

You are requested to attend a meeting of the Executive to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 14 March 2012 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meeting of the Executive held on 9 February 2012 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct.
- 5 Proposal for a Taunton Deane Borough Council Appeal Policy and Procedure. Report of the Southwest One HR Development Team (attached).
Reporting Officer: Laura Holland
- 6 Planning Performance Agreements and Major Application Performance Targets. Report of the Growth and Development Manager (attached).
Reporting Officer: Tim Burton
- 7 Treasury Management Strategy Statement and Investment Strategy. Report of the Strategic Finance Officer (attached).
Reporting Officer: Maggie Hammond
- 8 Corporate Debt Management Policy. Report of the Strategic Finance Officer (attached).
Reporting Officer: Maggie Hammond
- 9 Financial and Performance Monitoring - Quarter 3 2011/2012. Joint Report of the Performance and Client Lead Officer and the Financial Services Manager (attached).
Reporting Officers: Dan Webb
Paul Fitzgerald
- 10 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

Tonya Meers
Legal and Democratic Services Manager

08 May 2012

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under “Public Question Time” is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

If a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council’s Planning Committee and details of the “rules” which apply at these meetings can be found in the leaflet “Having Your Say on Planning Applications”. A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

Full Council, Executive, Committees and Task and Finish Review agendas, reports and minutes are available on our website: www.tauntondeane.gov.uk

If you would like an agenda, a report or the minutes of a meeting translated into another language or into Braille, large print, audio tape or CD, please telephone us on 01823 356356 or e-mail us at: enquiries@tauntondeane.gov.uk



Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.

For further information about the meeting, please contact Democratic Services on 01823 356382 or email d.durham@tauntondeane.gov.uk

Executive Members:-

Councillor J Warmington	(Community Leadership)
Councillor J Williams - Leader of the Council	(Leader of the Council)
Councillor V Stock-Williams	(Portfolio Holder - Corporate Resources)
Councillor N Cavill	(Portfolio Holder - Economic Development, Asset Management, Arts and Tourism)
Councillor K Hayward	(Portfolio Holder - Environmental Services)
Councillor J Adkins	(Portfolio Holder - Housing Services)
Councillor M Edwards	(Portfolio Holder - Planning and Transportation/Communications)
Councillor C Herbert	(Portfolio Holder - Sports, Parks and Leisure)

Executive – 9 February 2012

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Edwards, Cavill, Hayward, Mrs Herbert,
Mrs Stock-Williams and Mrs Warmington

Officers: Penny James (Chief Executive), Shirlene Adam (Strategic Director), Martin Griffin (Retained HR Manager), David Evans (Economic Development Specialist), James Barrah (Community Services Manager), Stephen Boland (Housing Services Lead), Maggie Hammond (Strategic Finance Officer), Paul Fitzgerald (Financial Services Manager), Tracey Healy (Principal Accountant), Simon Lewis (Strategy and Corporate Manager), Richard Sealy (Client and Performance Manager), Chris Hall (DLO Manager), Phil Webb (Housing Manager – Property Services), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager).

Also present: Councillors Coles, Farbahi, Henley, Horsley, R Lees, Morrell, Mrs Smith, Mrs Waymouth and A Wedderkopp.
Graham Love, Taunton Town Centre Manager, Cathy Osborn, Savills (L & P) Limited and Mark Swallow, Arlingclose Limited.

(The meeting commenced at 6.15 pm.)

11. Minutes

The minutes of the meeting of the Executive held on 18 January 2012, copies of which had been circulated, were taken as read and were signed.

12. Public Question Time

(1) Mr Peter Wren asked the following question:-

“In December 2010 Mr Gottlieb, Mrs Wren and myself asked questions about the Bishops Hull Development and were appalled at the apparent reaction from a Councillor, so much so that we decided to complain to the Mayor and Chairman of Full Council.

Following our complaint to the Mayor we were advised to make a written submission and that it would be put in front of the Standards Sub-Committee.

We were not allowed to attend this meeting to both listen to responses or to take part if necessary in the Standards Sub-Committee’s review of our

complaint.

We received a response from Taunton Deane which we found to be both bizarre and unsatisfactory, and we further requested an explanation.

We did however attend a meeting with both the Chairman of the Standards Committee and the Legal and Democratic Services Manager where our views were openly discussed and further action promised. However, even when this was followed up most satisfactorily by the Legal and Democratic Services Manager, no responses were obtained.

It is our opinion that the procedure for this complaint was both unfair and undemocratic on the part of ourselves, and we request that this is formally reviewed and a response given”.

In response the Legal and Democratic Services Manager, Tonya Meers, stated that the process that had been followed had been set down in regulations and guidance from the Standards Board for England.

She added that the Standards regime was changing under the Localism Act 2011 and the Council would therefore need to have new arrangements in place to deal with any future complaints about Councillors. Mr Wren’s concerns would be addressed during this procedure.

- (2) Councillor Horsley stated that whilst he was delighted that the restriction on the availability of confidential papers to Councillors had been lifted, he continued to feel that Members had been disadvantaged over the past few months in not having sight of information they were used to receiving in the past.

He referred particularly to the appendices to the General Fund Revenue Budget Report which had been unavailable to him in the run up to both the Corporate Scrutiny Committee meeting on 26 January 2012 and this evening’s meeting. In his view, the decision making process had been impaired and the restriction had proved counter-productive to what had been intended.

In response, Councillor Williams stated that the leak of confidential information last September was a serious breach which needed to be fully investigated. The restriction on the availability of confidential papers had been an appropriate reaction to the breach.

He added that the investigation, which had now been concluded, had also looked at what more could have been done to prevent the leak of information. It had concluded that the measures that had been put in place such as the signing of confidentiality agreements could not have

prevented the leak and that the Council could not have done more to have controlled the information. He hoped that there would be no future repetition of what had happened.

13. **Localism Act : Pay Policy Statements**

Considered report previously circulated, concerning the requirement to prepare a Pay Policy Statement.

Section 38(1) of the Localism Act 2011 required English and Welsh Local Authorities to produce a Pay Policy Statement for 2012/2013 and for each subsequent year thereafter.

The Statement, which had to be approved by Full Council, had to include policies on which remuneration of its chief officers and its lowest paid employees (and the relationship between them) were based.

In addition to the requirements of the Localism Act, the Council needed to determine if it would monitor salaries and the relationship between salaries through 'pay multipliers'. The Pay Policy Statement also had to:-

- Set out arrangements for the remuneration of chief officers on appointment;
- Set out arrangements for payments on termination of employment for chief officers even if covered by other approved policies;
- Set out arrangements for the re-employment of chief officers; and
- Be published on the Council's website.

Discussions were taking place with South West Councils, neighbouring Local Authorities and the local UNISON Branch regarding the emerging practice and it was clear that, for the vast majority of Councils, 2012/2013 would see Pay Policy Statements developed that met the minimum requirements.

This approach would then allow Councils to fully consider the requirements of the Localism Act and guidance from the Department for Communities and Local Government (DCLG) in a more measured manner.

Submitted for consideration a suggested draft of Taunton Deane's first Pay Policy Statement. This had been drafted without the benefit of the formal guidance from the DCLG, which was still awaited.

The DCLG had indicated though that a provisional Pay Policy Statement would be acceptable as it could be treated as a “living document” – one that could be amended in the future, once the guidance was to hand.

This matter had been considered by the Corporate Scrutiny Committee on 26 January 2012 and comments made by Members were submitted.

Resolved that:-

- (1) The draft Pay Policy Statement be endorsed; and
- (2) Full Council be recommended to approve the draft Pay Policy Statement.

14. Disposal of Land to Registered Providers Task and Finish Group

Councillor Morrell, the Chairman of the Disposal of Land to Registered Providers Task and Finish Review detailed the final recommendations the Group wished to submit to the Executive for endorsement.

In recent years the Council’s approach had been to dispose of suitable land which could be developed for affordable housing for a nominal amount, usually £1. This transfer was completed on the basis that the land was only used for the provision of affordable housing with the Council retaining nomination rights.

At its first meeting, the Task and Finish Review had agreed its terms of reference as follows:-

1. To identify the value of Taunton Deane owned land already gifted to Registered Providers;
2. To seek opinion from Registered Providers, partner agencies and Local Authorities as to the advantages and disadvantages of transferring land on both a freehold and leasehold basis; and
3. To consider and recommend to the Executive the terms of disposal of land to Registered Providers and whether a long leasehold approach was a valid method in supporting the development of affordable and social housing.

The Group had met on five occasions and had taken advice from staff, Registered Providers, partner agencies and other Local Authorities.

The Group felt that the Council should move away from gifting land to Registered Providers for £1, to either provision on a long leasehold

basis or sale at market value.

The Task and Finish Review had discussed the recommendations it wished to make which were:-

(1) The Executive is recommended to agree that Taunton Deane Borough Council should have a flexible policy in determining the gifting of Council land/assets.

(2) Where possible, a 'toolkit' approach should be utilised in determining how the land was disposed of in the future. This "sliding scale" should include:-

(i) An arrangement under a long leasehold agreement for not less than the duration of the build life;

(ii) If this was not possible, to sell the land for a market value, less an agreed Council social contribution; and

(iii) If financial due diligence determined that (i) and (ii) above impeded the process, then a decision to gift the land for a nominal sum be made by the Executive Member and published in the Weekly Bulletin.

During the discussion of this item, Members felt that the following wording should be added to the end of the first recommendation after the words "land/assets":-

"as part of the Asset Management Plan and due regard to the Council's financial plans".

Resolved that the recommendations of the Disposal of Land to Registered Providers Task and Finish Group, as amended above, be approved.

15. **Taunton Business Improvement District (BID) – Formal Request from the Taunton Town Centre Company to Instruct a BID Renewal Ballot**

Reference Minute No. 103/2011, reported that the Council had been formally served notice by the Taunton Town Centre Company (TTCC) to request that a ballot of businesses in Taunton Town Centre was held in relation to an extension to the Business Improvement District (BID) programme.

The request had been made following widespread consultation by the TTCC amongst businesses in the town on a draft BID Business Plan, a copy of which had been circulated to Members of the Executive.

The TTCC played a valuable role in supporting the Council's aim to enhance the vibrancy and vitality of the town centre. The Council's previous support for the BID was alongside financial support offered for the delivery of other Town Centre Management activities.

Reported that in drafting the BID submission due regard had been paid to the requirements set out Schedule 1 of the Business Improvement District (England) Regulations, 2004.

Specifically, the TTCC had given consideration to the following elements of the Schedule:-

- 1(a) A statement of the services to be provided by the TTCC and a description of the company's legal status. The company intended to deliver services "To position Taunton as the first choice destination for business. Creating a vibrant, safe and accessible County Town for retail, leisure and commerce. By 2017 Taunton would be recognised as the premier shopping and leisure destination in South Somerset";
- 1(b) A statement of the existing baseline services provided by the Council, the Avon and Somerset Police Authority and the Avon and Somerset Probation Trust as the statutory agencies that provided services affected by the BID Submission. Baseline Statements would be completed prior to the issue of the ballot papers, and would cover Policing, Events, Marketing and Promotion, Graffiti Clean Up, Business Information, Advice and Guidance, Car Parks, Pedestrian Signage and Town Centre Management;
- 1(c) A description of the geographical area in which the proposed BID arrangements were to have effect;
- 1(d) A statement as to whether all non-domestic ratepayers in the geographical area or a specified class of them were to be liable to the BID levy, an explanation of how the amount of the BID levy to be levied was to be calculated, and an explanation of whether any of the costs incurred in developing the BID proposals, holding of the ballot or implementing the BID were to be recovered through the BID levy.

