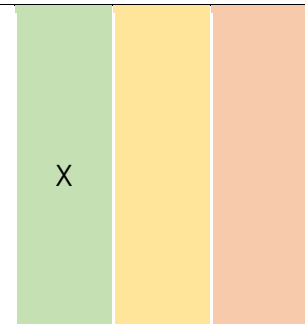
	H	M	L	N	+	=	-
Disabled people	X				X		
People from different ethnic groups			X		X		
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income	X				X		
People in particular age groups	X				X		
People in particular faith groups				X			
People who are married or in a civil partnership			X		X		
Transgender people				X			

Other specific impacts, for example: carers, parents, impact on health and wellbeing, Armed Forces Community etc.

X

X

Please specify:



3. Explanation of customer impact

The outcomes so far show that this way of working has a very positive impact for users and their families and helps support people's local connections and closeness to their local networks, friends and families. It also provides an assured secure tenancy with options for users to choose who supports their care needs. The groups identified are reflected as this type of accommodation is being developed for these specific cohorts of individuals who have been mostly impacted by a lack of choices around care with residential care generally being the only option.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

There is an opportunity to gain further funding that would create a small increase in Job opportunities in North Somerset, not specifically North Somerset Council staff

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

This is a continuation of an existing Housing Strategy and plans.

Is a further detailed equality impact assessment needed? Yes **No**

If 'yes', when will the further assessment be completed?

Service Manager: Gerald Hunt, Principal Head of Commissioning,
Partnership and Housing Solutions

Date: 7th December 2021

Equality Impact Assessments

2022/23 Medium Term Financial Plan

Children's Services – December 2021

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**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Children's Services
Service area:	Corporate Parenting
Budget reference:	CH S1
Budget reduction proposal:	Further reduction in Looked After Children placement costs, through increased use of in house foster placements and more local supported independent provision
Budget saving for this financial year:	£214,000

Description of the proposal:

This will provide our children the opportunity to be placed with in-house carers within the North Somerset boundary meaning those children will be closer to their family, friends, local supporting services and significant local links.

This proposal will enable North Somerset to successful save the proposed figure due to in-house fostering costs being significantly less (estimated half) of the cost of independent fostering provision.

Summary of changes:

We will increase our proportion of in-house mainstream fostering placements who are available to our children who are looked after within North Somerset. We are also looking to develop a new specialist foster carer scheme to enable us to manage our more complex young people locally with wider community resource and reduce the need for expensive external residential placements. This will mean we will be able to provide better matching options to children and young people determined by their needs within their care plan locally.

Is this a continuation of a previous medium-term financial plan saving?

No **Yes**

If yes, please insert reference number and year of assessment?

2021/22

PCC1

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)			x		x		
People from different ethnic groups			x		x		
Men or women (including those who are pregnant or on maternity leave)				x		x	
Lesbian, gay or bisexual people			x		x		
People on a low income				x		x	
People in particular age groups		x			x		
People in particular faith groups				x		x	
People who are married or in a civil partnership				x		x	
Transgender people			x		x		
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:							

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

It is assessed that there will be a positive impact on children who are looked after as they are, in part, defined by their age, i.e. under 18. There will also be positive impacts in relation to disability, sexual orientation or gender identity, income and ethnicity. Children within the care system have often come from areas of deprivation where there are issues of poverty for their families. A small proportion of our children who are looked after are from diverse cultural and ethnic backgrounds, particularly our children who present as unaccompanied asylum-seeking children. Some children with disabilities might also require to be looked after by the local authority. By increasing the proportion and hopefully diversity of our foster placements within the local authority this will have a positive impact upon these marginalised groups as it will provide better opportunities for matching with families and carers who can best met the children's diverse needs.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

Not applicable

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

No further comments to add

Is a further detailed equality impact assessment needed? Yes **No**

If 'yes', when will the further assessment be completed?

Service Manager:

Paul Johnson

Date:

8th December 2021

Medium Term Financial Plan

Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Children's Services
Service area:	Children's Services
Budget reference:	CH S2
Budget reduction proposal:	More robust challenge and monitoring of health contributions to children with complex needs
Budget saving for this financial year:	£200,000

Description of the proposal:

Children and young people whose primary needs are in regard to their health care needs are entitled to Continuing Health Care (CHC) funding and or complex health funding, this is paid by the Clinical Commissioning Group (CCG). Accessing this funding requires knowledge and expertise of negotiating the pathways and National Framework. It is beneficial for people to access this funding firstly because it is not subject to a client contribution and secondly it ensures that their care (which is of a complex health nature) is co-ordinated by the relevant health care professional. Where their care needs were being met by the Local Authority there is a saving.

This proposal is to routinely screen all children and young people with complex needs for Health Funding and following this to complete the relevant health forms to take to the Complex Health Care Panel to assess for a health contribution.

Summary of changes:

This proposal includes:

- Identification of children and young people from all areas of social care who may be eligible for CHC funding and complex care and completing required 'checklists' for their applications.
- Continue to increase knowledge of staff to identify when CHC checklists need to be completed.

- Build expertise and knowledge in staff to ensure they are well equipped to negotiate the pathways and secure CHC funding where appropriate.
- Identify when it is appropriate for Children's Services to challenge decision making and ensure joint funding options are also considered.

Is this a continuation of a previous medium-term financial plan saving?

No **Yes**

If yes, please insert reference number and year of assessment?

PCC4 - 2021/22

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

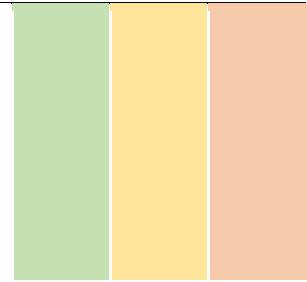
Impact Level

Impact type

	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)			X		X		
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			

Other specific impacts, for example: carers, parents, impact on health and wellbeing.

Please specify:



3. Explanation of customer impact

Please describe the reasons for the impact level in the table above. The decision for either an individual to be CHC funded, or joint funded should not affect their care delivery, it is clear in statute that no funding can be withdrawn by either party without clear agreement and that any disputes over funding cannot interrupt or delay care provision. It is not envisioned to have any impact on the care received.

Children and young people who are deemed eligible for CHC do not have to pay a client contribution to their care.

Additionally, children and young people who have care and support needs arising from a primary health need will benefit from having their care coordinated by a health care professional.

Where required social working will communicate to families and young people that funding is being sought and any impact from this funding.

4. Staff equality impact summary

Are there any staffing implications for this proposal? No **Yes**

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

This represents a change in current practice and an extra process to established workloads in the team to screen and apply for health funding for all complex cases in children and young people's services where appropriate.

Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

<u>Service area</u>	<u>Value of saving</u>
<hr/>	
	Total

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? Yes **No**

If 'yes', when will the further assessment be completed?

Head of Service

Alison Stone

Date:

6th December 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Children's Services
Service area:	Children's Services
Budget reference:	CHS3
Budget reduction proposal:	Delivery of more effective commissioning of individual community support packages
Budget saving for this financial year:	£200,000

Description of the proposal:

To assess and review all current community care and support contracts to manage the costs more effectively in the markets on spot rates charged to the Council with a view to gaining better value for money. To engage with the market and secure better financial outcomes through block or guaranteed minimum hours contracts to manage high-cost hourly rates with the current providers.

Summary of changes:

Work with the existing providers to do some market testing of a possible new procurement or change to existing contracts to provide an increase in community providers as well as manage more effectively the high-cost spot contracts.

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

	Impact Level				Impact type		
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X	X		
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify: Improved choices of providers and an increase in the market of community support providers, who provide a better value for money costs. An opportunity to enhance the direct care with a consistent staff team to support children and young people with complex needs.							



3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There are no adverse impacts on any groups from this change.

Please describe how you will communicate these changes to your customers

Where required social work teams will communicate to families and young people.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

<u>Service area</u>	<u>Value of saving</u>
	Total

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed?

Head of Service

Alison Stone

Date:

6th December 2021

Equality Impact Assessments

2022/23 Medium Term Financial Plan

Corporate Services – December 2021

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**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Corporate Services Directorate
Service area:	Cross-cutting
Budget reference:	CORP S1 (a, b, c, d and e)
Budget reduction proposal:	Annual uplift to fees and charges to cover inflationary cost of services
Budget saving for this financial year:	£400,000

Description of the proposal:

The council will continue its policy to apply an annual uplift to the budgets for fees and charges it levies on its services based upon published external inflationary rates.

Summary of changes:

Customers currently pay specific fees and charges for a wide range of activities and services such as building control services, planning application or land charges fees, car parking, leisure activities or care related charges.

Some of these fees and charges are set nationally and the council is legally required to adopt these levels, whilst other fees and charges are set at local levels using the council's discretion.

It is proposed that the budgets associated with the fees and charges levied by the council will be inflated by 1.25% with effect from April 2022 to reflect the council's financial policy of annually inflating charges to cover the increased costs for goods and services.

It should be noted that whilst this increase may be lower than some current national inflationary measures such as the Retail Prices Index or the Consumer Prices Index, the proposed budget increase reflects the average increase in income budgets that is realistically feasible to achieve, and well as the average level of increased costs that the council will incur. For example;

- Not all services can increase their fees – exclusions would include planning fees

- Not all services can generate an increase in the level of income even if fees are inflated by more than the 1.25% - examples include adult social care fees which are limited to the individual circumstance of a customer and their ability to pay

This budget saving sum will be shared across all relevant service area budgets.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment?

CORP S1 – 2021/22 MTFP budget proposal to increase income budgets

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level

Impact type

	H	M	L	N	+	=	-
Disabled people				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income			X				X
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	

Transgender people	X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:	X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There will be a minimal impact on customers although it is accepted that this may impact on customers with lower income levels should they access a service which has a charge associated with it.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected. Please state whether they are vacant, or filled permanently or temporarily.

N/A

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

N/A

Is a further detailed equality impact assessment needed? Yes **No**

If 'yes', when will the further assessment be completed? **N/A**

Service Manager:

Melanie Watts

Date:

24 November 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Corporate Services
Service area:	Support Services Contract
Budget reference:	CSD S1
Budget reduction proposal:	Increase in trading income – Inspire opportunities
Budget saving for this financial year:	£20,000

Description of the proposal:

To increase external income via the existing trading of the NS Inspire branding.

Summary of changes

Trading 'support services' in association with the Agilisys / Liberata contract with other local authorities via the council's Inspire branding for services such as ICT platform provision & support, exchequer, payroll & HR, customer services (contact centre), business support, Risk, and FOI. It is anticipated that the council will experience a protection and growth in its local support resources to reinforce the additional income.

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

2020/21 CSD S7

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There should be no impact on customers either internally or externally

Please describe how you will communicate these changes to your customers
N/A

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected. Please state whether they are vacant or filled permanently or temporarily.

N/A

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
	Total

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

The proposals will be consistently applied to all teams who manage and deliver internal support services within the corporate services directorate.

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed?

Service Manager:

Stuart Anstead

Date:

8th December 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2021/22**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Corporate Services
Service area:	Customer Services
Budget reference:	CSD S2
Budget reduction proposal:	Transformation - Introduce a new Target Operating Model for Customer Services.

Budget saving for this financial year: £25,000

Description of the proposal:

Please note this is second year of the implementation of the changed target operating model for Customer Services. Planned changes took effect from the 1 July 2021.

The Town Hall gateway reception is no longer staffed full time and the enquiry desk is only open for pre-booked appointments.

Face-to-face appointments are available by prior arrangement, with the request triaged over the phone to check whether a visit is necessary. This will mean that the contact centres will first assess whether the matter can be dealt with either over the phone or digitally. If it cannot (example, help completing a blue badge application), then an appointment is arranged.

Due to Covid 19 we trialled this approach by default. We found that there are very few enquiries which can't be dealt with over the phone or digitally. Customers can contact us in multiple ways: by telephone, by online enquiry form, complaint request, online reporting, etc.

Support for completing blue badge applications was trialled with the Library service in 2021 as this is the area of highest demand and it would be beneficial to customers if support was available more locally to them through the Library network. However, the Library team found that the process was too lengthy, and this returned to the appointments process.

During 2021/22 it has become apparent that changing the behaviour of customers will require further messaging and reinforcement due to a small number of customers dropping into the Town Hall Gateway without appointments. Additionally, there are a small number of changes required to support the concierge service to assist in triaging visitors, supporting drop-in visitors and providing security to the extended opening hours of Weston Library.

It feels inevitable that making such a change will take time to embed and we need to change the environment to reflect the new service, for example removing the large reception desk and improving signage and communications.

Volume comparisons for the month of September each year are shown below:

Year (Sept only)	Appointments
2019	2781
2020	11
2021	85

In terms of consultation, the proposal was taken to the Community and Corporate organisation policy and scrutiny panel in November 2020 and will be discussed at an online session with the Citizens Panel in December 2020. It is anticipated that there will be consultation in January 2021 with the Equalities Group and further consultation as we move forward with the proposal.

Summary of changes:

Appointments which are usually carried out by the Agilisys reception team will be by appointment only and arranged after triage. Arrangements for support with Blue badge enquiries will be reviewed further.

Some investment will be made into the Council Connect contact centre to support any additional calls and to triage and arrange appointments.

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

CSD S3 - Gateway

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people		X					X
People from different ethnic groups			X				X
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income		X					X
People in particular age groups			X				X
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:							

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

Some investment has been made into the Council Connect contact centre to support additional calls and to triage and arrange appointments.

- Whilst the opportunity to have a face-to-face appointment still exists, it requires a phone call in order to be triaged.
- It is no longer possible to walk into the building and expect to be seen immediately. Having said that, in practice we have helped those in most need as quickly as possible, for example those presenting as homeless.
- There are more limited times in which people can be seen face to face, although in reality we could be flexible where needed.
- It may be more expensive for some people to call than to walk in if they live locally.
- If English is not your first language, you may have a preference for seeing someone face to face. This is still possible, but not on demand.
- Some older people may have a preference for talking directly to someone, but again, this is possible but not on demand.
- There may be an impact on some disabled people, for example those who have poor motor skills so cannot complete forms online or those with hearing impairments that cannot use the phone may prefer to talk to someone face to face.
- Discussions are ongoing with Libraries Services over the wider provision of elementary customer contact services at all Libraries across the authority.
- The 2022 Customer Service Strategy will consider the adoption of a community hub model which would provide targeted support for vulnerable customer groups via dispersed locations around the authority.

Through consultation and review of the information held about the service thought is being given to the mitigating actions that will be implemented to continue to support those who cannot access services online and or over the phone.

4. Staff equality impact summary

Are there any staffing implications for this proposal? No **Yes**

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

There will be an impact on the staff who currently provide the service. More detailed information will be provided in the detailed Equality Impact Assessment.

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? No **Yes**

If 'yes', when will the further assessment be completed?
 January 2022

Service Manager: Simone Woolley

Date: 6 December 2021

Medium Term Financial Plan

Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Corporate Services
Service area:	Support Services
Budget reference:	CSD S3
Budget reduction proposal:	Contracted Support Services - Business Support
Budget saving for this financial year:	£50,000

Description of the proposal:

The budget reduction proposed relates to the opportunity to reduce costs in areas positively impacted by changed working arrangements through the increased use of Teams and Microsoft 365 and working from home. They relate to the costs of physical and electronic storage, business support requirements (both those contracted and provided in-house) and a reduction in print.

Summary of changes:

The review of contracted Business Support relates to a review of the council's specification for business support services to ensure that it reflects new ways of working and meets the council's requirements. Changes may be triggered by changed business requirements, the introduction of new technology (existing) or new developments in automation.

The budget reduction associated with the review for 2022/23 is £50,000. It will require engagement with all the council services that current receive business support through the support services contract. Savings from 2021/22 focused on reductions in Adults and Children's services and while the review will concentrate on the other directorates there is an acknowledged challenge to deliver this level of savings.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment?

CSD S3 - Business Support 2021/22

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

	Impact Level				Impact type		
	H	M	L	N	+	=	-
Disabled people				X			
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X			

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

The proposal outlined are not predicated on delivering different outcomes or impact to customers.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

The proposal has no direct impact on council staff because resources form part of the Agilisys contract. Any service change effects will be managed to minimise the impact on customers (retained staff).

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed?

Service Manager: Stuart Anstead
Date: 6 December 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2021/22**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Corporate Services
Service area:	Support Services
Budget reference:	CSD S4
Budget reduction proposal:	Contracted Support Services - Review of contracted support cost base provision
Budget saving for this financial year:	£50,000

Description of the proposal:

Changes and reductions within the Support Services contract, including Value for Money service reviews and release of inflation provision within the base budget. The proposal includes a reduce the support services budget associated with the inflation growth from the previous year.

Summary of changes:

Inflationary reduction - previous budget provision established for contract inflation is not required and can be released as an ongoing reduction of **£50,000** for 22/23. This has no impact on service delivery or detrimental customer impact.

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

CSD S5 – Support Services Contract

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people				X			
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:							

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

It is not anticipated that there will be any impact on customers as a result of this proposal.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes **No**

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

None.

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? Yes **No**

If 'yes', when will the further assessment be completed?

Service Manager: Stuart Anstead

Date: 8 December 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Corporate Services
Service area:	Whole directorate
Budget reference:	CSD S5
Budget reduction proposal:	Internal Support Services - Review of operational staffing and support costs
Budget saving for this financial year:	£100,000

Description of the proposal:

To review and reduce the costs of internally managed teams who provide support services.

Summary of changes

A review of the staffing and support costs has been undertaken for services and changes will be made to the budgets which align them to actual levels of cost and activity.

Examples of changes include;

- reducing the mileage and travel budgets as these sums are not being fully spent following changes to new ways of working;
- reducing other supplies and services budgets (e.g. conferences) as a lot of professional networking, conference activity and broader learning and development is being provided online at lower costs;
- an increase in the turnover factor from 4% to 5% for internal support service teams to better reflect recruitment profiles and timescales across the directorate; and
- a review of starters and leavers to align staffing budgets to the current establishment.

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

N/A

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There should be no impact on customers either internally or externally

Please describe how you will communicate these changes to your customers
N/A

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected. Please state whether they are vacant or filled permanently or temporarily.

Although there will be no direct impact on current staff within this proposal, the increased vacancy management targets may result in slightly longer periods before recruitment activity is completed.

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

<u>Service area</u>	<u>Value of saving</u>
<hr/>	
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

The proposals will be consistently applied to all teams who manage and deliver internal support services within the corporate services directorate.

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed?

Service Manager:

Amy Webb

Date:

24th November 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Corporate Services Directorate
Service area:	Corporate Finance
Budget reference:	CSD S6 and S7
Budget reduction proposal:	Reductions in Former Employees Pension Costs & Premises
Budget saving for this financial year:	£50,000 and £50,000

Description of the proposal:

To reduce the expenditure budgets associated with former employees and operational buildings.

Summary of changes:

The council's revenue budget currently has provision of approximately £1.5m to cover the costs associated with employees leaving, or those that have historically left the organisation.

The majority of the budget relates to ongoing pension related costs of former employees and it is this cost which reduces naturally over time as the council's obligations cease. The savings proposal does not relate to a change in policy or approach, it reflects the realignment of the budget mapped to actual levels of cost.

The savings proposal also seeks to realign the budgets associated with the council's operational building costs that are likely to be incurred in the future following changes to the way the council works and how services are delivered.

The Covid-19 pandemic has shown that there are different ways of working and that it is not necessary for staff to attend the office as much, which means that there have been some natural efficiencies associated with the buildings and it has not been necessary to incur as much cost – this change of approach also supports the council's vision for climate change. It is

anticipated that the new ways of working will continue into the future and become part of the council's updated target operating model.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment?

CSD S8 – 2021/22 MTFP budget reduction proposal to reduce pension costs

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

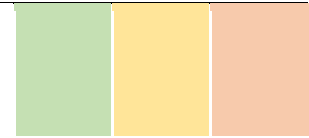
+ = Positive, = = Neutral, - = Negative

Impact Level

Impact type

	H	M	L	N	+	=	-
Disabled people				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing.				X		X	

Please specify:



3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There should be no impact on customers either internally or externally

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected. Please state whether they are vacant, or filled permanently or temporarily.

Although there are no posts effected by this proposal, the council's New Ways of Working will impact upon the way that our employees work, any equality impacts of this are being given careful consideration through the development of the Council's Accommodation Strategy.

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
	Total

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

N/A

Is a further detailed equality impact assessment needed?

Yes

No

If 'yes', when will the further assessment be completed?

N/A

Service Manager:

Melanie Watts

Date:

24 November 2021

Medium Term Financial Plan

Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Corporate Services Directorate
Service area:	Corporate Finance
Budget reference:	CSD S8 and S9
Budget reduction proposal:	Increase in investment interest following rise in market rates AND Reduction in debt costs and charges (Avon Loan Debt & RIF)
Budget saving for this financial year:	£281,000 (£162,000 and £119,000)

Description of the proposal:

The council will seek to achieve a net reduction in the amount it pays for its capital financing costs and also increase the investment yields it achieves on its external investments.

Summary of changes:

The council currently generates interest on its surplus cash balances by investing these sums in accordance with the approved treasury management strategy – it is anticipated that more income could be generated through a combination of rising bank interest rates and also changes within levels of cash-flow and the portfolio mix.

The council has a series of long-term loans which have been taken out in previous years to finance expenditure charged to the capital programme, which are largely fixed in terms of both interest rate and repayment period. The revenue budget is charged with the associated capital financing costs, which include the annual interest payable to the lender, as well as a sum set aside in respect of the repayment of the principal sums. The council is also responsible for a share of the long-term debt balance for the former Avon County Council, which is managed by Bristol City Council. Both of these debt balances show that some loans will mature in future years which will reduce the charge to the annual revenue budget.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment?

CSD S27 – 2020/21 MTFP budget reduction proposal to reduce borrowing costs

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There should be no impact on customers either internally or externally

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected. Please state whether they are vacant, or filled permanently or temporarily.

N/A

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
<hr/>	
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

N/A

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed? N/A

Service Manager: Melanie Watts

Date: 24 November 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Corporate Services Directorate
Service area:	Corporate Finance
Budget reference:	CSD S10
Budget reduction proposal:	Transformation initiatives relating to contracted support services
Budget saving for this financial year:	£75,000

Description of the proposal:

To reduce expenditure across the directorate following the implementation of projects within the directorate transformation programme.

Summary of changes:

Over the past 18 months the Covid-19 pandemic has shown that there are many different ways of working to deliver services and so change that was previously considered as difficult to implement or potentially not possible, has been delivered and potentially at a much faster pace than would have been thought possible.

The directorate has therefore developed a series of individual projects aimed at delivering change, efficiencies and improvements within its services. These projects form the basis of the directorate priorities for the year ahead and have been categorised into the following themes as part of its overarching transformation programme;

- Digital and ICT strategy
- Customer and communications
- Smarter working
- Information management and data insight
- Service reviews
- People's strategy

Several of the projects link with each other and so there are dependencies and cross cutting benefits, although the outcomes for each project vary, which means that some of the benefits will unlock operational capacity (e.g.

smarter working and people's services proposals), whilst others will bring cashable savings (e.g. digital proposals).

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

N/A

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level

Impact type

	H	M	L	N	+	=	-
Disabled people			X				X
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income			X				X
People in particular age groups			X				X
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	

Other specific impacts, for example: carers, parents, impact on health and wellbeing.

