

# West Devon Hub Committee



West Devon  
Borough  
Council

<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Tuesday, 16th May, 2017</b>
<b>Time:</b>	<b>2.00 pm</b>
<b>Venue:</b>	<b>Chamber - Kilworthy Park</b>
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Sanders <b>Vice Chairman</b> Cllr Baldwin</p> <p><i>Members:</i> Cllr Edmonds Cllr Parker Cllr Jory Cllr Sampson Cllr Moody Cllr Samuel Cllr Oxborough</p>
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
<b>Committee administrator:</b>	Member.Services@swdevon.gov.uk

**1. Apologies for absence**

**2. Declarations of Interest**

Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting.

If Councillors have any questions relating to predetermination, bias or interests in items on this Agenda, then please contact the Monitoring Officer in advance of the meeting.

**3. Items Requiring Urgent Attention**

To consider those items which, in the opinion of the Chairman, should be considered by the Meeting as matters of urgency (if any)

**4. Confirmation of Minutes**

**1 - 4**

Minutes of meeting held 28 March 2017 (already circulated)

**5. Lead Member Update - Cllr Samuel**

**6. T18 Task and Finish Group - Final Report (Cllr Mott of Task & Finish Group)**

**5 - 14**

**7. Future Garden Waste Service Design (Cllr Sampson)**

**15 - 22**

**8. Using the Cornwall & West Devon Mining Landscape World Heritage Site Supplementary Planning Document in decision making (Cllr Parker)**

**23 - 28**

**9. 100% Business Rate Retention Consultation Response (Cllr Edmonds)**

**29 - 40**

PART TWO ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF  
THE PUBLIC AND PRESS ON THE GROUNDS THAT EXEMPT  
INFORMATION IS LIKELY TO BE DISCLOSED

The Committee is therefore recommended to pass the following  
resolution:

**“RESOLVED** that under Section 100(A)(4) of the Local Government Act  
1972, the public be excluded from the Meeting on the grounds that  
exempt information may be disclosed as defined in the paragraph given  
in Part 3 of Schedule 12A to the Act.”

**10. Insurance Contract (Cllr Edmonds)**

**41 - 44**

This document can be made available in large  
print, Braille, tape format, other languages or  
alternative format upon request. Please contact the  
Committee section on 01822 813664 or email  
[darryl.white@swdevon.gov.uk](mailto:darryl.white@swdevon.gov.uk)

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# Agenda Item 4

At a Meeting of the **HUB COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **28<sup>th</sup>** day of **MARCH 2017** at **2.00pm**

**Present:** Cllr P R Sanders – Chairman  
Cllr R E Baldwin – Vice-Chairman

Cllr C Edmonds      Cllr N Jory  
Cllr J B Moody      Cllr R J Oxborough  
Cllr G Parker      Cllr R F D Sampson  
Cllr L Samuel

**In attendance:** Executive Director (Strategy and Commissioning)  
Executive Director (Service Delivery and Commercial Development)  
Group Manager Business Development  
COP Lead – Assets  
Commissioning Manager  
Specialist Democratic Services

**Other Members in attendance:**

Cllrs Cheadle, Leech, Moyse, Sellis and Yelland

**\*HC 63      DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be discussed but none were made.

**\*HC 64      URGENT BUSINESS**

The Leader advised that he had one item of urgent business by way of an update requested previously by Hub Committee Members on vehicle procurement and financing arrangements. He stated that the Options Appraisal had now been received back from the Council's advisors recommending that the Council undertake borrowing, rather than leasing, for the waste vehicles. Regarding the fleet procurement, the contract for the supply of refuse collection vehicles had been awarded.

**\*HC 65      MINUTES**

The Minutes of the Hub Committee Meeting held on 28<sup>th</sup> February 2017 were confirmed and signed by the Chairman as a correct record.

**HC 66      OUR PLAN ANNUAL REPORT**

Members were presented with a report that reviewed the Council's progress over the last financial year and set the scene for the year ahead. The Leader introduced the report and updated Members with the comments of the Overview and Scrutiny (External) Committee who had reviewed the report on 21 March 2017. Members suggested one or two minor amendments.

During discussion, Members praised the report for its clarity and asked that in respect of achievements listed, the efforts of the Senior Leadership Team and officers should be acknowledged.

It was then **RESOLVED** that Council be **RECOMMENDED** to:

- (i) Note the progress and achievements made by the Council; and
- (ii) Adopt and publish the West Devon Annual Report (as presented at Appendix A) for the financial year 16/17.

**\*HC 67**

**COMMERCIAL PROPERT INVESTMENT**

Members were presented with a report that recommended a proposed property investment strategy. The proposal presented the Council with significant achievable revenue streams in-year, whereas other opportunities would take longer to realise and were not solely capable of achieving the required quantum. The objective of the strategy was to generate revenue streams to contribute to the financial sustainability of the Council, enabling it to continue to deliver frontline services in line with the Council's adopted strategy and objectives.

The Deputy Leader presented the report with a comprehensive introduction and Members had a detailed discussion on this item. A number of Members had concerns on the presented appendix C which set out the Terms of Reference for the Invest to Earn Working Group and it was suggested that a further recommendation be included that would request the Group to review its terms of reference.

It was then **RESOLVED** that:

1. The proposed commercial property investment strategy and proposed direction of travel as detailed in presented Appendices A and B be noted;
2. The allocation of up to £20,000 from the Invest to Earn Earmarked Reserve which has an uncommitted balance of £404,862, to gain specialist advice in order to develop a full business case for the commercial property investment proposals set out in the presented agenda report, which will be brought back to Council for a final decision, be approved;
3. Officers commence an appropriate procurement process to commission a property agent to work on behalf of the Council in relation to the proposed commercial property investment strategy be agreed; and
4. The Terms of Reference at presented Appendix C be referred back to the Invest to Earn Group for review.

**HC 68**

**REVIEW OF HUB COMMITTEE AND OVERVIEW AND SCRUTINY FUNCTION**

Members were presented with a report of the Political Structures Working Group that made recommendations in respect of the future structure of Overview and Scrutiny, membership of Audit, Hub and Overview and Scrutiny Committees and the Hub Committee Forward Plan, all of which should improve the effectiveness of decision making at West Devon Borough Council.

The Leader introduced the report. Members made a number of comments regarding the Overview and Scrutiny function and the Chairman of the Overview and Scrutiny (External) Committee was able to give examples of what had worked well. The Executive Director (SD&CD) committed to finding examples of good practice from other authorities and the Executive Director (S&C) confirmed that the Terms of Reference for the Overview and Scrutiny Committee would be refreshed.