The Annual BID Levy proposed was 1.25% of the Rateable Value shown in the Local Non-domestic Rates List at the commencement of the new BID term (1 October 2012). The levy rate would be subject to a BID multiplier, increasing the levy each year to keep pace with increasing costs over the five year BID term. The BID multiplier would be measured by the Consumer Price index or 3%, whichever was the lower.

The Council's Revenues Service would collect the BID Levy on behalf of the TTCC, making an annual charge to the company for provision of that service.

The Council would contract the Electoral Reform Service to carry out the referendum, via a postal ballot, on behalf of the TTCC;

- 1(e) A statement of the specified class of non-domestic ratepayer for which, and the level at which, any relief from the BID levy was to apply;
- 1(f) The BID Business Plan included a statement of whether the BID arrangements might be altered during the BID term. It included a proposal to include Firepool within the BID area at an appropriate stage in the site's development, and it reserved the opportunity to vire between budget headings during the BID term;
- 1(g) A statement that the duration of the BID arrangement would be five years; and
- 1(h) A statement that the proposed BID would commence on 1 October 2012.

It was the TTCC's intention to hold the BID ballot on 30 March 2012, giving ample notice to businesses of the outcome.

Further reported that the Council was entitled under the BID Regulations to veto the BID submission should it be of the opinion that the BID arrangements were:-

- (i) likely to conflict to a material extent with any policy formally adopted by, and contained in, a document published by the authority; or
- (ii) to be a significantly disproportionate financial burden on any person or class of persons in the BID area, and (i) that burden would be caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and (ii) that burden would be inequitable.

Close contact with the TTCC had been maintained throughout the past year in order to ensure that the Council's interests were taken into account in the drafting of the BID Business Plan. It was considered that the BID Submission would not conflict to a material extent with any policy formally adopted by the Council.

Discussions had been held over the proposals to include Firepool in the BID area with the outcome that if it was implemented on a phased basis and, if it was subject to the types of end user that the site attracted in due course, its inclusion would be acceptable.

Discussions had also been held over the inclusion of The Deane House and additional car parks in the BID area to create parity with other local authority offices in the BID area.

If the BID programme proceeded the Council would be liable for payment of the BID levy for any Council properties attracting non-domestic rates (hereditaments) within the proposed BID area. That payment (under the first BID programme) was currently £4,500 per annum and it was estimated that this would increase to between £10,000 and £12,000 with the proposed inclusion of The Deane House, Flook House and certain car parks in and adjacent to the town centre. This additional level of contribution would require a future budget increase.

Further financial considerations were detailed in the report as follows:-

- As the ballot holder, the Council had to meet the costs of the ballot in full. Under the BID regulations, the cost of a successful ballot could not be recharged by the billing authority to the BID body. The Electoral Reform Service had quoted the sum of £2,500 to carry out the ballot and it was proposed that this sum be taken from the Economic Development budget.
- As the collecting authority, the Council would be responsible for collecting the BID levy in each year of the BID term but could charge the BID body reasonable collection costs. The TTCC had made budgetary provision within the BID Business Plan for this.
- In previous years the Council had also contributed, on a discretionary basis, £20,000 per year towards administration costs. It was anticipated that the TTCC would seek a similar financial contribution from the Council to benefit the next BID programme. The Company was, however, aware of the financial difficulties facing the Council, and that there was no provision within the Council's budget to make such payments.

Resolved that:-

- (1) The proposal submitted by the Taunton Town Centre Company to instruct the Council to hold a ballot amongst businesses with the intention of extending the BID programme for a period of five years from October 2012 (the BID Submission) was in accordance with the Business Improvement District (England) Regulations, 2004 be acknowledged; and
- (2) Authority be delegated to the Chief Executive to instruct the holding of a ballot in accordance with the BID Submission.

16. **Housing Services and Community Development – Restructure Proposals**

Considered report previously circulated, concerning proposals to change the staffing structure of Housing Services in preparation for issues likely to arise from the Housing Revenue Account (HRA) self-financing and the associated new 30 year Business Plan. Changes to the current Community Development Team were also proposed.

The Council's Housing Service had embarked on a modernisation programme following the creation of the Community Services Theme and the receipt of recommendations from the Audit Commission.

The service was now more outward looking, performance focussed and working to place tenants at the heart of scrutiny and decision making.

Steady progress had been made:-

- The Tenants Services Management Board had recently celebrated a first successful year in operation;
- A recent tenants' survey had produced the best ever results with top quartile performance for overall satisfaction and repairs;
- Performance on current tenant rent arrears was very good;
- The new officers with a specific focus on Anti-Social Behaviour were beginning to have a real impact; and
- Voids performance was improving.

But there was still more to be done.

Preparations for self-financing were going well with a robust project team and plan in place. Stage 1 of this process had been achieved by bringing a report forward for consideration and completing a new 30 year Business Plan following consultation with tenants, elected Members, staff and stakeholders. This Plan would bring forward new strategic objectives and a high level action plan for the service.

The move to HRA self-financing in April 2012, would involve the Council taking on approximately £85,000,000 of national housing debt, based on initial settlement figures.

Whilst modelling suggested self-financing would generally be a good deal for Taunton Deane, it placed a significant responsibility on the HRA to ensure that governance, performance management and financial management arrangements were as good as they could be.

In addition, projections for the repairs and maintenance work required on our housing stock indicated the need for a significant lift in capital expenditure. The service would have to gear up for this increase to ensure additional work was procured and managed effectively.

Lastly, changes to housing policy and potential legislation, particularly around tenure reform, would place new and different requirements on the service in

future years. Essentially self-financing was moving the housing landlord service to be more like a business such as a housing association in its outlook, systems and operation.

The proposals for the Housing Service, outlined in the report, sought to position the structure in a way that supported the new Business Plan and future investment needs of the service. They also formalised some changes already implemented on a trial basis in relation to how void properties were managed.

Specifically these proposals sought to achieve the following:-

- A clearer focus in the service on managing the resources available by the creation of an Income Team;
- Preparation for the need to deliver an increased capital work programme in the housing stock;
- Capacity to more effectively manage the stock condition database;
- Making permanent the successful pilot of changes to improve voids performance;
- Enhancing the HRA's support for Community Development activities and integrating this work in the service; and
- Positioning the service to respond effectively to the proposed new regulatory framework for social housing.

Structure charts for the existing and proposed structures were submitted for the information of the Executive. Noted that the existing structures for the Supported Housing and Tenant Empowerment Teams were unaffected by these proposals.

A detailed summary of the proposed changes which would be made in the Estates and Lettings Teams, the Community Development Team and Housing Property Services together with details of the new Income Team were reported.

The full-year cost to the HRA of the new structure was £1,935,000, 11.9% of the total HRA cost of £16,242,000 and an increase of £256,000 from the 2011/2012 cost of £1,679,000. The increase could be modelled into the 30-year HRA Business Plan.

The report contained a number of implications for existing staff all of whom had been notified directly. Noted that one officer had been put at risk of redundancy due to the proposed new structure. Details of the likely redundancy costs were reported. A summary of all the consultation responses received, along with management responses to the main points raised, was submitted.

In addition, consultation has been undertaken with UNISON who had stated that they supported the comments from staff that had emerged through the process. The proposals had also been considered by the Tenants Services Management Board who were supportive.

Resolved that:-

- (1) the proposed restructuring of Housing Services and the Community Development Team, be approved; and
- (2) Full Council be recommended to approve a Supplementary Budget allocation of up to £22,000 in 2011/2012, funded from Housing Revenue Account reserves, related to likely redundancy costs.

17. **Housing Revenue Account Business Plan 2012-2042 and New Borrowing Requirement**

Reference Minute No 118/2011, submitted report concerning the creation of a new Housing Revenue Account (HRA) Business Plan 2012-2042 which was an integral part of the Council's preparation for the reform of council housing finance.

The HRA Business Plan, a copy of which had been circulated for the information of Members, proposed new strategic objectives for the Housing Service.

The document analysed the current position of the service and the Council stock and set out the actions planned to achieve the Council's objectives. It reflected consultation carried out with tenants, Members and wider stakeholders and provides an action plan to ensure the plan was delivered.

The Business Plan had also been developed to manage the significantly increased level of housing debt and the new associated financial risks following the implementation of the self-financing system. It also aimed to address the new opportunities for freedoms and flexibilities arising from potential changes in Government policy and the opportunity for effective asset management.

The creation of a new HRA business plan is part of the wider Housing Revenue Account Reform Project where the Housing Service was preparing to exit the negative subsidy system and enter into self-financing by April 2012.

The previous Business Plan for Housing Services had been developed in 2004 and there had been many changes since that time. The Council was facing changes in national housing policy that would have fundamental implications for all social landlords. The new Business Plan also reflected how Housing Services would deliver the objectives of the Council's Corporate Strategy and the new financial framework which the HRA would be operating under from 2012 onwards.

The new Business Plan 2012-2042 had updated the strategic objectives of the service in order to reflect the Council's current Corporate Priorities:-

- **Securing a long term future for our Housing Service** - Continuing to invest in the management of the housing stock to ensure it met tenants' needs, who should be at the heart of decision making.
- **Tackling deprivation and sustainable community development** - Taking action so that disadvantaged communities would have better

access to local housing services, training and employment, continuing the Council's support for a range of vulnerable people.

- **Investing in our housing stock, regeneration and affordable housing** - Investing in our existing stock to deliver a standard that met the needs of the stock and local aspirations. It also meant planning and successfully managing the regeneration of our housing estates and communities, providing homes that catered for the needs of an expanding and diverse population within communities that people were proud of.
- **Climate change** - Taking action to reduce carbon emissions across the housing stock through the Council's investment planning, service delivery, partnership and community action.

Reported that the Business Plan reflected the Council's current rent policy which in turn reflected national social rent policy to move council rents to a target rent based on property value and local earnings. The aim of the national social rent policy was that rents charged by all social landlords should converge. Rent convergence would be mandatory in 2015/2016.

Up until convergence, rents would move gradually to target over three years from 2012, with maximum increases limited to inflation (Retail Price Index (RPI)) + 0.5% + £2. After convergence with target, rents would increase by inflation (RPI) + 0.5%. The financial viability of the Business Plan was based on annual rent increases being agreed in line with this policy.

The Localism Act 2011 would potentially provide the Council with further flexibility to charge higher rents on new build properties and a proportion of re-lets, in order to fund new development. The Council could charge "Affordable Rents" at up to 80% of market value on these properties and the income used to fund new development but this could not be used as a policy to increase business plan resources generally.

Noted that the Council did not currently offer probationary tenancies. As a result of feedback from the consultation undertaken on the Business Plan, the Council had committed to review this policy in the next 12 months to consider the advantages and disadvantages of this scheme for Taunton Deane.

