

# West Devon Hub Committee



West Devon  
Borough  
Council

<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Tuesday, 14th July, 2015</b>
<b>Time:</b>	<b>2.00 pm</b>
<b>Venue:</b>	<b>Chamber - Kilworthy Park</b>
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Sanders <b>Vice Chairman</b> Cllr Baldwin</p> <p><i>Members:</i>            Cllr Benson                    Cllr Parker                                  Cllr Cann OBE                Cllr Sampson                                  Cllr Moody                     Cllr Samuel                                  Cllr Oxborough</p>
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
<b>Committee administrator:</b>	Member.Services@swdevon.gov.uk

**1. Apologies for absence**

**2. Declarations of Interest**

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

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

**3. Items Requiring Urgent Attention**

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

**4. Confirmation of Minutes**

**1 - 4**

Minutes of meeting held 9 June 2015

**5. Leisure Procurement Update**

**5 - 10**

Report of Lead Specialist – Place and Strategy and Lead Specialist – Assets

**6. Council Tax Discretionary Discount and Reduction Policy**

**11 - 26**

**7. T18 Budget Monitoring**

**27 - 36**

**8. Write Off Report**

**37 - 42**

Report of s151 Officer and Case Management Manager

# 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 **9<sup>th</sup>** day of **JUNE 2015** at **1.30pm**

**Present:**

Cllr P R Sanders – Chairman	
Cllr R E Baldwin – Vice-Chairman	
Cllr M J R Benson	Cllr W G Cann OBE
Cllr J Moody	Cllr R Oxborough
Cllr G Parker	Cllr R F D Sampson
Cllr L Samuel	

**In attendance:** Executive Director (Strategy and Commissioning)  
Executive Director (Service Delivery and Commercial Development)  
Business Development Group Manager  
Member Services Manager

Other Members in attendance:

Cllr K Ball; R Cheadle; Cllr D Cloke, Cllr Rev M Davies; Cllr J Evans; Cllr N Jory; Cllr T Leech; Cllr D Moyse; Cllr R Musgrave; Cllr T Pearce; Cllr D Sellis; Cllr J Sheldon; Cllr J Yelland

## **\*HC 1      DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be discussed and the following was made:

Cllr P R Sanders declared a personal interest in agenda Item 6 'Okehampton Rural Business Centre – Phase 2 Development Opportunities' (Minute HC 5 below refers) by virtue of being a Devon County Councillor. He remained in the room for the duration of this meeting but took no part in the debate and vote.

## **\*HC 2      ITEMS REQUIRING URGENT ATTENTION**

The Chairman advised that agenda Item 5 'Health and Safety Policy' had been withdrawn from the agenda. In discussion, it was confirmed that this agenda item would come back to a later meeting of the Hub Committee, and would sit within the area of responsibility of the Lead Member for Resources and Performance.

## **\*HC 3      ALLOCATION OF ROLES AND RESPONSIBILITIES FOR HUB COMMITTEE MEMBERS**

The Chairman introduced a discussion paper that was circulated as part of the agenda papers. Members of the Committee discussed the specific roles as set out on page 2 of the presented agenda.

The majority of Lead Members were comfortable with their Portfolios and list of associated functions. Many had already held discussions with their lead officers.

There was an acceptance that there would be an overlap between Portfolios, for instance Planning & Strategic Housing would overlap with Economy, particularly in respect of taking Our Plan forward. It was also confirmed by the Executive Director (SD&CD) that the Portfolio for Environment would include dog fouling and litter picking, although there may be some overlap with Commercial Services in respect of waste.

The Committee went on to discuss the Role of Hub Members, as set out on page 1 of the presented agenda. The Chairman explained the importance of communication and the need for Lead Members to liaise with their Senior Leadership Team and Extended Leadership Team officers, and feedback to other Members. Members could use the Bulletin as a means of communication to the wider membership.

Members stated that the 'Expected Behaviours' section of the document should apply to all Members, not just Hub Committee Members.

Members also noted that the section entitled 'Working Together' omitted reference to full Council meetings but it would be expected that Lead Members would respond to questions relating to their Portfolios at full Council as well as Overview and Scrutiny Committees.

Members discussed the Forward Plan and the Executive Director (SD&CD) confirmed that this was an ongoing document. The Plan was one method of Lead Members bringing items forward for consideration at Committee meetings, although in the first instance it was expected that discussions would take place with the relevant officers to confirm that the matter was one that required a Committee report. The Forward Plan would also enable an indication of workloads to be assessed. Finally, the Forward Plan would enable Overview and Scrutiny Committees to be aware of future items so that they could request a Lead Member attend their meeting to give further information.

**\*HC 4**

**LOCAL GOVERNMENT ACT 1972, SECTION 100(A)(4)**

It was **RESOLVED** that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the Meeting for the undermentioned item of business on the grounds that exempt information may be disclosed as defined in Part I of Schedule 12A to the Act.

\*HC 5

**OKEHAMPTON RURAL BUSINESS CENTRE – PHASE 2 DEVELOPMENT OPPORTUNITIES - (PARAGRAPH 3 – INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE AUTHORITY HOLDING THAT INFORMATION))**

The Lead Member for Economy presented a report of the Business Development Group Manager (page 20 to the agenda) that advised Members of the current situation in respect of Okehampton Rural Business Centre and suggested a way forward. He set out the background to the issue and why the report had now been brought to Members attention, and also the benefits to West Devon Borough Council if the matter was progressed.

Members had a detailed discussion on this report and a number of concerns were raised. A specific issue that was highlighted related to the impact on the Borough Council if the development resulted in land or units being leased rather than sold. Officers confirmed that, whilst this was unlikely and had not been part of the ongoing discussions, any negotiations would take this matter into account so that there would not be an adverse impact on the Borough Council if DCC decided to progress the development as lease units rather than units for sale.

It was then **RESOLVED** that:

1. Members support the approach detailed in the presented report, to enable the bringing forward of employment land and thereby generating local employment opportunities and ultimately business rate revenues; and
2. Members agree that authority be delegated to the Head of Paid Service, in consultation with the s151 Officer, Deputy Leader of West Devon Borough Council and Lead Member for Economy, to draft and formalise an agreement with Devon County Council in line with the presented report.

(The Meeting terminated at 3.30 pm)

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## Leisure Service Procurement

Report to: **Hub**  
Date: **14th July 2015**  
Title: **Leisure Service Procurement**  
Portfolio Area: **Customer First**  
Wards Affected: **All**

Relevant Scrutiny Committee: Overview and Scrutiny (External)  
Committee

(Note. the Committee has requested an update on this matter at its meeting on 7 July 2015)

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

Author: **Ross Kennerley** Role: **Lead Specialist – Place & Strategy**  
**Chris Brook** **Lead Specialist - Assets**

Contact: **01803 861379** | [Ross.Kennerley@swdevon.gov.uk](mailto:Ross.Kennerley@swdevon.gov.uk)  
**01803 861170** | [Chris.brook@swdevon.gov.uk](mailto:Chris.brook@swdevon.gov.uk)

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### **Recommendation:**

1. To approve the award criteria for the joint leisure service procurement project for West Devon Borough Council and South Hams District Council as set out in paragraph 3.

### **1. Executive summary**

The Council has been working on a strategic leisure review for the past 3 years and is now preparing to place a formal tender advert for the procurement of its new leisure services contract and management of its leisure centres. The current leisure contract runs to November 2016 and the Council will be seeking to appoint a new operator to provide a long term approach to its leisure services.