Please specify:

X

		X	
--	--	---	--

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

The projects within the transformation programme are aimed at improving customer experiences, whether that be internal or external customers. Examples include; implement changes to MyAccount, introduction of Chatbox facilities, improving the council's website, updating the corporate training database system.

However, we are aware of the potential for a negative impact on some of our customer groups including disabled people, those who are older and who may have a low income so each project listed in the Summary of Changes will be subject to a separate Equality Impact Assessment as the project develops to ensure thorough analysis and consideration of mitigating actions is taken.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected. Please state whether they are vacant, or filled permanently or temporarily.

N/A

5. Consolidation savings

Please complete for medium or high impact areas

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

<u>Service area</u>	<u>Value of saving</u>
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

N/A

Is a further detailed equality impact assessment needed?	Yes	No
If 'yes', when will the further assessment be completed?	N/A	

Service Manager:

Melanie Watts

Date:

24 November 2021

Equality Impact Assessments

2022/23 Medium Term Financial Plan

Place Directorate – December 2021

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Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Recycling and Waste
Budget reference:	PD S1
Budget reduction proposal:	Increase of recycling materials income
Budget saving for this financial year:	£500,000

Description of the proposal:

From 27 March 2021, NSC are now, via North Somerset Environment Company (NSEC), financial responsible for the sale of recycling material collected by kerbside collections and at the Household Waste Recycling Centres. The budget for this was set at a time when the value of recycling materials was at a low point and since this time, prices have risen and NSEC have successfully managed the processing of materials to achieve a higher price. This proposal is based on the expectation that the recycling market will continue to be buoyant during 22/23 with prices paid for recycling material will further increase by the budget saving amount

Summary of changes:

There are no changes being made to the existing process other than NSEC will continue to try and achieve above market prices for the sale of material and further refine the processing on site to maximise prices paid.

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There is no impact or changes required within any of these groups. The proposal is solely to do with prices paid for recycling material.

Please describe how you will communicate these changes to your customers

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed?

Service Manager: Colin Russell
Date: 13 December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Recycling and Waste
Budget reference:	PD S2
Budget reduction proposal:	Re-base garden waste income budget to align to actual levels
Budget saving for this financial year:	£230,000

Description of the proposal:

Charging for garden waste collections were introduced from 1 April 2021 and subject to an EIA. This proposal recognises the realignment of the budget for 22/23 (compared to 21/22) recognising the likely number of households signing up and changes to early bird discount, which was for the first year only.

Summary of changes:

Re-alignment of the budget to take account of numbers of households expected to sign up and removal of early bird discount which was for year 1.

Is this a continuation of a previous medium-term financial plan saving?

No **Yes**

If yes, please insert reference number and year of assessment?

DE10 21/22

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income			X				X
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

The group impacted is likely to be those in the low-income group but these residents will be eligible for payment relief at the same rate as their council tax relief.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

<<Text here>>

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? No Yes

If 'yes', when will the further assessment be completed?

When next year's low income discount is proposed, the EIA will form a part of the approval process.

Service Manager:

Colin Russell

Date:

13 December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Highways & Transport
Budget reference:	PD S4
Budget reduction proposal:	Use income from permit scheme to fund existing staff
Budget saving for this financial year:	£50,000

Description of the proposal:

The permit scheme was introduced in 2020/21 which generated income in order to enhance the management and co-ordination for works on the highway networks. Some of the activity is being delivered by existing posts, it is therefore appropriate for their time to be funded through the income generated as opposed to the existing revenue budget.

Summary of changes:

A change in the way staff are funded.

Is this a continuation of a previous medium-term financial plan saving?

Yes

No

If yes, please insert reference number and year of assessment?

DE13 2020/21

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X			
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X			

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

It is not anticipated that this proposal will have any impact on any customers.

Please describe how you will communicate these changes to your customers
N/A

4. Staff equality impact summary

Are there any staffing implications for this proposal? No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

N/A

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

No change to service provision or reduction in staffing structure.

Is a further detailed equality impact assessment needed? Yes
No

If 'yes', when will the further assessment be completed? N/A

Service Manager:

Darren Coffin-Smith

Date:

6th December 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Place
Service area:	Neighbourhoods and Transport
Budget reference:	PD S7
Budget reduction proposal:	Revisit safe Home to Schools Transport routes
Budget saving for this financial year:	£100,000

Description of the proposal:

The continuation of the review and implement safe walking routes in compliance with the adopted North Somerset Council Home to School Transport policies.

To improve the Safe Walking Routes in the following school areas; Broakoak, Churchill, St Anne's, Wraxall and Wrington.

Summary of changes:

To implement the following to enable a Safe Walking Route to school and to reduce the need for school transport.

Broakoak - Increase footway width to at least 2m average with construction of new footway

Churchill - A PROW over fields crossing Sandmead Rhyne connecting onto Churchill Green, for access through to Churchill Academy. Provide missing links of footway between Sandford & Churchill along A368 Dinghurst Rd. This will result in continuous footway link, a Safe Route to School between the two villages

(PROW, Sandmead Rhyne & Churchill Green): land negotiation and purchase on Churchill Green

(A368 Dinghurst Rd): Progress legal work to secure land through (CPO) for the missing link of footway along A368 Dinghurst Road between Sandford and Churchill.

Design work required on Hill Rd part of route between Winscombe & Sandford.

St Anne's - Increase footway width to at least 2m average with maintenance (approx. 300 – 400mm gained) and increase in width by a further (600mm – 700mm)

Wraxall - Provide, virtual footway or footway in hedge row or on road

Wrington - Provide, virtual footway or footway on roads.

Is this a continuation of a previous medium-term financial plan saving? Yes

If yes, please insert reference number and year of assessment?

2021/22

DE7

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level

Impact type

	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income			X			X	
People in particular age groups			X		X		
People in particular faith groups				X		X	

People who are married or in a civil partnership	X		X	
Transgender people	X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify: Health and wellbeing	X	X		

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

It is anticipated that the implementation of Safe Walking Routes will have positive health impacts for both parents and children.

Students with additional needs will continue to receive transport in accordance with our application and award processes. This increases the available resources for those that need transport assistance.

The impacts are on parents/carers who currently have transport that will need to consider the accompaniment of their children to school. If this is not possible parents and carers have the opportunity to present their circumstances to the council for consideration alongside our Home to School Transport policy.

Please describe how you will communicate these changes to your customers

Where established routes could be affected, a consultation will be held with stakeholders and due notice will be given ensuring students and communities are aware of any planned changes. The Council will engage with schools and community council/parish councils to collectively agree a robust and effective communications strategy that is tailored towards those communities concerned

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes **No**

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

<u>Service area</u>	<u>Value of saving</u>
<hr/>	
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed?

Yes

No

If 'yes', when will the further assessment be completed?

As each safer walking scheme is developed it will be subject to an Equality Impact Assessment and consultation with stakeholders.

Service Manager:

Huw Jones

Date:

15th December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23



Please add content where << XXX >> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Transport Planning
Budget reference:	PD S8
Budget reduction proposal:	Safer roads initiatives (additional sites meeting criteria)
Budget saving for this financial year:	£30,000

Description of the proposal:

This proposal will focus on bus lane enforcement cameras based upon either road safety or the impact on bus services.

Summary of changes:

There are currently eleven bus lanes that we will consider for camera enforcement based upon traffic survey data, impact on bus services and/or safety considerations. We propose a phased approach to consider safety related schemes such as Worle interchange, ASDA junction, and the new bus interchange in W-s-M centre followed by major arterial route hotspots such as A369, long Ashton bypass and Congresbury. Other sites would arise out of further phases and review

The affected areas of highways are existing bus lanes and gated areas in North Somerset, that will be enforced by Camera technology as a more stringent deterrent, to the abuse of bus lanes and the subsequent impact on bus efficiency and safety.

The proposal is to implement Industry standard ANPR enforcement technology on existing bus lanes and future critical bus infrastructure, this approach is now mandated by the secretary of state as part of the annual Bus Service Improvement Plans (BSIP) in support of the new 'Bus back better' national bus strategy'.

Buses are recognised as the most effective mass transit system, supporting some of the most vulnerable people in society to access Employment, Education, Health, Retail and Leisure facilities. Robust enforcement of traffic restrictions can bring benefits for buses through less congestion.

Is this a continuation of a previous medium-term financial plan saving?

Yes No

If yes, please insert reference number and year of assessment?

2019/20

DE18

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level

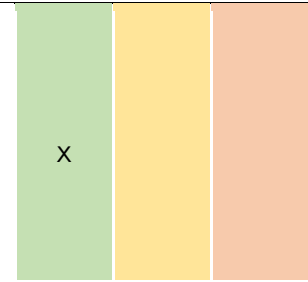
Impact type

	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)			x		x		
People from different ethnic groups				x			
Men or women (including those who are pregnant or on maternity leave)			x		x		
Lesbian, gay or bisexual people				x			
People on a low income			x		x		x
People in particular age groups				x			
People in particular faith groups				x			
People who are married or in a civil partnership				x			
Transgender people				x			

Other specific impacts, for example: carers, parents, impact on health and wellbeing.

x

Please specify: Journeys to school



3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

The impacts reflect that the identified groups are more likely to make use of public transport.

Benefits include:

- Home to school transport safety of those using the bus and significant improvement on bus timescales
- Clean air improvements if we develop a scheme linked to Ultra-Low Emission Vehicles (proposed green number plate) providing possible reduction in Internal Combustion Engine car usage and congestion.
- Stabilisation and preservation of bus network (otherwise at risk due to congestion)
- Improving bus services and accessibility advantages some of the most disadvantaged in society including those on low incomes and disabled people.

Negative impacts:

- Fines for misuse of bus lanes may disproportionately impact those on lower incomes.

The introduction of a more robust enforcement approach to the dedicated road space for public buses, has a wider benefit to those who most rely on the bus as a primary mode of transport, and those who could transition to more sustainable forms of transport in future years. Delays to buses often cause anxiety and impact on the reputation and efficiency of the bus services, this in turn effects those who use it as a primary mode of travel statistically this tends to be the young, elderly disabled, habitually resulting in a higher dependency on single occupancy trips or car

Please describe how you will communicate these changes to your customers

In advance of camera enforcement being switched on, the change will be communicated via the NSC website, press release, social media, local

councillors and town/parish councillors. A short period of soft-enforcement would be applied when enforcement goes live.

4. Staff equality impact summary

Are there any staffing implications for this proposal? **Yes** **No**

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

The processing of fines associated with any contraventions will require additional resource to manage, this is anticipated in the scheme to be cost neutral and achievable within overall resource levels.

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

<u>Service area</u>	<u>Value of saving</u>
<hr/>	
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

The Council has recently published its Bus Service Improvement Plan in response to the Government's National Bus Strategy.

Buses are the most effective mass transit mode and support the accessibility of some of the most vulnerable people in our communities to access schools, employment, education, health, leisure and commercial opportunities. Robust enforcement of traffic restrictions can bring benefits for buses through less congestion, providing more reliable journey times.

Bus prioritisation is critical to addressing the council's declared climate emergency and to offer people improved modal choices for their transport around North Somerset.

Is a further detailed equality impact assessment needed?	Yes	No
If 'yes', when will the further assessment be completed?		
applicable	not	

Service Manager:	Bella Fortune
Date:	14 December 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

**Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.**

1. The Proposal

Directorate:	Place
Service area:	Weston Placemaking Programme
Budget reference:	PD S9
Budget reduction proposal:	Events programme to become cost neutral or minimal support
Budget saving for this financial year:	£65,000

Description of the proposal:

To withdraw NSC subsidy for the strategic events programme

Summary of changes:

To remove £65,000 budget towards the cost of events in Weston and replace with increased income from events.

This would be achieved through a phased increase in events charges, seeking to increase NSC's share of profits from large and major events and by adding more, larger events to the event programme.

Increased charges are likely to be felt most in Weston-super-Mare as the location for the majority of major events sponsored by NSC.

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income			X				X
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

No direct impact on NSC service users.

However, the proposed changes may result in the introduction / increase of charges, so a potential impact on those on a low income. This may impact on visitor numbers and / or the visitor experience.

Please describe how you will communicate these changes to your customers.

Depending on the way in which changes are introduced a communications plan would be developed as part of the wider events programme delivery.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes **No**

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

None

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

<<Text here>>

Is a further detailed equality impact assessment needed? Yes **No**

If 'yes', when will the further assessment be completed?

Service Manager:

Alex Hearn

Date:

6th December 2021

**Medium Term Financial Plan
Initial Equality Impact Assessment 2022/23**

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Building Control
Budget reference:	PDS10
Budget reduction proposal:	Introduce a break- even policy for Building Control
Budget saving for this financial year:	£20,000

Description of the proposal:

Prioritise activities and projects that increase the Building Control teams share of the competitive market and therefore income, by enticing customers away from Approved Inspectors (AIs)

Summary of changes:

No operational procedural changes are required. Management team to prioritise existing commercial marketing activities.

Is this a continuation of a previous medium-term financial plan saving?

No

Yes

If yes, please insert reference number and year of assessment?

n/a

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:						X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

The proposal is to improve and focus on existing marketing activities and therefore increase market share. There would be no change to the service offered to all our customers and therefore no impact.

Please describe how you will communicate these changes to your customers
Not required

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes
No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

n/a

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
<hr/>	
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

<<Text here>>

Is a further detailed equality impact assessment needed? Yes **No**

If 'yes', when will the further assessment be completed?

Service Manager:

Jason Beale

Date:

14th December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Highways & Transport
Budget reference:	PD S13
Budget reduction proposal:	Parking Charges Review
Budget saving for this financial year:	£150,000

Description of the proposal:

Parking charges review including adjustments to parking fees and charges.

Summary of changes:

The existing car park charges will be reviewed, and changes will be made to ensure an appropriate level of charge to take into account inflation.

Final charging levels will be subject to an executive report and a full EIA impact will be completed at that point.

Is this a continuation of a previous medium-term financial plan saving?

Yes **No**

If yes, please insert reference number and year of assessment?

N/A

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X			
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income			X				X
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X			

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

Any increase in charging is likely to disproportionately impact those on a low income. The impact is minimised as the proposed changes will be minimal and will be at a reasonable level.

Please describe how you will communicate these changes to your customers
The charges will be displayed in the car park sites and on the council website and social media channels.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes
No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

The parking charges have not been increased in line with inflation for a number of years. The proposed increases are minimal and reasonable and will be clearly displayed at the sites that they are relevant.

Is a further detailed equality impact assessment needed?

No

Yes

If 'yes', when will the further assessment be completed?

Before changes are authorised by the executive.

Service Manager:

Gemma Dando

Date:

17th December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Integrated Transport Unit
Budget reference:	PD S14
Budget reduction proposal:	Concessionary Fares Budget – Reduced Patronage
Budget saving for this financial year:	£50,000

Description of the proposal:

Demand for number of concessionary fares has significantly reduced as a result of the global pandemic. This saving is based on a lower level of customers travelling on public transport and making use of this statutory scheme. There is no impact on the number of journeys available/cost to the customer etc.

Summary of changes:

The budget is explicitly linked to demand on public bus services, which remains suppressed due to the global pandemic, and is not expected to recover or exceed previous demand for the next 12 months.

Is this a continuation of a previous medium-term financial plan saving?

No **Yes**

If yes, please insert reference number and year of assessment?

DE12 2020/21

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X			
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X			

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There is no change to entitlement, the budget is linked to demand, in the unlikely event the demand rises the council would be required to meet the costs of the scheme. The demand remains suppressed and in decline due to local market conditions, and the effects of the global pandemic. The council is requested to continue to pay pre-pandemic levels of patronage by the DFT as a condition of additional grant support. (adjusted for expected decline in demands)

Please describe how you will communicate these changes to your customers
 No communication required since this is purely a budget adjustment

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes
No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

None

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

The reduction is to reflect reductions in the anticipated demand only.

Is a further detailed equality impact assessment needed?

Yes

No

If 'yes', when will the further assessment be completed?

N/A

Service Manager:

Colin Medus

Date:

6th December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Cross directorate
Budget reference:	PD S15
Budget reduction proposal:	Reduction in Staff Travel Budgets
Budget saving for this financial year:	£25,000

Description of the proposal:

The Directorate is looking to reduce the existing staff travel budgets since there has been a change in working practices due to the pandemic, some of these changes are expected to continue after the pandemic is over so the current level of travel budgets will not be required.

Summary of changes:

Reduction in the existing staff travel budgets.

Is this a continuation of a previous medium-term financial plan saving?

No **Yes**

If yes, please insert reference number and year of assessment?

DE19 2020/21

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X			
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X			

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

If 'yes', when will the further assessment be completed?

N/A

Service Manager:

Lucy Shomali

Date:

6th December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Street Lighting
Budget reference:	PD S16
Budget reduction proposal:	Reduction in Utility Costs due to rollout of LED
Budget saving for this financial year:	£40,000

Description of the proposal:

To reduce the street lighting budget by £40,000.

Summary of changes:

Existing streetlights are being replaced with lower energy LED lighting units consequently resulting in a cost saving.

Is this a continuation of a previous medium-term financial plan saving?

No

Yes

If yes, please insert reference number and year of assessment?

DE20 2019/20

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X			
People from different ethnic groups				X			
Men or women (including those who are pregnant or on maternity leave)				X			
Lesbian, gay or bisexual people				X			
People on a low income				X			
People in particular age groups				X			
People in particular faith groups				X			
People who are married or in a civil partnership				X			
Transgender people				X			
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X			

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

The planned replacement of North Somerset's existing street lighting stock with LED technology will result in a significant reduction in energy usage. There is no expected impact on customers as a result of this budget proposal.

Please describe how you will communicate these changes to your customers

No communication required

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes
No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

None

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

To reduce budgets in line with reduction in costs.

Is a further detailed equality impact assessment needed? Yes
No

If 'yes', when will the further assessment be completed?

N/A

Service Manager:

Darren Coffin-Smith

Date:

6th December 2021

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place
Service area:	Recycling and Waste
Budget reference:	PD S17
Budget reduction proposal:	Increase in income levels, e.g. public conveniences
Budget saving for this financial year:	£15,000

Description of the proposal:

Charging for the use of NSC's public conveniences on the seafront has been in place since October 2013 and a detailed EIA was carried out at this time. Due to increased usage of conveniences this year, a surplus £15,000 revenue is forecast and this is expected to continue for next year as well.

Summary of changes:

There are no changes in the way these conveniences are operated.

Is this a continuation of a previous medium-term financial plan saving?

No

Yes

If yes, please insert reference number and year of assessment?

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

There are no changes in the way these conveniences are operated.

Please describe how you will communicate these changes to your customers

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

<<Text here>>

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Is a further detailed equality impact assessment needed? Yes No

If 'yes', when will the further assessment be completed?

Service Manager: Colin Russell

Date: 13 December 2021

Equality Impact Assessments

2022/23 Medium Term Financial Plan

Public Health and Regulatory Services – December 2021

Contents

Budget Reference	Description	Page
PH S1	Review of operational staffing budgets within public health and regulatory services and align to external funding opportunities	160

Medium Term Financial Plan Initial Equality Impact Assessment 2022/23

Please add content where << XXX>> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Public Health and Regulatory Services
Service area:	Regulatory Services
Budget reference:	PH S1
Budget reduction proposal:	Review of operational staffing budgets within public health and regulatory services and align to external funding opportunities
Budget saving for this financial year:	£32,000

Description of the proposal:

The savings will be delivered through minor adjustments across a range of revenue budgets across regulatory services to make up the £32,000 budget target. This can be managed as part of additional investment from the public health budget in these areas of work that target health improvement and health protection outcomes. Investment in streamlined ways of working, including use of a new case management operational system, will create efficiencies across the service areas that will deliver savings.

Summary of changes:

- £6,500 saving from Environmental Protection
- £6,500 saving from Licensing
- £6,000 saving from Trading Standards
- £6,500 saving from Food and Safety
- £6,500 saving from Private Rented Housing

Is this a continuation of a previous medium-term financial plan saving?

No

Yes

If yes, please insert reference number and year of assessment?

n/a

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people (Including consideration of neurodiversity)				X		X	
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)				X		X	
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups				X		X	
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify:				X		X	

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

Investment in streamlined ways of working, including use of new operational systems, will create efficiencies across the service areas that will deliver savings.

Please describe how you will communicate these changes to your customers

Not required as no service impacts will be experienced. A new case management operational system that will be established in 2022/23 will benefit the customer experience across all cohorts.

4. Staff equality impact summary

Are there any staffing implications for this proposal? Yes
No

Explanation of staff impact

If yes, please describe the nature of the impact, including how many posts could be affected, please state whether they are vacant, or filled permanently or temporarily.

n/a

5. Consolidation savings

Please complete only for medium or high impact areas.

Does this budget saving include many service areas/savings/projects?

If so, please identify the areas included in this proposal that could potentially have a medium or high impact for equality groups

Service area	Value of saving
Total	

6. Review and Sign Off

Service Manager Review

Insert any service manager comments here:

Explanation provided above.

Is a further detailed equality impact assessment needed? Yes
No

If 'yes', when will the further assessment be completed?

n/a

Service Manager:

Matt Lenny

Date:

3 December 2021

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North Somerset Council

Report to the Council

Date of Meeting: 15 February 2022

Subject of Report: Revenue Budget Update and Council Tax Setting for 2022/23

Town or Parish: All

Officer/Member Presenting: Councillor Ashley Cartman, Executive Member for Corporate Services

Key Decision: N/A

Reason: Not an Executive Decision

Recommendations

That Council:

1. Approves the 2022/23 net revenue budget for North Somerset Council services of £179.090m; and the Council Tax Requirement of £185.475m, being the value including town and parish council precepts, as set out in Appendix 1.
2. Approves the directorate gross income and expenditure budget allocations as detailed in the body of the report and as set out in Appendix 1.
3. Approves the council tax charges for 2022/23 in accordance with the formal Resolution as set out in Appendix 2:
 - a. which provides for an average Band D council tax charge in respect of North Somerset Council services for 2022/23 of £1,549.16, plus special expenses, where such charges apply, giving an overall charge of £1,550.03
 - b. and provides for other major preceptors being, the Avon Fire Authority, the Police and Crime Commissioner for Avon and Somerset and the town and parish councils

This represents an increase for North Somerset Council services of 1.99% on the general level council tax, and a 1% charge in respect of an adult social care precept.

4. Approves the refreshed Pay Policy for 2022/23 in accordance with the details set out in Appendix 5.

1. Summary of Report

This report provides details of the final North Somerset Council revenue budget and sets out the framework required to approve the resultant recommended level of council tax for the financial year 2022/23.

North Somerset Council is the billing authority for the North Somerset area and must therefore arrange to set a **total** council tax charge which includes the following component parts:

- Precept for North Somerset Council – as noted above
- Precepts and Special Expense charges for Local Town Councils
- Precept from Avon Fire Authority
- Precept from the Police and Crime Commissioner for Avon and Somerset

At the time of writing this report, information relating to the Avon Fire Authority precept and the final Environment Agency levy have not yet been received, which means that it is not possible to present a confirmed 'total' council tax charge for the 2022/23 financial year.

However, indicative sums have been included within this draft report to enable readers to understand the potential level of council tax which could be levied for next year. The indicative value for the Fire Authority has been based upon the capping limits included within the local government finance settlement, and therefore represent a potential maximum level of charge and the values included for the Environment Agency are provisional values which will be considered at their budget setting meeting.

An updated paper will be presented in advance of the meeting which will include the actual precept requests from the organisations listed above. As a consequence, the revised report will also include the **final total** council tax charge for 2022/23.