It was then **RESOLVED** to **RECOMMEND** to Council that:

1. The existing governance arrangements for Hub Committee are working well and should therefore be retained;
2. The Overview and Scrutiny function be carried out by one Committee (rather than two) with effect from the Annual Meeting in May 2017;

3. With effect from the Annual Meeting in May 2017, Members of West Devon Borough Council sit on either the Hub Committee, Audit Committee, or Overview and Scrutiny Committee. In so doing, substitutes will not be allowed on any of Audit, Hub and Overview and Scrutiny Committees;
4. The Hub Committee has a membership of 9, Overview and Scrutiny Committee has a membership of 15 and Audit Committee membership is increased to 7; and
5. The Hub Committee Forward Plan be improved to better enable more effective programming of agenda items for Overview and Scrutiny Committee.

**HC 69**

### **COMMUNITY HOUSING**

*(Information relating to the financial or business affairs of any particular person including the authority holding that information)*

Members were presented with an exempt report that set out the Community Housing Strategy and also detailed a land acquisition opportunity.

The Lead Members for Strategic Housing and Assets both presented their respective elements of the report.

It was then **RESOLVED** that Council be **RECOMMENDED** that:

- i. the Community Housing Strategy be approved as set out in the presented report, specifically approving:
- ii. The apportionment of the £247,620 Community Housing Fund (CHF) as per section 3 of the presented report, including support for the funding of up to 3 FTE for 2 years (shared with South Hams District Council);
- iii. The delegation of acquisition for sites up to £250,000 for the delivery of community housing from the CHF Grant, to the COP Lead Assets, in consultation with the Lead Member for Assets and s151 Officer;
- iv. To approve the proposals contained in section 1.11 of the presented report.

It is further **RESOLVED** that:

- v. The submission to Department for Community and Local Government (DCLG) of the Community Housing Strategy set out in the presented report and contained within Appendix A be noted.

**\*HC 70**

### **REQUEST FOR LOING LEASE RENEWAL**

*(Paragraph 3 – Information relating to the financial or business affairs of any particular person including the authority holding that information)*

Members were presented with a report that sought agreement to progress and conclude detailed negotiations of lease renewal for a term in excess of 15 years.

The Lead Member for Assets presented the report.

It was then **RESOLVED** that authority be delegated to progress and conclude detailed negotiations of the lease renewal to the Religious Society of Friends, to the COP Lead Assets in consultation with the s151 Officer and Lead Member for Assets, for a term in excess of 15 years.

(The Meeting terminated at 3.50 pm)

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# Agenda Item 6

Report to: **Hub Committee**

Date: **16 May 2017**

Title: **T18 REVIEW TASK AND FINISH GROUP  
FINAL REPORT**

Portfolio Area: **Strategy & Commissioning**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **Any recommendations will be presented to the Annual Council meeting on 23 May 2017 for consideration**  
(e.g. referral on of recommendation or implementation of substantive decision)

Author: **Katharine Hoare  
(on behalf of T18  
Review Task &  
Finish Group)**

Contact: [Cllr.caroline.mott@westdevon.gov.uk](mailto:Cllr.caroline.mott@westdevon.gov.uk)  
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## **RECOMMENDATION**

**That the Hub Committee RECOMMEND to Council that the findings and conclusions of the Task and Finish Group (as outlined at Appendix 1) be noted and, where appropriate, adopted for future significant projects.**

### **1. Executive summary**

1.1 In accordance with the adopted terms of reference for this review, the Task and Finish Group is required, in the first instance, to

report its findings and conclusions to the Overview and Scrutiny (Internal) Committee;

- 1.2 The Overview and Scrutiny (Internal) Committee subsequently considered a version of this report at its meeting on 18 April 2017 and unanimously supported the recommendations of the Task and Finish Group (as presented at Appendix 1).

## **2. Background**

- 2.1 During consideration of the Transitional Resources report by the Hub Committee at its meeting on 7 June 2016 (Minute HC 07 refers), the following recommendation was made to the Council

*"The Overview and Scrutiny (Internal) Committee be asked to undertake an interim review of the T18 Programme, with the Terms of Reference for this Review being agreed by the Executive Director (Strategy and Commissioning) in consultation with the lead Hub Committee Members for Customer First and Economy".*

- 2.2 This recommendation was subsequently approved by the Council at its meeting on 28 June 2016. In the discussion on this report, the point was made by Members that 'the intention of this review was not to apportion any blame to individuals, but to undertake an open and transparent enquiry to ensure that lessons could be learned for the future'.

- 2.3 At its meeting on 19 July 2016, the Overview and Scrutiny (Internal) Committee considered this request (Minute O&S (I) 17(a) refers) and approved the following broad terms of reference for the Review:

*"The Overview and Scrutiny (Internal) Committee is requested to undertake an interim review of the T18 programme. In undertaking the review, the Task and Finish Group is asked to focus on the:*

- *timescales of the programme and the reasons for these;*
- *capacity during transition;*
- *leadership and continuity from 2104 until present;*
- *approach to project management; and*
- *impact on service delivery.*

*The review should be conducted in a way that highlights what went well and what could have been done better, does not allocate blame but provides a report that is based on lessons learnt and how these lessons are being applied."*

- 2.4 The Committee nominated Cllrs Davies, Evans, Mott, Musgrave, Ridgers and Yelland to serve on this Task & Finish Group. In addition,

the Group also appointed Cllr Cheadle to join the Review following its first meeting.

### **3. Outcomes/outputs**

- 3.1 The Group met on five occasions and, at its first meeting, nominated Cllr Mott to serve as Chairman;
- 3.2 In addition to these collective Group meetings Members also met in smaller groups to interview key witnesses. These witnesses were identified by virtue of being critically involved either from the offset or during the implementation of the transformation programme;
- 3.3 During the review, the Group was also supported and advised by the Head of Paid Service; the Monitoring Officer; the 151 Officer and the Strategy and Commissioning Senior Case Manager and the Group would like to thank officers for their support and witnesses for their honesty during this Review;
- 3.4 Each of the Group’s findings and conclusions are outlined in the Appendix and Group Members are confident that, if each of these are adopted, then some of the issues and problems that were encountered during the Transformation Programme would not reoccur in future projects.

### **4. Options available and consideration of risk**

- 4.1 The Group is of the view that the corporate risks associated with undertaking significant projects will be minimised if the proposed recommendations are adopted.

### **5. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Council Constitution permits the Council to appoint Task & Finish Groups to undertake service reviews in accordance with their approved and clearly defined Terms of reference.
Financial		There are no direct financial implications of the report. The finance workstream of the T18

		Transformation Programme is summarised in Appendix 1.
Risk		The Group considered that a number of associated project management risks will be mitigated by its findings and recommendations being adopted.
Comprehensive Impact Assessment Implications		
Equality and Diversity		There are no equality and diversity implications directly related to this report.
Safeguarding		There are no Safeguarding implications directly related to this report.
Community Safety, Crime and Disorder		There are no Community Safety and Crime and Disorder implications directly related to this report.
Health, Safety and Wellbeing		There are no health, safety and wellbeing implications directly related to this report.
Other implications		

## **Supporting Information**

### **Appendices:**

Appendix 1: T18 Review – Report by the Chairman of the Group, Cllr Caroline Mott

### **Background Papers:**

- Reports and minutes from Special Council's on 4 November 2013, 25 March 2014, 24 June 2014 and 31 March 2015;
- Reports and minutes from Council 22 July 2014, 7 October 2014 and 9 December 2014;
- Reports and minutes from Hub Committee on 12<sup>th</sup> July 2016; and
- T18 Steering Group notes.