Members considered, and agreed, the leisure procurement process at Council in February (Minute CM 79). This set the overall parameters of the procurement and agreed to delegate details to officers in consultation with the joint Leisure Member Board and relevant members. Councillors Sampson, Oxborough and Musgrave are the WDBC representatives on the board.

## **Leisure Service Procurement**

The agreed timetable established an opportunity for “sign off” for any key residual matters in July. Following intervening work with stakeholders, consultants and the joint board it is considered that the matter of the award criteria to be applied during the evaluation of bids is a matter requiring further member approval. This is a brief report to highlight the award criteria which will be set out in the tender documents. Members are asked to consider and agree the award criteria.

### **2. Background**

The report to Council earlier in the year set out the background and context to the strategic leisure review and procurement project. Approval was granted for the outcome of the project to be brought back to Council following the tender evaluation but allowed for any key issues to be brought back to Members for sign off in July. Other details of the procurement and evaluation are delegated to Officers in consultation with the Leader, Portfolio Holder, Board Members and relevant Ward members.

To ensure clarity and greater awareness of the process for appointing a new leisure service operator, the contract award criteria are seen as a key issue warranting member consideration.

The Council is using a competitive dialogue procedure under the Public Contracts Regulations and are using Sport England procurement information for guidance.

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

The Council is seeking to achieve a new leisure management contract for the delivery of the provision of Services, to include investment in, operation and management of the Facilities as set out in the tender documents.

The intention to let a contract across both Councils to a single contractor for a minimum of 20 years and a maximum of 25 years.

The purpose of the evaluation process will be to;

- Check bidders understanding of the tender requirements
- Determine areas of risk and exposure
- Review bids for alternative approaches and solutions
- Establish value for money proposals
- Select bidders for the final tender stage – ‘Invitation to Submit Final Tenders (ISFS)’.
- Identify areas for further dialogue

Tenders will be evaluated against the award criteria set out below;



## Leisure Service Procurement

Level 1 Criteria	%	Level 2 Sub Criteria	Level 3 Sub Criteria
Services	40%	Outcomes Quality/Customer Care Operational Delivery	Specific areas, such as Sports Development, Health and Wellbeing, Staffing, Health & Safety
Technical	10%	Development/ Design Planning Risk Maintenance	Design and maintenance proposals
Commercial	50%	Usage, Expenditure & Revenue Affordability Contract Acceptance Capital Costs Delivery & Risk	Deliverability of financials, financial, risk

An Evaluation Scoring Model will be used to assess the various Tiers indicated above with overall weightings and with specific areas being linked to method statements and tender submissions.

Evaluation scoring will use the following 1-10 scale;

Score	Rating	Criteria for Awarding Score
0	Unacceptable	Does not meet any of the Council's requirements.
1-2	Very Weak	Insufficient information provided / unsatisfactory.
3-4	Poor	Fails to meet the minimum standard, some major concerns
5-6	Acceptable	Satisfactorily achieves the minimum standard, acceptable, no major concerns
7-8	Very Good	Exceeds the requirements, good, full and robust response, gives confidence and will bring added value/benefit to the Council
9-10	Excellent	Considerably exceeds requirements, outstanding, and will bring significant added value/benefit to the Council, shows innovation and the Council has full confidence in response.

## Leisure Service Procurement

Affordability will be based purely on a final submission and weightings used will be the same throughout the tender process.

The Evaluation Model (including detailed criteria and weightings) will be applied to determine the most economically advantageous tender.

An Evaluation Team shall be responsible for evaluating the Detailed Solutions and raising any clarification issues with Bidders and then making short listing recommendations.

### 4. Options available and consideration of risk

Council received a report in February on the various procurement options available and scope of the proposed tender contract. Additionally the consultants supporting the procurement and evaluation of the service produced a detailed *Leisure Options Review* report. This outlined service outcomes, current provision, development options, delivery and procurement options, stakeholder discussions and key recommendations for the future delivery of the service.

The work will proceed as a joint procurement exercise. A joint Memorandum of Understanding (MoU) will address the governance issues for the procurement and this will be established within the measures set out in the Collaboration Agreement dated March 2015 signed between the Councils. Both councils will need to agree and adopt the MoU for the purposes of this procurement under the umbrella of the Collaboration Agreement.

### 5. Proposed Way Forward

This report sets out the details around the leisure procurement award criteria as highlighted above and seeks approval for this process.

### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Leisure services are a discretionary service. The procurement process will involve due diligence and governance throughout the tender period. Procurement will be undertaken in accordance with Public Contracts Regulations 2015 and the Lead Councils contract procedure rules

## Leisure Service Procurement

Financial	Y	The Evaluation Model will be applied to assess and determine the most economically advantageous tender.
Risk	y	The Evaluation Process will identify areas of risk and exposure and how these can be assessed and managed.
Comprehensive Impact Assessment Implications		
Equality and Diversity	y	None – all leisure facilities are intended to remain open. At this stage no reduction or loss of service is anticipated.
Safeguarding	y	None - future operators will be required to have comprehensive Safeguarding policies
Community Safety, Crime and Disorder	y	Access to local affordable leisure facilities to continue.
Health, Safety and Wellbeing	y	Access to local leisure facilities and services will maintain and improve health and wellbeing
Other implications		None identified

### **Supporting Information**

#### **Background Papers:**

[under provisions of the Local Government Act 1972]

Council Report – Leisure Services Procurement, 17<sup>th</sup> February 2015

#### **Approval and clearance of report**

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

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## Report Template

Report to: **Hub Committee**

Date: **14<sup>th</sup> July 2015**

Title: **Council Tax Discretionary Discount and Reduction Policy**

Portfolio Area: **Customer First**

Wards Affected: **All**

Relevant Scrutiny Committee: **Overview & Scrutiny Internal**

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

Date next steps can be taken:  
(e.g. referral on of recommendation or implementation of substantive decision)

Author: **Isabel Blake** Role: **Community of Practice Lead: Housing, Revenues & Benefits**

Contact: **01884 234351 Isabel.Blake@swdevonblake.gov.uk**

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### **Recommendations:**

**1. The Hub recommends that the Council Tax Discretionary Discount and Reduction Policy be approved by Full Council**

### **1. Executive summary**

- This policy replaces the Council Tax Reduction Exceptional Hardship Fund Policy.
- The Council can use its discretionary powers to assist households liable for Council Tax who are facing extreme hardship or distress.

## **Report Template**

- This report presents a new policy which incorporates these powers with the Exceptional Hardship Fund which specifically provides additional support to customers in receipt of Council Tax Reduction.
- This will allow all applications for assistance with Council Tax to be considered using one framework. This will mean that WDBC has one set of financial assessment criteria ensuring applicants are treated fairly and consistently.

### **2. Background**

- Section 13a of the Local Government Finance Act 1992 provides the billing authority with discretionary powers to reduce Council Tax liability where national discounts and exemptions cannot be applied.
- Applications for awards under these powers are currently dealt with by a panel of Members.
- The Exceptional Hardship Fund forms part of WDBC's agreed Council Tax Reduction Scheme for 2014/15 and 2015/16 and awards are made in line with the Council Tax Reduction Exceptional Hardship Fund Policy.
- The proposed Council Tax Discretionary Discount and Reduction Policy bring together these two schemes into one policy.
- The purpose of bringing the two discretionary schemes under the one policy allows for applications to be considered under the one framework and therefore removes the requirement for the Council Taxpayer having to apply under both discretionary provisions. It also means that WDBC has one financial assessment criteria ensuring that applicants are treated fairly and consistently.