The Localism Act also proposed a new form of tenancy for local authority tenants. These proposals included a new regulatory requirement for all social landlords "to offer and issue the most secure form of tenancy compatible with the purpose of the housing and the sustainability of the community". This meant that Councils would no longer be required to automatically let all new tenancies on long term secure tenancies but would have the option to issue fixed term tenancies in some cases.

Further reported that the total expenditure to improve and maintain stock and related assets over 30 years was currently forecast at £186,900,000. This equated to £31,068 per dwelling over 30 years.

Within the Business Plan capital requirements had been set out in five year bands for the next 30 years with year one capital expenditure in the business plan reflecting the 2012/2013 capital programme. A backlog of £4,200,000

reflected the difference between the projected investment need in 2011/2012 and the actual capital programme. A further £15,000,000 over 30 years had been included for disabled aids and adaptations, reflecting current spend of £500,000 a year.

The profile in the Business Plan indicated a requirement for an increase in the capital programme from 2011/2012 levels of £4,300,000 to over £9,500,000 million in years 1 to 5.

However, a stock condition validation exercise had shown that there were a number of deficiencies in the quality of data held on the database that could have an impact on the extent of the capital programme required. During the course of the next year work to improve the asset management data to allow for more accurate capital expenditure profiling would be undertaken.

The consultation process had revealed an appetite to explore the feasibility of a modest new property development programme. Consequently an annual allocation of funding, a Social Housing Development Fund, was proposed for the purpose of building a small number of new properties at suitable locations.

This would be a new venture for the Council, therefore the intention was to 'start small' developing and learning the skills and systems necessary to complete this work. The outcome would be new properties that were owned and managed by the Council.

What was affordable had been modelled with the impact assessed against the Treasury Management portfolio required to settle the confirmed settlement debt. Activities to achieve this would be built into the Housing Services action plan and would be subject to annual review.

Reported that the financial issues emerging from the HRA Reforms programme were significant. The existing housing subsidy system would be abolished and instead, housing authorities would move to a self-financing system by either taking on additional borrowing to buy themselves out of the Government's subsidy system, or receive a lump sum from the Government to repay existing borrowing.

For Taunton Deane, this meant taking on additional borrowing – confirmed estimated as £85,198,000. The Council's total current housing debt was only £14,000,000 – so this transaction was on a scale not seen before in terms of both value and complexity.

The Council had appointed treasury management advisors (Arlingclose) to help with determining the repayment profile, the number of loans, the source of loans and how existing and new debts should be treated.

The Government was providing a preferential level of interest rate through the Public Works Loan Board (PWLB) for the self financing transaction with a 0.85% discount below current rates. This made the choice for borrowing easy in so much as no other lender could match these rates.

Noted that there had been some changes to the Finance Model that had been presented to Members in late 2011. This included changes to the current level

of minimum reserve balance which had been reconsidered having taken account of all the financial risks. It was proposed to double the minimum reserve balance to £300 per property, equating to £1,800,000 in total.

Since the meeting of the Executive on 7 December 2011, there had been significant work to prepare for the 28 March 2012, which was the date when the Council would be required to pay the Department of Communities and Local Government (DCLG) £85,198,000.

The timetable for the self financing transaction was very tight with the borrowing from the PWLB planned to take place on Monday, 26 March 2012. The amount borrowed would be transferred to the Council's bank on Wednesday, 28 March 2012 and the money due to DCLG would then be paid.

The current economic climate was very volatile and Arlingclose would therefore be advising the Council accordingly as to the borrowing rates for the specific loans required.

Also reported that in October 2011 the Prime Minister had announced the intention to raise Right to Buy discounts in order to make it attractive to tenants. This was expected to substantially increase sales. In making this announcement, the Government said it would ensure that these changes did not have an impact on the viability of self-financing landlords.

The self-financing valuation model included a forecast of Right to Buy sales based on current policy. This adjusted each Council's debt to a level that could be supported from their income after an assumption was made about stock losses each year from Right to Buy sales. DCLG would be retaining this element in the self-financing deal.

Ministers had stated that the first call on the receipts from additional sales arising from a change in Right to Buy policy would be to pay off the housing debt associated with those properties. Government proposals included calculating the amount of housing debt which needed to be paid off and ensuring this was met out of the sales receipt. DCLG would deal with any additional costs to self-financing landlords arising from the change in Right to Buy policy through changes to rules that applied to capital receipts.

Subject to the outcome of consultation and Parliamentary business the Government planned to implement changes to Right to Buy policy in April 2012.

This matter had been considered by the Community Scrutiny Committee on the 8 November 2011. Although the Committee had agreed the draft recommendations within the report, two particular amendments had been suggested for consideration by the Executive, details of which were reported.

Noted that an Equalities Impact Assessment had been undertaken in respect of the proposed Business Plan. A copy of the assessment was submitted to enable it to be taken fully into account by Members.

Resolved that:-

(1) the final version of the Housing Revenue Account Business Plan 2012-2042 be agreed; and

(2) the following recommendations all be agreed:-

Recommendation 1 – That the new four strategic objectives for Housing Services be accepted;

Recommendation 2 – That the Business Plan reflected the Council's current rent policy and assumed rent convergence by 2015/2016 and Retail Price Index +0.5% increases thereafter;

Recommendation 3 – That the use of new "Affordable Rents" in developing its plans for affordable housing be explored;

Recommendation 4 – That the potential use of probationary or introductory tenancies be reviewed in the next 12 months to consider the advantages and disadvantages to Taunton Deane;

Recommendation 5 – That the potential introduction of fixed term tenancies be welcomed and, over the next 12 months, how they might be used by Taunton Deane to better manage the housing stock be explored;

Recommendation 6 – That the principle of the allocation of funds to a Social Housing Development Fund, of Year 1= £300,000, Years 2 and 3 = £500,000, rising to £1,000,000 per year in Year 4 for the purpose of a modest new build programme, be approved;

Recommendation 7 – That an increase in the Housing Revenue Account minimum reserve balance to £1,800,000 from April 2012 be approved;

Recommendation 8 –

- That Taunton Deane be prepared to take on new borrowing in March 2012 to the "settlement" level published by the Government;
- That the new borrowing be taken in line with the timetable for the implementation of Housing Revenue Account Reforms;
- That the source of borrowing for all the funds necessary to pay the Department of Communities and Local Government on 28 March 2012 with regard to self-financing be the Public Works Loan Board;
- That the loan structure be such that the borrowing was paid off as soon as the Business Plan allowed;
- That any surpluses generated by the Housing Revenue Account be used to pay off debt early, providing the Housing Revenue Account with flexibility and headroom to pursue new priorities; and

Recommendation 9 - That the Housing Revenue Account Business Plan be subject to an annual review involving Member scrutiny and agreement as part of the budget setting timetable each year.

(The Democratic Services Manager, Richard Bryant, declared a prejudicial interest in the following item and stated that he would leave the meeting if any detailed discussion of the proposals occurred.)

18. **Theme 5 of the Core Council Review – Legal and Democratic Services**

Reference Minute No 105/2011, submitted report concerning proposals to create a new Corporate Support Unit for the Council which would be required to:-

- Deliver a service that was resilient, flexible and responsive;
- Deliver different ways of working to ensure that stakeholders' needs were met and within resource capacity;
- Deliver a service that met the need of the key stakeholders, namely, the Leader of the Council, the Mayoralty, the Chief Executive, Directors, Theme 1 Managers and Councillors as a whole;
- Deliver a minimum of £50,000 savings per annum.

Details of the posts that had been reviewed as part of the proposed re-structure were reported.

Interviews had been undertaken with all of the staff who would either be part of the unit, as well as the stakeholders who would use the resources in the unit.

It had quickly been established that it would be necessary to ensure not only flexibility and resilience, but also ownership of the tasks assigned to the various staff, if this unit was to be a success. The proposed structure of the unit, which was submitted for the information of Members, aimed to achieve this balance.

It had also become clear that there would be a wide range of work that would need to be catered for and, in some cases the need to understand the work of various officers who would use the service.

It was therefore proposed that throughout the unit officers would be nominated to certain areas in order to provide some consistency and responsibility. However all officers within the unit would be required to understand the different work-streams that the unit needed to support and would have the opportunity to experience these.

Further reported that the proposed structure would permit support to be given in areas that had not previously been supported, due to the restrictions of the current structure.

Therefore the advantages of the proposed structure were:-

- greater flexibility and resilience;
- the range of grades would ensure that work could be done at the correct level rather than lower grade work being carried out at a higher level and vice versa;
- it allowed for rotation of work whilst allowing for officers to maintain responsibility for certain areas; and
- savings of approximately £60,515 per annum

As well as the one to one interviews, a formal consultation exercise had also been carried out and the details of responses received were reported. No comments have been received from UNISON.

Reported that a number of officers had been put at risk of redundancy due to the proposed new structure whilst others had been slotted into new posts. Details of likely redundancy costs were set out in the report.

Resolved that Full Council be recommended to approve:-

- (1) the proposed structure of the new Corporate Support Unit; and
- (2) a Supplementary Budget allocation of up to £72,000 in 2011/2012, funded from reserves, related to likely redundancy costs.

19. **2012/2013 Further Savings Plans and Fees and Charges Proposals**

Considered report previously circulated, concerning additional savings options that had been identified to close the projected budget gap for 2012/2013.

The savings previously presented in the Initial Savings Plans totalled £453,000 and were included in the main budget report.

Officers had continued to work with the Executive to prioritise additional savings options to address the budget gap. As a result, the following further savings had been proposed:-

Ref	Proposed Savings	£'000
1	Reduced maintenance of general open spaces	64
2	Reduction of discretionary Arts Development Grants	8
3	Cease discretionary contribution to Somerset County Council re Slinky Bus service	30
4	Cease discretionary top up of SCC highways maintenance (grass, hedgerows)	17
5	Parking Strategy additional fee income	75
6	Pest Control Fees	4
	Total	198

In addition to the Fees and Charges approved by Full Council on 13 December 2011, the additional income from the Parking Strategy and Pest Control Fees were expected to generate additional income which, if approved,

could be included within the 2012/2013 Budget.

The updated Taunton Car Parking Strategy 2011-2021 had been approved by the Executive in October 2011. The accepted Package 2 included a number of options to increase car park efficiency and manage the potential shortfall in short-term parking during any central retail redevelopment scheme. Work would now commence on:-

- Adjusting the charging scheme by moving to two tariffs from three;
- Restricting some car parks to short-stay only (maximum 5 hours);
- Increasing fees for long-stay parking (continuation of the previous Strategy); and
- Changing the management and charging criteria for designated disabled spaces.

These options would be subject to the formal public consultation processes required to amend the Off-Street Parking Places Traffic Regulation Order.

The proposals within the Car Parking Strategy to adjust the charging scheme and continue the previous policy in relation to long-stay parking were intended to affect driver behaviour.

It was anticipated that the effect of this would result in an additional income of £150,000 in a full financial year. However, for the 2012/2013 Budget it was proposed to only increase the parking income budget by £75,000 to allow for the part year effect and a risk adjustment of driver behaviour projections.

The proposal for Pest Control Fees would yield an additional £11,300 per year. This increase in income, if achieved, would reduce the income budget gap for this service and provide an increased budget by an additional £4,000 in 2012/2013.