The updated information will appear in several sections of the updated report:

- Section 3.4 – revenue budget components
- Section 3.5 – levies
- Section 3.6 – council tax requirement
- Section 3.7 – major preceptors' values
- Section 3.8 – council tax proposals
- Appendix 1 – revenue budget 2022/23
- Appendix 2 – council tax Resolution
- Appendix 4 – summary of local council tax charges

2. Policy

The Local Government Finance Act 1992 (Section 30) requires the North Somerset Council to set a balanced budget before the 11 March in the financial year, preceding the year ahead. The budget must be supported by detailed estimates of its expenditure for the coming year and of the resources that will be available to meet this expenditure. The resources not only include income from rents, fees and charges and any available balances, but also external grant income and collection fund precepts.

Section 40 of the 1992 Act requires all major precepting authorities to issue a precept on the Collection Fund before 1 March in the financial year, preceding the year-ahead.

As the billing authority for the area of North Somerset, the Council is required to set a council tax for each category of dwelling in its area, for the financial year commencing on 1 April 2022.

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 and requires the billing authority to calculate a Council Tax Requirement for the year.

The Local Audit and Accountability Act 2014 further amended The Localism Act 2011 and requires that levies are included in the calculation of the 'Relevant Basic Amount' which determines whether council tax has risen sufficiently to trigger a referendum.

3. Details

3.1 Proposed Revenue Budget for North Somerset Council 2022/23

A report on the council's draft revenue budget 2022/23 was considered by the Executive at its meeting on the 2 February 2022.

The draft revenue budget, excluding the town and parish council precepts, totalled £179.088m, and was fully financed by resources thereby presenting a balanced budget for the forthcoming financial year.

Members will recall that the resources included within the draft revenue budget reflected the council's funding allocations as detailed within the *provisional* local government finance settlement, which were released in December 2021.

The report recommended that Council increase council tax by 1.99% in 2022/23 to help meet the increasing demand and costs of front-line council services, and also that Council approve a 1% Adult Social Care Precept for 2022/23 to contribute towards meeting the growth and increasing costs of adult social care.

3.2 Changes to the Revenue Budget

There have been no material changes to the value of the council's revenue budget for next year, although there are some minor roundings to previously estimated values, as well as some presentational changes due to the realignment of resources across council wide services.

The final revenue budget for **North Somerset Council** services will be **£179.090m**, and £185.475m, including the town and parish council precepts.

The allocation of the budget across services areas is presented within Appendix 1, along with confirmation on the council's funding sources.

3.3 Final Local Government Finance Settlement

The finance settlement for local government broadly comprises of the general grants such as the Revenue Support Grant and New Homes Bonus as well as other specific grant funding allocated by the government for important service priorities such as adult social care. It is also used to confirm the council tax referendum principles for the year ahead.

An indicative or provisional settlement is usually issued in December each year, with the final settlement being released or debated by the government in January or February.

At the time of writing this report, the final settlement had not yet been published. It is not expected that the final settlement will propose any material change from the provisional settlement in respect of the referendum principles or resource allocations. As a result, the specific grant allocations for North Somerset remain the same as those included within the budget report presented to the Executive at the meeting on 2 February.

3.4 Components of the Revenue Budget for North Somerset Council

As noted above, the total **net budget of £179.090m** for 2022/23 has been allocated to a range of council services. The council is required to gross up all of its budgets when setting and approving its council tax for the year ahead to show the total amount of expenditure and income for the year ahead. The allocations of the council's gross expenditure and income, which will be included within the formal council tax Resolution, are shown the table below.

REVENUE BUDGET			
	2022/23 Net Budget	Gross Expend	Gross Income
	£	£	£
Adult Social Services	75,157,608	113,918,153	-38,760,545
Children's Services	26,988,857	37,182,224	-10,193,367
Schools Budgets	0	53,785,505	-53,785,505
Place Directorate	29,919,807	56,537,240	-26,617,433
Corporate Services	27,552,807	80,194,547	-52,641,740
Public Health & Regulatory Services	1,374,160	16,037,344	-14,663,184
Capital Financing and Interest	11,207,000	15,188,590	-3,981,590
Other, including Non Service & Contingency	5,935,758	7,232,738	-1,296,980
Sub Total - North Somerset Council Services	178,135,997	380,076,341	-201,940,344
Special Expenses	69,410	177,370	-107,960
Levy - Environment Agency	299,558	299,558	0
Special Levy - Drainage Boards	585,526	585,526	0
Sub Total - Expenses and Levies	954,494	1,062,454	-107,960
Total - North Somerset Council Services	179,090,491	381,138,795	-202,048,304
Town and Parish Precepts	6,384,339	6,384,339	0
TOTAL BUDGET REQUIREMENT 2022/23	185,474,830	387,523,134	-202,048,304

3.5 Levies

The council's proposed revenue budget includes the levies of the Environment Agency and Internal Drainage Boards, the costs of which sit outside of the council's direct control. The council has not yet received formal confirmation of the Environment Agency Levy, although a provisional value has been provided and included within the report.

Levies and Precepts (£)	2021/22		2022/23	
	Levy	Band D charge	Levy	Band D charge
Environment Agency Levy (provisional)	293,268	3.72	299,558	3.75
Internal Drainage Boards	575,127	7.30	585,526	7.33
Totals	868,395	11.02	885,084	11.08
Taxbase	78,738.9		79,926.8	

The council is required to show these amounts separately because in order for the government to determine whether an authority has approved a council tax rise which necessitates the requirement for a local referendum, it includes these levy requests within its formal calculations. This calculation is known as the Relevant Basic Amount (RBA).

3.6 North Somerset Council Tax Requirement

The net revenue budget presented to Council for approval for North Somerset Council, including the precepts for town and parish councils and special expenses, totals **£185,474,830**. Together these values form the Budget Requirement and are used in the statutory calculation of the council's council tax precept on the Collection Fund. A copy of the prescribed calculation is shown at Appendix 1.

3.7 Precepts from Other Bodies

In its role as the billing authority, the council is also required to collect the council tax requirement of other precepting authorities who use this money to fund their budgets. Information on each of the major precepting bodies is shown below:

- Appendix 3 provides a full listing of all **town and parish precepts** which total £6,384,339.03. The average Band D town and parish precept has risen from £77.55 to £79.88, an increase of 3.0% from 2022/23.

There are six parish councils within the listing which have percentage increases on their precepts which are greater than 10%, although none of the cash increases are considered material. These are:

Local Council	2021/22 Precept	2022/23 Precept	Increase (£)	Increase (%)
Burrington	£3,000	£6,250	+£3,250	+108.3%
Churchill	£69,022	£82,565	+£13,543	+19.6%
Kenn	£6,000	£7,000	+£1,000	+16.7%
Loxton & Christon	£3,500	£4,500	+£1,000	+28.6%
St Georges	£18,165	£28,100	+£9,935	+54.7%
Wick St Lawrence	£17,000	£21,500	+£4,500	+26.5%

Town and parish council precepts are currently not subject to any form of capping, although this is a position which is reviewed by the government on an annual basis as part of the local government finance settlement considerations.

- The **Avon Fire Authority** is expected to approve their precept on 11 February 2022. This report currently assumes a Band D precept of £77.95, this being an increase of £1.52, or 1.99% from 2021/22. This would produce a total precept of £6,230,294. An update will be provided at the meeting on 15 February when the final precept values will be provided and confirmed.
- The **Police and Crime Commissioner for Avon and Somerset** approved their precept on 1 February 2022. The Band D precept for next year will be £251.20, being an increase of £10.00, or 4.15% from 2021/22, giving a total precept value of £20,077,612.

Further information from major preceptors on how their budgets are made up will be included within the council tax leaflet, which will be available on the council's website in March.

3.8 Council Tax Proposals

The **draft** council tax charge for a Band D property is shown below; this will include the annual charge for North Somerset Council services, as well as those on behalf of other preceptors.

COUNCIL TAX COMPONENTS				
(# denotes currently estimated)	2021/22	2022/23	Movement	
	£	£	£	%
North Somerset Council	1,325.03	1,355.05		
Adult Social Care Precept	167.98	183.03		
Special Expenses	1.00	0.87		
Levy - Environment Agency #	3.72	3.75		
Special Levy - Internal Drainage Boards	7.30	7.33		
Sub-total - North Somerset Council	1,505.03	1,550.03	45.00	2.99%
Town and Parish Council Precepts	77.55	79.88	2.33	3.00%
Police and Crime Commissioner for Avon & Somerset	241.20	251.20	10.00	4.15%
Avon Fire Authority #	76.43	77.95	1.52	1.99%
Total Band D Council Tax	1,900.21	1,959.05	58.84	3.10%

The table above indicates that the Councils' 2022/23 Band D charge, including special expenses, will be **£1,550.03**, and reflects a general council tax increase of 1.99%, which is within the 2% referendum limit and also an increase of 1% in respect of the Adult Social Care Precept. The equivalent figure for the previous year was £1,505.03.

The Band D charges from other preceptors are also shown to provide a total level of charge, although as previously advised, some of these values are indicative and will be updated at the meeting.

Appendix 4 contains details of the draft total council tax requirement for each town and parish precept over the banding groups. These figures may be subject to small roundings, which may occur due to the number of elements that make up the figures.

3.9 Special Expenses

Special expense charges take account of functions carried out by Towns but undertaken by the District council in Town areas. To ensure that taxpayers in the district do not suffer 'double taxation', the costs of the functions are removed from the overall council budget and then allocated to the specific town areas. For 2022/23 only the areas of Clevedon and Portishead will operate special expenses.

3.10 Pay Policy 2022/23

The council understands the importance of ensuring good two-way communications and engagements with staff especially during periods of major change, whether this be through the continued transfer of schools to Academy status or opting for different service delivery models.

Given the scale of the council's financial challenge it is possible that the council's workforce may reduce in some areas over the period of the MTFP, including, in some cases, transferring services to other organisations. We remain committed to do all that we reasonably can to mitigate the need for job losses including, if possible, through redeployment and retraining.

Staff and trade unions will continue to be fully informed and consulted over any budget proposals involving a workforce reduction.

The council updated and approved its Pay Policy Statement in February 2022 for the 2022/23 financial year (subject to any changes being imposed at a national level) and this provides details of the pay policies in place for the council's non-school workforce. The Pay Policy Statement for 2022/23 is attached at Appendix 5.

4. Consultation

The council tax setting report is the statutory report required to be considered by full Council following the approval of the revenue budget, and prior to the start of the financial year. The revenue budget and medium-term financial plan has been subject to ongoing consultation and scrutiny, further details are contained within previous financial reports.

5. Financial Implications

Financial implications are contained throughout the report, and other supporting reports as details under background papers below.

6. Legal Powers and Implications

The Local Government Act 1972 lays down the fundamental principle by providing that every local authority shall make arrangements for the proper administration of their financial affairs, although further details and requirements are contained within related local government finance legislation including those Acts cited above. The setting of the council's budget and the resultant council tax levels for the forthcoming year is an integral part of the financial administration process.

7. Climate Change and Environmental Implications

Climate and environmental related implications continue to be at the forefront of the council's thinking when considering the underlying Corporate Plan and service policies and priorities, as well as detailed investment and savings options.

Specific provision has been made within both the revenue and capital budgets for next year, details of which can be found within the relevant reports presented to the Executive at the meeting in February 2022.

8. Risk Management

In setting the revenue and capital budgets, the council takes full account of a range of factors that could influence the amount of budget required by services, as well as any known key financial risks that may affect its future budget plans.

- Services that have volatile levels of demand or cost are continually analysed to ensure that the most up to date information is included, and should these factors increase beyond budgeted levels, then it may necessitate a further potential change or re-direction of resources in the future. Should any further changes be made to the draft budget, then these would be required to follow the council's financial regulations and subsequently reported through the budget monitoring framework.

- The most significant financial risks are either being explicitly provided for within the draft base budget for next year or can be covered by either the unallocated contingency budget or Working Balances.

Officers will continue to test the impact of varying key assumptions in the medium-term financial strategy to assess the sensitivity of the indicative budget figures. This informs decisions about the overall level of working balances needed to provide assurance as to the robustness of the budget estimates. A detailed assurance statement from the council's Section 151 Officer, covering both a review on the robustness of the proposed revenue budget for 2022/23 and also an assessment on the adequacy of council's reserves, is shown in Appendix 7 of the revenue budget report, which was considered by the Executive at the meeting on 2 February 2022.

A financial risk register linked to the council's medium-term financial considerations is continually reviewed and updated, with impacts reported to the Corporate Leadership Team. The residual uncertainty of local government finance including business rate retention and the fair funding review, as well as the current wider economic conditions continue to feature within the Register as they are likely to have significant impacts on the council's medium-term financial planning forecasts.

9. Equality Implications

Budget proposals included within the recommended budget have been analysed by officers for any equality implications and details of this process and the individual Equality Impact Assessments and any specific implications were published within the Medium Term Financial Plan and 2022/23 Revenue Budget report to the Executive on the 2 February 2022.

10. Corporate Implications

The Corporate Plan and MTFP are vital tools to help align effort across the organisation and ensure that services are all pulling in the same direction. With continuing financial pressures and uncertainty in terms of future funding allocations, it is essential that the councils' limited resources continue to be prioritised and allocated in line with the identified priorities.

11. Options Considered

The council is required to formally approve a revenue and capital budget for 2022/23. This could be undertaken as a stand-alone annual process however, we have adopted, and will try to maintain a multi-year funding horizon and MTFP period which sets the context in which annual budgets are set although this does recognise many of the uncertainties regarding future government funding levels.

Authors:

Amy Webb, Director of Corporate Services & Section 151 Officer
 Melanie Watts, Head of Finance, T: 01934 634618
 Peter Spence, Corporate Accountant (Resources), T: 01934 634816

Appendices:

Appendix 1 Proposed Revenue Budget 2022/23 & Calculation of Council Tax Precept
 Appendix 2 Council Tax Resolution 2022/23
 Appendix 3 Town and Parish Council Precepts 2022/23

Appendix 4 Band Charges per Town and Parish Council 2022/23

Appendix 5 Pay Policy Statement 2022/23

Background Papers:

1. Council Tax Base Setting 2022/23 – CSD108
2. MTFP Update and Revenue Budget 2022/23 – Executive, 2 February 2022
3. Treasury Management Strategy 2022/23 – Executive, 2 February 2022
4. Capital Strategy 2022-2026 and Capital Budget 2022/23 – Executive, 2 February 2022

NORTH SOMERSET COUNCIL REVENUE BUDGET 2022/23

	MTFP Net Budget - February Executive £000	Budget Movements		2022/23 Net Revenue Budget £000	2022/23 Gross I&E	
		Levies & Precepts £000	Other Budget Changes £000		Gross Expend £000	Income £000
Adult Social Services	75,139	0	19	75,158	113,918	-38,761
Children's Services	27,008	0	-19	26,989	37,182	-10,193
Schools Budgets	0	0	0	0	53,786	-53,786
Place Directorate	30,079	-69	-90	29,920	56,537	-26,617
Corporate Services	27,463	0	90	27,553	80,195	-52,642
Public Health & Regulatory Services	1,374	0	0	1,374	16,037	-14,663
Capital Financing and Interest	11,207	0	0	11,207	15,189	-3,982
Other, including Non Service & Contingency	6,819	-885	2	5,936	7,233	-1,297
Sub Total - North Somerset Council Services	179,088	-954	2	178,136	380,076	-201,940
Special Expenses	0	69	0	69	177	-108
Levy - Environment Agency	0	300	0	300	300	0
Special Levy - Drainage Boards	0	586	0	586	586	0
Sub Total - Expenses and Levies	0	954	0	954	1,062	-108
Total - North Somerset Council Services	179,088	0	2	179,090	381,139	-202,048
Town and Parish Council Precepts	0	6,384	0	6,384	6,384	0
TOTAL BUDGET REQUIREMENT 2022/23	179,088	6,384	2	185,475	387,523	-202,048
						185,475

Financing Resources;						
- Govt Grant - Business Rates grants	-12,185	0	0	-12,185	0	-12,185
- Govt Grant - Social Care grants	-8,719	0	0	-8,719	0	-8,719
- Govt Grant - Other grants	-4,521	0	0	-4,521	0	-4,521
- Council Tax Income	-123,887	0	-2	-123,889	0	-123,889
- Business Rates Income	-28,480	0	0	-28,480	0	-28,480
- Other - Collection Fund surplus, deficit and reserve transfers	-1,296	0	0	-1,296	0	-1,296
Sub Total - North Somerset Council Servs	-179,088	0	-2	-179,090	0	-179,090
Town and Parish Council Precepts	0	-6,384	0	-6,384	0	-6,384
TOTAL FINANCING RESOURCES 2022/23	-179,088	-6,384	-2	-185,475	0	-185,475

NORTH SOMERSET COUNCIL PRECEPT ON THE COLLECTION FUND		
	£	£
North Somerset Council's Budget Requirement		178,135,997
Special Expenses for the District		69,410
Special Levy - Environment Agency		299,558
Special Levy - Drainage Board		585,526
Parish & Town Councils Precepts		6,384,339
Sub Total - Net Expenditure incl Special Expenses and Levies		185,474,830
<u>Less:</u>		
Retained Business Rates	28,480,476	
Tariff / Top-Up	2,652,046	
Revenue Support Grant	2,249,992	
New Homes Bonus Grant	2,046,935	
S31 Business Rates Small Business Relief Grant	3,011,571	
S31 Business Rates Threshold Grant	3,181,837	
S31 Business Rates Covid and Other Grant	3,339,273	
Adult Social Care Support Grant	8,095,356	
Market Sustainability and Fair Cost of Care Grant	623,663	
Services Grant (Lower Tier)	224,141	
Est Debit Balance on the Collection Fund - Council Tax	-450,309	
Est Debit Balance on the Collection Fund - Business Rates	-6,306,918	
Contribution from Collection Fund Smoothing Reserve	7,852,781	
Contribution to Collection Fund Smoothing Reserve	-44,958	
Contribution from Covid Collection Fund Smoothing Reserve	245,667	
Sub total - financing resources		55,201,553
North Somerset's Precept on the Collection Fund		130,273,277
	Tax Base 2022/23	79,926.8
North Somerset and Town and Parish Precept Band D Council Tax		1,629.91
North Somerset Precept Band D Council Tax for referendum purposes (excl Parishes and Special Expenses)		1,550.03

COUNCIL TAX RESOLUTION**The Council is recommended to resolve as follows:**

- 1 It be noted that on 31st January 2022 the Council calculated the Council Tax Base for 2022/23:
 - (a) for the whole Council area as **79,926.8** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")] and ,
 - (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix B.
- 2 Calculate that the Council Tax requirement for the Council's own purposes for 2022/23 (excluding Parish precepts and Special Levies) is **£123,888,938**
- 3 That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Act:

a	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils <i>(Gross Expenditure)</i>	387,523,134
b	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act <i>(Gross Income)</i>	257,249,857
c	Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act). <i>(North Somerset Council Tax Requirement, inc. special expenses, town and parish precepts and special levies)</i>	130,273,277
d	Being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). <i>(Band D Council Tax for North Somerset Council including an average of special expenses and town and parish precepts)</i>	1,629.91
e	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C) <i>(Area related expenditure, i.e. town and parish precepts and special expenses)</i>	Precepts 6,384,339.03 Spec Exp 69,410.00 6,453,749.03
f	Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precepts relates. <i>(The Band "D" amount for North Somerset Council excluding "area" related expenditure, i.e. special expenses and town and parish council precepts)</i>	1,549.16
g	The amount of Special Expenses (expressed in Band D)	0.87
h	The total Relevant Basic Amount for North Somerset Council	1,550.03

4 Precepting Authorities

To note that the Police and Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area, as shown in the table below

Precepting Authority	Valuation Bands							
	A	B	C	D	E	F	G	H
Police & Crime Commissioner	167.47	195.38	223.29	251.20	307.02	362.84	418.67	502.40
Fire Authority	51.97	60.63	69.29	77.95	95.27	112.59	129.92	155.90

- 5 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table on the following page, as the amounts of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings.
- 6 The Council's basic amount of Council Tax for 2022/23 is not determined to be excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

This appendix includes indicative figures for Avon Fire Authority and will be updated prior to the meeting if changes are made.