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

- By combining the two policies customers need only make a single application for financial hardship.
- Both schemes have common purpose and deliver the following outcomes:

## Report Template

- A safety net to protect our most vulnerable Council Taxpayers who need additional financial assistance.
- Enables support to be given to Council Taxpayers who are in financial or other crisis where no other legislative discounts or reliefs exist.
- Helps Council Taxpayers through personal crisis, difficult events or where there are exceptional circumstances which impacts on their ability to pay.
- Prevents exceptional hardship
- Alleviates poverty
- Helps those who are trying to help themselves
- Sustains tenancies and prevention of homelessness
- Keeps families together
- Encourages and supports people to obtain and remain in employment

This policy does not exclude any additional provision or guidance given by Central Government on particular issues. For example: additional help to residents affected by the flooding in 2013/14.

### 4. Options available and consideration of risk

- It is possible to continue with 2 schemes this may mean that customers are treated differently depending on whether they have made an application for Council Tax Reduction.
- Other options are set out under risks in the table below, the option recommended is the one which poses the fewest risks.

### 5. Proposed Way Forward

- That Members recommend the adoption of this policy.
- Positive and negative impacts and plans to mitigate any negative risks or impacts. Can the risks and impacts be contained?

### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<ul style="list-style-type: none"> <li>• Section 13a Local Government Finance Act 1992 (Council Tax)</li> <li>• When central Government abolished Council Tax Benefit and devolved support to Local Authorities, where a scheme was adopted it was mandatory to have a published policy.</li> <li>• The Policy will ensure we meet existing statutory obligations</li> </ul>

## Report Template

Financial		<ul style="list-style-type: none"> <li>Discretionary awards made under Section 13a of the Local Government Finance Act 1992 are funded wholly by WDBC. In 2014/15 a total of £453.20 has been awarded.</li> <li>Awards under the exceptional hardship fund are funded proportionately by all major preceptors. In 2014/15 £18,995.31 has been awarded from a total fund of £19,000</li> </ul>
Risk	<p>Separate Policies</p> <p>Inconsistent awards</p> <p>Awards exceed funding</p>	<p>Not combining these 2 schemes could mean that customers are treated differently depending on whether they claim council tax reduction. The joint policy will mitigate this risk.</p> <p>The awarding of funds is done inconsistently by different officers. This can be mitigated by robust monitoring by the Benefits Manager and cross checking by trained officers to check consistency.</p> <p>Awards cannot be refused based on lack of funds, therefore criteria must be adhered to and awards only made to those in most need throughout the financial year. This will be continuously monitored by the Benefits Manager.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This policy has high relevance to equality and has a positive or neutral impact on all protected characteristics
Safeguarding		The policy provides a safety net for vulnerable adults and households in financial hardship which may include dependent children.
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		Please see comments under safeguarding.
Other implications		



## **Report Template**

### **Supporting Information**

#### **Appendices:**

Appendix A – Council Tax Discretionary Discount & Reduction Policy.

#### **Background Papers:**

Local Government Finance Act 1992 Section 13a

### **Approval and clearance of report**

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

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# West Devon Borough Council

## Council Tax Discretionary Discount and Reduction Policy

Issue details	
<b>Title:</b>	<b>Council Tax Discretionary Discount and Reduction Policy</b>
<b>Version number</b>	<b>Version 1.0</b>
<b>Officer responsible:</b>	<b>Kate Hamp, Customer Service Manager</b>
<b>Authorisation by:</b>	<b>Full Council</b>
<b>Authorisation date:</b>	

### 1 Previous Policies/Strategies

- 1.1 This policy brings together the Council Tax Discretionary Discount Policy and Exceptional Hardship Fund Policy.

### 2 Why has the council introduced this policy?

- 2.1 This policy sets out the criteria that need to be met and the type of information to be provided when a Council Taxpayer applies for a reduction in their Council Tax under West Devon Borough Council's (WDBC) discretionary powers.

- 2.2 There are two ways by which WDBC can use its discretionary powers to give a reduction in Council Tax:

- 2.2.1 S13a1c of the Local Government Finance Act 1992 (as amended) provides the billing authority with additional discretionary powers to reduce the Council Tax liability where national discounts and exemptions cannot be applied:

- a. Where a person is liable to pay Council Tax in respect of any chargeable dwelling and day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.*
- b. The power under subsection 1) above includes the power to reduce an amount to nil.*
- c. The power under subsection 1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.*

This is referred to in our policy as a Section 13a1c discretionary Council Tax reduction. This is wholly funded by WDBC, except when Central Government has used this provision to provide grant funding for specific issues, for example the winter 2013/14 flooding.

2.2.2 In addition to our Council Tax Reduction Scheme Policy (Section 13a1a of the Local Government Finance Act 1992, as amended), WDBC has an Exceptional Hardship Fund (EHF). The EHF is available to cover the shortfall between Council Tax liability and payments of Council Tax Reduction. The funding of EHF is through the collection fund and is paid for by all preceptors in proportion to their share of Council Tax

2.3 The purpose of bringing the two discretionary schemes under the one policy allows for applications to be considered under the one framework and therefore removes the requirement for the Council Taxpayer having to apply under both discretionary provisions. It also means that WDBC has one financial assessment criteria ensuring that applicants are treated fairly and consistently.

### **3 What is WDBC's policy?**

3.1 This policy meets the corporate priorities of Community Life by looking after our residents' health and wellbeing. It supports these priorities by delivering the following outcomes:

- A safety net to protect our most vulnerable Council Taxpayers who need additional financial assistance.
- Enables support to be given to Council Taxpayers who are in financial or other crisis where no other legislative discounts or reliefs exist.
- Helps Council Taxpayers through personal crisis, difficult events or where there are exceptional circumstances which impacts on their ability to pay.
- Prevents exceptional hardship
- Alleviates poverty
- Helps those who are trying to help themselves
- Sustains tenancies and prevention of homelessness
- Keeps families together
- Encourages and supports people to obtain and remain in employment

3.2 Officers applying this policy will consider whether all other statutory discounts or reliefs have been applied. This policy will normally only consider exceptional circumstances, due to financial need or crisis, where it is appropriate and fair to give a discretionary discount or reduction.

3.3 An application for financial hardship will only need to be made once. Where the Council Taxpayer is in receipt of Council Tax Reduction this will be dealt with under the EHF provision. The same assessment criteria used under the EHF will also be used for all non Council Tax Reduction customers who are applying for a reduction under Section 13a1c on the grounds of financial hardship.

3.4 When considering an application on financial grounds, the Council Taxpayer will be required to provide details of household income and expenditure,

savings, capital, debts, etc. The assessment we will make for determining financial hardship will take account of only reasonable priority expenditure \* against income but will not take account of any non essential expenditure, as Council Tax is a priority bill. Part of the assessment may include referral to an independent money advice and budgeting advice service.

*\* Priority expenditure is based upon Citizens Advice Bureau guidance.*

- 3.5 Where funding has been provided by Central Government any discretionary discounts that are made will be based upon the guidance and criteria that the Government issues, subject to WDBC agreeing to adopt this.