## Task and Finish Group – T18

The task and finish group were requested by the O&S Internal to undertake an interim review of the T18 programme and were asked to focus on:

- Timescales of the programme and the reasons for these
- Capacity during transition
- Leadership and continuity from 2014 until present
- Approach to project management
- Impact on service delivery; and
- what went well and what could have been done better, does not allocate blame but provides a report that is based on lessons learnt and how those lessons are being applied.

The T18 project was described by many of those interviewed as 'the most challenging project ever taken on by the Council' and involved a complete transformation of roles, responsibilities and processes. Introduced principally to save money (largely by reducing headcount) it demanded complex management in order to undertake fundamental change while maintaining output (services to the public).

### **Governance**

There was a positive response by the SLT Members particularly regarding the improvement in service delivery. The latest Performance Indicators, the improving Call Centre response times and the increasing breadth of enquiry that they are dealing with on 'the front line' and the increasing success of Case Management activities are all encouraging. It was also noted that the financial targets had all been achieved throughout the T18 programme other than the cost of additional resourcing agreed in June last year. The turnaround of planning applications continues to improve but work is still required in this area. There was also some concern regarding the Agile Working arrangements which may require attention and are to be reviewed. The original handover of responsibilities to the newly appointed Officers was clearly poor. A number of references indicated the departing Director had much of the T18 Blueprint details "in her head". The handover was carried out immediately the new Directors started. A better arrangement would have been to allow the new Directors to settle in before any form of T18 handover. The IT development clearly caused problems particularly with service delivery. The failure of Civica to deliver on time and the relevant contractual failing are still subject to ongoing negotiation as outlined in the IT section. The near total changeover at a senior management level clearly caused a major issue in terms of continuity. The added pressures of elections and the Boundary Change requirements all resulted in a very challenging time for senior officers. The lack of project management procedures and associated disciplines must be addressed in any future major development or activity of this nature.

## **Project Ownership & Management**

The project was conceived by the Senior Management Team (SMT) and according to interviewees it was anticipated that several of the SMT would remain to own the project and drive it through to conclusion. In the event, only two (of 8) of the SMT remained in the Council's employment. There were many factors responsible for this exodus but one significant one was the decision taken to require everyone (including the SMT) to apply for new posts or take redundancy. The consequence of the SMT's departure was that for key stages of the T18 implementation senior leadership was not in place to exercise the necessary control.

Possibly as a result of the above exodus, many of the expected aspects of project management were not put in place to ensure the project could be monitored effectively. This coupled with the less than satisfactory oversight by the Steering Group resulted in the drop in performance of the Council's outputs not being adequately understood of mitigating actions being put in place as soon as they should have been.

**We concluded that more should have been done to understand and mitigate the impact of the T18 methodology on the SMT in order for core staff to be retained until the project was stable in terms of delivery. Additionally, adherence to more formal project reporting, particularly of issues caused by under-resourcing or late IT delivery, would have enabled members to better understand the program and assist the SLT to resolve issues.**

## **Information Technology**

A key requirement and dependency of the T18 programme has been the implementation of new IT systems. These in turn have been dependent on contracts with outside bodies including Civica, Ignite (responsible for the T18 Blueprint) and IESE. Delivery of the new systems was typically 6 – 9 months late but contracts lacked relevant penalty clauses, therefore the overall timetable was consequently disrupted. Council Tax and Housing Benefits modules were both delivered very late. Although the Council adopted the 'Eastbourne Model' much of the development was carried out 'inhouse'. An absence of project management and resources resulted in further delays in the provision of the new IT systems. The early staff reduction was driven by a financial imperative but the consequence of these reductions particularly the impact on service levels was not identified. IT development was also affected by unexpected staff losses in that area. The delayed implementation of new systems and the poor performance of the Website resulted in significant delays to seeing the benefits of 'Channel Shift' where transactions and enquiries are processed online.

It was severely underestimated how much work was needed to add additional features to the basic package. There was also a question with members as to the ability of Civica to deliver.

**We concluded that there was insufficient due diligence on the maturity of the intended IT solution prior to commencing the program. That there**

**is a clear need for all contracts with outside bodies to be comprehensive and identify all deliverables, penalty clauses etc. with professional scrutiny of the draft contract recommended. The T18 Programme report to Full Council dated 4th November (4.15) recommended that “the governance (of the programme) should use existing structures”. This clearly resulted in a complete lack of Project Management disciplines for the duration of the programme which in turn had a particularly detrimental impact on the delivery of the new IT systems. The need for such disciplines needs to be recognised for all such future exercises coupled with clear Terms of Reference identifying Objectives, Timescales, Responsibilities and Resources.**

### **Reporting (Member to Member)**

A Joint Steering Group, made of members from both South Hams and West Devon, was established and the terms of reference called for monthly meetings. From the interviews we conducted it was clear that effectiveness of the T18 Joint Steering Group in terms of reporting to members was varied. The JSG met formally twice, however, they continued to meet informally with their meetings being unrecorded and the outcomes unreported. This resulted in a lack of clarity and consistency in information being reported to members which impacted on their understanding of the cause behind the lack of service delivery.

**We concluded that the JSG should have operated on a more formal basis and had a higher profile among members with a well-defined reporting structure.**

### **Reporting (Officer to Member)**

Six members of the SMT, left the Council under redundancy terms. This included those who were the instigators of the T18 concept. Our research has identified that there was no clear blueprint to the project, limited mapping, no handover notes or written processes. This made it extremely challenging for the new Senior Leadership Team (SLT) to pick up and get to grips with T18 and its consequences. In the absence of established management metrics to monitor against, there was an inconsistency in the types of reports submitted to members. This, in conjunction with new members being elected who had limited background knowledge of the concept, resulted in weakened scrutiny.

**We concluded that a project as comprehensive as T18 should have clear, written, procedures in place to minimise disruption in the event of any significant changes and provide a consistent baseline for reporting against.**

### **Finance**

Actual T18 spend is predicted to be £2.794 million by completion, while the budget was £2.83 million (set in December 2014). Therefore the actual cost is £36,000 less than budget.

The most difficult to predict costs at the outset were the Redundancy and Pension strain costs. The budget allowed was £1,520,000 (54% of all costs), with the actual cost being £1,478,954 – £41,000 less than budget, however the contingency costs of £175,000 were taken up by Redundancy and pension strain costs and transition costs.