LOCAL COUNCIL PRECEPTS 2022/23

2021/22 Precept £	Local Council	2022/23 Precept Requested £	Band 'D' Equivalent Properties	Local Council Tax Element per Band 'D' Property £	Local Tax 2021/22 £	% Incr / (Dec) %
30,570.00	Abbots Leigh	31,550.00	436.1	72.35	70.55	2.54
134,035.00	Backwell	136,715.00	2,003.3	68.24	67.46	1.17
93,908.00	Banwell	110,785.00	1,289.5	85.91	85.91	0.00
13,500.00	Barrow Gurney	13,500.00	227.9	59.24	59.52	(0.48)
42,000.00	Blagdon	44,221.00	516.1	85.68	81.52	5.10
50,000.00	Bleadon	54,000.00	554.5	97.39	92.00	5.86
5,500.00	Brockley	5,555.00	140.3	39.59	39.20	1.00
3,000.00	Burrington	6,250.00	256.9	24.33	11.61	109.47
3,150.00	Butcombe	3,600.00	121.8	29.56	28.46	3.87
69,022.00	Churchill	82,565.00	1,094.3	75.45	65.56	15.08
6,500.00	Clapton-in-Gordano	6,600.00	188.0	35.11	35.06	0.13
16,655.95	Cleeve	16,656.00	381.0	43.72	43.77	(0.13)
372,761.00	Clevedon	374,228.00	7,850.4	47.67	47.67	(0.00)
115,726.81	Congresbury	124,000.00	1,464.3	84.68	79.87	6.02
12,160.00	Dundry	12,465.00	391.5	31.84	30.53	4.29
28,904.22	Flax Bourton	28,000.00	365.7	76.57	80.47	(4.85)
99,063.00	Hutton	104,016.00	1,124.3	92.52	92.55	(0.03)
6,000.00	Kenn	7,000.00	199.3	35.12	30.69	14.44
46,000.00	Kewstoke	50,000.00	681.4	73.38	66.39	10.53
11,320.00	Kingston Seymour	11,460.00	184.0	62.28	61.66	1.02
106,000.00	Locking	113,000.00	1,312.9	86.07	81.24	5.94
187,250.00	Long Ashton	195,000.00	2,780.9	70.12	68.57	2.27
3,500.00	Loxton & Christon	4,500.00	98.8	45.55	36.08	26.23
525,040.00	Nailsea	567,568.00	6,207.6	91.43	85.05	7.50
107,202.00	Pill & Easton-in-Gordano	111,902.00	1,785.7	62.67	60.48	3.61
775,290.00	Portishead	820,863.00	10,368.4	79.17	75.40	5.01
28,905.50	Portbury	29,500.00	445.7	66.19	65.00	1.83
8,432.00	Puxton	9,366.00	148.9	62.90	59.21	6.23
18,165.00	St. Georges	28,100.00	1,123.4	25.01	16.20	54.39
8,503.66	Tickenham	9,354.03	461.2	20.28	18.52	9.50
5,556.00	Walton-in-Gordano	5,583.00	136.9	40.78	38.42	6.14
6,500.00	Weston-in-Gordano	7,000.00	147.6	47.43	44.10	7.55
2,587,982.00	Weston-super-Mare	2,631,385.00	26,269.2	100.17	100.11	0.06
17,000.00	Wick St. Lawrence	21,500.00	554.0	38.81	30.84	25.83
27,500.00	Winford	28,500.00	998.7	28.54	27.60	3.39
155,000.00	Winscombe & Sandford	174,000.00	2,168.2	80.25	73.33	9.43
44,631.00	Wraxall & Failand	46,417.00	1,166.2	39.80	38.71	2.82
107,000.00	Wroughton	119,481.00	1,259.9	94.83	86.78	9.28
226,814.00	Yatton	238,154.00	3,022.0	78.81	77.52	1.66
6,106,047.14		6,384,339.03	79,926.8	79.88		

LOCAL COUNCIL BANDINGS 2022/23

Town and Parish	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
Abbots Leigh	1,300.44	1,517.19	1,733.92	1,950.66	2,384.13	2,817.62	3,251.10	3,901.32
Backwell	1,297.70	1,514.00	1,730.27	1,946.55	2,379.10	2,811.68	3,244.25	3,893.10
Banwell	1,309.48	1,527.74	1,745.97	1,964.22	2,400.70	2,837.20	3,273.70	3,928.44
Barrow Gurney	1,291.70	1,507.00	1,722.27	1,937.55	2,368.10	2,798.68	3,229.25	3,875.10
Blagdon	1,309.33	1,527.56	1,745.77	1,963.99	2,400.42	2,836.87	3,273.32	3,927.98
Bleadon	1,317.14	1,536.67	1,756.18	1,975.70	2,414.73	2,853.78	3,292.84	3,951.40
Brockley	1,278.60	1,491.71	1,704.80	1,917.90	2,344.09	2,770.30	3,196.50	3,835.80
Burrington	1,268.43	1,479.84	1,691.24	1,902.64	2,325.44	2,748.25	3,171.07	3,805.28
Butcombe	1,271.92	1,483.91	1,695.89	1,907.87	2,331.83	2,755.81	3,179.79	3,815.74
Churchill	1,302.51	1,519.60	1,736.68	1,953.76	2,387.92	2,822.09	3,256.27	3,907.52
Clapton-In-Gordano	1,275.62	1,488.23	1,700.82	1,913.42	2,338.61	2,763.82	3,189.04	3,826.84
Cleeve	1,281.36	1,494.92	1,708.47	1,922.03	2,349.14	2,776.26	3,203.39	3,844.06
Clevedon	1,287.06	1,501.59	1,716.08	1,930.59	2,359.59	2,788.63	3,217.65	3,861.18
Congresbury	1,308.66	1,526.78	1,744.88	1,962.99	2,399.20	2,835.43	3,271.65	3,925.98
Dundry	1,273.44	1,485.68	1,697.91	1,910.15	2,334.62	2,759.10	3,183.59	3,820.30
Flax Bourton	1,303.26	1,520.47	1,737.67	1,954.88	2,389.29	2,823.71	3,258.14	3,909.76
Hutton	1,313.89	1,532.88	1,751.85	1,970.83	2,408.78	2,846.75	3,284.72	3,941.66
Kenn	1,275.62	1,488.24	1,700.83	1,913.43	2,338.62	2,763.84	3,189.05	3,826.86
Kewstoke	1,301.13	1,517.99	1,734.84	1,951.69	2,385.39	2,819.10	3,252.82	3,903.38
Kingston Seymour	1,293.73	1,509.36	1,724.97	1,940.59	2,371.82	2,803.07	3,234.32	3,881.18
Locking	1,309.59	1,527.86	1,746.12	1,964.38	2,400.90	2,837.43	3,273.97	3,928.76
Long Ashton	1,298.96	1,515.46	1,731.94	1,948.43	2,381.40	2,814.39	3,247.39	3,896.86
Loxton	1,282.58	1,496.35	1,710.10	1,923.86	2,351.37	2,778.90	3,206.44	3,847.72
Nailsea	1,313.16	1,532.03	1,750.88	1,969.74	2,407.45	2,845.18	3,282.90	3,939.48
Pill & Easton-In-Gordano	1,293.99	1,509.66	1,725.32	1,940.98	2,372.30	2,803.63	3,234.97	3,881.96
Portishead	1,307.12	1,524.99	1,742.82	1,960.68	2,396.37	2,832.09	3,267.80	3,921.36
Portbury	1,296.34	1,512.40	1,728.45	1,944.50	2,376.60	2,808.72	3,240.84	3,889.00
Puxton	1,294.14	1,509.84	1,725.52	1,941.21	2,372.58	2,803.97	3,235.35	3,882.42
St Georges	1,268.88	1,480.37	1,691.84	1,903.32	2,326.27	2,749.24	3,172.20	3,806.64
Tickenham	1,265.73	1,476.69	1,687.64	1,898.59	2,320.49	2,742.40	3,164.32	3,797.18
Walton-In-Gordano	1,279.40	1,492.64	1,705.86	1,919.09	2,345.54	2,772.01	3,198.49	3,838.18
Weston-In-Gordano	1,283.83	1,497.81	1,711.77	1,925.74	2,353.67	2,781.62	3,209.57	3,851.48
Weston-S-Mare	1,318.99	1,538.83	1,758.65	1,978.48	2,418.13	2,857.80	3,297.47	3,956.96
Wick St Lawrence	1,278.08	1,491.11	1,704.11	1,917.12	2,343.13	2,769.17	3,195.20	3,834.24
Winford	1,271.24	1,483.12	1,694.98	1,906.85	2,330.58	2,754.33	3,178.09	3,813.70
Winscombe	1,305.71	1,523.34	1,740.94	1,958.56	2,393.78	2,829.03	3,264.27	3,917.12
Wraxall & Failand	1,278.74	1,491.88	1,704.99	1,918.11	2,344.34	2,770.60	3,196.85	3,836.22
Wrington	1,315.43	1,534.68	1,753.90	1,973.14	2,411.60	2,850.09	3,288.57	3,946.28
Yatton	1,304.75	1,522.22	1,739.66	1,957.12	2,392.02	2,826.95	3,261.87	3,914.24

Includes charges for:

- North Somerset Council Services (and levies and precepts),
- Adult Social Care Precept,
- Town and Parish Councils and Special Expenses,
- Avon Fire Authority (indicative, to be updated),
- Police and Crime Commissioner for Avon & Somerset Police.

NORTH SOMERSET COUNCIL PAY POLICY STATEMENT 2022/23

Introduction

This statement describes the council's policies that relate to the remuneration of its workforce outside of schools, excluding any centrally employed Teachers who are on teaching 'burgundy book' terms and conditions.

The statement is intended to provide clear and transparent information about North Somerset Council's pay policies to enable local taxpayers to reach an informed view about local decisions on all aspects of remuneration for the council's non-school employees. The statement also meets the council's obligations under the Localism Act 2011 and the Code of Recommended Practice for Local Authorities on Data Transparency.

General Principles

North Somerset Council recognises that, in the context of scarce public resources, remuneration, at all levels, needs to be adequate to recruit and retain employees with the skills and motivation to deliver high quality services, and at the same time needs to demonstrate value for money and avoid unnecessary costs.

The council is committed to transparent, fair and equitable pay and grading arrangements. All employees are treated on an equal basis and senior officers are not differentiated from other employees in terms of the approach taken for appointments, remuneration, promotion or termination.

Pay Structure – Overview

The pay grade for all roles, including the council's Chief Executive and Directors are determined through job evaluation using the Hay Job Evaluation Scheme, with the exception of a small number of staff who are subject to national salary scales which determine the pay for jobs and where our evaluation scheme does not apply.

Levels of pay for senior officers have been determined by reference to benchmarking data, provided by Hay, which compares the salaries of comparable roles in a wide range of public sector organisations including other local authorities, health bodies and not for profit organisations.

The pay and grading for senior officers is the responsibility of the council's Employment Committee and an element of pay for senior officers is dependent on the postholder consistently meeting overall expectations of the job and meeting agreed targets. North Somerset Council reserves the right to reduce the level of remuneration if it determines that an individual's performance has been unsatisfactory.

Salaries for other officer roles within the council are based on median pay levels using Hay pay data and are broadly comparable with other similar local authorities.

Any cost of living pay award is determined through national pay bargaining arrangements, except for the Chief Executive, Directors and Assistant Directors where the pay award is locally determined but generally follows the nationally negotiated pay award relevant to these staff.

The Government has recommended that authorities publish the ratio of the pay of the council's top earner to that of its median earner to support the principles of fair pay and transparency. The council's current ratio in this respect is 3:1.

Gender Pay Gap

Recent legislation requires employers of more than 250 people to measure and publish their gender pay gap. The gender pay gap calculation is any difference between the average earnings of men and women within an organisation. The mean gender pay gap 2021/22 was 11.95% and the median gender pay gap was 12.9% for North Somerset Council. This information is published in accordance with legislative requirements and recalculated on an annual basis, however the publication of gender pay gap data has been suspended by the Government during the coronavirus pandemic.

Pay Structure - Details

The council's pay structure currently consists of 20 grades (excluding Apprentices). Every job is evaluated using the Hay Job Evaluation Scheme which establishes the relative size of each role and the points awarded determine the appropriate grade for the job.

The council's lowest paid employees receive a salary equivalent to Grade 1 on the council's pay structure.

Starting Salaries

Employees are usually appointed to the minimum point of the grade for the role. If an employee applies for an internal job that is the same grade as their substantive role they will be permitted to move across on the same point.

For hard to fill jobs, such as Social Workers, Planners, Engineers and Occupational Therapists, it may be necessary to appoint suitably qualified and experienced applicants to a salary point within the overall grade for the role.

Relocation

Where it is appropriate to do so, newly appointed employees who need to relocate to take up an appointment may receive a contribution towards their relocation expenses.

Pay Progression

Any pay progression is based on increments. Progression up to the maximum of the grade through incremental salary points normally takes effect from the anniversary of the start date of the employee.

Increments may be withheld following an assessment of an employee's performance.

Honarium and Acting-up Payments

Honarium and acting-up payments are calculated using the bottom point of the grade for the post they will be covering.

Any honoraria or acting-up payments for senior officers requires authorisation as set out in the Council's Constitution.

Secondments

Secondment appointments are subject to incremental progression. The starting salary will be the bottom salary point of the grade and progression will take effect from the anniversary of the start date of the secondment.

Market Supplements

The council does not normally pay market supplements in addition to salary, unless, exceptionally, it is in the council's overall interests to do so.

In service areas where it has proven difficult to recruit appropriately experienced or qualified individuals a market supplement may be considered, providing that there is evidence that paying a market supplement will help attract suitable candidates for hard to fill roles.

During the financial year 2021/22 no market supplements were agreed or paid.

Premium Payments

Employees paid up to spinal point 24 who are required to work evenings, weekends and bank holidays are currently paid additional payments to reflect their work patterns as follows:

Non-contractual overtime	Basic pay
Saturday working	Basic pay
Sunday working	Basic pay plus 25%
Bank Holiday working	Basic pay plus 50%
Evening work (8pm to 10pm)	Basic pay
Night work (10pm to 6am)	Basic pay plus 33%

Fees

The council makes a contribution of up to £45 per annum towards the membership of a professional body to support the continuous professional development of an employee.

Returning Officer fees are paid for statutory duties that are not part of the post holder's substantive role.

Pension Contributions

All staff who are members of the Local Government Pension Scheme make individual contributions to the scheme. The level of contribution is linked to salary levels and ranges from 5.5% to 12.5% of salary.

The council also makes employer contributions to the scheme and these amounts are determined externally by the pension scheme actuary.

The council's policy is not to grant augmented pension benefits to any employee under the Local Government Pension Scheme.

Pay Protection

The council has a pay protection policy where employment on less favourable terms is offered to an employee as an alternative to redundancy. In such circumstances an employee's pay is frozen at their current level for up to three years.

Pay protection may also apply in cases of re-deployment due to ill-health.

Redundancy Payments

The method of calculating redundancy payments is based on the statutory redundancy scheme as set out in the Employment Rights Act 1996 (ERA) x 2. The council has also introduced a cap on the amount of pay used to calculate redundancy payments at twice the statutory weekly earnings ceiling. The cost of redundancy should normally be recovered within an 18-month period through salary savings.

Redundancy payments may be affected by the newly introduced 'exit cap' regulations which the council is required to work within as a public sector body.

Settlement Agreements

It is the council's policy not to enter into settlement agreements, unless, exceptionally, it is in the council's overall interests to do so.

TUPE Transfers

A small number of staff remain on terms and conditions that differ from this policy due the Transfer of Undertakings (Protection of Undertakings) legislation that protects those individuals who transfer (for example those on NHS terms). Where there is turnover new appointments are made on council terms and conditions.

Pay Policy Review

The Council's Pay Policy will be kept under regular review and the pay policy statement will be refreshed and considered by full Council each year.

February 2022

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Audit Committee

27 January 2022

Draft Extract

AUD Audit Committee Annual Report 2020-21

18

The Chairman presented the Annual Report which set out a summary of the work undertaken by the Committee in the previous year and provided a commentary over key areas of financial and corporate governance and associated assurance activities. He thanked members of the committee and officers for their diligent hard work in bringing matters to the attention of members and officers to improve the work of the council. In particular, he highlighted the Audit Committee work in improving governance around capital projects and the committee's work plan which whilst finalised could nevertheless be adjusted as circumstances dictated.

Members asked questions and received answers from officers on the availability of the Corporate Risk Register and the recruitment of independent members.

Resolved: that the Audit Committee Annual Report 2020/21 be approved;

and

Recommended to Council: that the report be received.

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North Somerset Council

REPORT TO THE	AUDIT COMMITTEE
DATE OF MEETING:	27TH JANUARY 2022
SUBJECT OF REPORT:	AUDIT COMMITTEE ANNUAL REPORT
TOWN OR PARISH:	NONE
OFFICER/PRESENTING:	COUNCILLOR JOHN CATO – CHAIR OF THE AUDIT COMMITTEE
KEY DECISION:	NO

RECOMMENDATIONS:

The Audit Committee approves the Annual Report for 2020/21 at Appendix 1.

SUMMARY OF REPORT

The Audit Committee has specific terms of reference given to it from Full Council and as such is required to report back annually to Council on its activities. Appendix 1 is the proposed summary report for approval by the Audit Committee.

The Committee is requested to consider the Annual Report and recommend its approval by Full Council.

1. POLICY

There is no statutory obligation to have an Audit Committee, however they are widely recognised as a core component of effective governance as laid out in best practice from a number of professional bodies. The Audit Committee therefore has a key role in advising the council on the adequacy of its financial governance and other management arrangements for achieving the organisation's objectives.

2. DETAILS

Appendix 1 sets out a report with details a high-level summary of the activities of the Committee. It provides a commentary over key areas of financial and corporate governance and associated assurance activities including:

- Internal audit
- External audit
- Risk management
- Governance
- Anti-fraud and corruption
- Audit Committee performance

The Annual Report also incorporates the Committee's outline work programme for 2021/22, as shown in Appendix 2. In noting this work programme, it should be acknowledged that the programme may change during the year to accommodate any emerging significant governance, internal control, or risk issues.

Benefits for Customers/ Residents

The committee's work is based around ensuring the council's systems of control and arrangements for the management of risk are effective. This effectiveness is central to the council achieving its corporate objectives. In addition, a strong control environment and effective risk and governance arrangements enable the council to secure its assets and ensure that they are used in the best interests of customers and residents of the council.

3. CONSULTATION

Prior to its production, this report has been discussed between the Chair and Vice-Chair of the Audit Committee, the S151 Officer, and the Head of Audit and Assurance. Given the nature of the report, no further consultation and engagement was necessary beyond these interactions and those that there have been with the Committee over the period covered by the report. Committee Members will have the opportunity to comment and make suggestions in the meeting before it is approved.

4. FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this report.

5. LEGAL POWERS AND IMPLICATIONS

There are no direct legal implications from this report which is focussed on a high-level summary of the activities of the Committee.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

There are no direct environmental implications from this report which is focussed on a high-level summary of the activities of the Committee.

7. RISK MANAGEMENT

The Audit Committee is tasked with ensuring that there are effective arrangements within the Council for managing significant risks. This responsibility is reflected in the Audit Committee's Terms of Reference. An effective Audit Committee demonstrates good governance in that democratically elected Members carry out an independent scrutiny role on behalf of the Community. This helps to ensure that the Council is delivering good value to its residents from its services and is managing its key risks appropriately.

8. EQUALITY IMPLICATIONS

There are no specific equality implications. The elected members serving on the Audit Committee are representative of the council's political balance.

9. CORPORATE IMPLICATIONS

Good Corporate Governance and Risk Management is the responsibility of all officers and Members of the Council.

10. OPTIONS CONSIDERED

None.

AUTHORS

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BACKGROUND PAPERS

Members requiring further information are requested to refer to the agenda, reports and minutes of the Committee meetings posted on the council's website.

<https://n-somerset.moderngov.co.uk/ieListMeetings.aspx?Committeeld=153>

Appendix 1

AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL - 2020/21

1. INTRODUCTION

This is the fifteenth annual report of the Committee since it was established by the Council in July 2006. It covers the work undertaken from August 2020 to July 2021. The purpose of this report is to comply with the Constitution that requires the Full Council to receive a report from the Audit Committee, detailing its activities and effectiveness for the year and the proposed work programme for the following year. The Committee's annual report is one of the means by which the Council is assured that the Committee is carrying out its role effectively.

2. GENERAL APPROACH

The Audit Committee is committed to the principles of openness, effectiveness, and collaboration. The Committee is a key component of the Council's governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management. The purpose of the Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit activity it makes an important contribution to ensuring that effective assurance arrangements are in place.

To this end, in the last year the Audit Committee has held informal working group meetings once or twice a month over the year to keep abreast of issues which may be of concern to it and to receive appropriate briefings/ updates from officers. Discussions have given consideration to the following main areas:

- Internal Audit
- Risk Management
- Internal Control Frameworks
- Council Performance Improvement
- Information Management and Accessibility
- Climate Emergency Governance and Internal Control
- Audit Committee Training
- External Best Practice and Peer Education
- Asset and Treasury Management

And has:

- Promoted access to the Audit Committee and to Audit Committee meetings to all members and scrutiny committees
- Maintained dialogue with Audit Committees in other authorities in pursuit of best practice, continuous improvement and to understand lessons learned
- Identified gaps in Audit Committee skills and undertaken training
- Arranged Informal regular meetings with officers, auditors, and executive members to monitor performance, including monthly meetings with the Chief Executive and Director of Corporate Services/ S151
- Completed a 'deep dive' into the governance process over major projects

- Challenged the way that risks are presented to members to ensure that members are more aware when making decisions and caused action to be initiated on improving the council's Risk Management frameworks.
- Made active progress towards influencing Climate Emergency metrics.
- Established peer connections outside of North Somerset Council.

3. REVIEW OF WORK UNDERTAKEN IN 2020/21

a. Financial Governance – Annual Accounts

Due to the COVID lockdown and impact the statutory date for sign off of the Annual Accounts had been delayed. Local authorities were required to commence the public inspection period on or before the first working day of September 2020.

b. Financial Governance – Treasury Management

- The Committee acts as a scrutiny function for the Council's Treasury Management arrangements as recommended by CIPFA.
- The Committee formally received reports on the outturn of performance for the year 2020/21 including a mid-year update on performance and the strategy for the year 2021/22. Members expressed their thanks to the officers and advisors on explaining the complexities and technical aspects of Treasury Management and were pleased to see that the Council was taking a balanced view in how to exploit opportunities in this area to deliver increased value back to the Council. The Chairman also noted that he wished to have further discussions to clarify his understanding around the reporting process of the Property Investment Board.

c. Financial Governance - External Audit

- Alongside the audit of the accounts for 2019/20 which were examined during the last 12 months the external auditor also conducted work in relation to concluding a satisfactory VFM opinion for the Council following assessments of our financial resilience, economy, efficiency and effectiveness and a Satisfactory review of our main grant returns.
- The external auditor also presented their audit plans. No significant variances were proposed from the previous audit approach and update reports on their work continued to be presented to the Committee alongside references to key national reports and reviews which could impact on the governance framework.
- Information was also provided to the Committee around the updated Value for Money arrangements and the audit fees for 2020/21 which were to be agreed.

d. Corporate Governance (Including Risk Management) –

- The Accounts and Audit Regulations require the Council to carry out an annual review of its governance arrangements, and to produce an annual statement detailing the results of that review.
- Whilst there were no significant issues identified, the Committee did recognise through the Annual Governance Statement the state of the financial challenge facing the Council, not least due to COVID-19. The interim Director of Finance and Property

also provided members with a verbal update on the Senior Management Review, which had been concluded by the Chief Executive.

- iii. During the year the Committee received updates on the Councils key risks. This included a presentation on Corporate Risk Register, COVID-19 Risk Register, and the EU Transitions Risk Register. The Committee spent time discussing the scale of these risks along with progress against actions.
- iv. The Committee have also engaged in further conversations with the Chief Executive, the Director of Corporate Services/ S151 and the Head of Business Insight, Policy and Partnerships who have brought a commitment to a standard model dashboard for risk assessment and reporting which has now been implemented.
- v. The Audit Committee expressed interest in respect to the governance, transparency, and visibility to Councillors over major projects, and were wanting to learn lessons for the future for other major projects. A deep dive exercise was completed by the Committee, which followed with a range of recommendations being brought forward to the Chief Exec, S151 and appropriate Executive members. Implementation of these recommendations has already been partially implemented.

e. Corporate Assurance -

Internal Audit & Counter Fraud

- i. The Committee was satisfied with the balance of the 2021/22 plan in relation to the Council's key corporate risks as well as the mix of its planned projects, unplanned commissions including COVID-19 related work, and follow-up of previous reports.
- ii. In relation to performance the Committee reviewed the outcomes of the service against its key performance indicators for 2020/21, notably high-risk audits and the impacts of COVID-19 unplanned work and investigations, alongside a number of other key indicators.
- iii. The committee noted the annual opinion on the internal control framework and that with increased pressure on budgets as well as a shift to homeworking, choices on the degree of internal control had to be made and there was therefore an imperceptible rise in the level of the risk being accepted.
- iv. The Committee received a detailed briefing of the elements of Counter-Fraud work in reducing and eliminating fraud and corruption within the Council's activities and monitored progress.

f. Audit and Assurance Annual Report

This was the closing Internal Audit Annual Report to the Committee for the financial year 2020/21. Also included was a summary of audit performance and key issues, as well as the formal opinion on the internal control framework.

g. Audit and Assurance Plan

This report described the reasonable assurance model for internal audit and summarised the Audit and Assurance work plan as identified and prioritised by internal audit.

h. Internal Audit Charter

Internal Audit is an assurance function that primarily provides an independent and objective opinion to the Council on its control environment. Internal Audit helps the organisation to achieve its objectives through a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control, processes. Its mission is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight.

i. Awareness & Briefings

i. Updates and briefings continue to be a strong part of the Committee's approach to raising awareness of key governance issues with members and several briefings were given this year through the normal meeting cycle which included -

- Impact of COVID-19 on Council Finances
- COVID-19 Risk Register
- Role of the Committee
- External Audit
- Internal Audit
- Treasury Management
- Annual Accounts
- Fraud Prevention/ Counter-Fraud inc. Whistleblowing, Anti-Money laundering and Anti-Bribery and corruption
- Risk Management, Risk Assessment and Risk Registers

ii. This approach continues to be welcomed and has resulted in constructive and valuable debate of individual topic areas which will continue into 2021/22.