### **3.6 Section 13a 1c Discretionary Council Tax reduction**

- 3.6.1 Every Council Taxpayer is entitled to make an application for a discretionary Council Tax reduction. It is anticipated that a discretionary reduction will only be granted to Council Taxpayers in exceptional circumstances and will normally be for a short term period. An application for a further award can be made and there will be a review of the application and what actions have been taken since the last award.

- 3.6.2 When considering an application the following factors will be taken into account:

- There must be evidence of financial hardship or unforeseen or exceptional circumstances to justify any reduction.
- Whether changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements in order to make them more affordable.
- An award may not be made until the Council Taxpayer has accepted assistance either through WDBC or a third party, such as; Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including termination of non-essential expenditure.
- The Council Taxpayer has experienced a crisis or event that has made their property uninhabitable eg due to fire or flooding, where they remain liable to pay Council Tax and for which they have no recourse for compensation.
- The Council Taxpayer must satisfy WDBC that all reasonable steps have been taken to resolve their situation prior to an application.
- If the Council Taxpayer is on a low income, whether they have applied for a Council Tax Reduction (WDBC's scheme is called Council Tax Reduction). The Council Tax Reduction scheme exists to ensure that those on low incomes receive financial assistance with their Council Tax.
- All other eligible discounts/reliefs have been explored prior to an application being made.

- The Council Taxpayer does not have access to other funds/assets that could be used to pay Council Tax.
- All other legitimate means of resolving the situation have been investigated and exhausted by the applicant. If they have not been, it is unlikely that an award will be made.
- The payment record history of the Council Taxpayer.
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect.
- Relief will only normally only apply to the Council Taxpayer's primary home.

### 3.6.3 Discretionary reductions will be withdrawn if:

- The conditions or circumstances on which the reduction was granted. change or fail to materialise,
- The information submitted as part of the application proves to be misleading.
- The applicant ceases to be the Council Taxpayer.

3.6.4 Where the reduction is cancelled this will normally take effect from the actual date of change. However, in certain circumstances this may be withdrawn in full. A revised Council Tax bill will be issued for payment.

## 3.7 Administering the scheme

3.7.1 Discretionary Council Tax reductions must be applied for in writing from the Council Taxpayer, their advocate/appointee or a recognised third party acting on their behalf. Where the application is on the grounds of financial hardship a standard form is available which can be obtained via the telephone, in person at Kilworthy Park, Tavistock or St James Street, Okehampton or on WDBC's website.

3.7.2 The application should normally relate to the current Council Tax year, unless the Council Taxpayer has only recently received a bill following a retrospective change to a previous year.

3.7.3 It is expected that the Council Taxpayer will need to provide:

- The period and amount of reduction being sought.
- Reasons why a discretionary reduction should be given, and how this meets our policy.
- What action(s) the applicant has taken to alleviate the situation

3.7.4 WDBC may request any reasonable evidence in support of an application.

- 3.7.5 The Housing, Revenues & Benefits Community of Practice Lead in consultation with the Finance Community of Practice Lead will normally determine Discretionary Discount applications and in their absence this will be passed to the Customer First Group Manager.
- 3.7.6 Successful applicants will be notified in writing of the amount and period a Discretionary Council Tax reduction has been awarded for. Any entitlement is applied to the Council Tax account and a revised bill is sent. Awards are limited to the end of the financial year in which the application is made.
- 3.7.7 If a reduction has been made as a result of a false or fraudulent claim WDBC reserves the right to withdraw the award. WDBC will consider prosecuting any applicant who makes a false statement or provides fraudulent evidence in support of an application.
- 3.7.8 Unsuccessful applicants will be notified in writing together with the reason for the decision.
- 3.7.9 WDBC will aim to make a decision within 14 days of receiving all the information required.
- 3.7.10 Applicants who are receiving a Council Tax discretionary reduction must report changes in their circumstances within 21 days of the change occurring.

### **3.8 Exceptional Hardship Fund (EHF) Awards**

- 3.8.1 Every Council Taxpayer who is entitled to Council Tax Reduction and who has a shortfall is entitled to make a claim for help from EHF. It is normally a short-term emergency fund, whilst the Council Taxpayer seeks alternative solutions.
- 3.8.2 The main features of the Fund are that:
- EHF awards are discretionary
  - Council Taxpayers do not have a statutory right to an award
  - EHF awards are not a payment of Council Tax Reduction
  - Council Tax Reduction must be in payment in the week in which an EHF award is made.
  - WDBC may decide that a backdated EHF award is appropriate; which could then settle Council Tax arrears. This would be the only circumstance where the EHF could be used to facilitate payment of Council Tax arrears.
  - EHF awards cannot be made to settle arrears of Council Tax unless due to an award of backdated EHF as set out above.
- 3.8.3 EHF cannot be awarded for the following circumstances:
- Where full Council Tax liability is being met by Council Tax Reduction.

- For any other reason, other than to reduce Council Tax liability.
- Where WDBC considers that there are unnecessary expenses/debts etc and that the Council Taxpayer has not taken reasonable steps to reduce these.
- To reduce any Council Tax Reduction recoverable overpayment.
- To cover previous years Council Tax arrears.
- A shortfall caused by a Department for Work and Pensions sanction or suspension which has been applied because the Council Taxpayer has turned down work/interview/training opportunities.

3.8.4 Trained officers from Benefits Team will determine whether or not to make an EHF award, and how much any award might be. This will be monitored by the Housing Benefits Manager to ensure consistency and fair application of the award.

When making this decision the officers will consider the following before making an award:

- The shortfall between Council Tax Reduction and Council Tax liability.
- The steps taken by the Council Taxpayer to reduce their Council Tax liability.
- Changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable.
- Ensure that all appropriate discounts, exemptions and reductions are granted.
- Steps taken by the Council Taxpayer to establish whether they are entitled to other welfare benefits.
- Steps taken by the Council Taxpayer in considering and identifying where possible the most economical tariffs for supply of utilities.
- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent.
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the Council Taxpayer, their partner and any dependants and any other occupants of the Council Taxpayer's home.
- The difficulty experienced by the Council Taxpayer, which prohibits them from being able to meet their Council Tax liability, and the likely length of time this difficulty will exist.
- Shortfalls due to non-dependant deductions.
- The income and expenditure of the Council Taxpayer, their partner and any dependants or other occupants of the Council Taxpayer's home.
- How deemed reasonable expenditure exceeds income.
- All income may be taken into account, including those which are disregarded when awarding Council Tax Reduction.
- Any savings or capital that might be held by the Council Taxpayer or their partner.
- Other debts outstanding for the Council Taxpayer and their partner.
- Whether the Council Taxpayer has already accessed or is engaging for assistance with budgeting and financial/debt management advice. An EHF award may not be made until the Council Taxpayer has accepted



assistance either from WDBC or third party, such as the Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including the termination of non essential expenditure.

- The exceptional nature of the Council Taxpayer and/or their family's circumstances that impact on finances.
- The length of time they have lived in the property.

The list is not exhaustive and other relevant factors and special circumstances will be considered.

- 3.8.5 An application for a further EHF award can be made and there will be a review of the application and what actions have been taken since the last award.
- 3.8.6 An EHF award may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid.