Overall ICT costs over ran by £72,062 which equates to 10.2%. £780,052 against a budget of £708,000. This was made up of:

- ICT technology implementation, workstream development and project management actual cost £656,052 against a budget of £615,750. To be noted that the element of the overspend which relates to project management costs is £83,782 (overspend of £13.7%) and there were therefore underspends on the contract elements of the ICT.
- ICT software actual cost of £124,000 against a budget of £92,250. 34.4% overspend.

Budget areas Training/Accommodation and Design of the Model actual costs were materially below budget.

Finance reports were provided quarterly to the T18 Monitoring Group in line with Staff redundancy process and external information on Pension strain. Monthly updates were supplied to the T18 Senior Leadership Team.

**In any future large scale financial projects monthly reporting should be mandatory to Member and officer managing groups. Also for further investigation into the overspend on IT development and software costs.**

## **HR**

Staff numbers were reduced primarily through voluntary redundancies, with a small number not offered alternative employment after going through the behaviour assessment process. Morale was found to be low due to a number of factors and it became evident that more staff should have been retained through the transition stage. This was especially noticed in planning where several experienced officers left with a national shortage of officers. New ways of working take time to settle in and staff seem to be adapting to the agile working.

**The impact of not having the systems in place before large scale staff reductions continue to have a large effect on services and customer satisfaction.**

**Project Performance** - Given the size and complexity (especially around IT) of the issues outlined above it would be surprising had the project proceeded smoothly. While we have some sympathy for the SMT put in place to deliver the project we concluded that they should have shared their difficulties with Members earlier in order to negotiate increased resources to mitigate service degradation. For too long Members were advised to 'hold their breath as we are just about to turn the corner' when in truth some areas within the project were not in good shape.



**We concluded that the SMT were in an unenviable position but should have been more willing to share difficulties with Members in order to secure the necessary resource to maintain reasonable service delivery. The group acknowledges the effort from all staff that have helped to deliver this project against difficult circumstances.**

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# Agenda Item 7

Report to: **Hub Committee**  
Date: **16 May 2017**  
Title: **Future garden waste service design**  
Portfolio Area: **Cllr R F D Sampson Commercial Services**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Jane Savage** Role: **Commissioning Manager (Waste)**

Contact: **01822 813657**  
**jane.savage@swdevon.gov.uk**

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## **Recommendations:**

### **The Waste Working Group recommends that:**

1. The annual subscription for the opt-in, garden waste service be set at £40.
2. Subject to approval of recommendation 1, the level of subscription does not increase for the duration of the current waste contract to 31 March 2019.
3. The service starts as soon as possible which, subject to confirmation of container delivery times, is estimated to be late summer 2017.
4. A structured campaign is delivered to promote the scheme and also to promote home composting as the best environmental option.
5. Any changes considered necessary to the terms as highlighted are delegated to the Commissioning Manager (Waste) in consultation with the Lead Hub Member for Commercial Services.

## **1. Executive summary**

1.1 This report details the operational changes required and implementation timing for an opt-in charged garden waste service in West Devon and addresses the note of Council on 7 February 2017, CM55.

1.2 It puts forward the recommendations of the Waste Working Group, specifically, the level of charge and the start date of new subscribed service.

1.3 This report fits with the Council's core objectives of Environment and Resources and affects all residents who produce garden waste.

1.4 The Working Group recommend that the service starts as soon as operationally possible during the 2017 growing season in order to maximise participation. Dates are dependent upon container deliveries and these are not confirmed at the time of writing. However, the Group anticipate a start date of late summer.

1.5 The Group have considered subscription charges around the country and locally and have taken into account increased outgoing costs since the original report came before Hub in April 2016. The Group's recommendation is that an annual subscription of £40 is set and that this does not increase for the duration of the Managed Service i.e. to 31 March 2019. The annual subscription is considered reasonable to cover the cost of the service.

1.6 Residents will be given various options for disposing of their garden waste including a more tailored service, subsidised home composting, and utilising the free Household Waste Recycling Centres.

1.7 A publicity campaign is planned to maximise participation which will include promotion of home composting, and this will help to mitigate the risk of reductions in public satisfaction and recycling rate.

## **2. Background**

### **2.1 General**

2.1.1 In light of reported budget pressures and the shift towards income generation linked to non-statutory service provision as an alternative to cutting front line services, it was resolved at Council on 7 February 2017:

CM55 (iv) the proposal for an opt-in charged garden waste service with no concessions (as set out in Exempt Appendix F of the presented agenda report) be adopted, with a targeted net saving of £67,500 for the 2017/18 financial year. (NB. a further report detailing the operational changes required and implementation timing will be brought to the March meeting of the Hub Committee);

2.1.2 This report is later than expected in order to provide sufficient time for the Waste Working Group to consider the details of the service in the light of updated information, specifically, the level of charge and the start date of new service. This report sets out the recommendations of the Group.

2.1.3 The issue affects all residents who produce domestic garden waste.

## **2.2 Start Date**

2.2.1 It is likely that the number of subscribers to the scheme will be higher if it is introduced during the growing season. The Working Group recommend that there is a two week break in service between the old service ending and the new service starting to give a clear distinction between the services and allow for feedback and potential additional subscriptions. This also has the advantage of utilising the garden waste crews during this time to assist with the sack and permit distribution.

2.2.2 Exact dates cannot be set until firm delivery dates for containers have been confirmed and residents will not be notified of any specific dates until this time. However, the aim is to start the service during late summer.

## **2.3 Level of Subscription**

2.3.1 The average charge of a garden waste collection service in England is around £41 although there is no information on how much waste is collected for this average charge. Locally, charges are as follows:

Mid Devon	£48	240 litre bin
Exeter	£44	240 litre bin (seasonal)
North Devon	£36	240 litre bin
Teignbridge	£35	240 litre bin (seasonal)
East Devon	No service currently but will be considering soon	
Torbay	£6	8 'refuse' type sacks (certain areas only)
Plymouth	Free	
Torrige	£35	240 litre bin (starts June 2018)
South Hams	Considering charges May 2017	
Cornwall	apply variable charges dependent on containment type.	

2.3.2 Original reports on this subject modelled an annual subscription of £38 with an expected participation rate of 35%. This gives a targeted net saving for 2017-18 of £67,500. As reported at the time, this level of subscription was used for illustration purposes and any actual level would be set by Members at a later date.

2.3.3 Members of the Waste Working Group have considered the increase in outgoing costs for the service since figures were first put before Hub in April 2016. In order to ensure that the net saving target is reached, the Group has unanimously, albeit regretfully, agreed the level of subscription should be set at £40. To offset any impact this may have on participation, the Group also recommend that this level does not increase for the duration of the current waste collection contract to 31 March 2019.

