

West Devon Hub Committee



West Devon
Borough
Council

Title:	Agenda
Date:	Tuesday, 12th September, 2017
Time:	2.00 pm
Venue:	Chamber - Kilworthy Park
Full Members:	<p style="text-align: center;">Chairman Cllr Sanders Vice Chairman Cllr Samuel</p> <p><i>Members:</i> Cllr Edmonds Cllr Oxborough Cllr Jory Cllr Parker Cllr Moody Cllr Sampson Cllr Mott</p>
Interests – Declaration and Restriction on Participation:	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.
Committee administrator:	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 - 6

Minutes of meeting held 18 July 2017

5. Lead Member Update - Cllr Moody - Health & Welbeing

6. Planning Fees - Update on position (Cllr Mott) 7 - 10

7. Street Naming and Numbering Policy (Cllr Mott) 11 - 32

8. O&S Draft Terms of Reference and Procedure Rules (Cllr Sanders) 33 - 48

9. LACC Closedown Report (Cllr Sanders) 49 - 62

10. Business Rate Pilot 2018/19 (Cllr Sanders) 63 - 74

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 (if any)

If any, the Committee is 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 paragraphs given in Schedule 12A to the Act."

	<i>Page No</i>
11. Front Line service commissioning options (Cllr Sampson)	75 - 142
12. Waste and Cleansing Vehicles Procurement Update Report (Cllr Sampson)	143 - 148
13. Request for Grants of a Long Lease (Cllr Jory)	149 - 154
14. Purchase of land (Cllr Jory)	155 - 162

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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 18th day of **JULY, 2017** at **2.00pm**

Present: Cllr P R Sanders – Chairman
Cllr L Samuel – Vice-Chairman

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

In attendance: Executive Director (Strategy and Commissioning)
S151 Officer
Group Manager Commercial Services
Group Manager Customer First and Support Services
Group Manager Business Development
COP Lead Housing, Revenues and Benefits
Specialist Assets
Specialist Democratic Services

Other Members in attendance:

Cllrs Baldwin, Ball, Cann OBE, Cheadle, Cloke, Evans, Leech, Moyses, Musgrave, Pearce and Yelland

***HC 06 DECLARATIONS OF INTEREST**

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

***HC 07 MINUTES**

The Minutes of the Hub Committee meeting held on 20th June 2017 were confirmed and signed by the Chairman as a correct record.

***HC 08 MEDIUM TERM FINANCIAL POSITION 2018/19 TO 2022/23**

Members were presented with a report that set out the Council's Medium Term Financial Position based on a financial forecast over a rolling five year time frame to 2022/23 which would help ensure resources were aligned to the outcomes in Our Plan. The forecast was intended to provide a framework within which decisions could be made regarding the future service provision and council tax levels whilst building an approach that guaranteed West Devon Borough Council's longer term viability.

The Leader and s151 Officer responded to a number of questions in detail.

In respect of recommendation v, some Members felt able at this stage to give a view whilst others preferred to wait until after the forthcoming Budget Workshop. It was agreed that an in principle recommendation would assist officers for working purposes in preparing the budget.

It was then **RESOLVED** that:

- i. the forecast budget gap by 2020/21 of £1.1 million be noted;
- ii. the financial strategy of the Joint Steering Group (JSG) set out in paras 1.7 to 1.13 of the presented report be agreed;
- iii. the budget principles set out in para 1.14 be agreed
- iv. the current Council policy on the minimum level of unearmarked reserves being £750,000 be agreed;
- v. the five year Medium Term Financial Position (MTFP) be considered and the following be adopted in principle (for working purposes):
 - a) The level of council tax for 2018/19 be modelled at a £5 increase
 - b) That New Homes Bonus be used to support the revenue budget for 2018-19 onwards.

HC 09 PROPOSAL FOR A SINGLE COUNCIL FOR WEST DEVON AND SOUTH HAMS

Members were presented with a comprehensive report that set out recommendations from the SH/WD Joint Steering Group (JSG) to agree in principle to establish a single second tier Council for West Devon and South Hams from 1 April 2019.

The Leader introduced the report and invited questions. The Leader, s151 Officer and Head of Paid Service responded to a number of questions, and a full debate then followed. Members agreed that they were taking a difficult decision and some Members felt this process was being rushed. Non Hub Committee Members stated that they had little involvement so far in discussions and did not have enough information to make a final decision. In response to this point, it was agreed that, assuming that both councils took the decision to consult on the establishment of a single council, then Member Workshops would be arranged parallel to the public consultation to ensure that Members had sufficient information to make a decision at a later full Council meeting.

Members accepted the financial driver for the decision, but some felt that the Council had other options available and did not need to proceed with this proposal at this time. Other Members were certain that this proposal had to be progressed.

One Member stated that the decision had to be for the benefit of the residents being represented across both West Devon and South Hams, and taking measures to ensure that local representation continued would be in residents' best interests. Another Member supported the proposal with the caveats that residents would be able to access Council premises within a reasonable distance of where they lived and that there was strong West Devon representation in the new Council to drive forward the wishes of West Devon residents.

One Member stated that the proposal was the logical next step although there would be issues to address such as property and governance. Finally, another Member felt that West Devon Borough Council was too small to survive in the current climate and, in order to support residents, this proposal would be a first step.

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

1. Agree in principle to establish a single second-tier Council for West Devon and South Hams from 1 April 2019;
2. Proceeds to consultation with the public and stakeholders from early August through to the end of September 2017;
3. Agree to bring to Council for approval, the outcome of the consultation together with the final proposal for submission to the Secretary of State.

HC 10

DELIVERY OF BEST VALUE FOR MONEY FRONT LINE SERVICES

(Paragraph 3 – 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 sought approval of recommendations to Council based on the advice of the SH/WD Joint Steering Group, in relation to the way in which front line services were provided and designed.

It was then **RESOLVED** that Council be **RECOMMENDED**, based upon the advice of the Joint Steering Group, to:

1. Test the front line services in scope through competitive dialogue processes with combined procurements where the services allow;
2. Prepare a bid by a wholly owned company if a competitive and sustainable price for service can be proved against benchmarked current costs with the external market place; and
3. Continue to test market costs and income opportunities during the summer period to further inform the market position.

HC 11

BUSINESS RATES – LOCALLY ADMINISTERED BUSINESS RATE RELIEF POLICY

The Lead Member for Economy presented a report that asked Members to consider and recommend the appended policy to administer the four year funding agreement, awarded by central Government, to support those who have seen an increase in their rates bill due to the 2017 revaluation exercise.

Members sought clarity on the specific wording of the Policy and it was agreed that it should relate to West Devon (not Devon) in paragraphs 2.2 and 3.2.

It was then **RESOLVED** that Council be **RECOMMENDED** that following consultation with Devon County Council, Devon & Cornwall Police and Devon & Somerset Fire Rescue the Locally Administered Business Rate Relief Policy be adopted, subject to inclusion of the amendment as detailed in the minutes above.

HC 12

REVIEW OF WDBC COMMUNITY GRANT SCHEMES

Members were presented with a report that set out the results of a review of existing Council community grant schemes, including options for streamlining or improving the schemes. The review had been requested by Overview and Scrutiny Committee. The report made recommendations to streamline the schemes and to ensure an increased level of applications to the schemes, ultimately maximising the **Page 3** of these schemes to deliver beneficial projects to West Devon communities.

The Lead Member for Customer First introduced the report and advised Members that a similar report had recently been presented to the Overview and Scrutiny Committee. At that Committee, an additional recommendation was added as follows:

“where there is a lack of consensus amongst local Ward Member(s) about whether to support an application, local Ward Members be in receipt of the final decision (and a brief statement outlining the rationale behind this decision) on whether or not an application to the ‘Community Grant’ scheme has been successful.”

The Hub Committee Members discussed the proposed additional recommendation but did not feel it was necessary and instead could be dealt with by officers communicating all grant decisions to Ward Members. In addition, there was a great deal of debate on presented Recommendation 5. In view of the differing views, it was agreed that this Recommendation should be deferred and the Arts Task and Finish Group would be asked to provide more information to support the recommendation, prior to Hub Committee coming to a view.

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

1. Incorporate the Sports Grant into a ‘Community Grant’ scheme, retaining £2,000 as a revenue line to cover ‘training/coaching grants’;
2. Exclude applications to the Community Grant from projects within Dartmoor National Park which have already received support from the DNPA Sustainable Communities Fund;
3. Support production of a one page summary of grant schemes which officers and Members can use to increase and sustain the level of promotion to local communities;
4. Support ongoing officer engagement with DCC to refocus the TAP scheme criteria on its original purpose, and reinstate the process that is outlined at paragraph 7.3 of the presented report.

***HC 13**

TAMAR TRAILS OPTIONS APPRAISAL

Members were presented with a report that set out an appraisal of options available to the Council to seek to close the annual deficit on the Tamar Trails.

The Lead Member for Customer First introduced the report. The Specialist (Assets) in responding to questions confirmed that he had looked at all possible options in drafting this report.

It was then **RESOLVED** that:

1. The increase of the Tamar Trails marketing budget line by £4,000 for two years be supported;
2. Further consideration by officers (with partners) of the feasibility of Options 4, 5, 6, 7, 8 and 12 as presented in Appendix A to the report through the Tamar Trails Partnership, with a view to informing an ‘Active Tamar’ bid, be supported;

3. The encouragement of races and events on the Trails with the establishment of a suitable charging mechanism (Option 13 of presented Appendix A) be supported; and
4. The annual reporting of income and expenditure and progress against the Options to Overview and Scrutiny Committee be supported.

HC 14 EVENTS POLICY ADOPTION

Members were presented with a report that made recommendations following a review regarding the running of events held on Council owned land within West Devon and South Hams.

The Lead Member introduced the report.

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

1. To approve the proposed policy as detailed in Appendix 1, subject to minor wording changes as delegated to the Group Manager Commercial Services in consultation with the Lead Hub Committee Member; and
2. That, once live, the policy be reviewed annually and the fees levied reviewed as part of the regular WDBC fee and charge setting process.

***HC 15 RECOMMENDATIONS TO HUB COMMITTEE FOLLOWING THE T18 REPORT**

Following presentation of the T18 Review report to the Hub Committee on 16 May 2017, Members had asked that the conclusions be considered by a Working Group and presented back to the Hub Committee. Those conclusions were set out within the presented report.

The Lead Member, who was also the Chair of the Task and Finish Group, introduced the report. A minor amendment to the presented recommendation was made.