### **3.9 Administering EHF**

- 3.9.1 The Council Taxpayer must make a claim for an EHF award by submitting an application to WDBC. The application form can be made in conjunction with a third party providing money advice or obtained via the telephone, in person at Kilworthy Park, Tavistock or St James Street, Okehampton and WDBC's website. A copy of the application form is at Appendix A of this policy. Council Taxpayers can get assistance with the completion of the form from the Customer Service Team or the Benefits Team at WDBC.
- 3.9.2 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by WDBC.
- 3.9.2 In most cases the person who claims the EHF award will be the person entitled to Council Tax Reduction. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.
- 3.9.3 An EHF award may be revised where the Council Taxpayer's circumstances have changed, which either increases or reduces their Council Tax Reduction entitlement.
- 3.9.4 A person claiming an EHF Payment is required to:
- Give WDBC such information as it may require to make a decision.
  - Tell WDBC of any changes in circumstances that may be relevant to their ongoing claim.
  - Give WDBC such other information, as it may require, in connection with their claim.

3.9.5 Both the amount and the duration of the award are determined at the discretion of WDBC, and will be done so on the basis of the evidence supplied and the circumstances of the claim

- The start date will usually be the Monday after the written claim for an EHF award is received by WDBC, although in some cases it may be possible to backdate this award, based upon individual circumstances of each case.
- The EHF will normally be awarded for a minimum of one week
- The maximum length of the award will not exceed the end of the financial year in which the award is given.

3.9.6 Any EHF award will be made directly to the Council Tax account, thus reducing the amount of Council Tax payable.

3.9.7 Overpaid EHF awards will generally be recovered directly from the Council Taxpayers Council Tax account, increasing the amount of Council Tax due and payable.

3.9.8 WDBC will notify the outcome of each application in writing. The notification will include the reason for the decision and advise the Council Taxpayer of their appeal rights.

### **3.10 Publicity of discretionary reductions and discounts**

3.10.1 WDBC will publicise this policy and will work with interested parties to achieve the stated outcomes. A copy of this policy will be made available for inspection and will be published on WDBC's website.

### **3.11 Right to appeal**

3.11.1 Decisions about discretionary discounts and reductions are subject to the statutory appeal process.

3.11.2 If the Council Taxpayer is not satisfied with a decision in respect of:

- an application for a discretionary reduction
- a decision not grant a discretionary reduction
- a decision to award a reduced amount of discretionary reduction
- a decision not to backdate a discretionary reduction

They may request a review in writing. In these cases WDBC will look at the decision again.

3.11.3 An officer, senior to the original decision maker, will consider the dispute by Reviewing the original application and any additional information and/or Representation made and will make a decision within 14 days of referral or as Soon as practicable thereafter.

3.11.4 Any request for a review must be made in writing, within two months of the date of the notification letter confirming the original decision.

3.11.5 The outcome of the review will be given in writing by the Council, detailing the reasons for changing or upholding the original decision.

3.11.6 If WDBC does not respond within two months to the Council Taxpayer's request for a review or the Council Taxpayer considers that WDBC's decision is wrong, they can appeal directly to the Valuation Tribunal

#### **4 Equality impact considerations** – the policy is high relevance to equality if it has a big impact on residents and users of the service

##### **Low**

4.1 This Equality Impact Assessment considers the impact of this policy on the relevant protected characteristics, as defined by the Equality Duty, which are:

- Age (including children and young people)
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)
- An additional WDBC local factor of community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights

4.2 This policy has a positive or neutral impact on all protected characteristics.

4.3 The protected characteristics which are positively impacted are age, disability and WDBC local factors. This is because the policy, when considering EHF awards, considers household composition and disability related expenditure when looking at expenditure calculations.

4.4 The positive impact on local factors is high as the EH awards support vulnerable Council Taxpayers who may not otherwise be able to pay their Council Tax. Also the discretionary discounts help to support local areas which may be affected by natural disasters which affect the households.

#### **5 Appendices and other relevant information**

Appendix A – Application Form

#### **6 Who authorised the policy/strategy and date of authorisation.**

#### **7 Related Policies/Strategies, Procedures and Legislation**

**7.1 Related policies**

Discretionary Housing Payments policy

**7.2 Legislation**

Local Government Finance Act 1992, as amended

**8 Policy date for review and responsible officer**

8.1 This policy will be reviewed by the Customer First Group Manager periodically but no later than 2017.

DRAFT

# Agenda Item 7

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

Date: **14<sup>th</sup> July 2015**

Title: **T18 Budget Monitoring report – Quarter 4  
2014/2015**

Hub Committee Lead: **Councillor Philip Sanders**

Wards Affected: **All**

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

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

Author: **Steve Mullineaux** Role: **Support Services Group  
Manager**  
**Lisa Buckle** **Finance Community of  
Practice Lead (S151 Officer)**

Contact: [steve.mullineaux@swdevon.gov.uk](mailto:steve.mullineaux@swdevon.gov.uk), (01803) 861412  
[lisa.buckle@swdevon.gov.uk](mailto:lisa.buckle@swdevon.gov.uk), (01803) 861413

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## **Recommendations:**

It is recommended that:

1. The Hub Committee notes the progress to date on the T18 Transformation Programme.

## **1. Executive summary**

- 1.1 In December 2014 the Council agreed to a revised business plan for the T18 Programme. It aims to deliver a new operating model in partnership with South Hams District Council which will ensure that both Councils can continue to deliver quality services for its customers and communities. An investment budget of £2.83 million has been approved, to deliver annual recurring revenue savings of £1.64 million. The payback period for the Programme is 2.75 years.

- 1.2 The Transformation Programme has received the backing of Central Government and the Council was awarded £266,000 of Government funding towards the upfront investment costs.
- 1.3 The table in 3.15 shows the actual T18 expenditure up until 31 March 2015 of £1.99 million, compared against the total T18 budget of £2.83 million. All of the categories of spend are on target when compared against the budget and there are no areas of concern to report to Members. The table also shows how the expenditure has been financed.
- 1.4 The budgeted salary savings to be delivered by the project were £160,000 in 2014/15, rising to £700,000 in 2015/16. The savings were achieved in 2014/15 and the Council is on track to make the projected salary savings of £700,000 in 2015/16, in addition to the accommodation savings from letting space to tenants within Kilworthy Park.

## **2. Background**

- 2.1 West Devon Borough Council and South Hams District Council have been shared service partners since 2007. As two of the very first Councils to share a Chief Executive, the Councils have been bold in challenging the traditional local government model and have always been at the forefront of radical change and innovation. Shared services (through sharing staff) has now yielded over £7.7 million in savings across the two Councils since 2007, with each Council generating ongoing savings of over £700,000 every year.
- 2.2 Having a successful track record of reducing costs through shared services whilst improving services, the two Councils approved a joint Transformation change programme in December 2013.
- 2.3 The Councils continue to face significant reductions in Central Government funding and the Transformation Programme will develop the financial resilience of the Councils and reduce the reliance on making annual budget reductions that inevitably impact on front line services.
- 2.4 The Councils are pioneering a new model for local government which is transferrable to other local authorities irrespective of the scale, acting as a catalyst for extending shared services, without undermining each participating Councils' democratic sovereignty.
- 2.5 The Council will provide its services in an entirely new way by becoming more flexible and customer focused using the latest technology. Services will be redesigned around our customers and communities and as a consequence all departmental silos will be removed.

This will involve re-engineering over 500 business processes and sharing all of our corporate services and information technology systems. The first phase of the programme (Support Services) went live in September 2014. The main phase of the programme has gone live in June 2015, with a smaller phase later in 2015/16.