It should be noted that the £40 subscription proposed allows for four, 90 litre sacks, offering better value than any of the other Devon Authorities. For example, an equivalent capacity in Mid Devon would be at a cost of £72 and in Teignbridge would be £52.50 though this collection does not operate during the winter months.

2.3.4 Section 93 (3) of the Local Government Act 2003 states that income from charges must not exceed the cost of provision. Provided a participation rate of 35% is obtained, total income for a full year is estimated at around £350,000. The cost of providing the service is around £300,000 including vehicles and crew whilst administration costs are estimated at £50,000. The price set is therefore reasonable to cover the cost of the service. The savings stated at 2.3.2 are lower than the gross income generated as there are additional costs associated with providing the new service, for example higher administration and promotional costs.

## **2.4 Choice for Residents and Publicising the Service**

2.4.1 Residents will be offered 4 sacks per subscription. Additional sacks can be purchased offering a more bespoke service than is currently provided.

2.4.2 Residents will have a choice of four ways to pay for the service which are shown below in order of preferred priority to reduce impact on administration:

- Direct Debit
- Online
- By phone
- In person

Direct Debit will be offered as soon as possible to encourage retention. Residents can join the scheme at any time during the year and will be required to pay the full yearly amount for the remainder of the subscription period.

2.4.3 Many studies give guidance figures on the cost of transactions with the public and typically these costs are in the order of:

- Face to Face - £8 to £14 per visit.
- Telephone - £3 to £5 per call
- Web transaction – 14p

Using differential prices between digital and offline channels have been shown to effectively encourage customers to change behaviour and it is therefore proposed that the Working Group consider incentives in the future designed to promote channel shift.

2.4.5 An extensive publicity campaign is scheduled from May onwards designed to maximise participation which will include information to every household, use of social media, road-shows, and community group presentations supported by Locality officers.

2.4.6 Alongside this, home composting will be promoted as the best environmental option for this material and as a more economical alternative to the kerbside scheme. A dedicated home composting campaign is planned for late spring and summer comprising road-shows and events across the district and offering subsidised home composters. These events will be also be supported by the new Devon waste advisors funded by the Devon Authorities Strategic Waste Committee. Devon County Council are providing professionally-designed publicity material for the campaign and residents will also be sign-posted to the two Household Waste Recycling Centres within West Devon where garden waste can be taken free of charge.

2.4.7 For those residents unable to bring their garden waste to the kerbside, an assisted collection will be offered in line with current waste policy.

2.5 This report fits with the Council's core objectives of Environment and Resources. It is also in line with developing action plans from the Devon Authorities Strategic Waste Committee and follows the principles of the international waste hierarchy. The garden waste service affects all households in the Borough.

2.6 Once the current Managed Service contract ends, this service could be provided in future by external contractor or through an internal company structure.

### **3. Outcomes/outputs**

3.1 The recommendations offer a financially sustainable garden waste recycling service which enables the Council to continue to provide a much valued service for residents. A 35% participation rate will achieve the budget savings forecast.

### **4. Options available and consideration of risk**

4.1 Original quotes for equipment were obtained in early 2016 and it is likely that current costs are higher. There is therefore a risk that the net income target will not be met if the modelled charge of £38 is levied.

4.2 The proposed subscription of £40 carries a risk of affecting participation and there is therefore also a risk that the net income target will not be met. To mitigate this risk, the Working Group proposes that the subscription charge does not increase for the duration of the Managed Service i.e. until 31 March 2019.

4.3 Based on research in other Local authorities, there is a risk that recycling rate will reduce by between 2-6%.

4.4 Public satisfaction is affected by any change in service. This will be mitigated by a comprehensive publicity campaign which explains the reason for the new services and offers choice for residents.

## 5. Proposed Way Forward

5.1 It is recommended that an annual subscription of £40 for four, 90 litre sacks is levied for a year round service, which is only suspended over the festive period, and that this level of subscription does not increase for the duration of the current contract to 31 March 2019. At this point it should be reviewed to ensure that the level of subscription is still reasonable to cover costs.

5.2 Whilst a rolling annual charge was suggested during earlier consultation, this presents operational difficulties around identification of service users. Therefore, at least initially, a single, annual subscription is proposed which is collected each year on 1 October to reduce the burden on customer contact at peak times. During 2017-18, it is proposed that subscribers will receive the service to 1 October 2018. Thus if the service starts in early August 2017, subscribers will benefit from receiving the first 2 months free of charge. This will encourage greater participation at the start of the service allowing for more effective round planning, reducing on-going administration costs, and increasing net savings. Direct Debit will be promoted as the preferred method of payment.

5.3 It is also proposed that the service starts during late summer, two weeks after the current scheme has finished. Members will be updated on exact dates when container delivery dates are confirmed.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Schedule 1 (4) of the Controlled Waste (England and Wales) Regulations 2012. Section 93 (30) of the Local Government Act.
Financial	Y	Potential annual cost recovery of £350,000 producing a saving on the current budget of £67,500 in 2017-18 and £190,000 in subsequent years.
Risk	Y	Potential reduction in recycling rate of between 2-6%. Loss of public satisfaction.



Comprehensive Impact Assessment Implications		
Equality and Diversity		The impacts on residents on low incomes and/or with reduced mobility have been considered and mitigating measures such as alternative options are offered. The system can be regarded as fairer as only those who benefit from the service will pay to use it.
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		The impacts on all residents have been considered and mitigating measures taken through an extensive publicity campaign.
Other implications		There are potential impacts on staff in terms of additional workloads and processes are being put in place to reduce this. There are potential impacts on climate change which could be either positive or negative. Negative impacts may be mitigated by the quality of a targeted publicity campaign on home composting which would have a net positive effect.

### **Supporting Information**

#### **Background Papers:**

Council agenda and minutes: 7 February 2017 Meeting; and  
Comprehensive Impact Assessment

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# Agenda Item 8

Report to: **Hub Committee**

Date: **16 May 2017**

Title: **Using the Cornwall & West Devon Mining Landscape World Heritage Site Supplementary Planning Document in decision making**

Portfolio Area: **Strategic Planning**

Wards Affected: **Bere Ferrers, Tamarside, Tavistock South West, Tavistock North**

Relevant Scrutiny Committee: **Overview and Scrutiny (Internal) Committee**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Council Meeting 23 May 2017

Author: **Tom Jones** Role: **CoP Place Making**

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## **Recommendations:**

That Council be **RECOMMENDED** to:

1. Agree to adopt Cornwall & West Devon Mining Landscape World Heritage Site Supplementary Planning Document as a guidance document in planning decision making.
2. Agree the approach of including clarification on and further detail to Policies SPT11, TTV20, DEV21 and DEV23 of the emerging Joint Local Plan in the Thriving Towns and Villages Supplementary Planning Document.
3. Agree to a review of the Tavistock Conservation Area Management Plan with the specific purpose of incorporating a World Heritage Site element into that document