It was then **RESOLVED** that for any significant project including any for which a Joint Steering Group is required, a written management plan (including timescales, finances, objectives and outcomes) is required. This would be accompanied with:

- Supporting policies in place
- Regular member reporting via briefing papers and workshops
- Defined contracts with outside bodies
- An analysis of the timing of program against risk factors

(The meeting terminated at 6.35pm)

Agenda Item 6

Report to: **Hub Committee**
Date: **12 September 2017**
Title: **The Government's proposed 20% increase in planning fees**
Portfolio Area: **Customer First**
Wards Affected: **All**

Relevant Scrutiny Committee: N/A

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

Date next steps can be taken: **26 September 2017**

Author: **Drew Powell** Role: **Specialist Manager (Customer First)**

Contact: **01803 861240/ drew.powell@swdevon.gov.uk**

Recommendations:

That the Hub Committee RECOMMEND to Council that:

1. planning fees be increased by 20% once primary legislation is confirmed; and
2. an appraisal be undertaken of resource and performance levels across the wider planning function to ascertain the best use of the additional resource, to be approved by the Head of Paid Service in consultation with the s151 officer and Leader of Council.

1. Executive summary

- 1.1 The Government's February 2017 White Paper – "Fixing our broken housing market" set out proposals to boost local authority capacity and capability to deliver housing and improve the speed and quality with which planning cases are handled. These proposals include increasing nationally set planning fees. The White Paper says "*Local Authorities will be able to increase fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department.*"

The increase in fees has to be spent entirely on the planning function. This timescale has slipped but the indications are that the necessary regulations are being brought forward in the autumn.

- 1.2 The actual amount of increased income to the Council as a result of a 20% fee increase is dependent on the volume, scale and nature of planning applications received in any year. However based on the income received in the last 12 months (August 2016 – July 2017) the annual increased income would be approximately £64,000.
- 1.3 Acceptance of the increase in fees will enable the Council to increase staffing levels across the planning function and to continue to strive to deliver an efficient high quality Development Management service without additional support from the Council Tax payer.
- 1.4 The report recommends the Council increase its planning fees by 20% when the legislation is amended to allow for such an increase. It is further recommended that an appraisal be undertaken of resource and performance levels across the wider planning function to ascertain the best use of the additional resource, to be approved by the Head of Paid Service in consultation with the s151 officer and Leader of Council.

2. Background

- 2.1 Planning application fees are set nationally by the Government. The fees currently applicable across England were set by The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012, which came into force on 22 November 2012. Planning application fees do not rise annually and are not index linked, so have remained static since that date.
- 2.2 Planning application fees are an important source of income to the Council, contributing approximately £320k to West Devon Borough Council over the last 12 months.
- 2.3 The Government's February 2017 White Paper – "Fixing our broken housing market" set out proposals to boost local authority capacity and capability to deliver housing and improve the speed and quality with which planning cases are handled. These proposals include increasing nationally set planning fees. The White Paper says "Local Authorities will be able to increase fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department.
- 2.4 The timescale set out in the White Paper has slipped, however within the latest DCLG Newsletter to Chief Planning officers it states that the Government are bringing forward the necessary regulations in the autumn, which, subject to Parliamentary scrutiny, will apply the increase.

- 2.5 The increased fees have to be spent entirely on the planning function without a reduction in the current baseline budget for the planning service.
- 2.6 The actual amount of increased income to the Council as a result of a 20% fee increase is dependent on the volume, scale and nature of planning applications received in any year. However based on the income received in the last 12 months (August 2016 – July 2017) the annual increased income would be approximately £64,000.
- 2.7 A 20% increase in fees would, for example, see the application fee for construction of a single dwelling rising from £385 to £462. A householder application would rise from £172 to £206. At the higher end of the scale an application for 100 houses would rise from £24,799 to £29,759. These fees would still represent a very small proportion of the overall development cost of the project and it should be remembered that application fees have remained static since November 2012.
- 2.8 An efficient Development Management service has significant economic benefits for the Council and its residents and businesses, by ensuring that acceptable development proposals can be permitted and delivered quickly. The Development Management service also has an important role to play in ensuring that development is of the highest quality design and includes all the necessary community facilities and infrastructure. An effective Development Management service therefore underpins the vision and key objectives of the Council.
- 2.9 It is open to the Council to reject the proposed increase in fees, however it is difficult to see any significant advantage to the Council in doing so. The only potential benefit may be that the Council could be perceived to offer better value for money if most other authorities choose to accept the increase. However this would have to be balanced against the fact that those other Councils would then be better-resourced.
- 2.10 Consideration will, of course, have to be given to how the extra income should be spent to best effect. A review of current staffing resources and performance will allow officers to determine the best use of the additional resource, to most effectively support the Development Management Service. Additions to the establishment would be agreed with the Head of Paid Service and s151 Officer in consultation with the Leader.

3. Outcomes/outputs

- 3.1 Acceptance of the increase in fees will enable the Council to increase staffing levels across the function and to continue to strive to deliver an efficient high quality Development Management service without additional support from the Council Tax payer.

The additional income will come from Applicants for planning permission who will benefit most from any resultant improvement in the efficiency of the service. The increased planning fees will still represent a very small proportion of the Applicant's overall development cost.

4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Council is awaiting the introduction of the legislation that will enable planning fees to be increased
Financial		It is anticipated that the increase in fees will amount to £64,000 per annum based on current income levels.
Risk		There is a risk that if fees are not increased the Council would lose the opportunity for additional income.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Approval and clearance of report

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

Agenda Item 7

Report to: **West Devon Hub Committee**
Date: **Tuesday 12 September 2017**
Title: **Street Naming and Numbering Policy**
Portfolio Area: **Development Management - Cllr Caroline Mott**

Wards Affected: **All**

Relevant Scrutiny Committee:

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

Date next steps can be taken: Following Council on 26 September 2017

Author: **Kate Hamp** Role: **Case Management Manager**

Contact: **01803 861302/email: kate.hamp@swdevon.gov.uk**

Recommendations:

That Hub Committee **RECOMMEND** to Council the adoption of a revised joint Street Naming and Numbering Policy

1. Executive summary

- 1.1 In reviewing the existing Street Naming and Numbering Policy for both West Devon Borough and South Hams District Councils, officers considered that this would be an opportunity to produce an updated single Street Naming and Numbering Policy applicable to both Councils.
- 1.2 The new updated joint policy replaces both the West Devon and South Hams Street Naming and Numbering Policies. Previous to the update the policies were almost identical but still under separate header. Changes to the policy are detailed below under section 4.

2. Background

- 2.1 During consideration of a revised policy, reference was made to the following matters applicable to both the West Devon Borough Council Policy and the South Hams District Council Policy (and addressed within the new joint Policy) :
 - 2.1.1 The lack of reference to Members. A number of Members were of the view that the current approach to Street Naming and Numbering was lacking reference to the role of elected Members during the consultation process. Furthermore, some Members cited their examples of specific instances when this policy was not being adhered to;
 - 2.1.2 The frequency of town and parish council meetings. In light of the frequency of these meetings, a Member was of the view that providing town and parish councils with only 21 days to consider a street name was unreasonable. Since most town and parish councils met on a monthly basis, the Member felt that a 38 day time window would be more reasonable;
- 2.2 This was also an opportunity to ensure the policy reflected the new model of working and also referred customers to the online application channel wherever possible.

3. Outcomes/outputs

- 3.1 Appendix A shows the revised Street Naming and Numbering Policy

4. Options available and consideration of risk

- 4.1 With reference to section 2.1.1. Although relevant Ward Members were already consulted on naming streets in new developments, this was not specified in the policy, so was added in to the joint policy.
- 4.2 With reference to section 2.1.2. The proposed extension to the consultation period was considered, however Legal colleagues have advised that as the legislation imposes tight timescales (one month from the date of receipt of the proposed name) for serving a notice of objection to a proposed name (should such an objection be considered appropriate) the timescales for responses from Town/Parish Councils cannot be extended beyond 21 days as this would mean we would not be able to serve such a notice of objection within the statutory timescale . If the Council does not object within a month the proposer would be entitled to erect a street name without specific approval. This is laid down in section 17 of the Public Health Act (1925) – see page 4 of Appendix A.

- 4.3 For the reasons in 4.2 the consultation period was not extended beyond 21 days, however it was agreed to allow the local Ward Member to place an objection if the Parish/Town Council had not had sufficient time to formally consider the proposal.
- 4.5 These proposals were discussed with The COP lead for Development Management and the Case Managers using the policy on a daily basis.

5. Proposed Way Forward

- 5.1 Members are asked to endorse the revised policy and recommend it is adopted by Council.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Street Naming and Numbering is a chargeable discretionary service however it is extremely important that this is done in line with the Local Land and Property Gazetteer (LLPG) and Street Naming and Numbering (SNN) data entry conventions for the National Land and Property Gazetteer (NLPG). Following these conventions ensures our practices are compliant with the British Standard BS7666:2006
Financial	N	This report has no financial implications
Risk	N	There are little or no risks associated with the changes made. Increased consultation time will increase the overall time to complete the naming but this should be negligible
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	There are no equality and diversity implications
Safeguarding	N	There are no safeguarding implications
Community Safety, Crime and Disorder	N	There are no community, safety, crime or disorder implications
Health, Safety and Wellbeing	N	There are no health, safety or wellbeing implications
Other implications	N	

Supporting Information

Appendices:

Street Naming and Numbering Policy and Procedure

Background Papers:

none

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes/No
SLT Rep briefed	Yes/No
Relevant Exec Director sign off (draft)	Yes/No
Data protection issues considered	Yes/No
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	Yes/No



South Hams
District Council



West Devon
Borough
Council

Street Naming and Numbering Policy and Procedure

Approved by:
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South Hams District Council and West Devon Borough Council Street Naming and Numbering Policy Document

Introduction

The naming and numbering of streets and buildings within South Hams is a Statutory function of South Hams District Council and is covered by Sections 17, 18 and 19 of the Public Health Act 1925 which was formally adopted by the Council on 18 March 1976.

The naming and numbering of streets and buildings within West Devon is a statutory function of West Devon Borough Council and is covered by Sections 17 and 19 of the Public Health Act 1925 (which was formally adopted by the Council (Minute No. 65(a) 1975/76)) and Sections 64 and 65 of the Town Improvement Clauses Act 1847 in relation to numbering only (which was formally adopted by the Council (CM 9b(ii))).

Decisions on these matters are made and controlled by South Hams District Council and West Devon Borough Council (the Councils).