- 2.6 At its heart, the transformation programme is one of cultural change. Peoples' lives are constantly changing and we must change with them. The radical transformation will be the most significant change in the way that the Councils work for more than 40 years. The Councils' non-manual workforce will be 30% smaller, with all staff roles changing to be flexible and responsive to the needs of the customer. Officers from different areas of the Councils will work within communities to improve the service for the customer and reduce the need for office accommodation.
- 2.7 The Transformation Programme is structured with a number of workstreams and progress on these is set out in Section 3.

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

#### **HR Workstream**

- 3.1 The new Senior Leadership Team is now in place, with the Business Development Group Manager starting on 11 May 2015. External recruitment is currently taking place to fill the remaining Level 3 roles.
- 3.2 The Phase 1b assessment process was completed in April, with a total of over 140 assessments carried out over a 6 week period across both West Devon and South Hams. The outcomes were very positive, with over 60 employees across both Councils receiving a pay rise and only 5 employees declining to accept the offer of a role within the new operating model and less than 1% being unsuccessful in the assessment process.
- 3.3 The outcome of the assessments also gives the Council a wealth of information about its collective strengths as well as providing the basis for individual personal development.
- 3.4 After consultation with the affected staff, the assessments for the roles within Phase 2 (Housing Advice, Benefits and Elections) are being brought forward. The assessments will follow the same format used in phases 1a and 1b and will be facilitated by iESE. The assessments will take place over a three week period starting on 22 July and it is anticipated that employees will be confirmed in new roles by 1 September 2015.

- 3.5 During the Transformation Programme, just over 120 staff have left the Councils' employment through redundancy. The majority of the staff left under voluntary redundancy, with a small number, 11, leaving through compulsory redundancy. The budgeted split of redundancy and pension strain payments was 64% SHDC and 36% WDBC. The actual split of redundancy and pension strain costs to date is 66% SHDC and 34% WDBC.

### **IT Workstream**

- 3.6 There is a significant amount of work to do in this workstream over the next few months and timescales are tight, however we are currently behind schedule by approximately 6 weeks against current forecasted timescales. Highlights are detailed below.
- 3.7 Housing, Waste, Environmental Health and Licencing back office applications have been migrated onto the new back office systems. The Planning and Land Charges data is currently being tested.
- 3.8 The first processes are due to go live in W2 week commencing 6<sup>th</sup> July. The migration of documents from the old document management systems into the new W2 system is about to commence.
- 3.9 The Council has taken delivery of the software which allows the integration of the new Web Portal functionality into the existing web site. This is currently being tested and will enable us to deliver many more services on line.
- 3.10 Mobile Locality officers have taken delivery of devices to allow them to access corporate IT resources while out and about. The Council will be taking delivery of the Civica mobile application soon, which allows staff to receive and update job tasks whilst out of the office.
- 3.11 Council Members have piloted new technology and their feedback will shape a new solution to be rolled out by September that will enable access to emails and in the future, minutes and agendas. The rollout of laptops to staff is well underway, in order to support our Agile working practices.

### **Accommodation Workstream**

- 3.12 The accommodation project is largely finished and with the delivery of the Agile space at Kilworthy Park, Tesco have recently taken 2,500 sq ft of accommodation on a temporary basis and will be in occupation until the end of September. This has provided additional revenue to the authority along with a 5 % contribution towards the running costs of the building. Discussions are also taking place with existing tenants around increasing their occupancy space which will provide additional revenue by way of an increase in rent and service charge.



## Finance Workstream

- 3.13 In December 2014, the Council agreed the updated business case for the Transformation Programme. An investment budget of £2.83 million has been approved, to deliver annual recurring revenue savings of £1.64 million. The payback period for the Programme is 2.75 years.
- 3.14 The Transformation Programme has received the backing of Central Government and the Council was awarded £266,000 of Government funding towards the upfront investment costs.
- 3.15 The table below shows the actual T18 expenditure up until 31 March 2015 of £1.99 million, compared against the total T18 budget of £2.83 million. All of the categories of spend are on target when compared against the budget and there are no areas of concern to report to Members. The table also shows how the expenditure has been financed.

<b>Expenditure Category</b>	<b>2014-2015 T18 Actual Expenditure (£)</b>	<b>Total T18 Budget (One-off Investment costs)(£)</b>
<b>Revenue Expenditure</b>		
ICT technology, implementation and workstream development	298,586	612,750
ICT workstation costs and infrastructure	111,373	155,000
Training and Accommodation	36,055	97,000
Implementation and design of the future operating model	143,875	175,000
Redundancy and Pension Strain costs	1,311,698	1,520,000
Contingency	0	175,000
<b>Capital Expenditure</b>		
ICT Software	92,250	92,250
<b>TOTAL</b>	<b>1,993,837</b>	<b>2,827,000</b>

<b>To be financed by:-</b>	<b>£</b>	<b>Relevant Council Report/ Council Minute</b>
T18 Earmarked Reserve	966,793	Approved by Members at Council 9 December 2014 (Minute CM 62)
Transformation Challenge Award (Government Grant funding)	266,000	
New Homes Bonus Earmarked Reserve (NHB funding from 2014/15)	519,794	*Council Minute CM 97 – Council 31 March 2015 (see below)
Capital Receipts Reserve (Capital funding available)	92,250	*Council Minute CM 97 – Council 31 March 2015 (see below)
Long term Pension strain costs – not required to be financed in 14/15 (to be financed from 15/16 onwards)	149,000	
<b>TOTAL</b>	<b>1,993,837</b>	

\*Council Minute CM 97 – Delegated authority was given to the S151 Officer, in consultation with the Executive Director of Strategy and Commissioning (Head of Paid Service) and the Leader of the Council, to determine the appropriate financing requirement from the Council's Earmarked Reserves in 2014/15, to fund the year end accounting provision for the Transformation Programme.

- 3.16 The T18 expenditure has been shown in the Council's Accounts for 2014/15 as a Material item. The net revenue expenditure charged to the Council's Comprehensive Income and Expenditure Account in 2014/15 was £1.636 million. This is the expenditure shown in 3.15 above of £1.99 million, less the government funding of £266,000, less the capital expenditure of £92,250. The use of the New Homes Bonus in 2014/15 of £519,794 is a temporary financing requirement and this amount will be repaid to the New Homes Bonus Earmarked Reserve in 2015/16 from the salary savings achieved.
- 3.17 The budgeted salary savings to be delivered by the project were £160,000 in 2014/15, rising to £700,000 in 2015/16. The savings were achieved in 2014/15 and the Council is on track to make the projected salary savings of £700,000 in 2015/16, in addition to the accommodation savings from letting space to tenants within Kilworth Park.

### **Customer Workstream**

- 3.18 The Customer Workstream relates to the engagement required with our customers to maximise the benefits of the future operating model. These benefits are both for the customer, in terms of improved customer service and greater access to on-line services and for the Authority through reduced costs.
- 3.19 Software to deliver Customer insight information has now been purchased to help us structure our customer access methodology and training in how to use this software has been undertaken.
- 3.20 The plan for how the Council interacts with its customers (the channel shift plan) is under development. This plan will help us target cheaper forms of contact such as SMS and email to those people who want and can use it, rather than trying to encourage all customers to use these types of contact.