## 1. **Executive summary**

- 1.1. The Cornwall and West Devon Mining Landscape World Heritage Site (the WHS) is a designated heritage asset that is recognised in the National Planning Policy Framework as having great significance.
- 1.2. The accompanying document has been prepared by the Cornish Mining WHS Partnership to support the protection of this asset through the UK planning system. It has been adopted by Cornwall County Council as a Supplementary Planning Document (the WHS SPD). The document is submitted to Hub Committee to consider, with a view to approving its adoption.
- 1.3. In addition it is requested that Hub Committee endorses two further actions in order to further strengthen the status of the WHS in the planning process:
  - that the Thriving Towns and Villages Supplementary Planning Document (TTV SPD) includes clarification and detail with respect to Policies SPT11, TTV20, DEV21 and DEV23 of the emerging Joint Local Plan, drawing on the WHS SPD as its evidence base; and
  - a review of the Tavistock Conservation Area Management Plan is undertaken and that this incorporates a WHS element, again drawing on the WHS SPD as its evidence base

## 2. **Background**

- 2.1. The WHS benefits from a very high level of heritage asset designation. It comprises ten specific areas in Cornwall and Devon, which achieved WHS status from the UNESCO World Heritage Committee in 2006. These are surviving mining landscapes that evidence the international impact of the Cornish Mining industry, and are considered to have Outstanding Universal Value (OUV) to the whole of humanity.
- 2.2. Care and management of World Heritage Sites is governed by the UNESCO Convention on the Protection of World Natural and Cultural Heritage (1972) (World Heritage Convention), to which the UK Government is a signatory, and Operational Guidelines for the Implementation of the World Heritage Convention (2013). There are four principal obligations deriving from the World Heritage Convention:
  - Protect
  - Conserve
  - Present
  - Transmit to future generation
- 2.3. In the UK protection of the designated landscape is achieved primarily through the spatial planning system. The National Planning Policy Framework states that:

‘Substantial harm to a World Heritage Site should be wholly exceptional’

*(NPPF 2012, paragraph 132)*

- 2.4. The Cornish Mining WHS Management Plan (2013-18) sets out how the partners, including West Devon Borough Council, will deliver the World Heritage Convention requirements and was adopted by all three Local Planning Authorities (Cornwall, Devon County and West Devon Borough), in 2013. This has been used to inform planning decisions.
- 2.5. The WHS SPD carries forward and enhances the objectives of the management plan and provides detailed planning guidance. It was completed in 2016, and this report seeks to ensure that it is used to its full extent in relevant planning decisions.
- 2.6. The Cornish Mining WHS Partnership Board (on which West Devon Borough Council is represented) has recommended all their partner LPAs to adopt the WHS SPD
- 2.7. The two additional actions that are recommended in this report will enable the Council to further strengthen the policy base, grounding the SPD firmly the Joint Local Plan and the Tavistock Conservation Area Management Plan. This is essential to ensure that the WHS status is maintained.

### 3. **Outcomes/outputs**

- 3.1. Ensuring retention of the WHS status is important for the vitality of local communities and their economies.
- 3.2. Since inscription in 2006, WHS status has been instrumental in achieving over £100m in capital investment for heritage led regeneration, and has delivered an uplift in income for those tourism businesses that work closely with the WHS Partnership.
- 3.3. The approach recommended in this report will establish a planning policy framework to enable the Council to continue to fulfil the responsibilities and opportunities deriving from WHS status following the adoption of the Joint Local Plan.
- 3.4. The principal audiences for the WHS Supplementary Planning Document, the TTVSPD and the Tavistock Conservation Area Management Plan comprise:
  - planning case officers and members of the planning committees of the authorities involved, to enable them to make appropriate delegated and robust committee decisions;
  - developers / prospective developers of sites within the WHS and their agents, to encourage and facilitate early and effective consultation between developers, the Local Planning Authorities and historic environment professionals;
  - Members of the public and consultees on planning applications in the WHS area; and
  - The Secretary of State and appointed inspectors in respect of appeals

- 3.5. It is also a well-written and very informative narrative on the nature of World Heritage and the history of the Cornwall & West Devon Mining Landscape World Heritage Site and will, therefore, have general interest for many people.
- 3.6. A resource to undertake the review of the Tavistock Conservation Area Management Plan will be allocated for the financial year 2018/2019.

4. **Options available and consideration of risk**

- 4.1. UNESCO has indicated that the preparation and application of the WHS SPD is a condition for not placing the Site on the List of World Heritage in Danger (the At Risk List). Cornwall and Devon County Councils have adopted the SPD. Not giving formal recognition to the document represents, therefore, a high risk that that West Devon would undermine the efforts of our partner organisations to ensure this condition is met.
- 4.2. The two further measures are necessary to provide clear guidance and robust policy with respect to dealing with planning applications that are within the WHS and / or its setting. Similarly, failure to incorporate WHS elements into the TTV SPD and failure to review the Conservation Area Management Plan, as described, would also undermine the case.
- 4.3. The combination of the three measures will provide a clear and robust position and framework to ensure planning applications and decisions are fully informed and seek to protect and enhance this heritage asset.
- 4.4. Failure to carry out the measures recommended in this report would carry a risk of being placed on the 'At Risk' List by UNESCO. This would be likely to result in reputational damage and potentially substantial risk of lost economic opportunities should it progress to loss of the WHS status.

5. **Proposed Way Forward**

- 5.1. Officers do not consider that a viable alternative option exists to achieve the necessary outcome.
- 5.2. The next steps will be to formally adopt the SPD and agree a timetable for the work on the Conservation Area Management Plan and the TTV Supplementary Planning Document.

6. **Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The UK Government is a signatory to the World Heritage Convention, but day to day responsibility for delivering protection falls to the Local Planning Authorities.