The purpose of this control is to make sure that any new street names and numbers are allocated logically with a view to ensuring, amongst other things, the effective delivery of mail and that emergency services vehicles are able to locate any address to which they may be summoned.

Anyone wishing to change the name or number of their property or seeking an address for a new property or wish to change the name of an existing street should apply in writing to the Council following the procedures detailed in this policy.

As far as street naming proposals are concerned the Council encourages developers or owners to propose their own preferred names for consideration. However, it is recommended that more than one suggestion for a new name should be put forward, just in case one fails to meet the Council's criteria outlined in this policy. It is desirable that any suggested road name should have some connection with the area.

If proposals comply with the Council's Policy on Street Naming and Numbering and, for street names, do not meet with an objection from the Town/Parish Councils, the local Ward Member or the Royal Mail Address Development Centre, the new address will be formally allocated and all relevant bodies will be notified by the Council. See Appendix A for a list of those bodies informed by the Council.

To aid emergency services, the Council will endeavour to ensure that where appropriate, if a street name has street signs relating to that name, all properties accessed off it will be officially addressed to include that street name and also where appropriate, all new properties will be numbered.

Statutory Context

Public Health Act 1925

Section 17 – Notice to Council before street is named

Section 17(1): Before any street is given a name, notice of the proposed name shall be sent to the Council by the person proposing to name the street.

Section 17(2): The Council, within one month after the receipt of such notice, may, by notice in writing served on the person by whom notice of the proposed name of the street has sent, object to the proposed name.

Section 17(3): It is unlawful to set up in any street an inscription of the name:

- (a) until the expiration of one month after notice of the proposed name has been sent to the Council under this section; and
- (b) where the Council have objected to the proposed name, unless and until such objection has been withdrawn by the Council or overruled on appeal;

and any person acting in contravention of this provision shall be liable to a penalty determined by the Magistrates' Court.

Section 17(4): Where the Council serve a notice of objection under this section, the person proposing to name the street may, within 21 days after service of the notice, appeal against the objection to the Magistrates Court. .

Public Health Act 1925

Section 18 – Alteration of name of street

Section 18(1): The Council may, by Order, alter or amend the name of any street, or any part of a street, or assign a name to any street, or any part of a street, to which a name does not already exist.

Section 18(2): not less than one month before making an Order under this Section, the Council shall cause notice of the intended Order to be posted at each end of the street, or part of the street, or in some conspicuous position in the street or part affected.

Section 18(3): Every such notice shall contain a statement that the intended Order may be made by the Council on or at any time after the day named in the notice, and that an appeal will lie under this Act to the Magistrates' Court against the intended Order at the instance of any person aggrieved.

Section 18(4); Any person aggrieved by the intended Order of the Council may, within 21 days after the posting of the notice, appeal to the Magistrates' Court

Public Health Act 1925

Section 19 - Indication of name of street

Section 19(1): The Council shall cause the name of every street to be painted, or otherwise marked, in a conspicuous position on any house building or erection in or near the street, and shall, from time to time, alter or renew such inscription of the name of any street if and when the name of the street is altered or the inscription becomes illegible.

Section 19(2): if any person pulls down any inscription of the name of the street which has lawfully been set up, or sets up in any street any name different from the name lawfully given to the street, or places or affixes any notice or advertisement within 12 inches of any name of a street marked on a house, building or erection in pursuance of this Section, he shall be liable to a penalty not exceeding level 1 on the standard scale and thereafter to a daily penalty.

Local Government Act 2003

Local Authorities have the power to charge for discretionary services where there is no other power to charge provided that the charge does not exceed the cost of providing the service.

Naming Streets and Numbering Dwellings

The Councils have responsibility for naming streets and to ensure that street names are displayed.

The Councils will name and number streets and dwellings in line with the Local Land and Property Gazetteer (LLPG) and Street Naming and Numbering (SNN) data entry conventions for the National Land and Property Gazetteer (NLPG). Following these conventions ensures the Councils' practices are compliant with the British Standard BS7666:2006.

Ensuring that the Councils have a comprehensive Street Naming and Numbering Policy that complies with BS7666:2006 is important because the Councils need to ensure:-

- Emergency Services can find a property quickly – delays cost lives and money
- Mail is delivered efficiently
- Visitors can easily find where they want to go
- There is a reliable delivery of services and products
- Service providers have up to date and accurate records - poor record keeping is only a disadvantage to the customer
- The Council will bill the right person, in the right property, at the right time for Council Tax and National Non-Domestic Rates (NNDR)

Procedure on receipt of suggested street name

Property developers can suggest names for new streets. These will be received by the respective Council and checked against the criteria (see later), then forwarded to the Town/Parish Council and the local Ward Member as appropriate for consideration. The Town/Parish Council will consider the name and may approve, otherwise they may suggest another name. If another name is suggested by the Town/Parish Council then the Council will forward this suggestion to the developer for consideration. Once both parties are in agreement the Council will officially allocate the street name.

In cases where both parties cannot agree on a street name, the decision will be made under delegated authority by the COP lead for Development Management.

In cases where a street name has been put forward by a property developer all costs for the erection of street nameplates will be borne by the property developer. There are Street Nameplate Specifications and Installation Guidelines available and the Council will inform the developer of this.

Maintenance of street nameplates becomes the Council's responsibility once a street has been adopted.

As stated above under "Section 17 Public Health Act 1925" it is not lawful to erect a street nameplate until the street name has been confirmed in writing by the Council.

Criteria for Naming Streets

The Street Naming and Numbering (SNN) Case Manager will use these guidelines when agreeing a new number or address and Developers and Town/Parish Councils should follow these guidelines for any suggested street names:

- New street names should try to avoid duplicating any similar name already in use in a town/village or in the same postcode area. A variation in the terminal words, for example, 'street', 'road', 'avenue' will not be accepted as sufficient reason to duplicate a name. A common request is to repeat existing names in a new road or building titles. This is not allowed as it can have a detrimental effect in an emergency.

- Street names should, where possible, reflect the history or geography of the site or area.
- Street names should not be difficult to pronounce or awkward to spell.
- Street names must not cause offence and will be verified by the Street Naming and Numbering Case Manager to ensure that they do not do so, having particular regard to race, disability, gender, age, faith & belief and sexual orientation.
- Street names that could be construed as advertising will not be allowed.
- The use of North, East, South or West is only acceptable where the road is continuous and passes over a major junction. It is not acceptable when the road is in two separate parts with no vehicular access between the two.
- Phonetically similar names within a postal area should be avoided
- The use of a name that relates to a living or deceased person should be avoided.

All new street names should ideally end with one of the following suffixes;- Street, Road, Avenue, Drive, Way, Grove, Lane, Gardens, Place, Crescent, Court, Close, Square, Hill, Circus, Vale, Rise, Row, Wharf, Mews.

All new pedestrian ways should ideally end with one of the following suffixes:- Walk, Path, Way.

Further notes:-

For private houses it is sufficient that the name should not repeat the name of the road or that of any house or building in the same postcode area: see **Procedure for Address Changes** below.

Criteria for assigning a new Postal Address

After receiving a request for an address for property/properties, which currently do not have an address, the Council will first check for approved planning permission or building control approval. If this has been granted then the procedure to create a new address will commence. The Council will not address properties without the relevant planning permissions and will only address properties once the foundations have been laid on site. The reason for this is to ensure the numbering sequence of any street is not compromised and addresses are not created in error.

Issuing an address to properties without planning permission will have no bearing on planning matters or be capable of being used in support of any planning appeal. We will still add your property to the Local Land and Property Gazetteer (LLPG) and you will still be liable for Council Tax or NNDR.

Agricultural Land

Agricultural land parcels can be added to our LLPG. They are flagged as non-postal addresses. This is to assist emergency response and create a unique record for each property for future use.

The Council will only request an official address from Royal Mail where we have an operational requirement to do so or we believe the property is being used for permanent residency. Such addresses will have to meet Royal Mail's requirements for secure delivery points.

The Council's planning enforcement team will be informed about any believed change of use of the land.

Postal Address Format

For clarification, official postal addresses always take the following format:-

Any Ltd	Company or Organisation Name (if applicable)
123 Any Street	Postal Number/Name of Street
Anywhere	Locality (if applicable)
ANYTOWN	POST TOWN
Devon	County
TQ00 0AA	Postcode

When an approved address is agreed by all parties, Royal Mail will confirm a postcode. The maintenance and any future changes to this Postcode are the responsibility of the Royal Mail.

Localities within an official postal address are the responsibility of Royal Mail. Where applicants object to a locality name in their address, the SNN Case Manager will advise them to consult Royal Mail, who has a procedure laid down in their code of practice by the Postal Services Commission for adding or amending locality details.

We will, however, remind applicants that postal addresses are not geographically accurate descriptions, but routing instructions for Royal Mail staff and they can and do contain names for villages, towns and cities that may be several miles away from the actual location of their property.

For further information about addresses, you are advised to read the Royal Mail's guidance, which can be found on their website: www.royalmail.com.

Guidelines for Numbering Buildings

A new street should be numbered with the odd numbers on the left and the even numbers on the right from the entrance of the street.

In the case of a small cul-de-sac, consecutive numbering in a clockwise direction is preferred.

Private garages and similar buildings used for housing cars, etc., should not be numbered.

All numbers should be used in the proper sequence. The number 13 will be excluded from a numbering scheme unless a request is made to include it. Once numbered we will not normally re-number properties. We will only renumber a property where there can be shown to be consistent delivery problems.

Where an existing street or similar is to be extended, it would be appropriate to continue to use the same street name. This will include the continuation of the street numbering.

Buildings (including those on corner plots) will be numbered (or named) according to the street in which the main entrance is to be found.

If a building has entrances in more than one street, is a multi-occupied building and each entrance leads to a separate occupier, then each entrance should be numbered in the appropriate road. Exceptions may be made, depending on circumstances, for a house divided into flats.

In residential buildings (i.e. a block of flats), it is acceptable to give a postal number to each dwelling where the block is up to six storeys in height. When the block exceeds this height or there are insufficient numbers available because of existing development, it should be given a name and numbered separately internally. Such building names will be put through the same criteria for issuing house names.

Where a property is sub-divided, or in the case of flats and apartments, individual properties should always be numbered or suffixed with a letter rather than described (i.e. Flat 1 or Flat A used rather than First Floor Flat). Where numbered properties are sub-divided, it is preferred that individual units retain the number of the 'parent' property (i.e. Flat 1, 36 High Street).