Members noted that the proposed savings exceeded the estimated budget gap included within the internal Budget Consultation Pack issued in December 2011. There were some residual areas of uncertainty for the final budget that could also impact on the gap, as well as concerns over funding for capital requirements such as car parks and The Deane House.

This would be covered as part of the Executive's final Proposed Budget for 2012/2013.

Reported that the Corporate Scrutiny Committee had considered this matter at its meeting on 26 January 2012 and its comments were submitted for consideration.

Resolved that Full Council be recommended to approve the further Savings Plans and incorporate them into the General Fund Revenue Budget 2012/2013.

(Councillors Coles and R Lees, as Blue Badge Holders, declared prejudicial interests and left the meeting during the consideration of the off-street parking proposals.)

(Prior to consideration of the following item the Chairman, Councillor Williams, announced that having re-considered the situation and having listened to the views of Members across the Council, the Executive was no longer proposing to increase the rate of Council Tax.)

20. Draft General Fund Revenue Estimates 2012/2013

Considered report previously circulated regarding the Executive's final 2012/2013 budget proposals, prior to submission to Full Council on 21 February 2012 for approval.

Each year the Council set an annual budget which detailed the resources needed to meet operational requirements. It was prepared within the context of the Medium Term Financial Plan (MTFP) which included the 2012/2013 proposals within a 5-year rolling forecast.

Full Council had approved a Budget Strategy at its meeting on 5 October 2010. This had described the need to set a four year balanced budget for the period 2012/2013 to 2015/2016 in the face of unprecedented financial challenges and funding uncertainty for local government. The savings target over this period was in the region of 40%.

An update on the Budget Strategy had been reported to Members and this had confirmed that the Strategy, which contained updated financial projections, remained relevant. It had initially included an estimated budget gap of £1,200,000 for 2012/2013. However, subsequent updates of budget estimates and assumptions for the MTFP had further increased the projected budget gap to around £2,100,000.

The Council had undertaken a significant Budget Review Project to identify options for achieving the savings target over the medium term and the Executive had previously approved the High Level Principles to support the Project moving forward.

Initial Savings Plans for 2012/2013 had been formulated taking into account feedback from all the political Groups and incorporating proposals where Members had indicated a general consensus to accept them.

A Budget consultation Pack had been issued to all Members on 21 December 2011 and included the Initial Savings Plans and other updated information related to the 2012/2013 budget requirements. The Budget Gap at that stage had been reduced to £63,000, but there were still some areas of uncertainty.

A proposed Further Savings Plan to reduce the gap completely had since been produced and had been considered by the Executive earlier in the meeting (Minute No 19/2012 refers).

The General Fund Revenue Account was the Council's main fund and showed the income and expenditure relating to the provision of services. The Council charged for some of its services which meant that less had to be funded from local taxpayers and Central Government. The expenditure that remained was funded by Central Government via the Revenue Support Grant and Business Rates, other non-ringfenced grants and the Council Taxpayer.

Following the Comprehensive Spending Review (CSR) the Government had announced details of the Local Government funding settlement for 2011/2012 and 2012/2013. The CSR had set out real term reductions of 28% across Local Authority 'spending powers' over the four year period starting in 2011/2012.

This represented the national average and based on the current settlement information, it was evident that District Councils would face much deeper cuts than this.

Based on the provisional settlement announced before Christmas, the General Revenue Grant funding from Central Government would reduce by £671,000 (11.2%) in 2012/2013, in line with the Council's estimate within the MTFP. The following set out a summary of the current 2-year settlement:-

	2011/12 Actual £'000	% Change	2012/13 Provisional £'000	% Change
Base	6,890		5,981	
Funding Cut	-909	-13.2%	-671	-11.2%
Funding 2011/2012 and 2012/2013	5,981		5,310	

Reported that it was possible to see a link in the Government's funding policy, with reducing 'need-based' formula grant and increased funding based on housing growth through the New Homes Bonus (NHB). Formula grant had reduced cumulatively by £1,580,000 over 2011/2012 and 2012/2013, whereas the Council was receiving £1,040,000 in "new" funding through the NHB Grant.

In terms of later years, the Government had indicated its intention to implement changes to the way Local Council's were funded through a system of Business Rates Retention from April 2013. The Government's response to the consultation in this regard had been released and officers would be analysing the implications of this during the coming weeks.

A summary of the final settlements made to the other Local Authorities in Somerset was submitted for comparative purposes.

The provisional grant allocation for Housing Benefit and Council Tax Administration Grant for 2012/2013 was £732,805. This represented a reduction of £50k (6.4%) compared to the grant for 2011/2012. This reduction had been taken into account within the MTFP and did not affect the Budget Gap figures.

The New Homes Bonus (NHB) Scheme was a grant from the Government which incentivised or 'rewarded' housing growth. The NHB grant was non-ringfenced.

The NHB for 2011/2012 was £391,980. The scheme design set out that each year's Grant allocation would be payable for 6 years, therefore the 2011/2012

allocation would be received by the Council each year until 2016/2017.

For the purposes of budgeting over the medium term, the “Year 1” (2011/2012) NHB Grant was proposed to be built into the Base Budget for 2012/2013 onwards. By retaining NHB within the Council’s General Fund Budget it would allow the Council to continue to support service delivery and ensure that the benefits of growth were maximised for local residents.

The provisional “Year 2” allocation was £647,745. This funding took into account a net increase of 510 occupied homes between October 2010 and October 2011. The funding was also based on there being 238 additional affordable homes in the year to March 2011. It was proposed to set this funding aside as a transfer into an earmarked reserve along with the £392,000 received in 2011/2012, which offered flexibility to make choices for investment in service priorities in the coming and future years.

The following table was submitted and summarised the income and use based on the first two years’ allocations:-

	2011/12 Actual £'000	2012/13 Proposed £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Year 1 Grant	392	392	392	392	392	392	-
Year 2 Grant	-	648	648	648	648	648	648
Total Income	392	1,040	1,040	1,040	1,040	1,040	648
Annual Budget		392	392	392	392	392	392
Earmarked Reserve	392	648					
<i>To be determined</i>			648	648	648	648	256
Total Use of Grant	392	1,040	1,040	1,040	1,040	1,040	648

Reported that a Council Tax Freeze for 2012/2013 had again been proposed.

Noted that the Council Tax calculation and formal tax setting resolution was to be considered separately. However, a Council Tax Freeze would mean that the Band D Council Tax would remain at £135.19. The Band D taxpayer would therefore receive all the services provided by the Council in 2012/2013 at a cost of £2.59 per week.

As part of the Finance Settlement, the Government had incentivised Local Authorities to voluntarily freeze Council Tax by offering a grant equivalent to a 2.5% increase in Council Tax. Whereas last year there had been an assumption that this grant would be available for up to four years, the grant would only be payable again for one year only.

If the proposal to freeze Council Tax was accepted by Members, the Council was expected to receive a grant of approximately £139,000.

Freezing Council Tax and only receiving the grant for one year meant services

could be harder hit in the future as the Council would not be able to recover the loss of potential income in future years. It would have the impact of increasing the gap from 2013/2014 by £198,000 a year. The compound impact of this over 10 years would be lost revenue of almost £2,100,000.

Despite this, the Council Tax Freeze had been recommended.

The proposed Special Expenses Budget for 2012/2013 was £47,380, which represented a 0% increase in the special expenses per Band D equivalent of £2.92 per property per year in the Unparished Area.

It was proposed to use the money as follows:-

- £15,000 for Youth Initiatives; and
- £32,380 for minor works and capital projects.

Although the Localism Act abolished Central Government's power to cap Council Tax increases, these local powers meant that Councils that did not take up the freeze and instead sought to increase Council Tax above 3.5% would trigger a referendum. If the local electorate voted against that increase the Council would have to revert to a Council Tax level that was compliant.

The Draft Budget Proposals for 2012/2013 incorporated the impact of cuts in Government funding and the measures that were proposed to address the overall Budget Gap was in line with the approved Budget Strategy.

The Draft Budget had closed the Budget Gap in full as shown in the following table:-

	Change £000	Gap £000
Budget Gap Corporate Scrutiny 24 November 2011		699
<i>New Income and Savings</i>		
Council Tax Base: additional tax raised through population changes	-32	
Collection Fund Surplus From Previous Year (one-off in 2012/13)	-184	
Provision for repayment of Capital Debt	-90	
Planning Income increased demand estimate per current trend	-70	
Southwest One Contract update (price indexation/contract changes)	-34	
Net Movement in Recharges to the HRA (draft)	-148	
Corporate Business Unit (CCR) updated savings	-10	
DLO Transformation updated savings estimate	-16	
License Fees (per Executive 7 December 2011)	-12	
Deane Helpline net costs reduced	-23	
Various minor changes moving to detailed estimates	-42	
<i>New Costs</i>		
Pension provision	25	

	636	<u>63</u>
Estimated Budget Gap as at 21 December 2011 (Per Members' Budget Consultation Pack)		

	Change £000	Gap £000
<i>New Income and Savings</i>		
Further Savings Plans (see separate report)	-198	
Other final detailed estimates changes	-160	
Council Tax at 0%	0	
<i>New Costs</i>		
Youth Initiatives – add to Base Budget	5	
Economic Development Funding	30	
Final Net Movement in Recharges to the HRA	96	
RCCO one-off in 2012/13 for unfunded Capital Priorities	164	
	<hr/>	
Budget Gap – Executive Report 9/2/2012		0
Council Tax at 0% - TDBC Basic Tax Rate	192	192
Council Tax Income – Special Expenses at 0%	2	194
2012/13 Council Tax Freeze Grant	-139	55
Reduction in RCCO for Provision for Capital Priorities	-53	2
Special Expenses Budget reduction	-2	0
Proposed Budget Gap		0

Noted that a detailed explanation for all of the proposals listed in the two tables above were included in the report.

The Executive had previously received comments from the Corporate Scrutiny Committee regarding the Initial Savings Plans, which totalled £453,000. As no firm proposals to vary the plans were made by the Committee, the Initial Savings Plans had now been included in the draft proposed Budget for 2012/2013. Further information in respect of the proposals in the form of Equalities Impact Assessments and feedback from UNISON and staff had been included as appendices to the report.

Approved Fees and Charges would generate an increase to income budgets of £72,000 in total. It was anticipated a further £75,000 income would be raised through anticipated changes to car parking fees in 2012/2013, which were proposed in the Further Savings Plan, and proposals to increase Pest Control fees would provide an additional £4,000.

Deane DLO Trading Account

The DLO internal transformation programme had continued to make good progress. The restructuring undertaken during 2011 had enabled the DLO to reduce management and supervision costs by some £246,000 within the 2012/2013 budget. The General Fund impact of this reduction was a net saving of £173,000 per year, as these efficiencies resulted in lower costs within client budgets.

The DLO had also updated its underlying cost budgets and had introduced efficiency within its vehicle fleet arrangements, resulting in a further saving of £39,000 per year on running costs.

Reported that a proportion of the DLO trading reserve would be earmarked for vehicle replacement in the next couple of years. In addition, an annual budget of £202,000 for a capital replacement fund was also being created which should provide the DLO with a sustainable funding position for its vehicle stock and other capital equipment requirements in the foreseeable future.