		The Council is also required by the NPPF and the various Acts governing planning and conservation to set out clearly the significance and importance of the heritage assets in its area, which the measures in this report will ensure.
Financial	Y	The costs of drafting the document have already been covered by the Cornish Mining WHS Partnership, and its future implementation will utilise existing staffing resources.  The preparation of the TTVSPD is included in the Council's Annual Report and the costs are included in the Council's Budget.  Review of the Conservation Area Management will require a resources from the 2018/2019 budget.
Risk	Y	Failure to carry out the actions set out in this report could so could ultimately contribute to the loss of WHS status.
Comprehensive Impact Assessment Implications		
Equality and Diversity	Y	The document principally affects those wishing to Develop and affected residents and businesses within the mining landscape of the ten WHS area boundaries and their setting.  As the document will support the achievement of sustainable development - as required by NPPF and the emerging Joint Local Plan – by setting out how to preserve West Devon's internationally significant mining landscape its impacts are positive and consistent with corporate strategies, which have themselves already been assessed.
Safeguarding	N	
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing	N	
Other implications	N	

### **Supporting Information**

**Appendices:** Cornwall & West Devon Mining Landscape World Heritage Site Supplementary Planning Document – link as follows:

[Cornwall and West Devon Mining Landscape World Heritage Site Supplementary Planning Document.](#)

**Background Papers:**

[Cornwall and West Devon Mining Landscape World Heritage Site Supplementary Planning Document.](#)

[The National Planning Policy Framework](#)

[Joint Local Plan](#)

[CA Management Plan](#)

[West Devon Borough Council adopted Core Strategy](#)

[West Devon Borough Council South and South-West of Tavistock Masterplan Supplementary Planning Document](#)

[Cornish Mining WHS Management Plan \(2013 – 18\) and appendices](#)



Report to: **Hub Committee**

Date: **16<sup>th</sup> May 2017**

Title: **100% Business Rates Retention  
Consultation response**

Portfolio Area: **Cllr Edmonds - Support Services**

Wards Affected: **ALL**

Relevant Scrutiny Committee: Overview and Scrutiny Committee

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Lisa Buckle** Role: **Finance Community of Practice Lead**

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## **Recommendations:**

It is recommended that:-

- i) The Hub Committee notes the response to the 100% Business Rates Retention consultation as attached in Appendix A
- ii) That Council be **RECOMMENDED** that West Devon Borough Council agrees 'in principle' to apply to DCLG to become a business rates pilot for 2018/19, in alliance with the County Council, subject to the financial modelling being undertaken by Local Government Futures (on behalf of the Devon S151 Officers Group) demonstrating that there is no financial detriment to Authorities in doing so.

## **1. Executive summary**

On 15 February 2017, the Department for Communities and Local Government (DCLG) published a consultation document, 100% Business Rates Retention: further consultation on the design of the reformed system. Appendix A sets out the Council's response.

## **2. Background**

A summary of the key issues that are (i) known about the new system and (ii) what is still to be decided, are set out below:

### **2.1 What is known about the new business rates system:**

- The Government aims to introduce 100% BRR by 2019/20
- The system will not have a levy on growth;
- Top Ups and Tariffs will remain and there will be a Safety Net
- Government preference for partial resets of business rates and redetermination of need every five years
- Appeals following revaluation will be paid for centrally, using a top-slice of business rates income
- Business Rate Pools will continue but be determined by the Secretary of State and will not require local authority approval
- Revenue Support Grant, Rural Services Delivery Grant, Public Health Grant and the GLA Transport grant will all be funded through 100% BRR.
- The remaining grants and/or new responsibilities that will devolved will be determined by Spring 2018
- All authorities will be invited to participate as a business rates pilot for 2018/19

### **2.2 What is still to be decided on the new business rates system:**

- Tier splits in two tier areas
- How Business Rates Baselines will be determined at the Reset
- The level of Safety Net support – but could be more generous (even in cash terms) than the current system
- The new nationalised system of appeals – what it will look like and how the transition to a nationalised system of appeals will take place
- The technical details e.g. – How a partial reset could work – Progressing future resets of Need – Which further grants or

responsibilities could be devolved – How much growth could be retained

- 2.3 The timetable for 100% Business Rates Retention is set out below.

<b>Timeframe</b>	<b>Event</b>
Feb 2017	Publication of consultation on design of the 100% Business Rates Retention (BRR) system
Apr 2017	Piloting of the approach to 100% BRR begins in Cornwall and the combined authority areas of Greater Manchester, Liverpool City Region, West Midlands and West of England.
Autumn 2017	Planned publication of further detail on secondary legislation, including draft regulations where possible.
April 2018	Further piloting of the approach to 100% Business Rates Retention begins in areas not covered by devolution deals, including two tier areas.
Spring 2018	Aim to decide on package of responsibilities to be devolved for the commencement of new 100% Business Rates Retention system.
Summer 2018	Planned consultation on new relative needs baseline for new system.
April 2019	Expected implementation of 100% BRR across local government.

### **3. Outcomes/outputs**

- 3.1 The consultation response of the Council is set out in Appendix A for Members' information. The link to the consultation is below:

<https://www.gov.uk/government/consultations/100-business-rates-retention-further-consultation-on-the-design-of-the-reformed-system>

### **4. Options available and consideration of risk**

- 4.1 All Authorities will be invited to participate as a business rates pilot for 2018/19. DCLG are referring to these Authorities as being 'early adopters of 100% BRR'.

- 4.2 The timetable that Authorities would need to adhere to in order to become a pilot for 2018/19 has not yet been published, but it is thought that applications to be a pilot would need to be submitted by around September 2017 time.
- 4.3 The offer to all Authorities to become a pilot (and not just those with devolution deals), depending on the criteria, could provide an opportunity for authorities to (i) influence the future design of the scheme i.e. by trialling an approach and showing that it works and (ii) keeping additional resources locally in 2018/19 e.g. if Authorities are above the baseline for the existing share (and even more so for Authorities paying a levy).
- 4.4 When Business Rates pooling was first introduced, a firm of local government business rates specialists (called 'Local Government Futures') were engaged by Devon Authorities to undertake some initial modelling to see if pooling in Devon would have financial benefits. Their report concluded that Devon Authorities had an ideal mix of top up and tariff Authorities to make pooling financially attractive. The Devon Business Rates Pool has annually made a pooling gain which has been distributed to Devon Authorities.
- 4.5 There is a meeting in early June of the Devon S151 Officers where Business Rates Pilots for 2018/19 is being discussed and some initial modelling will be undertaken by Local Government Futures, to assess the potential financial impact of pilot status.
- 4.6 It is recommended for the Borough Council to agree 'in principle' to apply to DCLG to become a business rates pilot for 2018/19, subject to the financial modelling being undertaken by Local Government Futures (on behalf of the S151 Officers Group) demonstrating that there is no financial detriment to Authorities in doing so.
- 4.7 The fact that there have been pooling gains historically from the Devon Business Rates Pool does suggest that being a pilot should be worthwhile. Additionally, whilst it is being classed as an early adopter, the final design of the scheme will be rolled out nationally e.g. Devon will not be at a disadvantage from the pilot scheme by agreeing certain terms with DCLG (as they will be for 2018/19 only).

- 4.8 A pilot of all of the Devon Districts plus the County Council, and potentially both Plymouth City Council and Torbay Council if (i) the Councils want to join and (ii) the Councils are showing growth above their baseline, would have the best chance of success of being awarded pilot status by DCLG.

## 5. Proposed Way Forward

- 5.1 The closing date for consultation responses was 3 May. The consultation response of the Council is set out in Appendix A for Members' information (this was previously circulated by email for Members' views/amendments).