Royal Mail will only register properties which have their own entrance and/or their own secure letter box. Sometimes this can cause problems as people think their address/flat should be registered. If mail for a building is delivered to a single letter box, and occupants then collect their own mail, Royal Mail class this as a 'building in multiple occupation' and will only register the parent building and not individual flat numbering schemes within the building.

Legislation permits the use of numbers followed by letters. These will be suitable, for example, when one large house in a road is demolished, to be replaced by (say) 4 new smaller houses. To include the new houses in the existing numbered sequence of the road would involve renumbering all the higher numbered houses on the side of the road affected by the proposal. To avoid this situation, the new houses should be given the number of the old house with A, B, C or D added (i.e. 21A, 21B, 21C, 21D).

Where new houses are built in an existing road, where properties are named rather than numbered, it is essential that the houses be officially allocated names. The name should not repeat the name of the road or that of any house or building in the area. It should also be sufficiently different to other property names used locally. This situation normally applies on roads where there has been no formal property numbering scheme.

New properties in streets where the existing properties are numbered will be allocated a new number. Individual properties are generally built on infill land, large gardens, or on the site of previously demolished properties. These will be numbered within the existing sequence if possible, and letter suffixes (e.g. 16A) will be used if necessary. Where building takes place on the site of a demolished property, the new building will inherit the existing number.

Where two or more properties on a numbered street are merged, the numbers of the original properties should normally be retained. For example, 4 and 6 Fore Street being combined would become 4-6 Fore Street. There are however instances where it may be considered appropriate to use a single number. Each case will be considered on its own merits.

Where a property has a number, it must be used and displayed. Where application is made to add a name to a property with a number, the number must always be included. The number cannot be removed from the official postal address and it cannot be regarded as an alternative. This applies to both domestic and commercial property.

The Councils will not normally register company/business names as part of an address unless the company name is the only way uniquely to identify the property in question.

The Councils are not responsible for erection or maintenance of nameplates on buildings or for directional signs to individual properties or groups of houses (these are the responsibility of the owner(s)). The Councils are also not responsible for traffic or highway directional signs – this is the responsibility of Devon County Council.

Procedure for New Developments

The property developer should not give any postal addresses, including postcode, to potential occupiers, either directly or indirectly (e.g. via solicitors or estate agents) before the respective Council has issued formal approval. The Councils will not be liable for any costs incurred or claims for damages caused by failure to comply with this.

Developers should always apply directly to the respective Council at the earliest opportunity for new postal addresses, i.e. as soon as development starts on site.

For Roadways to be adopted by the Highway Authority

To register new development addresses, developers should send in a covering letter setting out the full details of the proposal. A development is considered to be two or more dwellings or properties.

All applications must be accompanied by the fee of £36.00 per property.

All proposals must also be accompanied by a site location plan - this should be at a minimum scale of 1:2500 and should contain sufficient detail to accurately locate properties. The confirmed layout drawing showing the road layout, plot numbers and any suggested house numbers (or names) is the most appropriate plan (for convenience a maximum size of A3 is preferred). For developments that include flats, internal layout plans are also required.

The applicant or developer may suggest a possible name or names for any new street(s). Several suggestions for names can be made in case the Council, Royal Mail or the Town/Parish Council object.

The proposed street names are then passed via email to the relevant Town/Parish Council and Ward Member for approval, copying in the portfolio holder for SNN. Town/Parish Councils and/or Ward Member can at this stage suggest their own names that conform to our Policy.

Town/Parish Councils will contact us once the members have considered any proposal and within 21 days from the date of consultation. If the Town/Parish have been unable to meet and formally consider the proposal in the timescale given then the local Ward Member would be able to put forward an objection. If the Town/Parish Council, local Ward Member or the Council objects to the proposal, the Council will serve a notice of objection in writing and consult with the developer. Where no agreement can be made, final approval of street names is made under delegated authority by the COP lead for Development Management.

The developer will cover the initial costs of street nameplates and ensure they adhere to the Councils specification and installation guidelines (Appendix C). Normal street sign practice is to erect one sign at the entrance to a street; however two signs may be more appropriate where there is access to a busy street, or

where visibility is restricted. Where appropriate, additional information regarding access to other streets may also be added e.g. 'Leading to ...' Each case will be considered on its merits and road safety should be a primary consideration.

The Council will cover maintenance costs after the street nameplate has been erected in accordance with our installation guidelines and appropriate specification. On occasions street nameplates may become damaged or defaced and will require replacement. Anyone needing to report a problem with a street nameplate should contact the Council on the main switchboard number.

Numbering of the new street(s) will be carried out following guidelines within this policy. All properties on newly named streets will be allocated numbers. All new properties on existing streets will be numbered if possible unless existing properties on that street all have official dwelling names and no numbers, or it is an infill development.

Where the development is an infill development on an existing street the Council will number the properties wherever possible, and suffix the number with a letter as appropriate in order to accurately define the location of the property on the street.

Where the street does not have an existing numbering scheme the developer should suggest property names. The property name must comply with the guidance set out in this policy.

When numbering and naming is complete the Council will contact the Royal Mail who will allocate the postcode to the address, and add the property to their 'not yet built' file.

Once the Royal mail have allocated the postcode, the Council will write to the developer with official confirmation of the full postal address, and where applicable, any instructions for the erection of street nameplates.

The Council will notify users who have requested address change information and supply a plan indicating the location of all the properties. A list of those notified is shown in Appendix A.

Where developers have not applied for an address and occupation of the property has taken place, the Council will endeavour to contact the owner or developer and ask for an official application to be submitted. If an application is not received within four weeks of the Council contacting them, the Council will allocate an address. If at a later stage, the owner wishes to change the property name, they will have to follow the official procedure to make the change and a charge will be made.

Procedure for Changing or Adding a Property Name

If you wish to change the name of your property, or add an official 'alias name' to your property you must use the following procedure and you should note that **The Royal Mail does not accept name changes from anyone other than a Council.**

To request a change to a property name, the owner must complete the relevant application form, supply a location plan and pay the appropriate fee.

To make an application, you can complete the application online or by filling in the relevant application form (Appendix B).

Requests can only be accepted from the owners of properties and not tenants.

All applications must be accompanied by a site location plan - this should be at a minimum scale of 1:2500 and should contain sufficient detail to accurately locate the property.

All applications must be accompanied by the fee of £21.00 per property.

The Council cannot formally change a property name where the property is in the process of being purchased, that is, until exchange of contracts has been completed, although the Council can give guidance on the acceptability of a chosen name change, in principal, before exchange of contracts.

A check is made by the Council to ensure there are no other properties in the locality with the same name. Under no circumstances will the Council allow a replicated house name in the same postal area; the SNN Case Manager can refuse such names. The Council also strongly recommends against using similar sounding names, although we will not refuse these requests. The Royal Mail cannot guarantee mail delivery if the Council's advice is ignored.

Under no circumstances will the Council allow a name that is offensive, or can be construed as offensive.

If the property already has a house number, it is not permitted to replace the number with a name. However the Council will allow you to add an 'alias name' to the address. The name will be held by the Royal Mail on their 'alias file' and will not form part of the official address. The alias name can only be used with the property number, not as a replacement of it.

Once all the checks have been satisfactorily completed and the necessary fees received the Council will change the name of the property and advise the relevant parties detailed on Appendix A.

The Council will then confirm the new official postal address in writing to the owner of the property.

Procedure to Rename an Existing Street, Renumber Properties or Name a Street that was previously Un-Named

Town/Parish Councils may from time to time request that the Council rename an existing street or name a street that was previously un-named. Town/Parish Councils can only make such a request if they can demonstrate that the owners/residents of all affected properties have been consulted and at least two thirds are in agreement to the change.

Applications can also be received by the Council direct from the residents but it is considered a courtesy to liaise with the Town/Parish Council before submitting an application to the Council.

Applications can be made online on the Council's website for a fee of £37.00 per property.

All proposals must be accompanied by a site location plan indicating the full length of the street to be named.

If the proposal is approved, a Notice will be erected on site and lodged with the Clerk to the Justices for one month whereby objections to the proposal can be received. After consideration a decision will be made on whether to approve the proposal using delegated authority by the COP lead for Development Management.

Once approved the Council will confirm the new street name is acceptable with the Royal Mail. The Royal Mail may issue a new postcode for the street.

The Council will advise the residents/owners of their new official postal address as well as those Authorities detailed on Appendix A.

All costs associated with a change of address will be met by the owners/residents themselves.

All costs associated with providing and erecting street nameplates, except in exceptional circumstances, will be met by the residents/owners of the street or the Town/Parish Council as appropriate. Once erected the Council will maintain the street nameplate.

Sometimes, the Council may decide that in order to improve the delivery of mail, and the routing of emergency services a street needs to be renamed, or renumbered. The Council will only do this after consultation with the owners of the affected properties and will always give one month's notice in writing as detailed above. In these circumstances all costs associated with providing and erecting street nameplates will be met by the Council.

The Royal Mail may also approach the Council where they believe there is an operational necessity to make changes to addresses. The Council will only make such changes where we believe there is a need, and after consultation with the residents/owners of the properties affected.

Any appeals should in the first instance be made to the Street Naming and Numbering Case Manager at the Council. If this is not satisfactorily dealt with, appeals should be directed through the formal complaints procedure. Details are available on the Council's website.

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Charging for Street Naming and Numbering Service

The Council will charge for the Street Naming and Numbering process as specified below

Under Section 93 of the Local Government Act 2003, Local Authorities have the power to charge where they provide a service if they are authorised, but not required, to provide the service. The charge must not exceed the cost of providing the service.

For Street Naming and Numbering these charges are:-

- (1) £21.00 per property for changes to house names;
- (2) £37.00 per property for changes to street names;
- (3) £36.00 per property for naming new developments.

These charges have to be paid prior to any changes being made.

Changes made without contacting us will not be registered with services and organisations listed in Appendix A. These organisations will not be informed until payment is received. The Council cannot be held liable for mail delivery problems caused by failure to inform us of house name changes.

These charges will be reviewed on an annual basis.

The Council is keen to ensure all new developments are postally named and numbered correctly.