Taking this into account, the DLO Trading Account continued to budget for a net surplus of £101,000, as follows:-

<i>DLO Trading Unit Estimates for</i>	Costs	Income	Net
<i>2012/2013</i>	£000	£000	£000
Highways	652	(693)	(41)
Grounds	2,625	(2,675)	(50)
Building	4,208	(4,170)	38
Cleansing	754	(795)	(41)
Nursery	111	(118)	(7)
Grand Totals	8,350	(8,451)	(101)

The forecast reserves position was positive, and provided some resilience to volatility in trading performance and future investment needs.

Deane Helpline Trading Account

The Deane Helpline's estimated deficit of £77,000 would need to be funded by the General Fund.

The draft budget was based on charges increasing by 5.6%, as approved by Full Council, and which was in line with the increases applied to service charges under the direction of the Government. This increased the weekly charges for existing clients by 22p to £4.15. Weekly charges for new clients would be increased by 24p to £4.43.

Noted that the service had made good progress in improving its business processes and financial controls in the current year, enabling more robust arrangements for collecting income and managing costs. Improvements to the

business model had been made which would encourage its long term sustainability.

The price increase in November 2010 would continue to adjust the financial position and correct the loss making problems in the service over the next three years as the ratio of customers on the old charges was reduced and those on the new charges increased.

The summary trading account was as follows:-

Deane Helpline Trading Unit Estimates	2011/12	2012/13
	£000	£000
Direct Operating Costs	909	915
Recharges	71	94
Income	(880)	(932)
Estimated Deficit	100	77

The following table compared the proposed budget with the original budget for the current year. The table had been completed based on the recommended Council Tax Freeze:-

	Original Estimate 2011/2012 £	Forward Estimate 2012/2013 £
Total Spending on Services	12,810,950	13,222,910
Capital Charges Credit	(1,930,000)	(2,434,180)
Interest payable on Loans	226,430	264,430
Minimum Revenue Provision	370,500	319,650
Interest Income	(69,000)	(69,000)
Transfer to Reserves – Previous Years commitments	300,700	39,900
Transfer from Reserves – One off for 2011/12 (RCCO, Deane Helpline)	(203,000)	0
AUTHORITY EXPENDITURE	11,506,580	11,343,710
Less: Revenue Support Grant	(1,412,330)	(103,600)
Less: Contribution from NNDR Pool	(4,569,120)	(5,206,870)
Less: 2011/12 Council Tax Freeze Grant	(136,520)	(277,000)
(Surplus)/Deficit on Collection Fund	71,800	(184,200)
Expenditure to be financed by District Council Tax	5,460,410	5,572,040
Divided by Council Tax Base	40,390.60	41,216.39
Council Tax @ Band D	£135.19	£135.19
Cost per week per Band D equivalent	£2.59	£2.59

As stated above, the Council prepared its annual budget within the context of the MTFP. This provided estimates of the budget requirement and budget gap into future years. The following table provided a summary of the current indicative MTFP:-

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Net Expenditure	11,342	12,561	14,145	15,042	15,728
<i>Financed By:</i>					
External Government Support	5,310	4,779	4,301	4,301	4,301
Council Tax Freeze Grant	277	137	137	0	0
Council Tax	5,755	5,740	5,913	6,091	6,275
Predicted Budget Gap	0	1,905	3,794	4,650	5,152

Noted that the above estimates included the following assumptions related to funding:-

- Government Grant would be reduced by the following rates: 2012/2013 by 11.2%; 2013/2014 by 10%; and 2014/2015 by 10%. No change had been

- assumed for 2015/2016 onwards;
- The Council Tax Freeze Grant relating to 2011/2012 would be receivable for four years; and
- Council Tax would increase by 2.5% each year from 2013/2014.

Further reported that the reserves position was always considered as part of the overall financial framework that underpinned the Budget Strategy. This framework included an acceptable minimum reserves position of £1,250,000 or £1,000,000 if funds were allocated to 'invest to save' initiatives.

The Proposed Budget for 2012/2013 would maintain reserves well above this minimum, but the MTFP indicated that the Council was expected to face significant financial pressures in the medium term as shown in the following table:-

General Reserves Forecast

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Estimated Balance B/F	2,793	2,833	928	(2,866)	(7,516)
Transfers – Previous Years commitments	40	0	0	0	0
Predicted Budget Gap	0	(1,905)	(3,794)	(4,650)	(5,152)
Estimated Balance C/F	2,833	928	(2,866)	(7,516)	(12,668)

Beyond 2012/2013, the MTFP included anticipated inflationary pressures related to staffing pay awards, price inflation on services and major contracts, and possible further cuts in Government funding. There was also a significant estimated reduction in Government funding for Council Tax Benefit in 2013/2014 and a potential reduction of parking income in 2014/2015 linked to Project Taunton town centre developments.

Clearly the Council would not end up with a financial deficit of almost £13,000,000 in 2016/2017, although in view of the ongoing financial pressures, the Council would need to consider how to address the estimated budget gap in future years.

A significant amount of work had already been undertaken as part of the Budget Review Programme in 2011, and it was anticipated this would help to inform future budget proposals in order to address the financial challenges ahead.

Further reported that before the start of each financial year, the Council was required to determine the basis on which it would make provision from revenue for the repayment of borrowing undertaken for the purpose of financing capital expenditure. This annual provision, known as Minimum Revenue Provision (MRP), was designed to ensure that authorities made prudent provision to cover the ongoing costs of their borrowing.

In 2008, the Government had become less prescriptive offering Councils a number of options for calculating MRP. The proposed Policy for 2012/2013

was for the calculation of MRP to be fundamentally the same as the current year, but for added clarity had been slightly amended as follows:-

- for supported borrowing, 4% on outstanding debt; and
- for unsupported borrowing, the debt associated with the asset divided by the estimated useful life of the asset; and
- for capital grants and contributions to third parties, 4% (or 1/25th) per year on a straight line basis.

The Chartered Institute of Public Finance and Accountancy (CIPFA) had recently updated the Prudential Code for Capital Finance in Local Authorities (the Prudential Code), which underpinned the system of capital finance.

Local authorities determined their own programmes for capital investment in long term assets that were central to the delivery of quality public services. The Prudential Code had been developed as a professional code of practice and the Council was required to have regard to the Code when carrying out their duties under Part 1 of the Local Government Act 2003.

Prudential Indicators required by the Code had been designed to support and record local decision making in a manner that was publicly accountable. Those which were applicable to Taunton Deane were included in the report and required approval by Full Council as part of the Budget.

The indicators had been updated to reflect the move to Self Financing for the Housing Revenue Account (HRA), so that indicators for things such as affordability were split between costs that fell on Council Tax and those that fell on rental income.

The Council's S151 Officer had a duty in accordance with The Local Government Act 2003 to comment, as part of the budget setting process, on the robustness of the budget plans. In her response, Shirlene Adam had stated that she believed the Council's reserves to be adequate and the budget estimates used in preparing the 2012/2013 budget to be robust.

Noted that Equalities Impact Assessments had been undertaken on proposed budget savings items in line with the Council's statutory obligations. Copies of the assessments were submitted to enable them to be taken fully into account by Members in confirming the recommended budget proposals for 2012/2013.

Reported that the Corporate Scrutiny Committee had considered the draft budget proposals at its meeting on 26 January 2012 and its comments were submitted. There were no formal recommendations from the Committee to change the draft Budget.

Resolved that Full Council be recommended to agree the Draft General Fund Revenue Budget for 2012/2013 as amended to reflect the proposed Council Tax Freeze and that:-

- (a) the S151 Officer's Statement of Robustness, which applied to the whole budget including General Fund, Housing Revenue Account and Capital Budget proposals be noted;

- (b) the transfer of any under/overspend in the 2011/2012 General Fund Revenue Account Outturn to/from the General Fund Reserves be approved;
- (c) the Equalities Impact Assessments provided in the report and appendices be considered as part of the budget decision process;
- (d) the Draft General Fund Revenue Budget 2012/2013, including a Basic Council Tax Requirement budget of £5,572,040 and Special Expenses of £47,380 be approved;
- (e) the Minimum Revenue Provision (MRP) Policy with MRP calculated as follows, be approved:-
 - for supported borrowing, 4% on outstanding debt; and
 - for unsupported borrowing, the debt associated with the asset divided by the estimated useful life of the asset; and
 - for capital grants and contributions to third parties, 4% (or 1/25th) per year on a straight line basis;
- (f) the Prudential Indicators for 2012/2013 as set out in the appendix to these minutes be agreed;
- (g) the projected General Fund Reserve balance of £2,800,000 in 2012/2013, which was above the recommended minimum balance within the S151 Officer's Statement of Robustness, be noted; and
- (h) the forecast budget position within the Medium Term Financial Plan, as amended to reflect the proposed Council Tax Freeze in 2012/2013, be noted.

21. **Draft Housing Revenue Account Estimates 2012/2013**

Considered report previously circulated, which set out in detail the proposed Housing Revenue Account (HRA) Estimates for 2012/2013 which showed a working balance of £1,312,070.

The 2011/2012 budget had been set using that year's data from the Government's Draft Subsidy Determination and in the expectation that HRA self-financing would be introduced under the Localism Act.

With the move to a 'self-financing' model from 2012/2013 now happening, the Council's annual payment of 'negative subsidy' would end on 28 March 2012.

The first figures from the Department of Communities and Local Government (DCLG) had suggested that Taunton Deane's HRA would take on debt of £87,100,000 as the estimated cost of the move to self-financing, with the Council considering repaying this over 22 years. Final settlement figures issued by the DCLG in January 2012 set the debt at £85,198,000, and the subsequent loan portfolio provided by the Council's Treasury Advisors allowed settlement debt to be repaid in 18 years (by 2029/2030).

The Proposed Budget was based on assumptions and estimates on expenditure requirements and income projections. This included assumptions to match the Draft HRA Business Plan 2012-2042 but also updated budget

requirements through detailed costings that would need to be reflected in the final Business Plan for the HRA.

Dwelling rents for more than 6,000 properties provided annual income of over £21,000,000 for the HRA.

Local authorities had both the power and duty to set their own rent. However, in December 2000 Central Government set out a policy for social rents in England to be fair, affordable and less confusing for tenants. Local Authorities and Housing Associations were required to bring rents into line over several years, using a national formula to set a target rent (also called 'formula rent') based on property values and average manual earnings in each area.

Under the complex 'housing subsidy' formula used to set annual rents before self-financing, many authorities had to pay 'negative subsidy' to Central Government - Taunton Deane had paid annual amounts varying between £5,000,000 to £7,000,000 - whilst still being required to raise rents to the national formula levels.

The subsidy system required Local Authorities to raise their 'average weekly rent' to meet the 'target' or 'formula' rent by the convergence date of 2015/2016, with a 'guideline rent' being the amount the DCLG assumed should be charged, but to avoid unaffordable increases in any one year must not exceed the 'limit rent'.

This Central Government rent policy was unchanged despite the move to self-financing and abolition of the subsidy system.

With the Retail Price Index for 2011 at 5.60%, increasing the actual average weekly rent paid by tenants by the amount set under the subsidy determination would make the rent paid higher than the guideline rent.