4. AUDIT COMMITTEE TRAINING

The Chair and Vice-Chair are keen that external formal training for all Audit Committee members is undertaken as a regular annual process.

As well as attending the briefings identified in this report, in addition some Audit Committee Training has been achieved by free courses identified by audit committee members and voluntarily completed, particularly Leadership Essentials for Audit Committee Chairs and Vice-Chairs 2 day residential by the Chair and Vice-Chair, and CfPS webinars and training.

The committee is looking to find ways to achieve more external training for all committee members in the forthcoming year.

5. WORK PLAN FOR 2021/22

The workplan is kept under review in the informal and formal meetings of the committee and in discussions with the officers and auditors. Planned subjects for 2021 – 2022 are shown in detail in Appendix 2, however it is acknowledged that it may not be possible to cover all of these areas within the financial year and thus the work plan will be update as necessary.

6. MEMBERSHIP AND SUPPORT

- i. Councillor John Cato is the Chair of the Committee. The Vice Chair is Sandra Hearne, and the other members are Patrick Keating, Marcia Pepperall and Richard Tucker. There are currently no independent co-opted members. The make-up of the Committee will be kept under close review during the year.
- ii. The Committee is supported by a range of officers, notably the Director of Corporate Services (S151 Officer), engagement leads from Audit West, the Head of Finance and Democratic Seri.
- iii. The external auditors are currently represented by an Engagement Lead and Audit Manager from Grant Thornton.
- iv. The Committee is in frequent contact with Audit committees from other authorities to exchange views, methods of working, and ideas.

Audit Committee Formal Meetings Work Plan - which set out provisional agendas for forthcoming meetings - Revised				Jan-21	Apr-21	Jul-21	20 Sept 21	25 Nov 21	27 Jan 22	28 Apr 22	Jun-22	Sep-22
Title	Frequency	Lead Officer	Purpose of Report									
Standing items to cover statutory functions						informal						
Internal Audit (IA) updates and Annual Report	Quarterly	Head of Internal Audit	Internal Audit Assurance									
Counter Fraud - Annual Anti-Bribery, Fraud and Corruption Policy	Annual	Head of Internal Audit	Fraud and corruption detection									
Adoption of minutes	Quarterly	Committee chair/ Dir Corporate	Review of actions and matters									
Risk Management - Internal Audit - covered in annual report	Annual	Head of Internal Audit	Reasonable Assurance model									
Risk Register updates - NSC	Quarterly	Head of Business Insight, Policy	Corporate Governance monitor									
External Auditor (EA), plan and progress update	Six monthly	External Auditors	To provide those charged with									
Risk Management Framework Update	Annual	Head of Business Insight, Policy	Risk Management Governance									
Annual Audit Letter (EA)	Annual	External Auditors	To provide those charged with									
Annual Governance Statement (Draft)	Annual	Director of Corporate Services	To present the draft AGS for consideration									
Annual Governance Statement (Final)	Annual	Director of Corporate Services	To present the AGS for consideration									
Annual Letter of Representation	Annual	Committee chair/ Dir Corporate	Letter of Representation									
Annual Statutory Accounts (Draft)	Annual	Head of Finance	Draft Statement of Accounts									
Annual Statutory Accounts (Audited)	Annual	Head of Finance	Audited Statement of Accounts									
Audit Committee Workplan	Annual	Committee chair/ Dir Corporate	Member Information and Assurance									
External Audit (EA) Findings Report/Audit Opinion	Annual	External Auditors/Head of Finance	To provide those charged with									
Grant Certification Report (EA)	Annual	External Auditors/Head of Finance	Financial Governance and Assurance									
Report of Work Undertaken by Audit Committee	Annual	Committee Chair/ Head of Internal Audit	Member Information and Assurance									
Accounting Policies	Annual	Head of Finance	Finance Governance and Assurance									
Internal Audit Plan - Draft	Annual	Head of Internal Audit	Draft plan for consultation									
Internal Audit Plan	Annual	Head of Internal Audit	Annual Internal Audit and Assurance									
Treasury Management Strategy (Draft)	Annual	Head of Finance	Treasury Management Strategy									
Treasury Management Strategy	Annual	Head of Finance	Treasury Management Strategy									
Treasury Management (TM) performance/ outlook	Six monthly	Head of Finance	Annual Treasury Management									
Business Continuity Governance	Annual	To be confirmed	Risk Management Governance									
Governance - ad hoc reports when changes happen, a risk arises which requires additional assurance or as a result of audit recommendations												
Major Projects Governance Strategy Update	When required	Head of Major Projects	Major Projects Governance									
Outsourced Services Governance Strategy Update	When required	Director of Corporate Services	Strategic Procurement Governance									
Procurement Governance Strategy Update	When required	Director of Corporate Services	Outsourced Services Governance									
Support Services Contract Governance Briefing	When required	Director of Corporate Services	Support Services Governance									
Critical Incident and Emergency Response Audit and Governance	When required	Director of Corporate Services	Corporate Governance monitor									
Information Technology Audit and Assurance	When required	Director of Corporate Services	IT Governance Assurance									
Procurement Processes Governance Assurance	When required	Director of Corporate Services	Procurement Governance Assurance									
Information Security Audit and Assurance	When required	Director of Corporate Services	Security Governance Assurance									
Third Party Outsourced Services Governance Assurance	When required	Director of Corporate Services	Delegated/Outsourced Services Governance									
Directorate Report on organisation and governance.	When required	As required	Directorate Governance and Internal Audit									
Constitution Review and Update briefing - informal	When required	Assistant Director - Legal and Governance	for recommendation of proposed changes									
Significant Partnerships Governance Strategy Update	When required	Director of Corporate Services	Governance, Risk Management and Assurance									
Contract Standing Orders	When required	Assistant Director - Legal and Governance	Principles and structure of governance									
Ethics and Standards	When required	Internal Audit?	Ethics and Standards Assurance									
HR matters	When required	Director of Corporate Services	HR Governance									
Financial Regulations	When required	Head of Finance	Finance Governance and Assurance									
Annual Training - suggest that training needs analysis is completed to ensure focussed and proportionate												
AC Member Training - stage 1 - plan/specify/establish		Director of Corporate Services/Head of Internal Audit	Redmond Review - Audit Committee									
AC Member Training - stage 2 - training commissioned		Director of Corporate Services/Head of Internal Audit	Redmond Review - Audit Committee									
Principles of Governance, Assurance and Audit		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Role of Audit Committee and deliverables		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Role of External Audit and deliverables		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Role of Internal Audit and deliverables		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Role of S151/Finance		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Role & Responsibilities of Senior Officers		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Annual Accounts		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Internal Controls		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Risk Management		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Business Performance		Director of Corporate Services/Head of Internal Audit	To ensure skills and knowledge									
Development work - items to be brought forward and planned in at later stage												
External Independent Members - stage 1 - plan/specify/review/recruit		Head of Democratic Services/Non-Executive Director	Redmond Review - Audit Committee									
External Independent Members - stage 2 - induction		Head of Democratic Services/Non-Executive Director	Redmond Review - Audit Committee									
Voice of the Customer Report?		Customer Experience Officer/Non-Executive Director	Customer/Resident Experience									
Continuous Improvement												

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Council – 15 February 2022

Avon Fire Authority - Report from Councillor Ruth Jacobs

Station 18 Champion Weston- super-Mare

This report is something I am very proud to present.

Station 18 and my team in the Fire Service are committed to the community and area they represent.

You will have heard before of the initiative in my ward which takes place each and every month - the Emergency Services - Fire, Police and Ambulance - as well as my Parish team travel through the ward to ensure that Emergency Services can access the narrow roads in an emergency. This initiative has worked as residents are helping to ensure that there is easier access - so the initiative is working.

There are obvious pressures within the station but despite these the crews train hard and facilitate training.

Over the last few months they have strengthened their water capability and qualifications training with their hovercraft. They have carried out some joint training with their colleagues from Portishead with their drone and continue to work with their partner agencies such as the Coastguard a new 'Hovercraft working group' with a view to purchasing a new hovercraft and equipment and are waiting for management to facilitate this.

While Covid 19 has reduced their community interactions they try whenever possible to interact. Whether this is in an incident, out and about on their station ground or at station during visits. They try to make every contact count and try to offer advice and leaflets. Whenever there is an incident the appliance often attracts lots of attention so this is a perfect opportunity to remind others to test their smoke alarms. or clean their chimneys or other advice that sometimes gets forgotten. Their Key Stage 2 learning programme has taken a hit but they have schools scheduled for the New Year.

They also continue to host visitors to the station (where appropriate) and have recently showcased the station to staff from across the organisation that are not normally station based. Their comms team recently joined them across Fireworks night to provide a real time stream of the appliance across Twitter. This was fun and well received. Staff from their Control room are joining them soon to understand how appliances work and improve their working relationship.

They recently hosted an exercise at an old industrial building in Weston and invited 6 other appliances to attend. This provided a safe but realistic training opportunity and was

received by all attending crews. It also created a natural opportunity to once again engage with their community and it caused quite a spectacle.

I hope all councillors, colleagues and others will join with me in thanking all the crews and staff at our Fire Station 18 Weston-super-Mare for all they do to keep us safe, and indeed all the staff at Avon Fire and rescue.

Councillor Ruth Jacobs

Report of Police and Crime Panel

The main action we have been involved in is the Interviews and Confirmation Hearing of our new Chief Constable.

Richard Westwood attended the interviews at Police HQ, three candidates were shortlisted and interviewed. Richard judged the interviews to be detailed and thorough. The candidate was streets ahead of the other two therefore Sarah Crew was chosen.

Sarah has been in the force for 27 years (all with Avon & Somerset) in various rolls.

Confirmation hearing took place on November 25th. Sarah faced questions from all panel members for an hour and a half. Highlights during questions,

Drink Spiking

Sarah set up operation Headland to investigate the rise in this crime and arrests have already been made.

Agreed we need to review Policing in rural areas and night-time policing.

Domestic Abuse and Rape is something Sarah is very concerned about and pointed out this crime is also against men, who are very reluctant to come forward.

At the end of the hearing the panel unanimously confirmed that Sarah Crew be Avon & Somerset Chief Constable with immediate effect.

Following the hearing I had a few words with Sarah, she was impressed by our new CCTV system and praised her Town Centre team and the way they were working with other agencies, we can expect the team to be increased in future.

Panel Meeting

Presentation on Operation Remedy

Set up following 2019/20 precept increase to tackle burglary, drugs and knife crime.

There has been a reduction in house burglaries 2018/19 9,331 and 2020/21 6,342.

Disruption in drug trafficking, recent actions on county lines have seen arrests and confiscation of Drugs to the value of £240k.

Although more officers have been recruited the operation has not been as successful as planned.

Future Plans.

Intervention, Crime Prevention and Rehabilitation

Setting up Neighbourhood Focus Teams

8 Teams consisting of a Sergeant and 8 officers throughout the force area, One team allocated to NS.

Violence Reduction unit.

5 Inspectors, 8 PS and 16 PC's

Integrated Offender Management.

Rehabilitation, Offender Management, Partnership working with Probation and Local Authorities
with 1 Inspector 3 PS and 32 Officers

Force wide Uniform and where required, plain clothes deployment

Peter Crew

Richard Westwood

West of England Scrutiny Committee Report - 11 Jan 2022

Due to a series of disputes between regional leaders over governance arrangements and funding, there have been a number of meetings Overview and Scrutiny Meetings.

Regrettably the October 19th Meeting West of England Joint Committee was cancelled, and so the Overview and Scrutiny Committee's views did not feed into that meeting.

Alongside Overview & Scrutiny Meetings, Huw James, Peter Crew, and Mike Bird have also attended a number of informal sub-group meetings on Skills and Transport. As chair of the Skills Sub-group, Huw James has attended the West of England Skills Board as an Observer.

A record of the meetings is as follows:

13 Dec 2021 10.30 am

Members in North Somerset, alongside many other members, were unable to attend the 13th December 2021 meeting due to its last minute in-person arrangements however made their thoughts known to the Chair of the Committee in advance of this meeting. The meeting was not quorate.

A summary of this meeting has been made by the chair:

1. Discussion with Metro Mayor:

We were pleased that the Metro Mayor again attended our meeting.

We had a wide-ranging discussion including the following points:

* We flagged the importance of progressing the collaborative work across the authorities to meet the envisaged timeline for delivering the Spatial Development Strategy (SDS). The next phase of release of documents that support the SDS including a new Memorandum of Understanding is January 2022. As we understand it, an essential decision that needs to be recorded in January is moving the formal decisions regarding the SDS process to April 2022, as this recording will be looked at by the government inspector.

* We discussed the issues faced right across the region in relation to bus services. We appreciate the financial constraints that the Combined Authority is operating within, and the very real challenges faced by bus operators - this though also highlights the importance of maximising opportunities through the Bus Service Improvement Plan and Enhanced Partnership. We also flagged that where services must change in the current situation and given the ongoing constraints, it is essential to provide prompt and timely information to service users.

* We discussed the award of £540m to the region through the City Region Sustainable Transport Settlement and the need to focus on delivery in the next 5 years. We also flagged that our Transport Sub-group would like to see more information about the transport "hubs" and a clearer, user-centred definition of their features and benefits. In the longer term, we would like to see maintenance support the improvement programmes by integrating with them in terms of timing and, where possible, using maintenance to support improvements.

* We also flagged with the Metro Mayor a number of issues raised by the Transport sub-group in relation to rail - these included support for the approach of "sweating" existing assets as far as possible given the expense, long timescales and complexity of rail construction projects. There is also strong support for improving the accessibility of stations, including the new eastern entrance to Temple Meads.

* In relation to the Local Cycling and Walking Infrastructure Plan, members feel a key next step is the development of a network map, both a tube-style map and a more detailed alignment map. The walking network also needs to be linked in and aligned with the High Streets work and Liveable Neighbourhoods work, so that we encourage walking to the local high street as the norm.

2. Comments on the 17 December Joint Committee reports:

a. Agenda item 9 - West of England Joint Committee governance and voting arrangements

We noted the legal update, clarifying the voting arrangements as they apply to the Joint Committee

b. Agenda item 10 - Joint Committee governance review

We noted that this report was submitted by the four unitary authorities.

In terms of the governance review that is proposed, we would request that an appropriate officer or officers from the unitary authorities attend our next meeting on 24 January to provide an update on the review and to respond to any specific questions we may have.

We note that under the current governance arrangements, it has been advantageous to all authorities to follow a 'single pot' approach, allowing flexibility in supporting projects across funding programmes such as the Local Growth Fund, Economic Development Fund and Revolving Infrastructure Fund. We hope that the benefits of this approach are given full and due consideration as part of this review, as this will help to continue to assist cashflow across projects and address issues around what can be arbitrary deadlines for using funds.

c. Agenda item 11 – Local Enterprise Partnership & Invest Bristol and Bath budget outturn, April - October 2021

We noted this report, on the basis that it is essentially the same report as was prepared for the October meeting.

d. Agenda item 12 - Local Growth/Getting Building Funds, Economic Development Fund and Revolving Infrastructure Fund change requests

We support these proposals, again noting that they largely replicate the original October report.

e. Agenda item 13 - Metrowest phase 1B – Portishead line update

We noted this update and are appreciative of the urgent work taking place to resolve the issues around the Development Consent Order.

f. Agenda item 14 - West of England investment priorities

Again, we noted that this report has been produced by the unitary authorities.

It is clear that important discussions need to take place about investment prioritisation, recognising that it will not be possible to fund all unitary authority and Metro Mayor priorities.

It is essential that we demonstrate our willingness and ability to agree on and deliver the priorities, outcomes and optimised return on investment our residents need and deserve. We are supportive of the approach that these need to be based on as wide a set of criteria as possible

g. Agenda item 15 - Western Gateway update

We noted this update and we will be interested to see how the Western Gateway will develop, particularly in the context of the forthcoming White Paper on levelling-up.

15 October 2021 Meeting

Cllr Huw James summarised the meeting as following:

a. Metro Mayor's attendance at Scrutiny

We were pleased to again welcome Metro Mayor Dan Norris to our meeting and had a useful discussion around his key priorities. We look forward to continuing this constructive engagement.

We fully support the Mayor's stated ambition to attract significantly more government resources to our region, especially in relation to transport and delivering net zero by our ambitious 2030 target; we also need to ensure we are using current resources as effectively as possible, for example in tackling the significant pockets of deprivation across the geography of the Combined Authority area.

In terms of climate action, we stressed there must be a strong and sustained focus on retrofitting the region's properties.

b. General comment - amendments to reports at committee meetings

We appreciate that sometimes it may be necessary for amendments to committee report recommendations to be moved and discussed at Combined Authority and Joint Committee meetings. We feel strongly, however, that the starting point should be that this is kept to a minimum; in particular, amendments that are submitted at or only just before meetings pose potential difficulties as scrutiny members will not have received any opportunity to scrutinise or even see such amendments in advance.

c. Supporting the decarbonisation of aviation (item 9)

We noted this report and look forward to the more detailed report that will come back in January on developing a joint plan with industry.

We felt that the following factors should be taken into account in developing this work:

- * Some of the jobs of the 98,000 people currently employed in the aerospace sector may need to adjust / transition into supporting and driving wider carbon reduction initiatives.
- * Identifying new funding opportunities should be a key part of developing the joint plan with industry, including any match funding opportunities.
- * The planning / regulatory implications for authorities of new aviation innovations must be considered carefully, for example in relation to electric 'air taxis' or drones that may carry small numbers of passengers operating at relatively low heights.
- * Given the time it is likely to take realistically to decarbonise aviation, there is perhaps a case for lobbying the government to take incentivisation action through aviation fuel tax measures.
- * A stronger vision is needed for developing and then delivering hydrogen-based opportunities and solutions.
- * It will be imperative for the plan with industry to be backed up with key performance indicators so that progress can be tracked effectively.

d. Investment Fund (item 10)

- * We generally support the proposed update of the Local Growth Assurance Framework, noting that this takes account of the City Region Sustainable Transport Settlement.
- * We note that it is now proposed to set up a Green Recovery Fund that will leverage £50m on priority projects to tackle the climate emergency. It will be important to robustly track and challenge delivery on this.
- * We noted that action is being taken to carefully assess the implications for investing in infrastructure linked to the current national issues around the economic supply chain and rising construction / materials / labour costs.
- * We feel there is merit in Scrutiny and Audit committee members jointly reviewing the outcomes from the recent Gateway Review of the Investment Fund.

e. City Region Sustainable Transport Settlement (item 11)

We generally welcomed this report and look forward to the allocation to be confirmed through the government's spending review.

We flagged the following particular issues:

- * The ongoing importance of securing a north Bristol Park and Ride, noting the need to take every step we can to increase public transport use given the continued traffic problems in this part of Bristol, not helped by the 'ripple effect' of commuters parking in residential streets since the

introduction of residents parking zones in the more inner city areas of Bristol.

- * Securing a solution to the Brislington A4 transport corridor that does not involve building a new road on the Brislington railway path.
- * Recognising the A38 as a key transport corridor within Bristol.
- * Securing a more sustainable transport solution for the M32 and adjacent communities.

f. Bus Service Improvement Plan (item 12)

We welcomed the latest working draft of the plan.

We raised a number of issues, noting that they will be addressed through the plan and the enhanced partnership. These include:

- * The need to enhance and upgrade significantly the specific infrastructure around bus stops, including the quality of passenger shelters, waste bins, and real time information for passengers; and mobile phone charging points. There is a case for implementing this on a 'tackling the worst first' basis.
- * Routing of services – we should look to introduce orbital routes into the network of routes that connect communities to city centres; and also factor in the need to better connect important work locations to bus services, for example Avonmouth and Cribbs Causeway.
- * Delivering an enhanced bus passenger experience through cashless payments and through ticketing.

g. Supported bus services procurement (item 13)

We welcomed this report. Noting that the issue of procuring a Cribbs Patchway Metrobus Extension will be taken forward, it was suggested that the option of a Metrobus route serving the South Bristol Link should also be considered again.

h. Proposed future leadership structure (item 18)

We noted the Chief Executive's proposed leadership structure for the Combined Authority.

We note that inevitably it will take time to recruit the right people to take up the permanent senior leadership roles. Given this, we recognise some interim arrangements may be necessary, especially for the Environment Director role given we are in a climate emergency.

20 Sep 2021 Meeting

At the Combined Authority's Overview and Scrutiny Committee we discussed report for the West of England Combined Authority Meeting.

These were summarised by Councillor Huw James to the West of England Joint Committee, highlighting the following points:

a. Metro Mayor's attendance at Scrutiny: The Metro Mayor's attendance at the meeting was welcomed and scrutiny members looked forward to future positive and ongoing engagement with the Metro Mayor.

b. Principles for a refreshed climate emergency ambition (item 8): Scrutiny members noted and welcomed the fact that tackling the climate emergency was a key priority for the Metro Mayor and strongly supported the revised principles as set out in the report, recognising also the public appetite for fast, urgent action. The committee also supported the proposal to create an interim Environment Director to drive forward the refreshed ambition with a view to recruiting to this post on a permanent basis in the medium term. Members welcomed the broad representation proposed in terms of the membership of the Climate Board and the collaborative partnership approach to be taken. The committee also wished to strongly request that a scrutiny member was given observer status on this Board, in line with the arrangements being made for scrutiny member observers to attend the other Combined Authority Boards. Members particularly welcomed the clarity of the target that in order to meet the 2030 net zero carbon ambitions, a cut of 464kt of CO₂ needs to be achieved each year (10% of today's total) - this set the huge scale of the challenge ahead and demonstrates the region's ambition. It would be essential to continue collaborative work with the unitary authorities to establish clear, measurable targets within the Climate and Biodiversity strategy/action plan, which were agreed by all authorities and with robust progress checks and reporting in place; there must be clear lines of accountability for the delivery of each action. Noting that the new Climate and Biodiversity Strategy and Action Plan will be delivered in Spring 2022, members requested that a progress update is specifically brought to Scrutiny in January 2022 to allow an opportunity to comment and input to this critically important plan. Members were particularly keen to see momentum build through urgently identifying and delivering tangible 'quick wins' in parallel with the Page 24 Page 26 5 development of the new strategy and action plan.

c. Green Recovery Fund (item 9): Scrutiny members broadly welcomed and supported this report and the recommendation to earmark (from the existing Combined Authority Investment Fund) headroom of £20m for a Green Recovery Fund. This amount should be seen as a start and any avenues of increasing the amount through match funding or otherwise should be explored. Scrutiny members would like to be kept fully informed

as the detailed plans for the drawdown of this fund to support specific actions are developed and were also concerned that the appraisal methods used to guide investment decisions should be fit for purpose and would welcome an independent expert viability assessment.

The Chair thanked Councillor James for presenting these comments

Further to this, at the end of the meeting, when leaders reached a deadlock, Councillor James added:

That if we can't get leaders to agree with each other with some immediacy we are never going to reach the 2030 Climate Goals. He added that Councillors from the outside would find it hard to understand why leaders couldn't come to a consensus to unlock funding, allowing the authority to move on from business as usual.

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COMMENTS FROM CHAIR OF THE WEST OF ENGLAND COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE

COMMENTS TO BE SUBMITTED TO:
WEST OF ENGLAND JOINT COMMITTEE
17 DECEMBER 2021

I wish to present the following comments to the 17 December Joint Committee on behalf of scrutiny members:

1. Discussion with Metro Mayor:

We were pleased that the Metro Mayor again attended our meeting.