Appendix A

Internal Departments (list used depends on location of application site)

Building Control; Council Tax/National Non-Domestic Rates; Electoral Registration;
Environmental Health; Environmental Services; LLPG Custodian; Land Charges;
Development Management Department (Planning)

External Departments (list used depends on location of application site)

British Gas; Dartmoor National Park; Devon and Cornwall Police; Devon County
Council Highways Department; Devon County Council Land Charges Department;
Devon & Somerset Fire and Rescue; Focsa Services Ltd; Geographer's A-Z Map
Company; Plymouth & District Land Registry; Royal Mail Address Development
Team and local sorting offices; South West Water; South Western Ambulance
Service; Valuation Office; Wales & West Utilities Western Power

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Report to: **Hub Committee**
Date: **12 September 2017**
Title: **OVERVIEW AND SCRUTINY COMMITTEE TERMS OF REFERENCE AND PROCEDURE RULES**
Portfolio Area: **Leader of the Council**
Wards Affected: **All**
Relevant Scrutiny Committee: **N/A**

Urgent Decision: **N** Approval and clearance obtained: **N/a**

Date next steps can be taken: **Council meeting on 26 September 2017**

Author: **Darryl White** Role: **Senior Specialist – Democratic Services**

Contact: darryl.white@swdevon.gov.uk

Recommendation:

That the Hub Committee RECOMMEND to Council that the amended Overview and Scrutiny Committee Terms of Reference and Procedure Rules (as outlined at Appendices A and B respectively) be approved.

1. Executive summary

1.1 It is a legal requirement of the Council to formally adopt its Constitution;

1.2 This report requests that the Committee recommend to Council that the amended Overview and Scrutiny Committee Terms of Reference and Procedure Rules (as outlined at Appendices A and B respectively) be approved.

2. Background

2.1 At the Annual Council meeting held on 23 May 2017, Members considered the Annual Review of the Council Constitution.

As part of the Review and, to reflect the previous decision to reduce the number of Overview and Scrutiny Committees from 2 to 1, the Council was presented with a draft version of a revised set of Terms of Reference and Procedure Rules. In so doing, the Council resolved (Minute CM 8 refers) that:

'the suggested amendments of the Overview Terms of Reference and Procedure Rules be referred to the Overview and Scrutiny and Hub Committees for further consideration.'

2.2 As a result, the Overview and Scrutiny Committee considered at length the draft documents and suggested inclusion of a series of amendments before recommending that they be presented to the Hub Committee and Council for ultimate approval (Minute O&S 17 refers).

2.3 The revised Terms of Reference and Procedure Rules have been appended to this report.

3. Outcomes/outputs

3.1 The Council is required to have an up to date Constitution that reflects the law and its working practices (together with best practice) to ensure that it delivers efficient services and lawful decisions.

4. Options available and consideration of risk

4.1 The options are limited as the Council has a statutory duty to adopt its Constitution annually and to review that document to ensure that it remains fit for purpose and reflects both statutory requirements and the Council's working practices.

4.2 If the Council does not review its Constitution, then there is a risk that the Council may make unlawful decisions with a consequent risk of challenge.

5. Proposed Way Forward

5.1 The Hub Committee is asked to consider the recommendations made by the Overview and Scrutiny Committee and recommend these to the Council for approval.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Local Government Act 2000 requires the Council to have (and to maintain) a Constitution.

		It is a function of the Council to approve and adopt the Council's Constitution.
Financial	N	There are no financial implications to this report
Risk	Y	There is a risk arising from a failure to review the Constitution and approve the necessary changes because it may lead to unlawful decisions being taken by the Council. By regularly reviewing the Constitution allows the Council to mitigate this risk by ensuring that the Constitution is up to date and reflects current practice and law.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None arising from this report
Safeguarding		n/a
Community Safety, Crime and Disorder		n/a
Health, Safety and Wellbeing		n/a
Other implications		n/a

Supporting Information

Appendix A: Draft Overview and Scrutiny Terms of Reference; and
Appendix B: Draft Overview and Scrutiny Committee Procedure Rules.

Background Papers:

- Agenda and minutes arising from the Annual Council meeting held on 23 May 2017; and
- Agenda and minutes arising from the Overview and Scrutiny Committee meeting held on 11 July 2017.

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Overview and Scrutiny Committee

Please refer to the Overview & Scrutiny Procedure Rules in Part 4 of the Constitution for details on composition, membership, eligibility, powers and duties.

1. Terms of Reference – General Role

1.1. The Council will appoint an Overview & Scrutiny Committee that will:

- review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- make reports and/or recommendations to the Council and any committee or joint committee in connection with the discharge of any functions;
- consider any matter affecting the area or its inhabitants;
- make reports and/or recommendations to the Council and/or its Committees and/or any joint committee on matters which affect the Council's area or the inhabitants of that area; ~~and~~
- eExercise the right to Call-in, for reconsideration, decisions made (but not yet implemented) by the Hub Committee;
- be able to appoint and discontinue Task and Finish Groups in accordance with its annual work programme; and
- be able to work in conjunction with the South Hams District Council Overview and Scrutiny Panel to avoid any duplication of effort and unnecessary inconsistencies in policy and findings between the two councils.

2. Specific functions

The Overview and Scrutiny Committee may:

2.1. OverviewPolicy development and review

- (i) review existing policy and recommend changes to such policy or to recommend the creation of new policy;
- (ii) assist the Council in the development of its Budget and Policy Framework and any policies it chooses to adopt; by in-depth analysis of policy issues;
- (iii) conduct research, involve the community and carry out other consultation in the analysis of policy issues and possible options;

- (iv) consider and implement ways to encourage and enhance community participation in the development of policy options;
- (v) question Members of committees and senior officers about their views on issues and proposals affecting the area; and
- (vi) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.

In so doing, the Overview & Scrutiny Committees will be able to:

- (a) Select significant issues to investigate, which are both strategic and linked to the Council's Corporate Priorities;
- (b) Undertake pre-investigation project planning: drawing up terms of reference, plan for research methods to be used, timescales, officer support and reporting mechanisms;
- (c) Involve partners, the public and outside experts: this can take the form of presenting orally or in writing evidence around the topic under investigation;
- (d) Report findings and make evidence based recommendations to the appropriate Committee; and
- (e) Follow up on action agreed to ensure that Overview & Scrutiny Committee decisions have been implemented.

2.2. Scrutiny

- (i) hold the Hub Committee Members to account;
- (ii) review and scrutinise the performance of Committees ~~and Council officers~~ and decisions made both in relation to individual decisions and over time;
- (iii) review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
- (iv) question lead Members and/or Chairmen of committees and senior officers about ~~the~~ decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects when necessary;
- (v) exercise the right to call-in, for re-consideration, decisions made by the Hub Committee but not yet implemented by any committee, where appropriate (see Procedure Rules in Part 4);
- (vi) make recommendations to the appropriate committee and/or Council arising from the outcome of the scrutiny process;
- (vii) ~~(vi)~~ review and scrutinise, with or without others, the performance and activities of other public bodies in the area on any relevant, general or specific issue; and

(viii)

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- ~~(vii) question and gather evidence from any person (with their consent) when necessary; and~~
- ~~(viii) Exercise overall responsibility for the work programme of the officers employed to support their work~~

2.3. Partnership arrangements

The Overview & Scrutiny Committees shall be responsible for the monitoring of partnership arrangements in accordance with the Council's Partnership Policy.

2.4 Public Forum Procedures

(a) General

Members of the public may raise issues and ask questions at meetings of the Overview and Scrutiny Committee. This session will last for up to fifteen minutes at the beginning of each meeting.

(b) Notice of Questions

An issue or question may only be raised by a member of the public provided that they have given written notice (which may be by electronic mail) to Darryl White (darryl.white@swdevon.gov.uk) by 5.00pm on the Thursday, prior to the relevant meeting.

(c) Scope of Questions

An issue may be rejected by the Monitoring Officer if:

- it relates to a matter within the functions of the Development Management & Licensing- Committee;
- it is not about a matter for which the local authority has a responsibility or which affects the Borough;
- it is offensive, frivolous or defamatory;
- it is substantially the same as a question which has previously been put in the past six months; or
- it requires the disclosure of confidential or exempt information.

2.5 Finance

The Overview & Scrutiny Committee shall exercise overall responsibility for the finances made available to it.

2.6 Annual report

The Overview & Scrutiny Committee shall report annually to Council on their workings and make evidence based recommendations for future work programmes and amended working methods if appropriate.

3 Proceedings of Overview and Scrutiny Committee

The Overview & Scrutiny Committee will conduct its proceedings in accordance with the [Overview & Scrutiny Procedure Rules](#) set out in Part 4 of this Constitution.

4 (4)

Overview and Scrutiny Procedure Rules

[Go to Contents](#)

Overview and Scrutiny Procedure Rules

The Council Procedure Rules as set out in Part 4(1) of this Constitution shall apply to the Overview & Scrutiny Committee and sub-committees unless otherwise specified by these Rules.

1. Overview and Scrutiny Committee

- 1.1 The Council will appoint an Overview & Scrutiny Committee as set out in the terms of reference in Part 3.

2. Terms of Reference

- 2.1 The terms of reference of the Overview & Scrutiny Committee shall be:
- 2.2 The performance of all overview and scrutiny functions on behalf of the Council including those functions specified in the terms of reference set in the Part 3.

3. Membership and Composition

- 3.1 **Number:** The Committee shall consist of **fifteen** Members of the Council appointed in accordance with Council Procedure Rule 7.
- 3.2 **Eligibility:** All Members of the Council, with the **exception** of Members of the Hub Committee and the Audit Committee shall be eligible to be Members of the Overview & Scrutiny Committee.
- 3.3 **Chairman:** The Chairman and Vice Chairman of the Committee shall be appointed by Council in accordance with the Council Procedure Rules in Part 4 of the Constitution.
- 3.4 **Co-optees:** The Committee shall be entitled to recommend to the Council the appointment of co-opted members (including members of the public).

4. Powers and Duties

- 4.1 **Sub-Committees:** The Overview and Scrutiny Committee shall have the power to appoint such sub-committees as it considers appropriate to discharge its functions. These Procedure Rules, including those on eligibility for membership, shall apply to any such sub-committee.
- 4.2 **Task and Finish Groups:** The Committee shall have the power to appoint, [determine membership](#) and discontinue Task and Finish Groups.

4.2.1 The Task and Finish Groups shall be appointed to undertake such work and within such timescales as may be specified by the Committee.

4.2.2 All Members of the Council are eligible for membership of the Task and Finish Groups.

~~4.2.3 The Committee has the ability to establish the membership of the Task and Finish Groups.~~

4.2.34 A Task and Finish Group shall provide regular updates to the Overview & Scrutiny Committee.

4.3 **Work Programmes:** The Overview & Scrutiny Committee shall be responsible for setting its own Work Programme.