It was therefore proposed that the average weekly rent for dwellings for 2012/2013 should be set at the guideline rent of £73.68. This was an increase of 7.45% or £5.11 per week.

This would provide Taunton Deane with the funds expected to repay its settlement debt and keep rents charged within self-financing principles. It also met the rent policy set out in the draft Housing Revenue Account Business Plan 2012-2042. Details of the various rents for 2012/2013 calculated from the Government's formulae were submitted.

The Council could decide not to increase rents to the guideline amount. However, it was noted that each 0.5% rent change could reduce HRA income by around £105,000 per year. If the rent increase for 2012/2013 was lower, then either savings in HRA costs would need to be made, or dwelling-rent increases in future years would need to be higher.

Details of the effect of increasing rents below the guideline amounts were reported.

Around 6% of HRA income, in 2012/2013 came from non-dwelling rents, charges for services and facilities and contributions to HRA costs from

leaseholders and others. It was proposed to increase these budget lines by 5.6%.

Reported that a 5.6% increase in charges to individual subscribers to the 'Supporting People' service was also proposed.

Somerset County Council received a grant from the DCLG and used it to purchase services from a range of providers including Taunton Deane. After reductions in the national grant, the County Council had imposed a significant reduction in payments to providers in 2011/2012. It was anticipated that further cuts of 6% to the 2012/2013 and 2013/2014 contracts would also be made.

The HRA expenditure budgets were reported and significant changes included the following:-

- Management Expenses – these included the costs of the teams administering tenancies, collecting rents and arranging or planning maintenance work as well as a share of the Council's other relevant costs. Key points for 2012/2013 were:-
 - (a) The budget included standard corporate inflation assumptions; and
 - (b) A proposal to restructure the Housing Service, in response to the aspirations and objectives of the new 30-year Housing Business Plan had been considered by the Executive earlier in the meeting (Minute No 16/2012 refers). This would concentrate staff in areas that improved services to tenants and the estimated financial impact of these proposals had been included within the 2012/2013 Draft Budget.
- Maintenance – the cost for 2012/2013 was around £900 per property, based on the service's best estimate of work that could realistically be carried out and rising from 2011/2012 by inflation only (5.6%). The Business Plan allowed for an increase in the value of completed works of approximately £150,000 per year from 2013/2014 onwards, fully funded from rent increases within Central Government "fair rent" guidelines;
- Provision for Bad Debts – this matched the Business Plan's progressive rise from a historical 0.24% to 0.5% of income within three years;
- Depreciation – until HRA self-financing reforms, depreciation was calculated using a formula set by Central Government based on the value of social housing stock. After HRA self-financing, new national accounting rules would apply based on the value of the income stream produced by renting social housing;
- Payment of Interest – figures for 2012/2013 onwards added in the interest cost of the £85,198,000 self-financing debt settlement at 3.64%. This was lower than the 6% shown in the Draft Housing

Business Plan, since the Public Works Loans Board (PWLB) was expected to lend at much lower rates specifically to fund housing debt (each 0.5% saved on interest rates saved around £430,000 in interest costs); and

- Interest receivable – was based on an estimated interest rate of 0.5% on investments.

Also reported on appropriations, in the form of Revenue Contributions to Capital, transfers to Reserves/transfers to the General Fund and provision for repayment of borrowing and Social Housing Development Fund.

Further reported that the Council's current financial strategy included an expectation that the HRA would maintain its 'working balance' reserves at a minimum in the region of £900,000 (£150 per property).

As referred to in the S151 Officer's Robustness Statement, it was proposed to increase minimum reserves to £1,800,000 (£300 per property). This took into account the additional risk to the HRA Business Plan following the move to self-financing. The 2012/2013 Draft Budget included provision to increase reserves to this level.

Reported that the Corporate Scrutiny Committee had considered the draft budget proposals at its meeting on 26 January 2012. There were no formal recommendations from the Committee to change the draft Budget.

Noted that an Equalities Impact Assessment had been undertaken on the proposed rent increase. A copy of the assessment was submitted to enable it to be taken fully into account by Members in confirming the recommended budget proposals for 2012/2013.

Resolved that Full Council be recommended to:-

- (1) approve the average rent increase of 7.45%; and
- (2) agree the Draft Housing Revenue Account Budget for 2012/2013.

22. **Draft Capital Programme Budget Estimates 2012/2013**

Considered report previously circulated, concerning the proposed General Fund and Housing Revenue Account (HRA) Capital Programmes for 2012/2013 to 2016/2017.

The Council approved the Capital Programme for 2011/2012 General Fund schemes totalling £1,421,000 in February 2011. Slippage from the previous year plus supplementary budget approvals during the year, including recognising Project Taunton schemes as part of the formal Taunton Deane Programme, had increased the Current Budget to £8,660,000.

The Draft General Fund Capital Programme for 2012/2013 totalled £1,793,940. This updated the initial programme in the Consultation Pack to include revenue-funded Members IT capital equipment and updated DLO

vehicles capital provision funded from DLO reserves. Schemes included in the 2012/2013 Draft Programme were as follows:-

	£'000	£'000
Recurring Schemes (2012/13 onwards unless stated)		
Grants to Clubs	46	
Play Equipment – Grants to Parishes	20	
Replacement Play Equipment	20	
IT Improvements	60	
Members IT Equipment	7	
Taunton Canal Grant	10	
Waste Containers	50	
Disabled Facilities Grants – Private Sector	450	
Private Sector Housing Projects	239	
DLO Vehicle Replacement	280	
Total Recurring Schemes		1,182
Updated Existing Schemes		
Paul Street Car Park – Major Repairs	218	
Total Updated Existing Schemes		218
New One Off Schemes		
Acolaid Planning Fees Upgrade	20	
DLO Plant	20	
Total New One Off Schemes		40
Project Taunton Schemes		
Longrun Meadow Bridge C	40	
Centre for Outdoor Activities and Community Hub (COACH) Project	40	
High Street Project	100	
Health and Safety in Public Areas	10	
Total Project Taunton Schemes		190
Provision for Capital Priorities		164
Grand Total		1,794

Reported that the amount of funding available had increased since the report to the Corporate Scrutiny Committee on 26 January 2012. The Government had announced an additional housing grant allocation of £47,000 which would be received before the end of the current financial year. As the current year's capital budget was fully funded it was proposed to carry over this available funding and allocate it to General Fund housing projects in 2012/2013.

The following table set out the planned funding for the Proposed Capital Programme:-

Funding Source	£000
Revenue Funding – Annual Budget recurring schemes	213
Revenue Funding – Annual Budget 2012/13 one-off	217
Revenue Funding – DLO Reserves	300
Revenue Funding – Earmarked Reserves	192
Government Grant Reserves	480
Housing Capital Receipts	412
General Capital Receipts	33
Grand Total	1,794

The Council's 2012/2013 grant allocation for Disabled Facilities Grants had not yet been announced by Government so the assumption for budget setting was that it would remain at £270,000.

One-off additional revenue funding of £164,250 was included in the proposed budget to support emerging capital priorities. These included remodelling The Deane House and potential works at Orchard Car Park, Taunton.

The planned disposal of sites at the former nursery at Mount Street, Taunton and land at Bindon Road, Taunton continued to be pursued. Any potential capital receipt had not been included in the projections of available funding. Part of any capital receipt would need to be set aside to repay the costs related to the acquisition of the new nursery.

A further capital receipt was expected from the sale of HRA land and any proceeds from this would be used to fund affordable housing projects. The potential use of this funding had not been reflected in the budget due to the uncertainty around the timing of the capital receipt.

The funding position for General Fund capital priorities continued to rely on local resources, with ongoing reductions in external funding from the Government.

The Council had approved the HRA Capital Programme 2011/2012 totalling £4,299,000, in February 2011. There were no changes to the approved budget so far this year.

The proposed Draft HRA Capital Programme 2012/2013 totalled £5,500,000. This did not include slippage from the current financial year, although currently no slippage had been forecast. Any slippage on the current year programme would be recommended for a Budget Carry Forward.

Work had been done to prepare for the move to HRA Self Financing and the Draft 30 Year Business Plan included capital investment requirements over the long term. The following table showed the schemes included in the 2012/2013 proposed Programme:-

Scheme	Proposed Budget 2012/13 £'000
Maintaining Decent Homes	
Bathrooms	740
Roofing	960
Windows	415
Heating Improvements	1,200
Doors	120
Sub-total	3,435
Other Works	
Fire Safety Works in Communal Areas	150
Cladding	500
Fascias and Soffits	505
Air Source Heat Pumps	225
Door Entry Systems	75
Aids and Adaptations	200
Soundproofing	20
DDA Work	20
Asbestos Works	50
Sub-total	1,745
Other Schemes	
IT Development	15
Tenants Improvements	5
Disabled Facilities (HRA Stock)	300
Sub-total	320
Total Proposed HRA Capital Programme 2012/2013	5,500

The proposed HRA Capital Programme for 2012/2013, including the 2011/2012 Current Budget for comparative purposes, was submitted for the information of Members.

Indicative allocations for later years were being considered as part of the development of the Business Plan. The Draft Business Plan 2012-2042 included affordable capital expenditure of £7,320,000 per year from 2013/2014 to 2016/2017.

It was proposed that the HRA capital programme for 2012/2013 was fully funded from the Major Repairs Reserve. No borrowing was required to support expenditure in 2012/2013.

Reported that the Corporate Scrutiny Committee had considered the draft Capital Programme proposals at its meeting on 26 January 2012. No comments were submitted for consideration by the Executive.

Noted that Equalities Impact Assessments had been undertaken on budget

savings items, where appropriate. Copies of the assessments were submitted to enable them to be taken fully into account by Members in confirming the recommended budget proposals for 2012/2013.

Resolved that Full Council be recommended to approve:-

- (a) the General Fund Capital Programme 2012/2013 Budget of £1,793,940, including a Revenue Contribution from the 2012/2013 Annual Budget of £164,250 toward a Provision for Capital Priorities; and
- (b) the Housing Revenue Account Capital Programme budgets for 2012/2013 of £5,500,000.

23. **Council Tax Setting 2012/2013**

Considered report previously circulated, which made recommendations on the level of Council Tax for 2012/2013.

The Localism Act 2011 had made significant changes to the Local Government Finance Act 1992, and now required the billing authority to calculate a Council Tax requirement for the year, not its Budget Requirement, as previously.

Submitted details of the Town and Parish Council Precepts for 2012/2013 which totalled £529,689. The increase in the average Band D Council Tax for Town and Parish Councils was 3.33% and resulted in an average Band D Council Tax figure of £12.85 for 2012/2013.

Avon and Somerset Police Authority met on 8 February 2012 and had set their precept at £6,925,542.70, adjusted by a Collection Fund contribution of £209,624. This resulted in a Band D Council Tax of £168.03.

Noted that at this stage, the precept figures for the Somerset County Council and the Devon and Somerset Fire Authority were shown as provisional amounts, assuming a 0% increase, pending their respective approval processes. It was likely this element of the total Council Tax determination would have to be advised to Members at the meeting of Full Council on 21 February 2012.