We had a wide-ranging discussion including the following points:

* We flagged the importance of progressing the collaborative work across the authorities to meet the envisaged timeline for delivering the Spatial Development Strategy (SDS). The next phase of release of documents that support the SDS including a new Memorandum of Understanding is January 2022. As we understand it, an essential decision that needs to be recorded in January is moving the formal decisions regarding the SDS process to April 2022, as this recording will be looked at by the

government inspector.

* We discussed the issues faced right across the region in relation to bus services. We appreciate the financial constraints that the Combined Authority is operating within, and the very real challenges faced by bus operators - this though also highlights the importance of maximising opportunities through the Bus Service Improvement Plan and Enhanced Partnership. We also flagged that where services must change in the current situation and given the ongoing constraints, it is essential to provide prompt and timely information to service users.

* We discussed the award of £540m to the region through the City Region Sustainable Transport Settlement and the need to focus on delivery in the next 5 years. We also flagged that our Transport Sub-group would like to see more information about the transport "hubs" and a clearer, user-centred definition of their features and benefits. In the longer term, we would like to see maintenance support the improvement programmes by integrating with them in terms of timing and, where possible, using maintenance to support improvements.

* We also flagged with the Metro Mayor a number of issues raised by the Transport sub-group in relation to rail - these included support for the approach of "sweating" existing assets as far as possible given the expense, long timescales and complexity of rail construction projects. There is also strong support for improving the accessibility of stations, including the new eastern entrance to Temple Meads.

* In relation to the Local Cycling and Walking Infrastructure Plan, members feel a key next step is the development of a network map, both a tube-style map and a more detailed alignment map. The walking network also needs to be linked in and aligned with the High Streets work and Liveable Neighbourhoods work, so that we encourage walking to the local high street as the norm.

2. Comments on the 17 December Joint Committee reports:

a. Agenda item 9 - West of England Joint Committee governance and voting arrangements

We noted the legal update, clarifying the voting arrangements as they apply to the Joint Committee

b. Agenda item 10 - Joint Committee governance review

We noted that this report was submitted by the four unitary authorities.

In terms of the governance review that is proposed, we would request that an appropriate officer or officers from the unitary authorities attend our next meeting on 24 January to provide an update on the review and to respond to any specific questions we may have.

We note that under the current governance arrangements, it has been advantageous to all authorities to follow a 'single pot' approach, allowing flexibility in supporting projects across funding programmes such as the Local Growth Fund, Economic Development Fund and Revolving Infrastructure Fund. We hope that the benefits of this approach are given full and due consideration as part of this review, as this will help to continue to assist cashflow across projects and address issues around what can be arbitrary deadlines for using funds.

c. Agenda item 11 – Local Enterprise Partnership & Invest Bristol and Bath budget outturn, April - October 2021

We noted this report, on the basis that it is essentially the same report as was prepared for the October meeting.

d. Agenda item 12 - Local Growth/Getting Building Funds, Economic Development Fund and Revolving Infrastructure Fund change requests

We support these proposals, again noting that they largely replicate the original October report.

e. Agenda item 13 - Metrowest phase 1B – Portishead line update

We noted this update and are appreciative of the urgent work taking place to resolve the issues around the Development Consent Order. That said, scrutiny members are disappointed that the Portishead line will be an hourly service – whilst we understand the reasons for this, to be truly transformational, Portishead we feel needs a 30 minute service.

f. Agenda item 14 - West of England investment priorities

Again, we noted that this report has been produced by the unitary authorities.

It is clear that important discussions need to take place about investment prioritisation, recognising that it will not be possible to fund all unitary authority and Metro Mayor priorities.

It is essential that we demonstrate our willingness and ability to agree on and deliver the priorities, outcomes and optimised return on investment our residents need and deserve. We are supportive of the approach that these need to be based on as wide a set of criteria as possible

g. Agenda item 15 - Western Gateway update

We noted this update and we will be interested to see how the Western Gateway will develop, particularly in the context of the forthcoming White Paper on levelling-up.

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North Somerset Council

Report to Council

Date of Meeting: 15 February 2022

Subject of Report: Procurement of External Auditors

Town or Parish: None

Officer/Member Presenting: Amy Webb, Director of Corporate Services and s151

Key Decision: No

Reason: Not an Executive Decision

Recommendations

Following recommendation from the Audit Committee, that the Council approve the use of Public Sector Audit Appointments Limited (PSAA) to carry out the re-procurement of External Auditors to the Council.

1. Summary of Report

The report sets out the legislative background and options for the future provision and procurement options for the External Auditors to the Council. The report recommends we use a national sector led approach to maximise value for money and associated benefits on quality of service.

2. Policy

There is a statutory obligation to have an external auditor of the council's accounts and an effective auditor is widely recognised as a core component of good governance as laid out in best practice from a number of professional bodies.

3. Details

BACKGROUND

- 3.1 The Local Audit & Accountability Act 2014 put in place the framework which allowed local authorities to appoint their own external auditors. Prior to 2010, the Audit Commission was responsible for appointments with the work either being undertaken by their in-house auditors or by a limited number of private firms.
- 3.2 In August 2010, it was announced that the Audit Commission would be abolished, with the stated aims being to reduce costs and improve local democratic accountability by allowing local authorities to appoint their own external auditors from a more competitive market.

- 3.3 As part of the transitional arrangements, the Audit Commission undertook a competitive exercise which resulted in a series of regional contracts being awarded to Grant Thornton, KPMG, Ernst & Young and Mazars. The contracts commenced in 2012 and saved over £25M nationally in audit fees each year.
- 3.4 The Audit Commission itself closed in March 2015 with responsibility for the existing appointments transferring to Public Sector Audit Appointments Limited (PSAA). PSAA is an independent company established by the Local Government Association. The transitional arrangements for principal authorities were extended for a further year until April 2018, however Health bodies and smaller local government bodies still needed to appoint their own external auditors from April 2017.
- 3.5 The government made a decision to allow councils to come together to continue to procure audit services through a sector led organisation (PSAA) or to appoint their own auditor. At the time it was envisaged that the majority of councils would procure jointly and avoid the need to establish an auditor panel and undertake their own procurement exercise.

Appointing Period 2018/19 – 2022/23

- 3.6 Within the local government sector the vast majority of Councils expressed a preference to join a sector led procurement exercise from PSAA and at the September 2016 Audit Committee meeting, it was the recommendation of the S151 Officer and Head of Audit that North Somerset Council should also follow this option.
- 3.7 The main basis for this recommendation was that there were no resources available for the Council to carry this exercise out on their own and there were very clear financial and quality benefits by following the recommended option which would also help the major firms to also plan their resources and bids more effectively.
- 3.8 Full Council approved the recommendation to opt-in to PSAA at their meeting of January 2017 and Grant Thornton have been providing External Audit Services to the Council following this procurement exercise.
- 3.9 PSAA report that out of a total of 494 eligible bodies, at the time of the opt-in period in 2017, 484 took the decision to opt in.

Appointing Period 2023/24 – 2027/28

- 3.10 On 22 September 2021, PSAA invited all eligible bodies to become opted-in authorities for the audit years 2023/24 to 2027/28 in its role as a specified appointing person. The decision to become an opted in authority must again be made by Full Council and an acceptance notice has to be returned by 11th March 2022.
- 3.11 There are three ways that North Somerset Council can appoint its auditor for the five financial years from 2023/24, these being:
1. Undertake an individual auditor procurement and appointment exercise;
 2. Undertake a joint audit procurement and appointing exercise with other bodies;
 3. Join PSSA's sector led national scheme.
- 3.12 Aside from having more control over the process, there are no real advantages of choosing options 1 and 2 and indeed there is no appetite within neighbouring authorities for option 2 given the current very challenging local audit market.

Therefore based on the many advantages highlighted during the previous appointment, it is recommended that North Somerset Council once again join the PSAA scheme and choose option 3. By joining this scheme, the Council will:

- Allow the Audit Committee to retain independence in its relationship with the External Auditor;
- Benefit from PSAA's expertise in ensuring that appointed bodies maintain suitable accreditation and keep pace with regulatory changes;
- Avoid the need to incur significant additional costs in creating our own specification, manage our own procurement process and having to establish new contract management processes;
- Benefit from PSAA's robust process in validating fee variation proposals;
- Assume a high level of participation based on previous uptake levels which will support market sustainability;
- Achieve more realistic prices/fees in a challenging market;
- Be part of a network with other local authorities in terms of sharing best practice or tackling key issues in this sector.

3.13 The Council is therefore recommended to approve the procurement route through PSAA.

4. Consultation

S151 Officer (Director of Corporate Services) through consultation with the Audit Committee and informally with the Audit Committee Chair

5. Financial Implications

There are no direct charges from using PSAA Ltd and there are very clear financial and quality benefits by following the recommended option which should also help the major firms to also plan their resources and bids more effectively.

However, it is anticipated that the next appointing period will see an uplift to previous fees due to a changing regulatory landscape in audit; existing budgets are insufficient to meet current fees and therefore a growth item has been included in the Medium Term Financial Plan for 2022-23 which is elsewhere on this agenda.

Costs

The external audit fee for 2021-22 is £156,000. Prices will be subject to change for the new appointing period following the re-procurement exercise and scope of works.

Funding

Revenue funding is available for this item but future uplifts will be subject to a growth bid in the Medium Term Financial Plan.

6. Legal Powers and Implications

There is a statutory obligation to have an external auditor of the council's accounts and the Local Audit and Accountability Act 2014 provided framework in which Local Authorities could appoint their external auditors.

7. Climate Change and Environmental Implications

There are no direct environmental implications from this decision

8. Risk Management

An effective external auditor demonstrates one aspect of good governance on behalf of the Council and the wider Community. This helps to ensure that the Council is delivering good value to its residents from its services and is managing its key risks appropriately.

The audit committee highlighted at its meeting the ongoing issues with capacity within Grant Thornton which has resulted in delays to finalising value for money elements of the external audit for 2020-21. These issues are not unique to the current supplier and are being seen across the local audit landscape. Use of the PSAA Ltd Procurement framework is considered the best mechanism to address the risk of further delays as it introduces a greater level of certainty and resource planning for the sector.

9. Equality Implications

There are no direct equality implications from this decision

10. Corporate Implications

Good Corporate Governance and Risk Management is the responsibility of all officers and Members of the Council.

11. Options Considered

As laid out in the report section 3. Two other options have been considered, the first of which is to carry out the exercise ourselves or to partner with a group of neighbouring authorities. In both cases there are no available resources or expertise to carry out the exercise or any appetite from other councils in our region to use scarce capacity on this initiative. Almost all councils will be using the recommended option. As laid out in the report the rationale for the recommended option is that there are clear financial and quality benefits coupled with the continued ability to represent our views around the choice and suitability of potential suppliers.

Author:

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Jeff Wring - Service Director – One West jeff_wring@bathnes.gov.uk

Appendices:

None

Background Papers:

Audit Committee report “External Audit Procurement Options” 27 January 2022 <https://n-somerset.moderngov.co.uk/documents/s3047/External%20Audit%20Procurement%20Options%20Jan2022.pdf>

North Somerset Council

Report to the Council

Date of Meeting: 15th February 2022

Subject of report: Development Programme: Commissioning Plan for development of sites in Weston-super-Mare

Town or Parish: Weston-super-Mare

Officer/Member presenting: Executive Member for Placemaking and Economy

Key Decision: No

Reason: Council decision

Recommendation

1. To approve the Commissioning Plan for the procurement of a development partner for residential and/or mixed-use development sites in Weston-super-Mare as set out in Section 3.
2. To delegate authority to the Executive Member for Placemaking and Economy to finalise the package of sites for inclusion in the procurement, subject to the outcome of acquisition and business case processes.
3. To agree to the establishment of a Member Working Group to oversee the commissioning and procurement process, as well as meanwhile use proposals.
4. To delegate authority to the Director of Corporate Services (Section 151 Officer), in consultation with the Executive Member for Placemaking and Economy to approve the submission of funding bids to any value to support development and/or meanwhile use proposals, should such opportunities arise.
5. To approve an allocation of £693,493 from the approved capital programme for Social Housing Grants (KAH201), to be made available through the procurement process to the successful bidder to support the provision of affordable housing and/or enhanced sustainability measures at these developments.
6. To endorse the principle of facilitating Meanwhile Uses on sites prior to their development, subject to further business case development.

1. Summary of report

- 1.1 This report provides information on the proposed development of sites in Weston-super-Mare that are either in the ownership of North Somerset Council, or which the council is seeking to acquire, delivering potentially more than 750 new homes as well as commercial and/or community space.
- 1.2 The report sets out proposals and an anticipated timeline for securing a development partner for these sites (the "Commissioning Plan"), with a focus on ensuring quality

and deliverability. The proposed form of delivery would be a Building Lease, which is a form of contractual Joint Venture. The procurement process will be Public Contract Regulations 2015 compliant and due to its value will be advertised and open to all potential bidders. It is expected to take the form of a two- or three-stage competitive tender.

- 1.3 During the procurement process and lead-in time for development of the sites, it is proposed that 'meanwhile uses' be investigated and where possible supported, particularly at Dolphin Square.
- 1.4 The package of sites remains financially challenging, which in turn creates a risk to deliverability. In recognition of their priority status, it is requested that authority be delegated to the Executive Member to approve any future funding bids to support their development, should any such opportunities arise. In addition it is proposed that £693,493 of funding from the council's capital programme be made available to support the provision of affordable housing and/or enhanced sustainability measures on the schemes.

2. Policy

- 2.1 This proposal supports the Corporate Plan objective of creating a Thriving and Sustainable Place, in particular "the delivery of a broad range of new home to meet our growing need, with an emphasis on quality and affordability".
- 2.2 The sites proposed are allocated for mixed-use development in the adopted Local Plan, although with the exception of Parklands Village have not yet secured planning consent. The Weston Town Centre sites are identified in the SuperWeston Placemaking Strategy and Weston Town Centre Supplementary Planning Document (SPD) as flagship development and regeneration locations. Walliscote Place and Dolphin Square are located within the Great Weston Conservation Area and Walliscote Place sits within the High Street Heritage Action Zone (HSHAZ). Developing these sites would be a significant step forward for Weston's placemaking, improving the appearance of locations that are falling into disrepair, bringing vitality and footfall into the town centre, and boosting local and investor confidence in the town's future.
- 2.3 North Somerset Council's Development Strategy was adopted by Council in February 2010 and is an important part of NSC's Capital Investment Strategy for 2020 to 2030. It sets out a core ambition to create a balanced programme of development and investment that also delivers on the wider corporate objectives of NSC, particularly in relation to affordable housing, sustainability and placemaking.
- 2.4 In taking forward development on its landholdings, the strategy emphasises that the council's role is not to compete with the private sector or replicate their usual outcomes, but to deliver beyond the market norms. Objectives are to:
 - Deliver where the market fails.
 - Set higher standards and drive the market forward for better quality, more sustainable buildings.
 - Make the most of our assets and capture value to fund other council pressures and priorities – including reinvestment in the asset programme.
 - Provide homes, employment and other facilities that meet the needs of our communities – current and future.

3. Details

Sites and development proposals

- 3.1 The following sites are proposed to be included in this procurement; maps are provided in Appendix A:
- Walliscote Place: these sites are already in the council's ownership and comprise the former police station site, Walliscote Road East car park, and the Central Chambers site. The sites are allocated in the North Somerset Sites and Allocations Plan (SAP) for an estimated 70 dwellings, with potential for a degree of commercial or community development at the Central Chambers or Magistrates' Court sites.
 - Locking Road car park, Sunnyside Road, and Dolphin Square: these sites are currently in the ownership of Homes England. The council is seeking to acquire the sites. Locking Road and Sunnyside Road are identified within the SAP as being part of the 'Station Gateway' area, which is allocated for a total of 300 homes. Dolphin Square is allocated for 220 dwellings. There is potential for some ground floor commercial / community uses.
 - Parklands Village, phase 2: this site is in the ownership of North Somerset Council and has outline planning consent for 275 homes, employment, and a primary school.
- 3.2 The procurement of a development partner may include all of the above sites, or a selection, but as far as is possible, a single collective procurement exercise is proposed for those that are chosen to go forward. This will be dependent on the success of the acquisition process, the financial business cases, and market intelligence advice. £91,925 has previously been secured from One Public Estate to support feasibility and cost work and is being used to support the acquisition and procurement proposals.
- 3.3 The procurement process could also include other sites owned by the council that are allocated for development or which become available for development. This would be subject to additional decision-making and commercial/legal advice.
- 3.4 £1.075m Brownfield Land Release funding (BLR) was secured from the government's One Public Estate (OPE) programme in Summer 2021. This will be used to help fund the removal of an underground fuel tank and other groundworks within the Walliscote Place site (remediation / surcharging / piling). Terms of the funding include that the land must be released for housing by the end of March 2024.
- 3.5 The development of the town centre sites is likely to be practically and financially challenging for developers. The inclusion of Parklands phase 2 in the procurement could help make the package of sites more attractive to developers and will be explored further with specialist property advisors. If included, provisions and an agreed phasing plan would need to be included to prevent the selected developer from focusing on Parklands to the detriment of the town centre sites.
- 3.6 The Magistrate's Court at Walliscote Place is currently proposed to be excluded from the procurement, or to be included only on an optional basis, although this will be further discussed with specialist property advisors and the proposed member working group. This is because of the specialist nature of heritage restoration work required, which may not sit within the skills and capacity of the developers who might otherwise bid for the sites. The importance of the building is fully recognised. Officers

are commissioning condition surveys to ascertain the works needed at this property and are considering whether funding bids through Levelling Up and/or Historic England can be submitted.

- 3.7 Homes England have accepted an offer from NSC for the acquisition of the sites at Locking Road, Sunnyside Road and Dolphin Square. Legal processes are well underway and formal acquisition is expected to be achieved by 31st March. In the event that discussions on acquisition stall unexpectedly, the council would review whether to continue with its existing sites at Walliscote Place and Parklands Phase 2, either as a package or individually.
- 3.8 All of the sites listed include options for commercial and / or community development alongside residential. This will be explored as part of the business case for the procurement and pursued where feasible.

Opportunities, challenges and objectives

- 3.9 The proposed procurement of these sites is in line with Development Strategy objectives, delivering where the market has historically failed to do so, and offering the opportunity to develop good quality, mixed-tenure housing and commercial / community development that can contribute to the regeneration of Weston. The sites, with the exception of Parklands, are brownfield land. All are in highly sustainable locations close to public transport links and local facilities.
- 3.10 The sites are subject to a number of constraints which will impact on deliverability. These include poor ground conditions, requiring surcharging and piling, which add to costs, as well as a further requirement to raise levels to protect against flood risk. Several of the sites will require clearance and/or remediation prior to development, and some have specific issues to be addressed, notably the large sub-station at Dolphin Square. Sales / rental values in Weston Town Centre are low and significant improvement in the market will be needed if those sites are to become financially viable. This will require a programmed approach supported by placemaking activity to improve the attractiveness of Weston as a location. Values at Parklands are stronger and income from that location would be likely to help with the deliverability of the sites overall.
- 3.11 A further opportunity is to promote the sites for Modern Methods of Construction (MMC). This means using components or whole units that are precision-manufactured off-site, improving the efficiency and consistency of the build process. MMC could offer a number of advantages for these locations, including:
- A faster build period and reduced construction traffic movements, reducing disruption around the town centre.
 - Some MMC units are lighter than traditional build, which can be reduce requirements (and therefore costs) in relation to surcharging and piling.
 - MMC developers in many cases offer a better quality, more sustainable product than mainstream developments.
 - The opportunity for an increased pipeline of MMC developments in Weston may help establish the location as a centre of excellence for the technologies and attract investment from manufacturers.
- 3.12 Taking account of the above objectives, the following are recommended as key factors in designing the procurement process:

- **Deliverability:** ensuring that proposals for delivery are realistic and achievable within a realistic timeframe. Measures will be put in place to prevent the development partner focusing on Parklands to the exclusion of the town centre sites, if it is decided to include that site within the procurement.
- **Quality:** good quality of design and placemaking is critical, particularly on more visible street frontages. The chosen development partner will be required to engage with the West of England Design Review Panel.
- **Tenure mix:** the procurement process will seek to secure a mixture of tenures and to maximise levels of affordable housing. This is likely to require grant input (see also below).
- **Sustainability:** in recognition of the Council's climate change emergency, sustainability standards should be maximised throughout (see also below).
- **Nationally Described Space Standards** should be met and ideally exceeded.
- **Modern Methods of Construction (MMC):** to be strongly encouraged, as a means to improving quality, sustainability and pace.

3.13 Subject to further specialist advice, officers recommend that the procurement process be designed to encourage partnership and/or consortium bids. This could for example include partnerships between different development companies, between developers and affordable housing providers, or between developers and meanwhile use providers. Such an approach could have many benefits, including the sharing of investment and risk, diversification of housing products and tenures, acceleration of delivery, and increased affordable housing, whilst still maintaining an overall cohesiveness and coordination.

3.14 Appendix B sets out further proposals on the draft parameters for the procurement of development partners. These are to be finalised as part of the Procurement Plan. A member working group is recommended to be established to help shape the final criteria, with membership to be determined by the Executive Member for Placemaking and Economy.

Affordable housing and sustainability

3.15 As detailed above, these sites are financially and practically challenging. Previous assessments on the sites themselves, and on the wider Weston Town Centre area have demonstrated that affordable housing is unviable without very significant public subsidy. The council will seek to maximise affordable and sustainable housing options within these constraints and whilst ensuring that the schemes remain deliverable.

3.16 The council will seek to maximise affordable housing across the sites, in particular requiring a starting point of a minimum 30% on the sites acquired from Homes England. Options to achieve this and ideally exceed this minimum could include:

- Exploring different tenure options. This could include a greater proportion of shared ownership or shared equity units, including the "First Homes" model.
- The partnership approach suggested in paragraph 3.12 above, particularly if consortia include Registered Providers of Affordable Housing (RPs), who have access to capital borrowing and national grants.

- Allowing deferral of land payments to NSC – although this is likely to be of limited benefit in this instance, as the land payments are unlikely to be significant.

- 3.17 Sustainability measures required through existing planning policies include a minimum 15% renewable energy and the promotion of active travel. It is likely that these measures will be strengthened in future iterations of national and local policies, many of which will apply at the time the sites come forward, including the national introduction of the Future Homes Standard, expected in 2025.
- 3.18 It remains likely that the inclusion of any affordable housing or sustainability enhancements will rely on significant public subsidy. However national grants for affordable housing can only be confirmed after a developer has been appointed and planning consent secured, a relatively late stage of the process.
- 3.19 To provide some upfront certainty of funding, it is proposed that £693,493 of council funds be made available through the procurement process, with potential developers required to demonstrate how this will be used to enhance affordable housing provision and/or the sustainability of the development. This funding is sourced from the council's capital programme KAH201 and is the remaining money received through the transfer of the council's affordable housing stock to Alliance Homes in 2006.
- 3.20 The council receives support for the delivery of affordable housing through S106 contributions. Officers will monitor the funding that is being received through this route and where appropriate will recommend adding it to the grant available to developers, subject to normal governance and decision-making requirements.