4.4 **Agenda Items:** Any Member of the Overview & Scrutiny Committee shall be entitled to give notice to the Chairman that s/he wishes an item to be included on the next appropriate agenda and the Chairman shall arrange for this to be done.

4.5 **Consideration of Overview and Scrutiny Reports:** The Head of Paid Service will ensure that reports of the Overview & Scrutiny Committee are placed on the agenda for the appropriate meeting or Council Summons if appropriate for consideration, and in the case of a joint committee referred to that committee.

4.6 Members, ~~the general public and/or community groups or Officers~~ may propose that Overview & Scrutiny consider a particular matter by completing a Scrutiny Proposal Form (which can be obtained from Darryl.White@swdevon.gov.uk). See below for rules on Public Forum

5. Overview

5.1 The terms of reference in relation to overview functions are set out in the terms of reference in Part 3.

~~5.2 **Policy Review/Development:** In relation to the review or development of Council policies, the Overview & Scrutiny Committee may make proposals for consideration by the relevant committee(s), joint committee(s) or Council if felt appropriate.~~

~~5.3 The Overview & Scrutiny Committee may receive requests from the Council and other committee(s) to review particular areas of Council activity. The Committee, having regard to its work programme, shall consider and respond to such requests.~~

~~5.4 The Overview & Scrutiny Committee may hold inquiries and investigate the available options for future direction in policy development and may appoint advisers and assessors to assist it in this process. They may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations.~~

6. Scrutiny

6.1 The terms of reference in relation to scrutiny functions are set out in the terms of reference in Part 3.

6.2 **Proposed decisions:** To assist with the function of scrutiny, Members of the Overview & Scrutiny Committee shall be sent copies of the Council Summons and a website link to the agenda of all other published Committee meeting agendas.

6.3 **Call-in of decisions:** Call-in should only be used in exceptional circumstances, e.g. where Members of the Overview & Scrutiny Committee have evidence which suggests that the Hub Committee did not take the decision in accordance with the principles set out in Article 6 (Decision Making). Call-in may be exercised only by the Overview and Scrutiny Committee.

6.3.1 Call-in will **not apply** to decisions of individual applications under Development Management, Licensing, Standards, Registration, consents or other permissions where there is a statutory right of appeal.

6.3.2 Within **two working days** (where reasonably practicable) of a meeting of the Hub Committee:

- the minutes of that meeting shall be published (where possible by electronic means);
- a website link to copies of the published draft minutes will be sent electronically to all Members.

6.3.3 The minutes (as referred to in 6.3.2) will specify that any decision will come into force (and may then be implemented) on the **expiry of three working days** after the publication of the minutes, **unless** the Overview & Scrutiny Committee calls it in.

6.3.4 Before the **expiry of the three working days**, the Head of Paid Service shall call-in a decision for scrutiny by the Overview & Scrutiny Committee if so requested by the Chairman; ~~or~~ any three Mmembers of the Overview & Scrutiny

Committee [or any five non-Hub Committee Members](#). The Head of Paid Service will notify all Members of the call-in of the decision.

6.3.5 The Head of Paid Service shall refer the matter to the next available meeting of Scrutiny.

6.3.6 If, having considered the decision, the Overview & Scrutiny Committee remains concerned about it then the Committee may set out in writing the nature of its concerns and:

- refer the decision back to the Hub Committee for re-consideration, or
- refer the matter to Council for determination.

If the matter is referred back to the Hub Committee or Council, that body shall determine at the earliest practicable opportunity whether or not to amend the decision.

6.3.7 If, following a call-in of a decision, the Overview & Scrutiny Committee:

- does not meet in the period set out above, or
- does meet but does not refer the matter back to the relevant Committee or to Council)

the decision shall take effect on the date of the Overview & Scrutiny Committee meeting or the expiry of that further five working day period, whichever is the earlier.

6.4 **Urgency:** The call-in procedure set out above shall not apply where the decision being taken by a Committee is deemed urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interest. Where the record of the decision, and notice by which it is made public, states that, in the opinion of the Head of Paid Service the decision is an urgent one, it will not be subject to the call-in process.

7. Meetings

7.1 **Frequency:** There shall be at least **eight meetings** of the Committee in each year. In addition, other meetings may be called in accordance with the Council's Procedure Rules as set out in Part 4 of this Constitution.

7.2 **Quorum:** The quorum for the Committee shall be [sevenix](#) Members.

7.3 **Substitution** is not permitted on the Overview & Scrutiny Committee (see Procedure Rule 10).

7.4 **Attendance by Others:** The Overview & Scrutiny Committee may:

- (i) require Hub Committee Members, Audit Committee Members and Senior Officers of the Council to attend a meeting to answer questions and it is the duty of those persons to attend if so requested;
- (ii) request, but not compel, officers from partnership organisations to attend if so required;
- (iii) invite any person to attend to address the Committee or to discuss issues of local concern and/or to answer questions;
- (iv) pay any person attending to provide expert advice to the Committee a reasonable fee and expenses for doing so.

7.5 **Party Whip:** Whipping arrangements are not permitted at formal (or informal) meetings of the Overview and Scrutiny Committee. When considering any matter in respect of which a Member of the Committee is subject to a party whip, the Member must declare the existence of the whip and the nature of it before the commencement of the Committee's deliberations on the matter. The declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.

7.56 **Procedure:** Each Overview & Scrutiny Committee meeting agenda shall consider the following business as standing items:

- (i) Minutes of the last meeting;
- (ii) Declarations of Interest ~~(including whipping declaration)~~;
- (iii) the Hub Committee Forward Plan;
- (iv) consideration of any matter referred to the Committee for a decision in relation to the calling in of a decision;
- (v) responses of the Committees to reports of the Overview & Scrutiny Committee; and
- (vi) the business otherwise set out on the agenda for the meeting.

7.56.1 The Committee may adopt its own procedures as it so chooses when carrying out a review or conducting an investigation.

7.56.2 Following any investigation or review, the Committee shall prepare a report, for submission to the relevant Committee, joint Committee and/or Council as appropriate.

7.6 Hub Committee Forward Plan

The Forward Plan (which is a standing agenda item for the Committee) outlines upcoming agenda items to be considered by the Hub Committee and provides the opportunity for the Overview and Scrutiny Committee to have an input into those items that Committee Member(s) have identified in advance as being potentially contentious before they are then presented to the Hub Committee.

8. Public Forum Procedures

(a) General

Members of the public may raise issues and ask questions at meetings of the Overview and Scrutiny Committee. This session will last for up to fifteen minutes at the beginning of each meeting.

(b) Notice of Questions

An issue or question may only be raised by a member of the public provided that they have given written notice (which may be by electronic mail) to Darryl White (darryl.white@swdevon.gov.uk) by 5.00pm on the Thursday, prior to the relevant meeting.

(c) Scope of Questions

An issue may be rejected by the Monitoring Officer if:

- it relates to a matter within the functions of the Development Management & Licensing Committee;
- it is not about a matter for which the local authority has a responsibility or which affects the district
- it is offensive, frivolous or defamatory;
- it is substantially the same as a question which has previously been put in the past six months; or
- it requires the disclosure of confidential or exempt information.

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Agenda Item 9

The appendix to this report contains exempt information contained in Paragraphs 3 of 12A of the Local Government Act 1972 (information relating to the financial and business affairs of the Council)

Report to: **West Devon Borough Council
Hub Committee**

Date: **12 September 2017**

Title: **Local Authority Controlled Company
(LACC) Project Review and Closure
Report**

Portfolio Area: **Leader of the Council - Strategic Vision**

Wards Affected: **All**

Relevant Scrutiny
Committee:

Approval and
clearance obtained: **Yes**

Urgent Decision: **No**

Date next steps can
be taken: Following Call In period – 20
September 2017

Authors: **Neil Hawke**
Support Services Specialist Manager
neil.hawke@swdevon.gov.uk

Recommendations:

1. That the Hub Committee notes the Local Authority Controlled Company project closure report.

1.0 Executive Summary

- 1.1 The Joint Steering Group (JSG) was formed between West Devon Borough Council and South Hams District Council in August 2016. The JSG was tasked to consider further detailed information and to make a final recommendation to both Councils, in respect of the proposal to set up a Local Authority Controlled Company (LACC).

- 1.2 Having fully considered the matter, in January 2017 the JSG recommended to both Councils not to proceed with the implementation of a LACC as proposed at that time.
- 1.3 The JSG recommendation, together with the Final JSG Report was presented to West Devon Borough Council on 7th February 2017. The Council agreed with the JSG recommendation not to implement a LACC and arrangements were made by Officers to close down the project.
- 1.4 As part of the Project Management process, the JSG LACC project was formally debriefed and a closure report produced. This detailed the Lessons Learnt, Project Performance and its Closure Activities.
- 1.5 At the meeting of the Joint Steering Group on 6th March 2017, the LACC Project Review and Closure report was approved. It was agreed that once the PWC fee had been finalised, the report should go to both Councils.
- 1.6 The financial settlement with PWC was agreed in June 2017 and the LACC Project Review and Closure Report was again approved by the JSG at its 17th July 2017 meeting.

2.0 Background

- 2.1 On 26th July 2016, a full meeting of West Devon Borough Council considered a detailed business case prepared by Price Waterhouse Coopers into the viability of establishing a Local Authority Controlled Company.
- 2.2 At that meeting, it was resolved that a Joint Steering Group (JSG) be formed to consider a number of matters which Members felt required further investigation before making a final decision on implementing a Local Authority Controlled Company (LACC).
- 2.3 The JSG was made up of four Members from West Devon Borough Council and four Members from South Hams District Council, with the chair role rotating to the Leader of the hosting Council.
- 2.4 At the JSG first meeting, nine key areas were identified where further analysis was required to enable Members to make a final decision on whether or not to implement a LACC for the delivery of services to the Councils.

- 2.5 A Project Team was formed from Officers and external Legal and Financial advice was commissioned, in order for the nine key issues to be fully understood and the implications to the Councils made clear. Regular reports and updates were provided for the monthly JSG meetings.
- 2.6 When the JSG recommendations were made in January 2017, this in effect closed down the JSG LACC Project. The process for reviewing and closing down the project was commenced.
- 2.7 Debrief forms were sent to all JSG Members and Project Team Officers. This form asked for feedback on various aspects of the JSG LACC project, including what went well and what could have been improved.