### **Business Processes and Transition Workstream**

- 3.21 The number of staff employed by the Council is being reduced and in order to continue to deliver high quality services to the public, we need to review and re-design over 400 of our existing processes.
- 3.22 This process is broken down into a number of 'sprints' when each type of activity is mapped and analysed in detail. Where possible the new processes are built into the universal case management system "W2".
- 3.23 Service go-live dates

<b>Service Area</b>	<b>Target go-live date (week commencing)</b>
Housing	Completed June 1st
Community Grants	6 <sup>th</sup> – 10 <sup>th</sup> July
Car Parks	13 <sup>th</sup> – 17 <sup>th</sup> July
Street Scene	27 <sup>th</sup> – 31 <sup>st</sup> July
Waste	27 <sup>th</sup> – 31 <sup>st</sup> July
Council Tax / NNDR (Phase 1)	10 <sup>th</sup> – 14 <sup>th</sup> August
Environmental Health	24 <sup>th</sup> – 28 <sup>th</sup> August
Licensing	24 <sup>th</sup> – 28 <sup>th</sup> August
Planning & Land Charges	14 <sup>th</sup> – 28 <sup>th</sup> September

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

- 4.1 A Transformation Programme of this size and complexity clearly brings a significant number of risks which have to be carefully managed. The comprehensive Programme risks are reviewed every four weeks by the Transformation Programme Board. A report is presented to the Audit Committee on a six monthly basis of the Council's risk register and strategic risks (including those relating to the Transformation Programme).
- 4.2 One of the key risks is a reduction in service performance as staff have left and the new processes are not live in the new case management system. Currently the risk is materialising with reduced performance in the planning service and customer services. As a result the services are experiencing increasing customer contact and customer complaints.

#### **5. Proposed Way Forward**

To address the issues in 4.2, the senior leadership team (SLT) have instigated the following actions:

- 5.1 Phase 2 of the programme has been brought forward to enable staff to be released into their new roles and enable the recruitment to posts that have been held for staff.
- 5.2 Other agencies, such as Plymouth City Council are being used to deliver less complex work.
- 5.3 Agency staff are being used as a short term measure to backfill unfilled vacancies.
- 5.4 Outstanding workloads and customer service measures are now being reviewed on a weekly basis by SLT.
- 5.5 The website is being updated and customer services are being given key messages to reassure customers.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Council has delegated to the Hub Committee to monitor the budget monitoring position of the Transformation Programme, with quarterly budget monitoring reports being presented to the Hub Committee.
Financial		There are no financial implications arising directly from this report. The finances of the programme are set out in Section 3.13 to 3.17.
Risk		A Transformation Programme of this size and complexity clearly brings a significant number of risks which have to be carefully managed. The comprehensive Programme risks are reviewed every four weeks by the Transformation Programme Board. A report is presented to the Audit Committee on a six monthly basis of the Council's risk register and strategic risks (including those relating to the Transformation Programme).
Comprehensive Impact Assessment Implications		
Equality and Diversity		This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Safeguarding		This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Other implications		None

## **Supporting Information**

### **Background Papers:**

Council 9 December 2014 (Minute CM62)

Council 31 March 2015 (Minute CM97)

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

AGENDA  
ITEM

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AGENDA  
ITEM

8

## West Devon Borough Council

<b>NAME OF COMMITTEE</b>	<b>HUB</b>
<b>DATE</b>	<b>14<sup>th</sup> July 2015</b>
<b>REPORT TITLE</b>	<b>Write Off Report</b>
<b>REPORT OF</b>	<b>Section 151 Officer Case Management Manager</b>
<b>WARDS AFFECTED</b>	<b>All</b>

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### Summary of report:

The Council is responsible for the collection of: Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates.

The report informs members of the debt written off for these revenue streams. Debts up to the value of £5,000 being written off by the s151 Officer, under delegated authority. Permission needs to be sought from the Committee to write off individual debts with a value of more than £5,000.

This report covers the period 1<sup>st</sup> January 2015 to 31<sup>st</sup> March 2015

### Financial implications:

West Devon Borough Council debts totalling £80,334.32 to be written-off.

### RECOMMENDATIONS:

**The Committee notes that, in accordance with Financial Regulations, the s151 Officer has authorised the write-off of individual West Devon Borough Council debts totalling £39,381.74 as detailed in Tables 1 and 2.**

**The Committee approves the write off of individual debts in excess of £5,000 as detailed in Table 3.**

**Officer contact:** *Lisa Buckle: Tel ext no.3644 e-mail lisa.buckle@swdevon.gov.uk  
Kate Hamp: Tel no. 01803 861104 e-mail kate.hamp@swdevon.gov.uk*

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## **1. BACKGROUND**

The Council's sound financial management arrangements underpin delivery of all the Councils priorities, including the commitment to providing value for money services.

This report forms part of the formal debt write-off procedures included in these financial arrangements.

West Devon Borough Council's collection rates for 2013/14 were; Council Tax 97.7% & Business Rates 99.2%

## **2. ISSUES FOR CONSIDERATION**

In accordance with good financial management principles the Council has, for the revenue streams detailed in this report, made a total bad debt provision of £1,116,512. This provision recognises that a proportion of the Authority's debts will prove irrecoverable and ensures that the value of debtors within the Authority's accounts is a fair reflection of the amount that will eventually be recovered. The total collectable debt for Council Tax is £32.7 million and for Business Rates is £10.9 million.

All debts, taxes and rates within the Service's control are actively pursued, and in most instances are collected with little difficulty. In cases where payment is not received on time, a reminder will be issued promptly to the debtor. If this fails to secure payment, a final reminder and/or a summons will also be issued and if necessary the debt passed to an appropriate collection agent such as the Civil Enforcement Agents or the Council's Legal Department in order to secure payment.

Sometimes however if the debtor is having difficulty making the payment, special arrangements are used to effect recovery, and this may mean extending the period of time to collect the debt.

In some cases pursuit of an outstanding debt is not possible for a variety of reasons, such as bankruptcy or liquidation and such cases with arrears under £5,000 are written off by the Section 151 Officer under delegated authority. Cases where the debt exceeds £5,000 must, however, be approved by the Committee prior to the debt being written off.

A record is kept of debts written off, together with the reason for doing so, so that if there is a realistic chance of recovery in the future a debt may be resurrected and pursued again.

The Service has access to Experian's Citizenview database which is currently the most reliable means of tracing absconded debtors. Each case is checked against this system before a decision is taken to write off the debt. A periodic review of write offs against this system may also be carried out to resurrect debts where appropriate.

## **3. LEGAL IMPLICATIONS**

The relevant powers for this report are contained within the following legislation;

Section 151 Local Government Act 1972

Section 44 Local Government Finance Act 1988 (Non Domestic Rate)

Section 14 Local Government Finance Act 1992 (Council Tax)



#### 4. FINANCIAL IMPLICATIONS

West Devon Borough Council debts totalling £80,334.32 to be written-off.