Options for delivery and route to market

- 3.21 In taking these sites forward, the council needs to have regard to a range of factors including control over quality, ability to deliver within a reasonable timescale, financial viability and exposure to risk.
- 3.22 Options for delivery include direct delivery by NSC, a Joint Venture partnership, or direct disposal to the market. The advantages and risks of each of these approaches are set out in Appendix C.
- 3.23 Officers recommend that the option for a Joint Venture is pursued as the route to delivery, as this allows the council to retain a good degree of control without full exposure to the risks of delivering the site itself (including capital exposure) or the need to establish a separate Development Company.
- 3.24 There are different forms of Joint Venture, for example, contractual or corporate. It is envisaged that this JV would take a contractual form using a Building Lease. Specialist legal and property advice has been secured on this matter and a final recommendation will be made in the Procurement Plan for this project.
- 3.25 Given the value of the developments, the procurement process will need to be open to all potential bidders and will be run through the Find a Tender Service. Specialist property and legal advisors will be appointed to work with NSC to shape the process and marketing to target those developers most likely to be able to deliver the council's objectives.

- 3.26 It is anticipated the partner procurement will take the form of a two or possibly three stage competitive tender, commencing with a Selection Questionnaire / Expression of Interest stage prior to Invitation to Tender, with shortlisting / elimination of unsuitable bidders between the stages. This will be finalised in discussion with property and legal advisors and the member working group, and the process confirmed in the Procurement Plan. The Procurement Plan will confirm the final evaluation criteria and weightings, including balance of quality and price.

Market advice and interest

- 3.27 The council is being advised on the acquisition of the Homes England sites and overall approach to development and delivery options by Jones Lang Lasalle (JLL) and Bevan Brittan. These commissions run until the process to acquire land from Homes England has been completed. Further market and legal advice will need to be procured thereafter.
- 3.28 Independently of the above, the council has been approached by developers interested in the town centre sites. Details of the interested partners cannot be shared for reasons of commercial sensitivity, however they include interest from MMC and private rental sector markets.
- 3.29 The council has had sight of soft market testing reports commissioned by Homes England in relation to the town centre sites. This confirmed a reasonable degree of market interest from across a range of residential sectors, but that viability remained a challenge and that affordable housing would likely require significant levels of grant subsidy. It also concluded that there was no particular market advantage to securing planning in advance of procurement, given that the sites are allocated for development and acknowledged by NSC as a priority.

Timetable for procurement

- 3.30 The timeline for the procurement is dependent on the conclusion of acquisition discussions with Homes England. A provisional timetable is provided below:

Date	Action/milestone
15 th Feb 2022	Full Council approval of Commissioning Plan
By 31 st March 2022	- Formal acquisition of sites. - Executive Member approval of Procurement Plan (in consultation with member working group).
Apr 2022	Launch of procurement (Selection Questionnaire)
June 2022	Invitation to submit Draft Tenders
Oct 2022	Invitation to submit Final Tenders
Dec 2022	Conclusion of procurement and award of contract decision (Executive decision)
By 31 st Mar 2023	Conclusion of legal agreements
Mar 2023 – Mar 2024	Planning and mobilisation
By 31 st Mar 2024	Start on site

Meanwhile uses

- 3.31 The visible nature of these sites awaiting development, particularly at Dolphin Square, is seen by many as a blight on the town centre.
- 3.32 Increasingly, local authorities and other owners of such sites are looking to temporary uses (known as meanwhile uses) to bring activity and new attractions to sites. A local example is Wapping Wharf in Bristol, where shipping containers have been converted into short-term, low-rent premises for a range of innovative and entrepreneurial independent businesses (see <http://wappingwharf.co.uk/cargo>). This helps animate the space prior to development, and raises the profile and attractiveness to future residents and investors. Where businesses prosper and grow, there is the potential for them to move into permanent premises nearby. Careful curation and targeted placemaking is key, and a community / neighbourhood focus helps sustain activity throughout the year.
- 3.33 Soft market testing was commissioned from JLL on the options for Meanwhile Uses at these sites. This found a good level of interest from potential end-users, particularly from the food and drink sector, but that operator interest would be limited by the relatively short timescale of around five-years. NSC would therefore need to lead and invest in the proposal, potentially in partnership with a provider.
- 3.34 JLL's recommendation was to pursue a phased approach with an initial scheme of around 7 operators in c. 20 shipping containers, but with the ability to upscale to a second phase if there is sufficient demand. This option will be explored further, but will be subject to a better understanding of the anticipated costs and income as part of the overall business case. The lead-in time would be likely to be around 18 months.
- 3.35 A further option is to include the provision of Meanwhile Uses as an option or requirement of the procurement process, e.g. to be established and operated by the selected developer. This will be explored with legal and commercial advisors and discussed with the Executive Member and Member Working Group.

4. Consultation

- 4.1 The principle of the development of these sites has been subject to public consultation on several occasions, including through the Local Plan, Weston Town Centre SPD, Weston Villages SPD and Placemaking Strategy engagement programmes. Any planning application for the sites would be subject to further public consultation.
- 4.2 An advisory member working group is proposed to help shape the procurement process and potential meanwhile use proposals.
- 4.3 A joint informal meeting of the PCOM and Place Scrutiny Panels is proposed to consider the Development Programme, including these sites.

5. Financial implications

Costs, income and returns

- 5.1 Full appraisals for the town centre sites have been prepared by JLL, with cost inputs from Hydrock. These currently show a deficit across the three sites.

- 5.2 The position on the town centre sites will improve if sales value inflation increases ahead of cost inflation, if costs can be reduced in some way, or if sales values in some other way outperform the norm. The programming of the sites – so that the more viable sites are delivered earlier – and investment in placemaking - will be critical to generating this result. In addition, the more positive returns expected from Parklands phase 2 should help to bridge the gap, as would further grant input into affordable housing from Homes England or from S106 contributions. If NSC succeeds in acquiring the Homes England sites, this should open up further opportunities to bid for public funding, including future rounds of the Brownfield Land Release Fund.
- 5.3 The costs of taking the sites to market to secure a development partner are significant. A budget of £320k has been established from within the Driving Growth reserve, including an existing £91k grant funding from the One Public Estate programme. Around £95k has been spent or committed at the point of writing.
- 5.4 £1.075m Brownfield Land Release funding has been secured to fund groundworks and the removal / remediation of underground fuel tank at Walliscote Place. It is expected that the works will be carried out later in 2022.
- 5.5 It is proposed that £693,493 of council funding be made available through the procurement process, with bidders required to demonstrate how this would be used to enhance affordable housing provision and/or the sustainability of the development. This funding is sourced from the council's capital programme KAH201 and is the remaining money received through the transfer of the council's affordable housing stock to Alliance Homes in 2006.
- 5.6 Once appointed, the financial risk for taking forward the sites will sit with the development partner. The proposed procurement model of a contractual Joint Venture does not require investment from NSC. Any grant input from NSC will be contractually protected.
- 5.7 The terms of the acquisition of the sites from Homes England are expected to include overage provisions that require sharing of land receipts from the sites. The details of these provisions continue to be negotiated with a view to protecting both parties.
- 5.8 Prior to the appointment of a developer, the sites will incur holding costs. These are not expected to be significant and are expected to be able to be absorbed within existing revenue budgets.
- 5.9 The full financial implications are uncertain at this stage in the process as they will be determined by outcome of the procurement exercise. The full financial implications and details on the financial governance will be included within future reports for award of contract.

Authorisation requirements

- 5.10 The value of this contract will exceed £10m. The following approvals are required in taking forward the proposals:
- Approval of Commissioning Plan: Full Council.

- Approval of Procurement Plan: Executive Member, advised by Director and Head of Strategic Procurement.
- Award of Contract: Executive.

5.11 The award of contract decision will also include the formal approval to dispose of the sites and to transfer the NSC grant to the developer.

5.12 Authority is requested to delegate the approval of further funding bids in relation to these sites to the Director of Corporate Services (Section 151 Officer), in consultation with the Executive Member for Placemaking and Growth. This is in recognition of the recognised priority status of these developments and to accelerate and simplify the process through which opportunities can be taken should they arise.

6. Legal powers and implications

6.1 The Local Government Act 1972 gives the Council the power to acquire and dispose of land held by it in any manner it wishes provided that the council achieves the best consideration that can reasonably be obtained.

6.2 The procurement process will be compliant with the Concessions Contracts Regulations 2016. The council has appointed external legal advisors to advise on the procurement process and to prepare the relevant contract documentation.

6.3 The procurement process will be compliant with the Public Services (Social Value Act) 2012 by ensuring it seeks additional social value during the tender process.

6.4 The council must ensure compliance with the contractual terms and conditions of any public funding grants secured for these schemes, i.e. the One Public Estate capacity funding already secured and the Brownfield Land Release funding.

7. Climate change and environmental implications

7.1 These sites are in a highly sustainable location close to train stations and other public transport options and a range of local services and facilities. Except for Parklands, all are brownfield land.

7.2 All developments will be required to meet current and future planning policy requirements in relation to sustainability. The procurement process will seek to enhance the provision further, including through the offer of grant. Additional measures could include the use of modern methods of construction, fabric-based carbon reduction, and additional active travel promotion.

8. Risk management

8.1 Key risks and mitigations are as identified in the table below:

Risk	Mitigation
Failure to acquire town centre sites in ownership of Homes England.	Negotiations are supported by senior level discussions and underpinned by specialist commercial and property advice. In the event the attempt to acquire is unsuccessful, the procurement approach to

Risk	Mitigation
	the remaining sites would be reviewed as to whether it remains appropriate.
Sites are fundamentally unviable	Due diligence on the acquisition of sites has included cost and appraisal assessments to inform final price. Funding secured to support Walliscote Place proposal; recommendation in report to delegate authority to Executive Member to approve future bids so as to accelerate process. Potential inclusion of Parklands will reduce and offset financial risks. Acquisition of Weston Town Centre sites will open them up to national funding streams for local government development projects.
The procurement timeframes (outlined above) are delayed or unachievable.	Specialist legal and property advice on designing the process to ensure compliance with timescales. Close monitoring of progress. Any potential for delay will be reported to NSC's Capital Board.
Insufficient interest from developers, or lack of interest from suitable companies who are willing / able to meet the criteria set by NSC and funding partners.	Soft market testing has identified reasonable demand. Specialist consultants are advising on structures, procurement and marketing to optimise interest from suitable partners. Government and NSC grants will help improve attractiveness to market.
The appointed partner defaults on the scheme or fails to deliver some of the specified requirements.	Legal and property advice to ensure a robust Joint Venture arrangement that protects NSC's interests and requirements. JV agreement to ensure strong governance of the partnership / contract and to include funding for compliance monitoring.
Staff resource is inadequate to support process.	Consultants supporting process. Monitoring / management of staff time and priorities.

9. Equality implications

Have you undertaken an Equalities Impact Assessment? No

- 9.1 Planning applications for these sites will be required to comply with the requirements of the Local Plan and other planning policies, which have been subject to EIA assessments. Where possible, the procurement process will seek to add to and enhance provision in this regard.

10. Corporate implications

- 10.1 This proposal supports the Corporate Plan objective of creating a Thriving and Sustainable Place, in particular “the delivery of a broad range of new homes to meet our growing need, with an emphasis on quality and affordability”.
- 10.2 The resourcing of the procurement of a development partner and delivery of development will be led by the Development Team, with support from procurement and legal colleagues.

11. Options considered

- 11.1 Options for the delivery of this site are considered in section 3 above and are further detailed in Appendix C.
- 11.2 The option not to pursue these sites has been discounted for the following reasons:
- The sites are allocated for development. Failure to deliver would increase the gap in the council’s housing supply, which would need to be met elsewhere, most likely on greenfield sites. The opportunity to deliver housing to meet local needs would be lost.
 - Developing the sites will provide positive evidence to residents and visitors as to the growth and regeneration of the town and will encourage further investment.

Author:

Jenny Ford, Head of Development and Placemaking

Appendices:

Appendix A: Site location plans.

Appendix B: Draft quality criteria for procurement of development partner.

Appendix C: Procurement options.

Background papers:

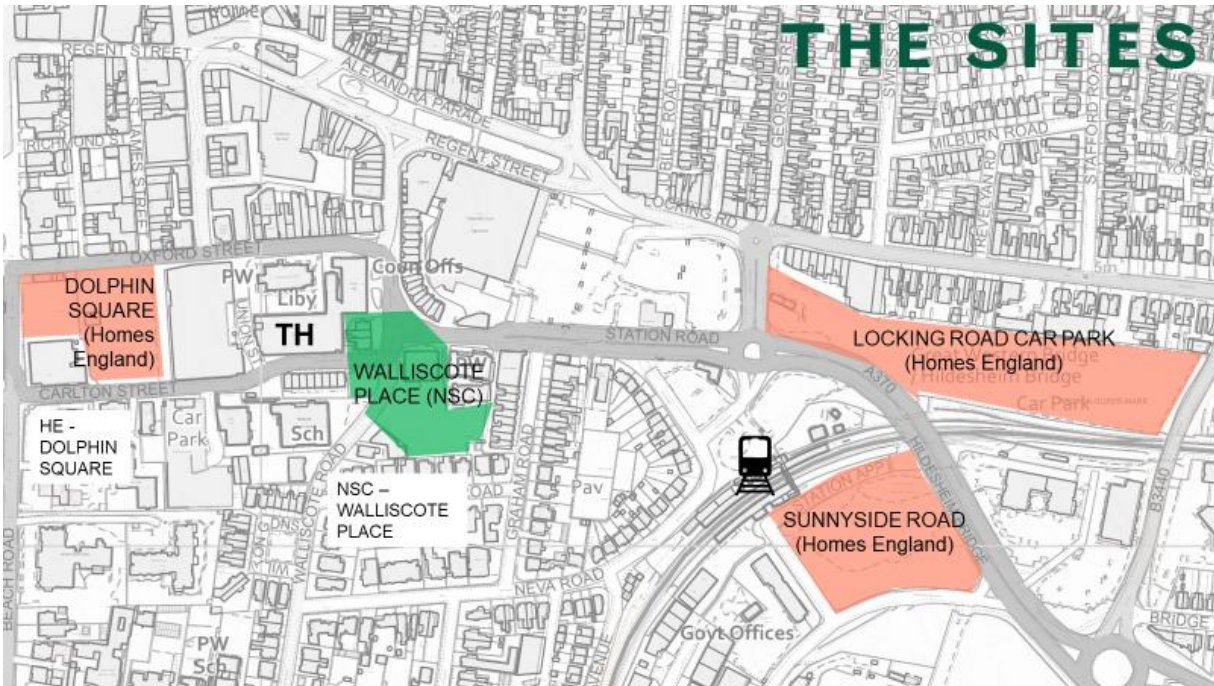
SuperWeston Placemaking Strategy: <https://superweston.net/super-weston/>

Weston Town Centre SPD / Weston Villages SPD: <https://planning.n-somerset.gov.uk/online-applications/applicationDetails.do?keyVal=ZZZXGLLPJV919&activeTab=summary>

Parklands Outline Planning consent: <https://planning.n-somerset.gov.uk/online-applications/applicationDetails.do?keyVal=ZZZXGLLPJV919&activeTab=summary>

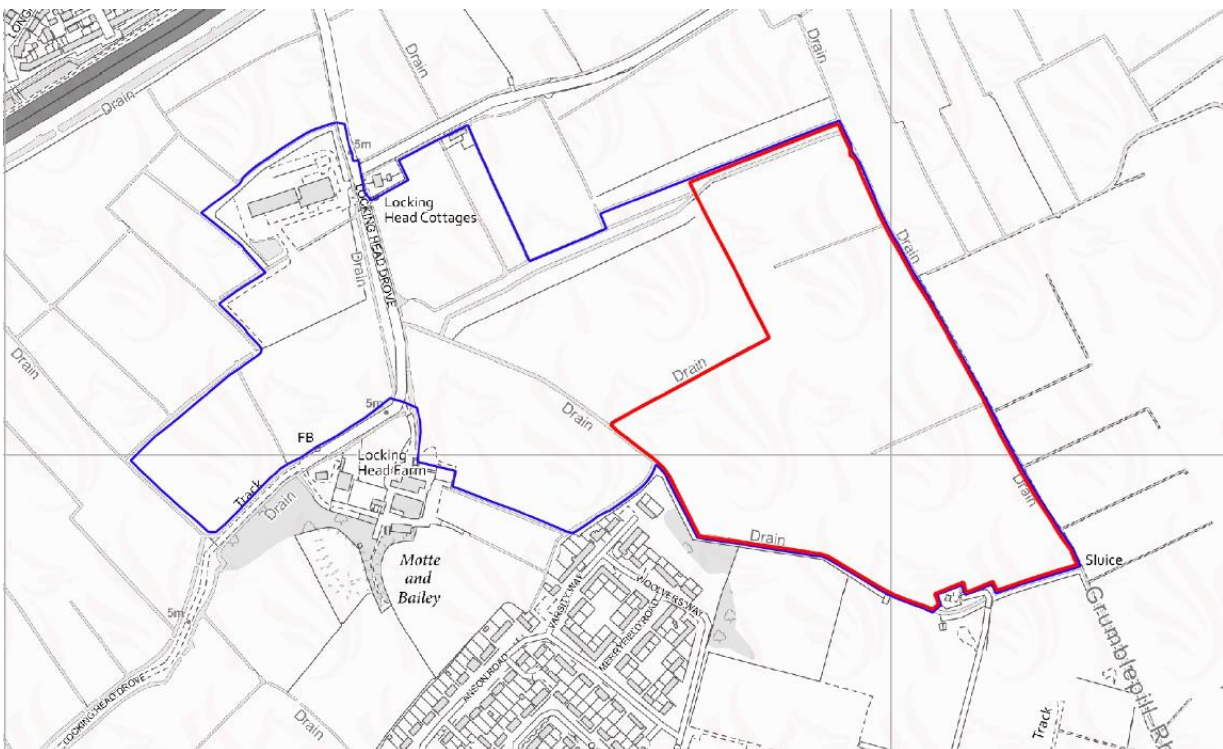
Site location plans

a) Sites in Weston-super-Mare town centre



b) Parklands phase 2

Phase 1 land outlined red; phase 2 outlined blue



North Somerset Council land at Locking Parklands

Scale: 1:5000

Date: 13 October 2020



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Draft quality criteria for procurement of development partner

The design criteria below relate primarily to the town centre sites. At Parklands Village, the developer will be required to deliver development in line with the approved Outline Planning consent and associated conditions.

The list below is not intended to be comprehensive, but highlights some of the matters believed to be particularly important in taking forward these sites.

Criteria	Parameters
Height / density / numbers	<p>The capacity of sites should be maximised as appropriate to the locations and within the constraints of what the market can deliver.</p> <p>A mix of town houses and mid-rise apartment blocks is supported at Sunnyside Road and Locking Road car park.</p> <p>Subject to viability, the council supports higher-rise development at Dolphin Square but does not require this, provided there is a sensible relationship to neighbouring sites and the building line along the seafront as a whole.</p>
Design quality	<p>Good quality of design and placemaking is important, particularly on more visible street frontages. Considered, contextual and understated design can be very successful in urban environments.</p> <p>The starting point for design parameters should be as set out in the Town Centre SPD and Weston Villages SPDs, unless otherwise stated here or agreed through further discussion.</p> <p>The council expects good quality and contextual design and placemaking encompassing urban design, landscape, architecture and selection of materials. Key considerations are relationships to surrounding area and good quality materials suitable for their environments (render or timber cladding should be avoided in marine environments). The inclusion of urban green spaces will be encouraged.</p> <p>The town centre sites have challenging constraints with which to work (particularly the Locking Road flyover) and the design teams must positively engage with these to result in successful forms of development.</p> <p>Developers will be required to engage with the West of England Design Panel and to have schemes reviewed at appropriate points within the programme.</p>
Housing mix and affordable housing	<p>The council will seek to maximise levels of affordable housing at all sites, however it is recognised that this may be challenging and that grant input is likely to be required.</p>

Criteria	Parameters
	Intermediate tenures for rent and sale would also be welcomed and may aid absorption of product to support delivery at pace. Any active elderly and student accommodation must be use class C3.
Sustainability	<p>The council has declared a climate emergency and will seek the highest standards possible at these locations.</p> <p>At Parklands, the benchmark established for phase 1 of an 80% reduction in carbon against baseline must be at least matched and ideally exceeded.</p>
Space standards	Proposals to be at least compliant with national standards.
Parking standards	It is accepted that parking at town centre sites may be less than 1:1 ratio, in recognition of the sustainability of the locations. Measures to enable and promote sustainable alternatives to private car use will be essential. The marketing of schemes to future residents must set clear expectations as to what is provided.
Use of MMC	The use of MMC is to be strongly encouraged, where this enhances quality, speed of development and inherent energy efficiency and sustainability.
Programme and deliverability	Developers will need to demonstrate a deliverable programme informed by realistic programming and market and financial evidence. This will include a requirement to demonstrate progress on town centre sites in advance of completion of the Parklands scheme (if included), including a start on at least one of the town centre sites by March 2024.
Social Value	Social Value commitments will be required in line with the council's Social Value policy, and will be evaluated as 10% of quality criteria.

Options for models of delivery

Option	Description	Advantages	Risks
Direct delivery by NSC	<p>NSC would take on the developer lead role.</p> <p>The council would secure planning and contract the construction to a suitably qualified construction company.</p> <p>A development company or similar would have to be put in place to hold and dispose of the resulting homes.</p>	<ul style="list-style-type: none"> • Full control over the quality of the development and homes built. • NSC would receive the land value and profits from the development. 	<ul style="list-style-type: none"> • NSC would need to provide the capital for the development, in the realm of £150 – 200m. Even if available, this would take up capital funding that might be needed for other schemes. • Staffing resources required to manage the delivery of this scheme and disposal of homes would be very significant and would detract from work on other priorities. • Current staff do not have significant experience in direct delivery of housing schemes. • The council would need to establish a mechanism for the holding and disposal of properties. • The full financial, delivery and reputational risks would sit with the council.
Joint Venture	<p>The council would seek a developer partner who would drive forward the development, including the appointment of contractors and sourcing finance. The NSC would receive a land receipt and would seek to share the resulting development profit, after accounting for the partner's costs.</p>	<ul style="list-style-type: none"> • NSC would retain a good degree of control over quality of the development and homes, whilst allowing some flexibility in the design and development in response to the market. 	<ul style="list-style-type: none"> • NSC must accept some of the risks of the development without being in complete control of the project. • Financial return less than if choosing direct delivery.

		<ul style="list-style-type: none"> • The developer would provide the capital for the development and would manage delivery. • Less resource-intensive in terms of NSC staff time. • No requirement to set up a development company. • NSC might be entitled to a share of the development profit, as well as the agreed capital sum for the land. 	
Disposal to market	NSC would sell the land as a commercial transaction, with limited conditions as to the details or timing of delivery.	<ul style="list-style-type: none"> • Would maximise the likely land receipt and the timing of the receipt would probably be earlier than under other options. • A commercial transaction would remove any ongoing financial risks and reduce the reputational risks, once initial sale was completed. 	<ul style="list-style-type: none"> • Very limited control over timescales or product: by law, commercial transactions cannot include detailed specifications of what needs to be delivered. • A high risk of breach of funding conditions. • No opportunity for a share of developer profit.