3.0 Outcomes/outputs

- 3.1 The JSG LACC Project Review and Closure Report was reviewed and agreed at the JSG meeting on 6th March 2017. The content was agreed and suggested that the report be approved by both Councils.
- 3.2 As the final settlement figure with PWC report had not been agreed and paid, it was felt that this should be resolved prior to presenting the project closure report.
- 3.3 Following the financial settlement agreement with PWC in June 2017, the LACC Project Review and Closure Report was again reviewed and agreed at the JSG meeting on 17th July 2017.
- 3.4 The report highlighted the following;
 - The JSG worked well in bringing Members of both Councils together in a forum to consider the matters of setting up a LACC
 - The structured project approach was generally considered to be effective with clear reports setting out the issues to be considered
 - The Project Team liaised with other councils that are establishing LACC's, to exchange information and documents
 - Many Lessons Learnt were captured in feedback from JSG Members and Project Team Officers
 - The overall project performance was considered to be good, with its objectives met, keeping to timescales and within budget

3.4 The report made the following recommendations;

Recommendation 1 – The JSG worked well in offering a regular opportunity for Members of both Councils to consider matters which would have an impact across South Hams and West Devon. This forum should therefore continue albeit with a revised terms of reference

Recommendation 2 – Planning and project management worked on the whole effectively and ensured that the process was managed in a structured way. This approach should be further embedded across the organisation with standard templates and guidance for those staff commencing projects

4.0 Options available and consideration of risk

- 4.1. The project has closed and Hub are asked to note the content of the closure report.
- 4.2. There are no risks associated with this report and no key decisions required.

5.0 Proposed Way Forward

- 5.1. The JSG has continued to meet under new terms of reference and has been examining the One Council and Wholly Owned Company/Outsource options.
- 5.2. A Programme Board is being set up, to coordinate and manage all projects across both Councils. The Project Management principles will become embedded into the way the Councils approach future projects.

6.0 Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	N	N/A
Financial	N	N/A
Risk	N	N/A
Comprehensive Impact Assessment Implications		

Equality and Diversity		N/A as no change to service delivery or policy
Safeguarding		N/A as no change to service delivery or policy
Community Safety, Crime and Disorder		N/A as no change to service delivery or policy
Health, Safety and Wellbeing		N/A as no change to service delivery or policy
Other implications		N/A as no change to service delivery or policy

Supporting Information

Appendices:

Appendix A – Joint Steering Group LACC Project Review and Closure Report (Exempt from publication)

Approval and clearance of report

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

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Report to: **Hub Committee**
Date: **12th September 2017**
Title: **Business Rates Pilot for 2018/19**
Portfolio Area: **Cllr P R Sanders – Strategic Budget Setting Process**
Wards Affected: **All**

Relevant Scrutiny Committee: **Overview and Scrutiny Committee**

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

Author: **Lisa Buckle** Role: **S151 Officer (Finance Lead)**

Contact: **Email: lisa.buckle@swdevon.gov.uk**
(01803) 861413

Recommendations:

It is recommended that the Hub Committee recommends to Council:-

- (i) To apply to become a business rates pilot for 2018-19, as part of a Devonwide business rates pilot bid, to pioneer new pooling and tier-split models
- (ii) To delegate to the S151 Officer, in consultation with the Leader, Deputy Leader and Head of Paid Service, to agree the detail of the business rates pilot bid (in conjunction with Devon Local Authority S151 colleagues) with respect to the financial aspects and overall governance of the pilot bid.

1. Executive summary

- 1.1 At the meetings of the Devon Local Government Steering Group and Devon District Forum on 14 July 2017, the eight Devon Districts, Devon County Council, Plymouth City Council and Torbay Council all agreed “in principle” to submit an application to be a pilot for 100% business rates retention, if a formal invitation from the Government Department for Communities and Local Government (DCLG) was received.

- 1.2 On 1 September, an invitation to apply to become a business rates pilot for 2018-19 was issued by the Government. The deadline for applications is 27 October 2017. If successful, the pilot would begin 1st April 2018.
- 1.3 Local Government Futures are specialists in Local Government finance who assisted Devon Councils in setting up the Devon business rates pool. They have undertaken some modelling for the Devon Business Rates Pool which indicates that Devon authorities would benefit financially from being a pilot.
- 1.4 Based upon historic and forecast levels of business rates income, LG Futures have suggested that the Devon Pool could benefit by somewhere in the region of between £10m to £16.9m by becoming a pilot in 2018/19. An agreement would need to be reached between all of the Devon Authorities as to how these projected gains would be shared between the eleven Authorities in the pilot.
- 1.5 The Devon S151 Officers will meet in September to make recommendations to their Councils on how the gains could be shared. Early thoughts are around a formulaic approach that could, for example, see a fixed amount being paid to all the Councils in the pilot. Additional gains could be distributed based on the level of business rates growth in individual Council areas, above that of the business rates baseline, but this detail has not yet been worked up. It should be noted that all Devon authorities would need to continue to be part of the Pilot if this estimated gain is to be achieved.
- 1.6 West Devon would have to forego the Rural Services Delivery Grant that it was due to receive in 2018-19 which is £286,645, if it was part of a pilot. However the Council would gain by receiving a share of the predicted gains of £10m to £16.9m. West Devon's share is likely to mainly be the fixed amount that is agreed for each Council for being in the pilot. West Devon has very little business rates growth above its business rates baseline and would be unlikely to receive much of a share of the additional gains from business rates growth achieved.
- 1.7 The financial gain from being a business rates pilot is one-off additional revenue money for the year of the pilot only (2018-19). The invitation to be a pilot states that the 2018/19 pilot programme will last for one year only. Even though the additional funding is only short-term additional funding (for one year), it would allow the Council time for longer term options for achieving financial stability to be realised. West Devon Borough Council is currently forecasting a £1.1m budget gap (14%) by 2020/21. This pilot is too uncertain at this stage to be seen as a solution to closing that gap and this income is only for one year (it is not recurring year on year income).

- 1.8 For the 2017/18 pilots the Government has agreed a 'no detriment' clause, guaranteeing that these areas will not be worse off as a result of participating in the pilot. This is not necessarily the case for 2018/19 pilots. The Government has said that proposals for the 2018/19 pilots will need to include details of how authorities will work together to manage risk in line with their proposed pooling arrangements in the event that the 2018/19 pilots programme does not include a 'no detriment' clause.
- 1.9 DCLG is not confirming one way or another whether there will be a "no detriment" clause. This increases the risk for 2018-19 pilots, but the level of gains predicted for a Devon pilot should give a sufficient safety blanket against this.
- 1.10 It is recommended by the S151 Officer that West Devon Borough Council applies to become a business rates pilot for 2018-19, as part of a Devonwide business rates pilot bid.

2 BUSINESS RATES RETENTION (100% BRR)

- 2.1 In October 2015 the Government announced its commitment that local government should retain 100% of business rates raised locally. This would amount to an additional £12.5 billion of revenue from business rates for the local government sector.
- 2.2 The Government also said any reforms to business rates would be fiscally neutral and in addition to delivering its existing responsibilities local government would take on new responsibilities to reflect any additional tax income.
- 2.3 The Government's intention had been to introduce the new system of 100% Business Rates Retention from April 2019. A Local Government Finance Bill was due to be presented to Parliament giving the statutory powers for 100% Business Rates Retention (BRR). However this bill was omitted from the Queens Speech on 10 June.
- 2.4 DCLG have confirmed there are no current plans for resurrecting or re-introducing the provisions of the Bill which means the introduction of 100% retention is unclear in terms of its timescale. A DCLG statement said: "The government is committed to delivering the manifesto pledge to help local authorities to control more of the money they raise and will work closely with local government to agree the best way to achieve this."

3 BUSINESS RATES RETENTION (BRR) PILOTS FOR 2018-19

- 3.1 The key elements of the new system are:
- All authorities have been invited to participate as a business rates pilot for 2018/19;
 - The system will not have a levy on growth;
 - Top Ups and Tariffs will remain and there will be a Safety Net of 3%;
 - Appeals following revaluation will be paid for centrally, using a top-slice of business rates income;
 - 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 be devolved will be determined by Spring 2018.
- 3.2 There are a number of issues that needed to be determined in devising the new system of 100% BRR, some of which will be informed by the pilot schemes.
- 3.3 100% pilots will retain all locally-collected business rates and will receive additional responsibilities in return.
- 3.4 As a minimum, authorities will forego Revenue Support Grant and Rural Services Delivery Grant. *The Revenue Support Grant for West Devon is zero for 2018/19 but the Rural Services Delivery Grant is £286,645 for 2018/19. The Council would not receive this amount if it was part of a pilot, but instead it would receive a share of the gains.*
- 3.5 Any difference between the increase in business rate retention and new responsibilities will be offset by an adjustment to top-ups or tariffs. The creation of the pilots will be “fiscally neutral” at baseline, but authorities will gain from retaining 100% of any above-baseline growth.
- 3.6 Pilots will have a safety net at 97% of Baseline Funding Level (for the whole pilot instead of the current 92.5% for an individual authority). No levy will be payable by the pilot or the individual authorities. The DCLG has not decided whether there will be a “no detriment” clause, whereby the pilot as a whole cannot be worse-off than under the existing 50% scheme.
- 3.7 It is highly unlikely that all applications for pilot status will be successful because of Government affordability constraints. There is likely to be a competitive process, with applications measured against the following criteria:

Applications should cover a functional economic area. The invitation talks about covering a “functional economic geography”. This might be a current pool area or county, but could also extend further than this.

Preference for applications from two-tier areas. Pilots will not be limited to two-tier areas, although the split between counties and districts is something the DCLG clearly wants to explore. The 2017-18 pilots only included single-tier authorities. For applicants in two-tier areas such as Devon, deciding on the tier split for counties and districts will be a very important and potentially a difficult decision.

Proposals would promote financial sustainability. The DCLG wants pilots to show how they can be more self-reliant and require less support from the national safety net. There is some concern that 2017-18 100% pilots are too financially beneficial for authorities, with large potential upside and no downside. The next round of pilot applications will need to say whether they will need the “no detriment” provision to continue. Furthermore, the DCLG is proposing that the safety net (whilst increasing from 92.5% to 97% of Baseline funding level) will apply at the pilot level rather than individual authority level (as it does for the first round of pilots). The DCLG is not confirming one way or another whether there will be a “no detriment” clause. This increases the risk for 2018-19 pilots, but the level of gains predicted for a Devon pilot should give a sufficient safety blanket against this.