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	There are no direct legal implications of the consultation response. The Local Government Finance Bill includes a new provision for "loss payments" for appeals.
Financial	Y	All authorities will be invited to participate as a business rates pilot for 2018/19. There is a meeting in early June of the Devon Authority S151 officers where this item is being discussed and some initial modelling will be undertaken to assess the potential financial impact.
Risk	Y	The Government indicates that it has introduced legislation that will allow it to help local authorities manage the risk and income volatility associated with appeals, but to better direct this support to where losses are experienced through making 'loss payments'. The Government recognises that there is a need to set out further information on the operation of the safety net.
Comprehensive Impact Assessment Implications		
Equality and Diversity		N/A

Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		N/A

Appendix A – Business Rates consultation response

**Supporting Information**

None

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted.	<b>Yes</b>

### Business Rates Consultation – Response of West Devon Borough Council

#### Question 1: What are your views on the proposed approach to partial resets?

The Council supports regular five year resets and agrees that partial resets will be effective at balancing growth incentives with financial risks and authority funding levels.

In supporting the proposal for partial resets, the Council makes the following observations:

There should be adequate safeguards for Authorities which fall below the baseline between resets. At the very least, all Authorities should be returned to the baseline at each five year reset.

The system should be sufficiently predictable to allow Authorities to forecast over the longer term. At the current time, the reset is two years away and there is no clear picture of how these changes will impact on Authorities. Going forward the system needs to be more stable and predictable to enable long term financial planning.

The Government should be able to show how the system will be balanced given that the levy is being abolished. It should be able to demonstrate there are adequate protections built into the system without having to resort to further top-slices which may impact on all Authorities.

#### Question 2: What are your views on how we should measure growth in business rates income over a reset period?

The Council makes the following observations in respect of this question:

- Growth should be measured in real terms – this seems to make much more sense as baselines are inflated each year meaning that growth above baseline is therefore necessarily ‘real terms’ growth
- Practically, the Council recognises the issues with measuring growth over a number of years given that there is likely to only be one year’s worth of figures available following the 2017 revaluation. If the Government seeks to use growth over a number of years, then it must be able to clearly separate genuine growth from both the impact of the 2017 revaluation and from technical accounting adjustments associated with appeals.

The Council agrees with the Government's assertion that the system should avoid 'perverse incentives' and as such the reset needs to fairly reflect genuine growth and recognise accounting adjustments.

### Question 3: What are your views on the Government's plans for pooling and local growth zones under the 100% Business Rates Retention system?

The Council agrees with some of the rewards that the Government intends to explore for pools of Authorities which include:

- Offering up additional growth incentives – including the ability for the pool to set their own local growth zone;
- The option of retaining additional growth in business rates income through a reset of the wider system;
- A different level of safety net, to provide additional support to those Authorities willing to be ambitious in their plans for growth;
- Different or additional responsibilities to be funded through Business Rates Retention that would be better exercised at a larger geographical area.

However the Council still believes that pooling arrangements should be decided by Members at a local area, rather than the ultimate decision being made by the Secretary of State, with consultation at a local level. The Council does not agree with removing the requirement that all Authorities must agree to being designated as a Pool.

The success of Local Growth Areas will depend on the specific incentives provided and whilst the Council understands that the Government will need to understand the level of resources available in the system to be more specific, the Council nevertheless urges the need for the incentives for Local Growth Areas to be clear and easily understood. Furthermore, it is important that Local Growth Area incentives are seen to benefit the whole of a geographic area, particularly where individual Authorities within that area have characteristics that see them excluded from pooling arrangements currently.

Whilst the Council agrees with the principle of Local Growth Areas, the Council would want to see the balance between incentivising growth and protecting more vulnerable areas maintained. This would require strong controls to ensure that Local Growth Areas are not used in a way that damages the health of the national system.



#### Question 4: How can we best approach moving to a centrally managed appeals risk system?

The Council welcomes proposals to introduce loss payments and in so doing, reducing the risk that arises from appeals as this is, by far, the single most significant risk factor in the current system.

However, the Council would call on the Government to be very clear about the exact terminology relating to 'valuation errors'. Additionally, we note that the Government intends to fund loss payments from a top-slice. As there is no nationally published data on appeals loss by type of appeal, we would want any top-slice to be fair and transparent and reflect published information on losses and for those calculations to be published.

Finally, we would make the point that much of the appeals risk arises from delays by the Valuation Office in considering and settling appeals and that uncertainty would undoubtedly be reduced if appeals were managed in a more timely manner.

#### Question 5: What should our approach be to tier splits?

The Council recognises that the current system provides a mis-balance between risk and rewards in two tier areas where District Authorities receive the majority of growth (but also accept a greater proportion of the risk) with the opposite being the case for County Councils.

The Council would be content if the tier splits were amended to provide a system which balances risk and rewards more fairly across the District and County split and balances the requirement of relative need.

The Council awaits the work being carried out by the organisations representing District and County authorities that are considering the question of tier splits and who aim to come up with proposal supported by both groups of Authorities.

#### Question 6: What are your views on proposals for a future safety net under the 100% Business Rates Retention system?

The Council welcomes the proposals with respect to the safety net, particularly, if implemented, the proposal to increase the safety net to 97%.

However, the Council would make the following points:

- As the Government has indicated, there should be safety net incentives for pooled arrangements that will provide a more generous safety net for pools which accept the risk of admitting all authorities within an area.
- The Safety Net will be funded from a top-slice and as such that top-slice calculation should be properly evidenced and published.

#### Question 7: What are your views on our proposals for the central list?

The Council supports a review of the central list. Since 2007, West Devon Borough Council has been in a shared services arrangement with South Hams District Council, which is one of a small number of local authorities that has a power station in its area.

The position of South Hams District Council against its NNDR Baseline is entirely subject to power station issues e.g. its appeal, downtime and power outtages, thereby removing any prospect of actual growth from the rest of their taxbase being material to the amount of resources they receive.

Whilst the nationalisation of appeals for the 2017 list will reduce part of this volatility, the prospect of reduced business rates income remains with the District Council, due to power outtages, downtime etc.

These events would not be covered by the scheme and therefore the residents of South Hams would continue to be penalised for events that are beyond their influence locally.

Our view is that power stations should be moved to the central list, where the risks of income volatility can be more adequately managed. We believe this approach would also fit with the Government's wish that Authorities are subject to lower gearing, in terms of NNDR Baseline to Baseline Need, thereby reducing the chance of increased probability of hitting the safety net.

If the Government wants to create a scheme that increases local independence and encourages growth, power stations must be moved to the central list. This will reduce the potential for losses and gains experienced by the power station Authorities to date and allow all Councils (including those with power stations in their area) an opportunity to begin to influence the level of resources that are received locally, without large hereditaments skewing the direct relationship between the two.

It is also the Council's view that there should be a cyclical review of the hereditaments that are on the central list in the future, so that this is periodically reviewed.

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