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North Somerset Council

Report to the Council

Date of Meeting: 15th February 2022

Subject of Report: Accommodation Strategy Update

Town or Parish: All

Officer/Member Presenting: Cllr Steve Bridger

Key Decision: No

Reason: This is a Council not Executive decision

Recommendations

That Council agrees to:

- The transitioning out of Castlewood and release of it for disposal or redevelopment, subject to detailed options analysis and strategy
- Commission the production of detailed options analysis and associated development and delivery strategy for the Castlewood site

1. Summary of Report

- 1.1 The report provides an update on work related to the Accommodation Strategy and in particular the Strategic Outline Case for the council to consolidate its primary office activities in Weston Town Hall and therefore progress work to dispose of or redevelop the Castlewood site in Clevedon.
- 1.2 The council no longer needs two large buildings to accommodate its workforce through flexible and agile working, while consolidation will support revenue savings and reduce the council's carbon emissions. Section 11 sets out why it is proposed that Weston Town Hall is retained, and Castlewood be released from the core office accommodation, referring to issues of affordability, carbon emissions and accessibility.
- 1.3 The council's Asset, Accommodation and Development Strategies set out a framework for evaluating the need to retain, invest in, dispose or develop property assets. Release of assets from the estate can generate make financial savings and generate capital, while they can also present opportunities for support local regeneration.

2. Policy

- 2.1 The project supports the Corporate Plan ambitions to enable **thriving and sustainable places** through reducing the council's carbon emissions to support its

ambition to be a *net zero carbon council and area by 2030*. **An open and enabling organisation** is supported through *manage our resources and invest wisely; embrace new and emerging technology; make the best use of our data and information; provide professional, efficient and effective services; and collaborate with partners to deliver the best outcomes*.

- 2.2 The Council's Asset, Accommodation and Development Strategies were adopted on 23rd February 2021 ([Agenda item - Asset, Accommodation and Development Strategies \(AADS\) - Adoption \(includes exempt appendix\) \(Agenda Item 22\) | North Somerset Council \(moderngov.co.uk\)](#)). Part of this work, the Strategic Asset Management Plan (SAMP), sets out a methodology for the council to consider whether assets within its estate are required for service delivery and whether they should be retained. The intention to progress the phased withdrawal from Castlewood was outlined in this document.
- 2.3 The Development Strategy element of the work identifies opportunities for the council to promote its own land for residential, commercial and mixed-use development. As well as generating income to support the council's capital programme for infrastructure, the council's participation in projects can help address market failure, deliver good design, optimise affordable housing outcomes and reduce the carbon emissions of development. The first two sites within this are underway at Uplands in Nailsea and Parklands in Weston-super-Mare.
- 2.4 The council is currently working with local partners and engaging with the community in Clevedon to prepare a Placemaking Strategy for the town. The council does not currently have a regeneration programme for Clevedon (although officers do engage proactively with the Town Council and Business Improvement District).
- 2.5 The preparation of the Placemaking Strategy is intended to create the strategic framework from which a regeneration programme for the town can emerge. The exercise is considering possibilities for development or regeneration on sites within the town to attract investment for the town centre, develop the town's cultural opportunities and promote the delivery of new homes to meet local needs, particularly genuinely affordable housing.
- 2.6 The future possible uses of the Castlewood site can be supported by engagement through the Placemaking Strategy and local engagement can take place.

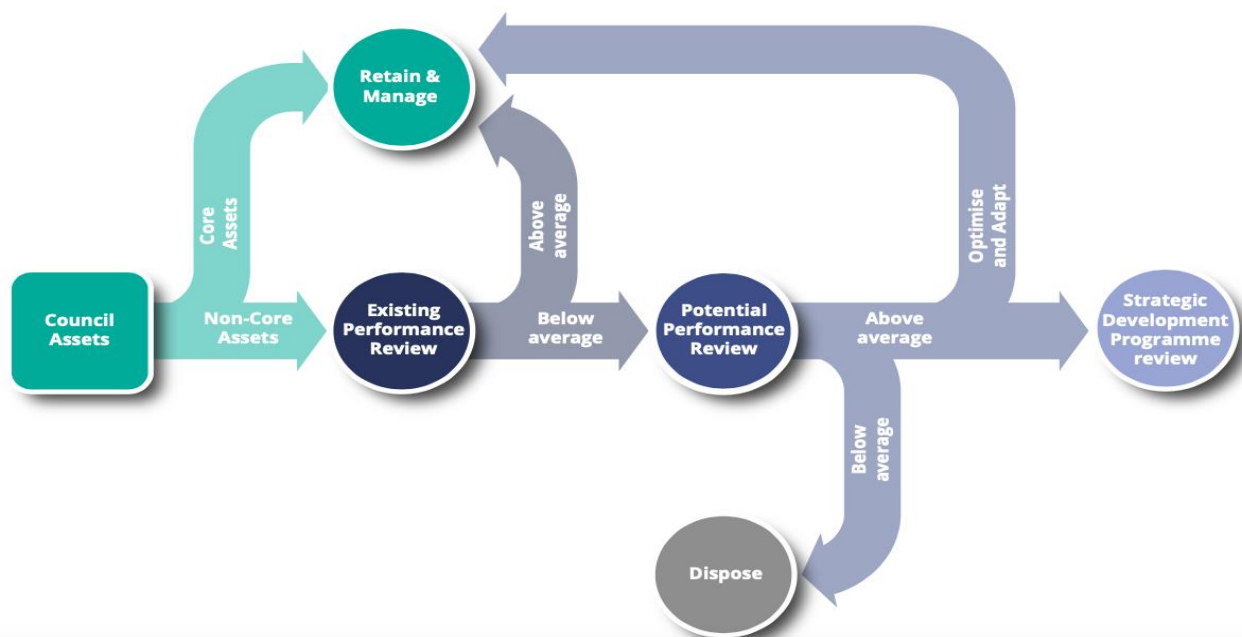
3. Details

- 3.1 Since acquisition in 2010, Castlewood has been the primary office location for a number of council services and the base for partner organisations that rent space in the building. It has provided some flexible space for officers who work between Clevedon and Weston and provides some public-facing services for customers in the north of the district. The site is also home to some operational requirements such as fleet vehicles and fuel storage.
- 3.2 During the COVID-19 pandemic, Castlewood has been closed to customer access except for Visitors with pre-booked appointments for the Registration Service and Job Centre Plus. The site has also been used as a COVID testing centre.
- 3.3 The council embarked on an office amalgamation programme in 2012 that substantially reduced the number of buildings the council operates out of. Alongside this, ongoing efficiency exercises has reduced the head count of the workforce c1800 to c1400 (including services provided by the support services contract).

- 3.4 The COVID-19 pandemic has now transformed the way the council delivers its services. Out of necessity, many officers have been required to habitually work from home and stay away from the office and the workforce has adapted to a more flexible and agile working pattern.
- 3.5 The Accommodation Strategy consists of interrelated workstreams including ways of working flexibly, the requirement for buildings, investment needs of buildings and access for customers. The work is also connected to the council's future depot requirements that support the delivery of waste and recycling, highways, and library services.
- 3.6 In relation to ways of working and the requirement for buildings, the council has undertaken a series of 'pulse surveys' of the workforce and the ability to effectively deliver their services from within or away from the office. The consistent evidence from the surveys is that the council does not need to accommodate all its workforce within its own buildings all the time, and therefore requires a significantly smaller primary office footprint.
- 3.7 The data derived from these surveys has informed an exercise to understand if the council's workforce can be accommodated within Weston Town Hall when a range of agile working patterns are assumed and accounts for those officers that largely work 'in the field'. This exercise has demonstrated that Weston Town Hall can accommodate the workforce based on the needs of the council to deliver its services. Capital funding has been identified to deliver a project to reconfigure and procure fixtures, fittings and equipment to enable flexible working in Weston Town Hall.
- 3.8 There is a backlog maintenance requirement for Castlewood that has built up in recent years related to lifts, air quality, heating, power, water, and decorations. Retaining the building as part of the primary office footprint will therefore require capital investment to meet these needs.
- 3.9 From a revenue perspective, there has been a reduction in occupancy levels and associated annual income, and projections show that further reductions are expected. The site represents a net financial cost to the council's budget of approximately £1m per annum, which would grow if income levels continue their decline.
- 3.10 The Castlewood site accounts for 19.4% of the council's energy and approximately 40% of the net annual costs of the building are related to energy usage at the site, and these are expected to face significant price inflation in coming years. The energy performance of the Castlewood building is poor - significantly below the average performance and comfortably within the worst category of public buildings in the country. The building currently generates 1045 tonnes of carbon per year, approximately 11% of the council's directly generated carbon emissions.
- 3.11 Significant investment would be required to be made to improve the energy performance of the building, on top of the already amassed maintenance backlog and there may be inherent limits to the improvements that can be made due to the design and construction of the building.
- 3.12 Realising the financial and net zero-carbon benefits from the future of the site requires the detailed consideration of options and the preparation of a delivery

strategy. This will need to consider whether these benefits can best be realised if the council retains the site as a commercial investment, disposes of the site, or seeks to develop the site for alternative uses.

- 3.13 This information will be considered through the agreed methodology contained within the Strategic Asset Management Plan adopted by council in February 2021. The diagram below summarises this methodology.



- 3.14 A detailed options analysis and associated development and delivery strategy is being scoped and will be progressed over the coming months. This exercise will appraise whether the site should be sold, repurposed for some other public use or redeveloped. It will consider the financial, placemaking and carbon implications of these alongside the legal and procurement related issues for delivery.
- 3.15 This will need to consider the future location for current operational uses of the site (such as the meals on wheels service, fuel tanks, EV charging points and fleet), financial and funding requirements, the tenancies and licenses associated with third party partners that occupy the building, any development constraints, and the net position of carbon emissions.
- 3.16 Since 2018, the council has taken a 'digital-first' approach to customer contact to encourage the use of the website over face-to-face meetings and telephony. There are occasions where some customers require a physical visit to a council building, and the council's policy is that meetings with officers is on an appointment only basis.
- 3.17 Pre-pandemic data suggests that just 1.5% of all physical customer visits occurred at Castlewood. Public customer facing facilities available at Castlewood include customer telephone, computers to access the council's website, basic enquiries, receipt of Registrar visitors and kiosks for meetings by appointment. Most of these services have been closed since the outbreak of the pandemic in Spring 2020.
- 3.18 The council is preparing a new Customer Service Strategy to set out how the council will provide services to its customers, including physical access for those that cannot use other channels. This will be presented to Executive in April 2022, which means

this can be agreed in advance of any decision how Castlewood would be repurposed in the future.

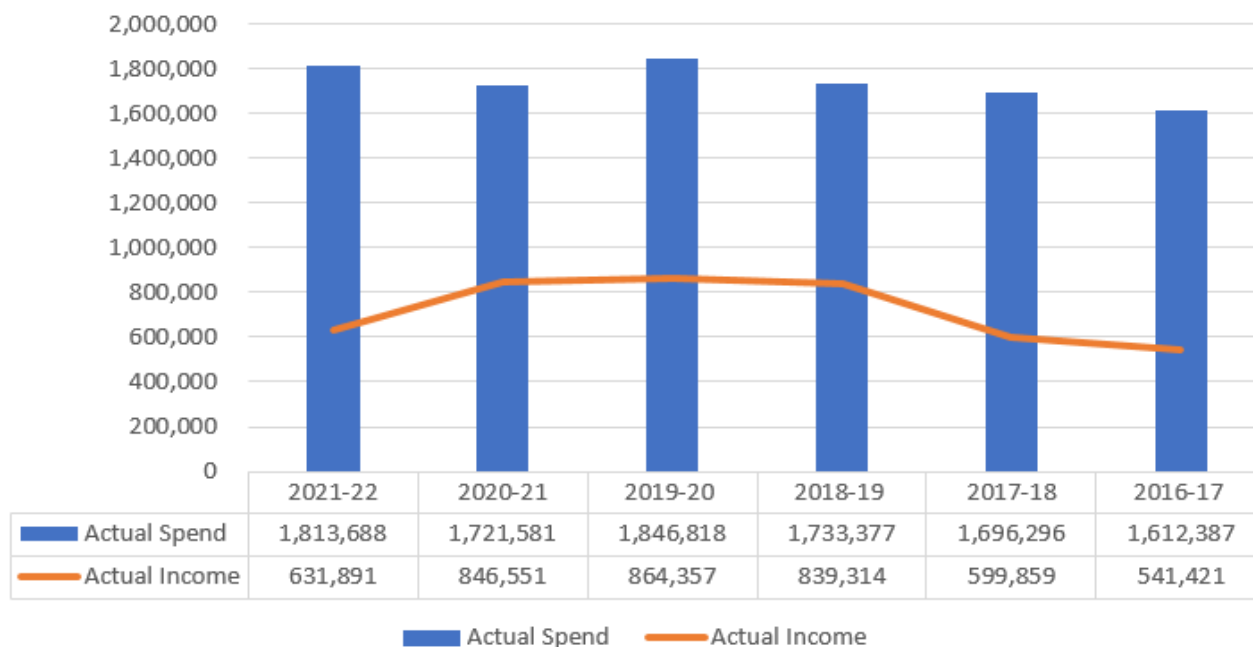
4. Consultation

- 4.1 The preparation of this paper follows the adoption of Asset, Accommodation and Development Strategies that were adopted by Council in February 2021, which included a recommendation to prepare to withdraw from Castlewood. This work was prepared through engagement with members through Scrutiny sessions.
- 4.2 An all-member Scrutiny meeting was hosted on the 17th of January 2022 in advance of this meeting. Members received material in advance and had an opportunity to provide feedback following the session.
- 4.3 The council's workforce has been engaged repeatedly over the last two years about flexible ways of working through online surveys. Officers have also had the opportunity to hear about the plans through online webinars, where the option to close Castlewood has been shared openly.
- 4.4 Unions will be consulted and a presentation will be made to a Union Liaison Meeting.

5. Financial Implications

- 5.1. The net cost of operating Castlewood is approximately £1.1m per annum and should the site be released then these costs would feed into the next stage of the business case from which future budget savings will be identified.

Castlewood - Income & Expenditure 2016-2022



- 5.2. The council's budget also includes provision of £1.1m to repay the long-term debt charges associated with the initial purchase and acquisition costs, although it is anticipated that this debt would be retained by the council and not repaid at the point of disposal as the early redemption costs would be significant and not represent value for money. Savings in respect of these debt costs will be realised from 2035 onwards and fed into the budget at that point.

Costs

- 5.3. As noted above, the council will prepare an options analysis and associated development and delivery strategy over the coming months which will include a detailed assessment of all of the financial implications for the council.
- 5.4. All of these impacts, whether they be one-off in nature or recurring, will follow the council's strategic financial processes and so will be reflected within the Capital Strategy and the Medium Term Financial Plan.
- 5.5. To undertake the next phase of the work the council will incur additional costs of approximately £30,000.

Funding

- 5.6 Funding has been identified from existing reserves to complete the detailed options appraisal and prepare a delivery strategy as recommended in this report. Further funding will need to be identified to deliver the decision to dispose or redevelop the site which will be subject to a future decision.

6. Legal Powers and Implications

- 6.1 Under the Local Government Act 1972 a Council has the powers to manage, develop and dispose of its assets as it sees fit, subject to acquiring best value in the case of any disposal and in accordance with any relevant statutory process triggered by such decisions.
- 6.2 Decisions related to the future repurposing of the Castlewood site will need to progress in line with local government legislation, financial regulations and contract standing orders in line with the council's constitution.
- 6.3 Planning permission will be required for a change of use or redevelopment of the site.

7. Climate Change and Environmental Implications

- 7.1 The recommendations of this paper are derived from the preparation on the Strategic Asset Management Plan (SAMP) which benefited from significant input from the council's Climate Emergency project manager and to ensure alignment with the council's Climate Emergency Action plan. As can be seen in the strategies, the council's commitment to achieving carbon neutrality is core to all respective tool kits and future operating models identified within the documents.
- 7.2 Castlewood is a very poorly performing building from the perspective of energy efficiency and carbon emissions. According to its Display Energy Certificate (DEC) it achieves a score of 236 which is well below the average of 100 for public buildings in the country. Not having Castlewood within its estate would reduce the council's Scope 1 and Scope 2 emissions by 11%

Score	Operational rating	This building	Typical
0-25	A		
26-50	B		
51-75	C		
76-100	D		
			100
101-125	E		
126-150	F		
150+	G	236 G	

- 7.3 The building is poorly served by public transport and is within an out-of-town location so that it encourages people to drive to access it, generating carbon emissions from commuting journeys.
- 7.4 The council's carbon emissions for scope 1, 2 and 3 have reduced by an estimated 24% since the outbreak of the COVID-19 pandemic, largely supported by a significant reduction in the use of its buildings and commuting of the workforce. Having a single office in a location well served by public transport for a workforce that will likely commute more occasionally can help to further reduce the council's carbon emissions.
- 7.5 The preparation of detailed options analysis and a delivery strategy for a new future for the Castlewood site will need to fully appreciate the extent to which they can contribute to the council's ambition for a net zero carbon organisation and area by 2030. This will need to consider the current performance of the building, the extent to which it can be improved, the embodied carbon that would be generated from demolition and rebuild and the carbon emissions generated from any new buildings on the site.
- 7.6 The building management system separates the building into three zones, although these do not correspond to floors. A technical team will assess options for making further energy efficiencies through consolidating residual activity in the building into one zone so that energy consumed in underused areas can be conserved.

8. Risk Management

- 8.1 A project of this scale will be supported by significant project resource and governance arrangements to manage risk. At this stage, an initial risk assessment has identified the following:

Risk	Mitigation
<i>Climate Emergency</i> Redevelopment of the Castlewood site might generate more carbon than the current building and car park use	Undertake comparative assessment of retention and reuse of building versus redevelopment including embodied carbon.
<i>Development</i> Macro-economic factors related to costs and values could result in higher costs or lower development or land values than anticipated	Ensuring sufficient financial contingency is assumed within development appraisals and for these to be robustly assessed and managed through the project.
<i>Development</i> Risks associated with title constraints	Understanding title constraints and preparation of plan. Seeking insurance to mitigate the risk of any claims/
<i>Development</i> The large Castlewood site would represent a significant development project for the council with inherent risks	Consider development strategies that manage the risk exposure to the council while securing the financial requirements.
<i>Planning</i> Redevelopment of the site will require planning permission	Planning risk assessments will be prepared through detailed options analysis.
<i>Tenancies</i> Partner tenancies and licenses will need to expire or be terminated to be able to deliver vacant possession for a reuse or redevelopment.	Discussions planned with outstanding partners to understand future requirements and timeframes for expiry or termination.
<i>Project delivery</i> A complex project will require sufficient officer and technical resource and robust governance arrangements to deliver outcomes within an agreed timeframe	A project plan will be prepared for preferred option through detailed options appraisal to support resource planning and decision making.
<i>Financial impacts</i> A complex project with a number of dependencies may not realise the financial benefits set out in the business case or may require management to be realised over a long-term period.	The further development of the business case will test the financial implications of options. Robust governance and financial management will be required to deliver and manage financial implications over time.

9. Equality Implications

- 9.1 An initial Equalities Impact Assessment has been undertaken. It has identified that a decision to transition out of the Castlewood site and to prepare detailed options will have a neutral impact on identified minority groups within our communities.
- 9.2 The detailed options analysis will be progressed during the next stage of work and this provides an opportunity to understand the impact level and impact type of options and a preferred option. The future use of the site may provide opportunities for positive impacts on some groups of people.

10. Corporate Implications

- 10.1 Pre-pandemic, the vast majority of face-to-face contact with the council took place at Weston Town Hall, with just 1.5% of contacts at Castlewood in a typical month. The council is preparing a new Customer Service Strategy to consider how customers

can access its services and the council continues to encourage customers to use digital means as much as possible.

- 10.2 Not all users of the council's services are able to make use of digital channels and the Customer Service Strategy will set out how physical access can be provided for those that require it.
- 10.3 The Accommodation Strategy proposes that many of the council's employees will be able to deliver services without having to be in the office all of the time. Since March 2020, the majority of staff have worked from home the majority of the time, but in the future, the council anticipates that a more blended approach will be taken, based on service needs.
- 10.4 Council services have been engaged to understand how frequently they will need to make use of the office and for what purposes. All office-based staff have repeatedly been engaged through regular pulse surveys alongside annual Staff Surveys. This has informed the design of 'workstyles' which help to understand how much physical space is required to support office working.
- 10.5 As well as workspace for staff and partners, Castlewood also is the base for some ancillary uses related to council services, including fuel storage, fleet parking and electric vehicle charging. Future options for the accommodation of these uses will be developed as part of the detailed options appraisal, although some work is already underway and being considered through the preparation of a new Depot Strategy.

11. Options Considered

Retain Castlewood and Weston Town Hall

- 11.1 As set out in the main body of this report, the council no longer requires two large offices from which to deliver its services. The council has transformed its ways of working such that its workforce can comfortably be accommodated in one office location.
- 11.2 There are ongoing financial implications associated with retaining both buildings that will create ongoing strain on the council's revenue budget and ability to invest capital elsewhere in its estate.
- 11.3 The retention of both buildings is unnecessary from an operational perspective and would entail having to absorb financial pressures that could be much better deployed elsewhere at a time that the council continues to require significant ongoing efficiency measures.
- 11.4 Retention of both buildings would also represent an opportunity cost to make significant gains in the ambition for the council to achieve its ambitions to become a net carbon zero organisation.

Retain Castlewood and withdraw from Weston Town Hall

- 11.5 Weston-super-Mare is the administrative centre of the district and the council as the unitary authority. Including employees of Agilisys and Liberata (which provides a substantial package of support services for the council), it is where the majority of the workforce live.
- 11.6 About 87% of the council's workforce live in the built-up areas of Weston, Clevedon, Portishead, Nailsea and Yatton. Of these, 69% live in the greater Weston area,

while 11.2% live in Clevedon. About 4% of Clevedon-resident officers previously worked from Castlewood and these roles are now expected to be able to be delivered largely through flexible working, while some roles are delivered by mobile working in the field.

- 11.7 Leading up to the acquisition of the building, Council acknowledged that locating a significant number of officers in Castlewood would require some people to travel further to the office since they previously worked in Weston-super-Mare, and that travel plans to support public transport and cycling would be investigated. Weston-super-Mare has a more developed public transport system with greater local, regional and national connections.
- 11.8 Weston-super-Mare is home to 45% of the North Somerset population (within approximately 5km of the Town Hall) while Clevedon is home to about 11% of the population, although approximately 32% live within 5km of the Castlewood site.
- 11.9 While the withdrawal from the local economy of approximately 700 workers from the Castlewood site is not insignificant, the site is approximately 1km from Clevedon town centre, and most day-to-day footfall of employees is to the local service station shop. If the council retained Castlewood with current flexible working practices, it would be significantly underutilised. In any event, many employers across the region are themselves encouraging flexible and distributed working models meaning that the level of employment within North Somerset towns and villages has increased with people working at home, including Clevedon.
- 11.10 North Somerset Council is by far the largest employer within Weston town centre. Due to the proximity of Weston Town Hall to local business and that parts of the town centre are characterised as having some of the highest levels of deprivation in England, it is believed that the comparative impact of withdrawing from Weston would have a significantly greater local economic impact than withdrawing from Clevedon.
- 11.11 Weston Town Hall does not have as significant repairs and maintenance backlog as Castlewood. While improvements can be made to the energy efficiency of the building, it generates approximately 62% fewer tonnes of carbon per annum than Castlewood.

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Appendices:

Accommodation Strategy Exempt Appendix

Background Papers:

Report to Council February 2021 – Asset, Accommodation and Development Strategies
[Committee Report NSC \(modern.gov.co.uk\)](https://modern.gov.uk)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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