Evidence of how pooled income from growth will be used across the pilot area. The DCLG wants to see how (potentially considerable) financial gains will be used. Of principal concern, is that gains are used within the pilot to mitigate risk, and to reduce the reliance of individual authorities on the national safety net. Applications for pilot status will need to demonstrate that there would be arrangements in place to share risk and reward. Additionally, the DCLG wants to see how pilots would invest “some retained income from growth ... to encourage further growth across the area”. This was not something that the first round of pilots were asked to demonstrate.

- 3.8 The DCLG is looking for a wide spread of different types of pilot. There will be particular focus on applications from rural areas (given that the majority of 2017 pilots are in urban areas) and from two-tier areas. A Devon Pilot bid would meet both these criteria. This is a real opportunity for Devon Authorities whom it is felt meet many of the criteria being asked for from pilot bids.
- 3.9 The emphasis on financial sustainability and risk is a new criteria for this round of 100% pilots. Proposed changes in “no detriment” and the safety net are really important because they place much more risk on authorities. As a result, decisions by authorities will need to be supported by robust financial modelling. Authorities will need to have some confidence about growth in the proposed area, and about the potential risk to that growth. Crucially, it is possible that an authority or the whole pilot could be worse-off as a result of the changes in “no detriment” and the safety net. It is assumed that the DCLG has not made a decision about “no detriment” in case it puts off applications that it might want to support, but it is envisaged that those applicants

who are willing to proceed without a “no detriment” clause could be looked on more favourably for pilot status.

- 3.10 Very little is said in the invitation about transfers of funding streams or new responsibilities. This is maybe because DCLG are thinking that it will take too long to negotiate anything new, with the deadlines being so short.
- 3.11 All authorities covered by the proposed pilot will have to give their agreement. This has implications for how the pilot is developed by a group of authorities: every authority needs to have an incentive to join the pilot. Governance is also important to the DLGG because they will want to ensure that prospective candidates will deliver.
- 3.12 The deadline for applications is the 27th October. Decisions about successful pilots will not be made until potentially the provisional finance settlement itself and announced in December 2017. For any authorities who would wish to continue with their pool (under the current 50% system), if their pilot application is unsuccessful, they will need to make arrangements in parallel.
- 3.13 If the pilot bid was unsuccessful, the Council would continue to be part of the Devonwide Business Rates Pool.

4. BUSINESS RATES FOR WEST DEVON BOROUGH COUNCIL

- 4.1 **Retained Business Rates** - The Government introduced the Business Rates Retention system (50% scheme) from April 2013. There is a risk of volatility in the system because Councils are exposed to any loss of income if businesses go into decline. The Council is part of the Devonwide Business Rates Pool to mitigate this risk.
- 4.2 Of the Business Rates collected by West Devon of £11 million, the Council is predicted to retain in funding only £1.588 million of this in 2018/19. So the Borough Council retains approximately 14p in every £1 to run our services.

Self-sufficient local government: 100% Business Rates Retention

- 4.3 The move from 50% to 100% Business Rates Retention (BRR) will see new responsibilities given to local government, with certain central government grants already being phased out for many Councils such as West Devon (such as Revenue Support Grant). The Government has previously announced that the move to 100% BRR will be fiscally neutral. As the Local Government Finance Bill was omitted from the Queen’s Speech, the timing for the introduction of 100% BRR is now unclear.

5. FINANCIAL MODELLING

5.1. LG Futures undertook some modelling on behalf of the Devon authorities to consider the impact of becoming a pilot and to ensure no Devon authority was detrimentally affected by becoming a pilot.

5.2 There are a number of reasons why it would be advantageous to become a pilot and these include:

- To help DCLG design the 100% (BRR) scheme;
- To help influence the design and to explore options
- To test more technical aspects of the 100% business rates retention system, such as tier splits between upper tier authorities and Districts
- Financial benefits
- Local perception and reputation;
- Continue to evolve integrated working on business rates across Devon;

The opportunity for Councils to work together as a pool across a functional economic area will allow authorities to make coherent strategic decisions about the wider area and to jointly manage risk and reward.

Pilots will test authorities' administration, technical planning for implementation and to look at system maintenance, how the accounting, data collection and IT system will work. The Government expects to learn from the pilots' experiences in the design of any national system of business rates retention.

5.3 LG Futures have undertaken some modelling using the most recent data from the Devon pool. This modelling is based upon existing historic and forecast business rates data as provided to DCLG.

5.4 Based upon historic and forecast levels of business rates income LG Futures have suggested that the Devon Pool could benefit by somewhere in the region of between £10m to £16.9m by becoming a pilot in 2018/19. It should be noted that all Devon authorities must continue to be part of the Pool if this estimated gain is to be achieved. This would also include South Hams District Council who would be able to be part of a pilot due to their large business rates appeal being settled in 2016-17. It should be noted that the modelling is an estimate at this stage and this gain would be for one year only i.e. 2018/19.

5.5 As part of any application to become a pilot the Devon authorities will need to prepare a proposal to DCLG setting out why Devon should be considered as a pilot. As an existing Pool, Devon should have a strong case as it has proven governance arrangements and has made pooling gains for each year it has operated. There are expected to be around 15 bids for pilot status around the country and the likelihood is that only around 5-6 areas would have pilot status approved by DCLG.

Therefore there would be a lot of competition for being a pilot and Devon would need to set out in its bid why the Devon region should be approved by DCLG.

- 5.6 Further work would be required by the Devon authorities with respect to the Governance arrangements. It is suggested this work is delegated to the section 151 officers. This work will include making proposals and reaching an agreement as to how the financial benefits from being pilot are shared amongst all Devon authorities.

6. WHAT COULD PILOT BID STATUS MEAN FOR WEST DEVON BOROUGH COUNCIL FINANCIALLY?

- 6.1 Based upon the work undertaken by LG Futures, there is a case for the Devon Pool to apply to be a pilot area for Business Rates Retention. Modelling estimates there could be between a £10 million to £16.9m gain to the pool in one year (2018/19) which would be retained and shared within Devon.
- 6.2 West Devon would have to forego the Rural Services Delivery Grant that it was due to receive in 2018-19 which is £286,645, if it was part of a pilot. However the Council would gain by receiving a share of the predicted gains of £10m to £16.9m. West Devon's share is likely to mainly be the fixed amount that is agreed for each Council for being in the pilot. West Devon has very little business rates growth above its business rates baseline and would be unlikely to receive much of a share of the additional gains from business rates growth achieved.
- 6.3 The financial gain from being a business rates pilot is one-off additional revenue money for the year of the pilot only (2018-19). The invitation to be a pilot states that the 2018/19 pilot programme will last for one year only. Even though the additional funding is only short-term additional funding, it would allow the Council time for longer term options for achieving financial stability to be realised. West Devon Borough Council is currently forecasting a £1.1m budget gap (14%) by 2020/21. This pilot is too uncertain at this stage to be seen as a solution to closing that gap and this income is only for one year (it is not recurring year on year income).
- 6.4 The Government is interested in exploring how business rates retention could operate across more than one authority to promote financial sustainability and to support coherent decision-making across functional economic areas. In addition, the Government would expect for some retained business rates income from growth to be invested to encourage further growth across the area.
- 6.5 For the 2017/18 pilots the Government has agreed a 'no detriment' clause, guaranteeing that these areas will not be worse off as a result of participating in the pilot. This is not necessarily the case for 2018/19

pilots. The Government has said that proposals for the 2018/19 pilots will need to include details of how authorities will work together to manage risk in line with their proposed pooling arrangements in the event that the 2018/19 pilots programme does not include a 'no detriment' clause. Devon Authorities will need to decide whether or not they would be willing to become a 100% Business Rates Retention pilot if the 2018/19 pilots were expected by DCLG to operate without the benefit of a 'no detriment' clause. As part of the application process to become a pilot, Devon Authorities would have to state whether or not they would still like their application to be considered if they were expected to operate without a 'no detriment' clause.

- 6.6 All Devon authorities must remain within the Pool (and part of the pilot bid) to ensure any application to DCLG is successful and the modelled financial benefits achieved.
- 6.7 Plymouth City Council is currently the administering Authority for the Devon Business Rates Pool. The Council is supportive of continuing to be the administering Authority for a pilot in 2018/19.

7. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Hub Committee is responsible for recommending to Council the budgetary framework. In accordance with the Financial Procedure Rules, Council must decide any material items affecting the Budget of the Council (e.g. a bid for Business Rates Pilot status requires the approval of Full Council)</p> <p>The preparation of the annual Budget is evidence that the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.</p>

Financial	Y	<p>West Devon would have to forego the Rural Services Delivery Grant that is was due to receive in 2018-19 which is £286,645, if it was part of a pilot.</p> <p>However the Council would gain by receiving a share of the predicted gains of £10m to £16.9m. West Devon’s share is likely to mainly be the fixed amount that is agreed for each Council for being in the pilot. West Devon has very little business rates growth above its business rates baseline and would be unlikely to receive much of a share of the gains from business rates growth achieved above the baseline.</p> <p>The financial gain from being a business rates pilot is one-off additional revenue money for the year of the pilot only (2018-19). Even though the additional funding is only short-term additional funding, it would allow the Council time for longer term options for achieving financial stability to be realised. West Devon Borough Council is currently forecasting a £1.1m budget gap (14%) by 2020/21.</p> <p>This pilot is too uncertain at this stage to be seen as a solution to closing that gap and this income is only for one year (it is not recurring year on year income).</p>
Risk	Y	<p>The emphasis on financial sustainability and risk is a new criteria for this round of 100% pilots. Proposed changes in “no detriment” and the safety net are really important because they place much more risk on authorities.</p> <p>As a result, decisions by authorities will need to be supported by robust financial modelling (this is being undertaken by Local Government Futures on behalf of Devon Authorities).</p> <p>Authorities will need to have confidence about growth in the proposed area, and about the potential risk to that growth. Crucially, it is possible that an authority or the whole pilot could be worse-off as a result of the changes in “no detriment” and the safety net.</p>

		It is assumed that the DCLG has not made a decision about “no detriment” in case it puts off applications that it might want to support. Devon Authorities will need to consider this point to decide on, on which basis it would wish to proceed.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Briefing note on Business Rates Pilot for 2018/19 to Devon Local Government Steering Group and Devon District Forum on 14 July 2017

Invitation from DCLG to apply for business rates pilot status for 2018/19:

<https://www.gov.uk/government/publications/100-business-rates-retention-pilots-2018-to-2019-prospectus>

Appendices:

None

Approval and clearance of report

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

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