The estimated balance on the Council Tax Collection Fund was forecast on 15 January each year. Any surplus or deficit was shared between the County Council, the Police Authority, the Fire Authority and ourselves, in shares relative to our precept levels.

The estimated balance on the Council Tax Collection Fund was a surplus of £1,764,952. Taunton Deane's share of this amounted to £184,199, and this had been reflected in the General Fund Revenue Estimates.

Resolved that Full Council be recommended to:-

- (a) Approve the following formal Council Tax Resolution, amended to reflect the proposed Council Tax Freeze in 2012/2013:-

- (1) That it be noted that on 7 December 2011 the Council calculated the Council Tax Base for 2012/2013:-
- (i) for the whole Council area as 41,216.39 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and,
 - (ii) for dwellings in those parts of its area to which a Parish precept related as in the attached Appendix B;
- (2) That the Council Tax requirement for the Council's own purposes for 2012/2013 (excluding Parish precepts) be calculated as £5,572,040;
- (3) That the following amounts be calculated for the year 2012/2013 in accordance with Sections 31 to 36 of the Act:-
- (i) £84,575,640 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils. (*Gross Expenditure including amount required for working balance*)
 - (ii) £78,473,910 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (*Gross Income including reserves to be used to meet Gross Expenditure*)
 - (iii) £6,101,730 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act). (*Total Demand on Collection Fund.*)
 - (iv) £148.04 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). (*Council Tax at Band D for Borough Including Parish Precepts and Special Expenses*)
 - (v) £529,690 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B). (*Parish Precepts and Special Expenses*).

(vi) £135.19 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. (*Council Tax at Band D for Borough Excluding Parish Precepts and Special Expenses*);

(4) To note that Somerset County Council, Avon and Somerset Police Authority, and Devon and Somerset Fire Authority had not yet issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table in Appendix A;

(5) To note that Avon and Somerset Police Authority had issued their precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table in Appendix B.

(6) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate provisional amounts shown in the table in Appendix A as the amounts of Council Tax for 2012/2013 for each part of its area and for each categories of dwellings;

(7) Determine that the Council's basic amount of Council Tax for 2012/2013 was not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992; and

(b) Note that if the above formal Council Tax Resolution, amended to reflect the proposed Council Tax Freeze in 2012/2013, was approved the total Band D Council Tax would be as follows:-

	2011/12 £	2012/13 £	Increase %
Taunton Deane Borough Council	135.19	135.19	0.00%
Somerset County Council*	1,027.30	1,027.30	0.00%
Avon & Somerset Police Authority	168.03	168.03	0.00%
Devon & Somerset Fire Authority*	71.77	71.77	0.00%
Sub-Total*	1,402.29	1,402.29	0.00%
Town & Parish Council (average)	12.46	12.85	3.13%
Total *	1,414.75	1,415.14	0.03%

(* provisional figures for 2012/13)

24. Executive Forward Plan

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 8.59 p.m.)

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000
	outturn	estimate	estimate	estimate	estimate
Capital Expenditure					
General Fund	£4,884	£8,660	£1,847	£1,807	£2,014
HRA	£6,653	£4,300	£5,500	£7,316	£7,316
TOTAL	£11,537	£12,960	£7,347	£9,123	£9,330
Ratio of financing costs to net revenue stream					
General Fund	0.74%	0.67%	0.86%	0.89%	1.79%
HRA	2.85%	3.33%	17.05%	17.01%	16.60%
Net borrowing projection					
brought forward 1 April	£7,786	£3,670	£4,990	£4,990	£6,392
Carried forward 31 March	£3,670	£4,990	£4,990	£6,392	£8,001
in year borrowing requirement	-£4,116	£1,320	£0	£1,402	£1,609
Capital Financing Requirement as at 31 March					
General Fund	£8,240	£9,369	£9,181	£10,372	£11,741
HRA	£14,451	£14,451	£100,151	£100,151	£100,151
TOTAL	£22,691	£23,820	£109,332	£110,523	£111,892
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p
Increase in council tax (band D)	-1.36	5.47	-0.05	-0.05	0.19
Authorised limit for external debt -					
TOTAL	£40,000,000	£139,200,000	£139,200,000	£139,200,000	£141,200,000
Operational boundary for external debt -					
TOTAL	£30,000,000	£103,020,000	£103,020,000	£104,422,000	£106,031,000
Upper limit for fixed interest rate exposure					
Upper Limit for Fixed Interest Rate Exposure on Debt	100%	100%	100%	100%	100%
Upper Limit for Fixed Interest Rate Exposure on Investments	-100%	-100%	-100%	-100%	-100%
Upper limit for variable rate exposure					
Upper Limit for Variable Interest Rate Exposure on Debt	30%	30%	30%	30%	30%
Upper Limit for Variable Interest Rate Exposure on Investments	-50%	-50%	-50%	-50%	-50%
Maturity Structure of Fixed Rate Borrowing (Upper and lower limits)					
under 12 months	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
12 months and within 24 months	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
24 months and within 5 years	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
5 years and within 10 years	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
10 years and above	20% to 100%	20% to 100%	20% to 100%	20% to 100%	20% to 100%
Upper limit for total principal sums invested for over 364 days (per maturity date)					
	£2m or 20%	£3.5m or 20%	£3.5m or 20%	£3.5m or 20%	£3.5m or 20%

Gross and Net Debt					
Outstanding Borrowing (at nominal value)	15,973,000	96,993,000	96,993,000	98,395,000	100,004,000
Other Long-term Liabilities (at nominal value)	45,417,000	45,417,000	45,417,000	45,417,000	45,417,000
Gross Debt	61,390,000	142,410,000	142,410,000	143,812,000	145,421,000
Less: Investments	12,300,000	6,000,000	6,000,000	6,000,000	6,000,000
Net Debt	49,090,000	136,410,000	136,410,000	137,812,000	139,421,000

Credit Risk

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution
- Sovereign support mechanisms
- Credit default swaps (where quoted)
- Share prices (where available)
- Economic Fundamentals
- Corporate developments, news, articles, markets sentiment and momentum
- Subjective overlay

This report was produced after the Executive Meeting on 9 February 2012 to reflect the final decisions taken at the meeting. The figures have been updated to reflect the final budget proposals of the Executive.

Appendix A

Valuation Bands

Council Tax Schedule 2012/13	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Taunton Deane Borough Council	90.13	105.15	120.17	135.19	165.23	195.27	225.32	270.38
Somerset County Council *	684.87	799.01	913.16	1,027.30	1,255.59	1,483.88	1,712.17	2,054.60
Avon & Somerset Police Authority	112.02	130.69	149.36	168.03	205.37	242.71	280.05	336.06
Devon & Somerset Fire & Rescue Authority *	47.85	55.82	63.80	71.77	87.72	103.67	119.62	143.54
Parish / Town only (a)	8.57	9.99	11.42	12.85	15.71	18.56	21.42	25.70
Parish / Town & District (b)	98.69	115.14	131.59	148.04	180.94	213.84	246.73	296.08
Total (c)	943.43	1,100.66	1,257.90	283.23	1,729.62	2,044.09	2,358.57	2,830.28
<u>Parish:</u>								
Ash Priors	934.87	1,090.67	1,246.49	1,402.29	1,713.91	2,025.53	2,337.16	2,804.58
Ashbrittle	947.40	1,105.29	1,263.20	1,421.09	1,736.89	2,052.69	2,368.49	2,842.18
Bathealton	938.60	1,095.03	1,251.47	1,407.89	1,720.75	2,033.62	2,346.49	2,815.78
Bishops Hull	948.02	1,106.02	1,264.03	1,422.02	1,738.02	2,054.03	2,370.04	2,844.04
Bishops Lydeard/Cothelstone	949.85	1,108.15	1,266.46	1,424.76	1,741.37	2,057.99	2,374.61	2,849.52
Bradford on Tone	947.34	1,105.22	1,263.12	1,421.00	1,736.78	2,052.56	2,368.34	2,842.00
Burrowbridge							2,371.14	

	948.46	1,106.53	1,264.61	1,422.68	1,738.83	2,054.98		2,845.36
Cheddon Fitzpaine	945.44	1,103.00	1,260.58	1,418.14	1,733.28	2,048.42	2,363.58	2,836.28
Chipstable	944.62	1,102.05	1,259.49	1,416.92	1,731.79	2,046.66	2,361.54	2,833.84
Churchstanton	949.27	1,107.47	1,265.69	1,423.89	1,740.31	2,056.73	2,373.16	2,847.78
Combe Florey	947.16	1,105.01	1,262.88	1,420.73	1,736.45	2,052.17	2,367.89	2,841.46
Comeytrowe	942.76	1,099.88	1,257.01	1,414.13	1,728.38	2,042.63	2,356.89	2,828.26
Corfe	947.36	1,105.24	1,263.14	1,421.02	1,736.80	2,052.58	2,368.38	2,842.04
Cotford St Luke	947.85	1,105.81	1,263.80	1,421.76	1,737.71	2,053.65	2,369.61	2,843.52
Creech St Michael	953.74	1,112.68	1,271.65	1,430.59	1,748.50	2,066.41	2,384.33	2,861.18
Durston	941.64	1,098.56	1,255.51	1,412.44	1,726.32	2,040.19	2,354.08	2,824.88
Fitzhead	951.20	1,109.72	1,268.26	1,426.78	1,743.84	2,060.90	2,377.98	2,853.56
Halse	943.28	1,100.49	1,257.71	1,414.91	1,729.33	2,043.76	2,358.19	2,829.82
Hatch Beauchamp	946.03	1,103.69	1,261.37	1,419.03	1,734.37	2,049.71	2,365.06	2,838.06
Kingston St Mary	943.50	1,100.73	1,257.99	1,415.23	1,729.73	2,044.22	2,358.73	2,830.46
Langford Budville	948.82	1,106.95	1,265.09	1,423.22	1,739.49	2,055.76	2,372.04	2,846.44
Lydeard St Lawrence/Tolland Milverton	946.30	1,104.01	1,261.73	1,419.44	1,734.87	2,050.30	2,365.74 2,370.94	2,838.88

	949.27	1,107.47	1,265.69	1,423.89	1,740.31	2,056.73		2,847.78
Wellington Without	946.26	1,103.95	1,261.67	1,419.37	1,734.79	2,050.20	2,365.63	2,838.74
West Bagborough	944.69	1,102.13	1,259.58	1,417.02	1,731.91	2,046.81	2,361.71	2,834.04
West Buckland	946.76	1,104.55	1,262.35	1,420.13	1,735.71	2,051.30	2,366.89	2,840.26
West Hatch	945.73	1,103.34	1,260.97	1,418.58	1,733.82	2,049.06	2,364.31	2,837.16
West Monkton	950.44	1,108.84	1,267.25	1,425.65	1,742.46	2,059.27	2,376.09	2,851.30
Wiveliscombe	948.75	1,106.86	1,265.00	1,423.11	1,739.36	2,055.60	2,371.86	2,846.22

This report was produced after the Executive Meeting on 9 February 2012 to reflect the final decisions taken at the meeting. The figures have been updated to reflect the final budget proposals of the Executive.