#### 5. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Economy Homes Community Life
<b>Statutory powers:</b>	Section 151 Local Government Act 1972 Section 44 Local Government Finance Act 1988 (Non Domestic Rate) Section 14 Local Government Finance Act 1992 (Council Tax)
<b>Considerations of equality and human rights:</b>	All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place
<b>Biodiversity considerations:</b>	None
<b>Sustainability considerations:</b>	A bad debt provision is built into the financial management of the Authority
<b>Crime and disorder implications:</b>	None
<b>Background papers:</b>	None
<b>Appendices attached:</b>	Tables 1, 2 & 3

**RISK MANAGEMENT**

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Reputation	Any risk to reputation is managed carefully by prompt recovery of amounts due wherever possible.	3	2	6	↓	This risk is also mitigated by taking a balanced view and ensuring that resources are not expended on debts which are not cost effective to pursue	Case Management Manager
2	Write Off	The obvious risk of debtors subsequently being able to pay a debt which has been written off is mitigated by the activity outlined in issues for consideration.	2	1	2	↔	Any individual debt exceeding £5,000 is referred to members for consideration prior to write-off which accords with Financial regulations.	S151 Officer

Direction of travel symbols ↓ ↑ ↔

**TABLE 1 SUMMARY OF WEST DEVON BOROUGH COUNCIL DEBT UNDER £5,000 WRITTEN OFF BY THE S151 OFFICER**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2014/15			Totals for Comparison purposes			
			Quarter 4	Cumulative Total		Equivalent Quarter 2013/14		Grand Total 2013/14	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
<b>HOUSING BENEFIT</b>	61	Overpaid Entitlement	18,916.68	107	47,706.29	14	8,673.22	79	38,752.41
<b>COUNCIL TAX BENEFIT</b>	1	Bankruptcy/DRO/IVA/CVA etc	1,835.63	5	6,617.23	2	629.42	4	3,048.66
	-	Deceased	-	1	755.04	3	3,586.37	7	4,657.69
	-	Other	-	-	-	-	-	-	-
	3	Absconded	3,080.85	14	15,213.17	1	942.83	3	1,190.58
	1	Not Cost Effective to Pursue	158.60	27	2,263.49	1	8.97	2	14.72
	-	Uncollectable Old Debt	-	10	4,922.65	-	-	3	651.90
<b>Total</b>	<b>66</b>		<b>23,991.76</b>	<b>164</b>	<b>77,477.87</b>	<b>21</b>	<b>13,840.81</b>	<b>98</b>	<b>48,315.96</b>
<b>COUNCIL TAX</b>	15	Absconded	5,286.50	70	19,555.90	20	7,283.76	69	12,957.87
	6	Bankruptcy/DRO/IVA/CVA etc	2,118.97	36	33,436.79	1	203.00	12	13,044.53
	6	Deceased	1,620.92	11	2,725.90	3	1,191.12	9	2,279.01
	1	Other	425.39	11	3,414.68	3	403.98	9	3,748.14
	120	Small Balance	5,525.81	198	7,030.35	2	49.24	56	1,356.41
	-	Uncollectable Old Debt	-	-	-	-	-	-	-
	-	Administration	-	1	1,108.21	-	-	-	-
<b>Total</b>	<b>148</b>		<b>14,977.59</b>	<b>327</b>	<b>67,271.83</b>	<b>29</b>	<b>9,131.10</b>	<b>155</b>	<b>33,385.96</b>
<b>SUNDRY DEBTS</b>	3	Small Balance	80.41	5	80.49	-	-	1	0.30
	-	Bankrupt/DRO/IVA/CVA etc	-	-	-	-	-	-	-
	1	Not Cost Effective to Pursue	151.98	2	191.98	-	-	1	72.07
	-	Uncollectable Old Debt	-	1	435.00	-	-	-	-
	1	Absconded	180.00	1	180.00	2	186.72	4	436.72
	-	Other	-	-	-	1	309.00	1	309.00
<b>Total</b>	<b>5</b>		<b>412.39</b>	<b>9</b>	<b>887.47</b>	<b>3</b>	<b>495.72</b>	<b>7</b>	<b>818.09</b>
<b>Grand Total</b>	<b>219</b>		<b>39,381.74</b>	<b>500</b>	<b>145,637.17</b>	<b>53</b>	<b>23,467.63</b>	<b>260</b>	<b>82,520.01</b>

**Breakdown of Absconded Council Tax Debt  
(Some cases have debts over more than one year)**

Year	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	Pre 2005/06	Total
<b>Value</b>	230.07	97.10	946.85	666.06	1,251.28	560.81	901.40	-	601.79	-	31.14	5,286.50
<b>Number</b>	5	1	3	4	3	2	4	-	1	-	1	24

**TABLE 2 SUMMARY OF NON DOMESTIC RATE DEBT UNDER £5,000 WRITTEN OFF BY THE S151 OFFICER**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2014/15			Totals for Comparison purposes			
			Quarter 4		Cumulative Total	Equivalent Quarter 2013/14		Grand Total 2013/14	
			Amount (£)	Cases		Cases	Amount	Cases	Amount
<b>NON-DOMESTIC RATE</b>	-	Bankruptcy/DRO/IVA/CVA etc	-	1	282.83	1	201.79	4	942.56
	-	Absconded	-	1	464.29	1	1,672.08	8	7,580.30
	-	Deceased	-	3	3,629.93	-	-	2	2,728.83
	-	Liquidation	-	5	6,472.58	5	6967.54	14	15,382.97
	-	Other	-	4	1,925.76	-	-	4	1,171.37
	-	Small Balance	-	-	-	-	-	1	5.43
	-	Uncollectable Old Debt	-	2	1,009.40	-	-	1	1,031.14
	-	Administrative Receivership	-	4	3,914.33	-	-	2	6,252.88
<b>Total</b>	-		-	<b>20</b>	<b>17,699.12</b>	<b>7</b>	<b>8,841.41</b>	<b>36</b>	<b>35,095.48</b>

**TABLE 3 SUMMARY OF ITEMS OVER £5000 WHERE PERMISSION TO WRITE OFF IS REQUESTED**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2014/15			Totals for Comparison purposes			
			Quarter 4		Cumulative Total	Equivalent Quarter 2013/14		Grand Total 2013/14	
			Amount (£)	Cases		Cases	Amount	Cases	Amount
<b>NON-DOMESTIC RATE</b>	-	Liquidation	-	1	18,128.27	2	20,312.20	2	20,312.20
	-	Administrative Receivership	-	-	-	1	18,570.21	1	18,570.21
	-	Absconded	-	-	-	-	-	-	-
	1	Bankruptcy/DRO/IVA/CVA etc	15,464.00	4	46,810.48	-	-	-	-
	-	Deceased	-	1	15,851.37	-	-	-	-
	-	Other	-	1	8,715.95	-	-	-	-
<b>Total</b>	<b>1</b>		<b>15,464.00</b>	<b>7</b>	<b>89,506.07</b>	<b>3</b>	<b>38,882.41</b>	<b>3</b>	<b>38,882.41</b>
<b>HOUSING BENEFIT</b>	1	Bankruptcy/DRO/IVA/CVA etc	19,443.12	1	19,443.12	-	-	-	-
	1	Overpaid Entitlement	6,045.46	1	6,045.46	-	-	-	-
<b>Total</b>	<b>2</b>		<b>25,488.58</b>	<b>2</b>	<b>25,488.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COUNCIL TAX</b>	-	Bankruptcy	-	-	-	1	15,940.10	1	15,940.10
	-	Absconded	-	1	5,265.60	-	-	-	-
<b>Total</b>	<b>-</b>		<b>-</b>	<b>1</b>	<b>5,265.60</b>	<b>1</b>	<b>15,940.10</b>	<b>1</b>	<b>15,940.10</b>
<b>Grand Total</b>	<b>3</b>		<b>40,952.58</b>	<b>10</b>	<b>120,260.25</b>	<b>4</b>	<b>54,822.51</b>	<b>4</b>	<b>54,822.51</b>