Appendix

B

TOWN & PARISH COUNCIL PRECEPTS

Parish/Town Council	2011/12			2012/13			Council Tax Increase
	Tax Base	Precept Levied £	Council Tax Band D (£)	Tax Base	Precept Levied £	Council Tax Band D (£)	
Ash Priors	78.84	-	-	84.83	-	-	0.00%
Ashbrittle	97.37	1,800	18.49	95.72	1,800	18.80	1.72%
Bathealton	88.08	500	5.68	89.28	500	5.60	-1.34%
Bishops Hull	1,075.48	22,000	20.46	1,114.92	22,000	19.73	-3.54%
Bishops Lydeard/Cothelstone	1,116.85	25,185	22.55	1,120.81	25,185	22.47	-0.35%
Bradford on Tone	290.50	5,500	18.93	293.94	5,500	18.71	-1.17%
Burrowbridge	205.44	4,000	19.47	205.99	4,200	20.39	4.72%
Cheddon Fitzpaine	639.63	7,000	10.94	643.53	10,203	15.85	44.87%
Chipstable	128.01	1,850	14.45	133.31	1,950	14.63	1.22%
Churchstanton	335.61	7,250	21.60	337.87	7,299	21.60	0.00%
Combe Florey	121.40	2,000	16.48	122.05	2,250	18.44	11.90%

Comeytrowe	2,092.08	25,000	11.95	2,111.95	25,000	11.84	-0.94%
Corfe	132.48	2,500	18.87	133.48	2,500	18.73	-0.75%
Cotford St Luke	800.55	15,000	18.74	821.67	16,000	19.47	3.92%
Creech St Michael	946.10	23,135	24.45	999.23	28,275	28.30	15.72%
Durston	59.57	600	10.07	59.10	600	10.15	0.79%
Fitzhead	123.27	2,995	24.30	122.29	2,995	24.49	0.81%
Halse	141.39	1,750	12.38	142.58	1,800	12.62	2.00%
Hatch Beauchamp	260.51	4,500	17.27	268.82	4,500	16.74	-3.09%
Kingston St Mary	452.76	6,000	13.25	463.52	6,000	12.94	-2.32%
Langford Budville	236.73	4,000	16.90	238.94	5,000	20.93	23.84%
Lydeard St Lawrence/Tolland	204.07	3,500	17.15	208.84	3,582	17.15	0.00%
Milverton	598.41	11,500	19.22	624.11	12,650	20.27	5.47%
Neroche	251.93	4,000	15.88	255.27	4,500	17.63	11.03%
North Curry	748.27	16,500	22.05	741.43	16,500	22.25	0.92%
Norton Fitzwarren	820.30	25,130	30.64	931.94	25,060	26.89	-12.22%
Nynehead	157.34	4,000	25.42	164.15	4,250	25.89	1.84%

Oake	333.62	4,750	14.24	333.34	5,000	15.00	5.35%
Otterford	170.04	-	-	174.06	-	-	0.00%
Pitminster	458.91	9,279	20.22	464.42	9,500	20.46	1.17%
Ruishton/Thornfalcon	614.50	12,000	19.53	624.94	12,000	19.20	-1.67%
Sampford Arundel	132.51	4,600	34.72	127.60	4,600	36.05	3.84%
Staplegrave	713.43	10,000	14.02	748.42	10,710	14.31	2.09%
Stawley	130.08	2,400	18.45	128.82	2,400	18.63	0.98%
Stoke St Gregory	389.61	6,500	16.68	384.63	7,000	18.20	9.09%
Stoke St Mary	204.23	3,008	14.73	210.86	3,008	14.27	-3.15%
Taunton	16,033.53	46,820	2.92	16,226.62	47,380	2.92	-0.01%
Trull	1,029.79	14,000	13.59	1,032.39	14,000	13.56	-0.25%
Wellington	4,683.53	92,734	19.80	4,852.37	104,798	21.60	9.08%
Wellington Without	302.74	5,050	16.68	304.54	5,200	17.08	2.36%
West Bagborough	168.06	2,000	11.90	169.77	2,500	14.73	23.74%
West Buckland	444.62	8,000	17.99	448.31	8,000	17.84	-0.82%
West Hatch	141.96	2,330	16.41	143.00	2,330	16.29	-0.73%

West Monkton	1,116.84	31,599	28.29	1,184.22	27,664	23.36	-17.43%
Wiveliscombe	1,119.67	21,000	18.76	1,128.51	23,500	20.82	11.03%
TOTAL / AVERAGE	40,390.60	503,265	12.46	41,216.39	529,689	12.85	3.33%

Taunton Deane Borough Council

Executive – 14 March 2012

Proposal for a Taunton Deane Borough Council Appeal Policy and Procedure

Report of the Southwest One HR Development Team

(This report is the responsibility of Executive Councillor Stock-Williams)

1. Executive Summary

This report brings forward a proposal to implement a single Appeal Policy to cover all HR policies and procedures.

2. Background

2.1 Taunton Deane Borough Council does not currently have one overall appeal policy and procedure. Where appeals are required by employment law under the Employment Rights Act 2008, they are mentioned separately under the relevant policy.

2.2 An employee has the legal right to appeal in the following circumstances:

- Disciplinary or capability warnings
- Dismissal for misconduct or capability
- If a request for flexible working or time off for training has been refused
- A grievance decision

2.3 The following TDBC policies include an appeal process:

- Absence Management Policy
- Capability Procedure
- Disciplinary Procedure
- Grievance Procedure
- Harassment and Bullying Policy
- Job Evaluation
- Term-time working

2.4 Some research was undertaken to ascertain the status of Member appeals at other local authorities in Somerset, the results are as follows:

Mendip District Council	Member appeal against dismissal, the appeal is a one stage appeal.
Sedgemoor District Council	Member appeal against any dismissal, the appeal is a one stage

	appeal.
South Somerset District Council	Member appeal against dismissal for gross misconduct or capability. The panel is consisted of 2 members of the Management Board/Chief Executive and 2 Elected Members.
Somerset County Council	Member appeal against dismissal for disciplinary, capability or sickness and final stage grievance.
West Somerset District Council	No Member appeals – first stage appeals to alternative Group Manager and appeals for dismissal to Chief Executive.

4 out of 5 of the other local authorities in Somerset have a Member appeal for dismissals only.

3. Summary of new policy

3.1 The policy would cover appeals relating to the following actions:

- Disciplinary warnings
- Capability warnings
- Dismissal for misconduct
- Dismissal for capability (performance or health)
- Decision to redeploy under the capability policy
- Flexible working requests under the agreed TDBC policy
- Right to request time off for training
- Request for a flexible retirement
- Selection for redundancy or decision not to appoint resulting in redundancy
- Outcome of a grievance
- Outcome of a Harassment and Bullying claim

3.2 The policy makes it clear what decisions can be appealed and whether they are heard by a Standard Appeal panel or a Member Appeal panel. The policy sets out a procedure to be followed and on what basis an employee can appeal, what happens at the appeal hearing and who can be on the appeal panel.

4.0 Changes to existing policies

4.1 The introduction of this policy would mean a change to the disciplinary procedure, which is attached in Appendix B with the relevant text highlighted. The change would be the removal of a two stage appeal procedure for any level of warning, (the first appeal heard by a Strategic Director and the second appeal heard by a Member sub-committee) to a one stage appeal. This is in accordance with ACAS guidelines that state a right of appeal must be given but only needs to

be heard once. The new policy states that the panel will consist of a member of CMT for any actions short of dismissal and a panel of one member of CMT and two trained Members for dismissal under the disciplinary procedure or a final stage grievance.

- 4.2 There is no fundamental change to any of the other policies, just a removal of references to appeal and a sentence to say refer to the Appeal Policy and Procedure.

The affected policies are:
Absence Management Policy
Capability Policy
Disciplinary Policy
Flexible Retirement Policy
Grievance Procedure
Harassment and Bullying Policy
Redundancy policy
Term-time Working Policy

Agreement of the new Appeal policy would also assume changes to these policies listed.

5.0 Benefits of the proposed policy

- 5.1 The current situation at TDBC with appeals is piecemeal with each policy having a different appeal procedure. A single Appeal policy and procedure that covers all situations in which an employee can appeal would ensure consistency of approach.

6.0 Consultation

- 6.1 Consultation has taken place with CMT, UNISON and Councillor Stock-Williams.

7.0 UNISON Comments

- 7.1 Having read the latest version of the Appeal policy, I can confirm that UNISON is happy with this as it retains the Member stage in cases where a person's job may be at risk (other than on grounds of capability) and appears to conform to ACAS guidelines.

8.0 Financial implications

- 8.1 There are no known financial implications of the introduction of this policy.

9.0 Risk Management

- 9.1 Bringing all appeals in relation to HR procedures under one policy means there is greater consistency in dealing with employee appeals. This can help TDBC's defence in tribunal claims.

10.0 Equalities issues

- 10.1 The policy will apply consistently to all employees.
- 10.2 Employees with disabilities will be asked what reasonable adjustments are required for the appeal process and will be put in place wherever possible.

11.0 Recommendations

- 11.1 It is recommended that Committee approve the attached policy for implementation.

12.0 Appendices

Appendix A – Appeal Policy and Procedure

Appendix B – Disciplinary Procedure

Appendix C – Equality Impact Assessment

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Appendix A

Version number	DRAFT
Date of last review	
Summary of changes	New policy
Equality Impact Considered	Yes
Effective commencement date	

Appeals Policy and Procedure

1.0 Introduction

1.1 The Appeals Policy and Procedure is in accordance with the Employment Act 2008 and the Employment Rights Act 1996. The procedure is based on the principles of natural justice and is in accordance with the ACAS Code of Practice on disciplinary and grievance procedures.

2.0 Scope of Policy

2.1 The policy applies to all Taunton Deane Borough Council employees on NJC terms and conditions.

2.2 This policy does not apply to employees on JNC Chief Executive or Chief Officer terms and conditions. The Statutory Posts of Head of Paid Service, Section 151 and Monitoring Officer are covered by the Local Authorities (Standing Orders) (England) Regulations 2001/3384 for performance, disciplinary or dismissal (other than for redundancy, ill-health or non-renewal of a fixed term contract.)

2.3 Types of Appeal Covered by this Procedure

2.3.1 Standard Appeal

Standard appeals deal with appeals relating to:

- Disciplinary warnings
- Capability warnings
- Dismissal for capability (performance or health)
- Decision to redeploy under the capability policy
- Flexible working requests under the agreed TDBC policy
- Right to request time off for training
- Request for a flexible retirement
- Selection for redundancy or decision not to appoint resulting in redundancy
- Outcome of a Harassment and Bullying claim

2.3.2 Member Appeal

Member appeals deal with appeals relating to:

- Final stage of a grievance
- Dismissals for gross misconduct
- Dismissals following an accumulation of disciplinary warnings for misconduct

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2.3.3 The policy does not cover appeals in relation to the following issues as they have their own procedure:

- Job evaluation – refer to Job Evaluation Procedure
- Ill Health Retirement
- Car parking under TDBC's Travel Plan

3.0 Procedure

3.1 To appeal against a decision outlined in point 2.3.1 or 2.3.2 the employee must outline the grounds of their appeal in writing to the Retained HR Manager within 10 working days of the date that the decision was given.

3.2 The letter outlining the grounds for the appeal should also include details to support the reason or reasons for appeal and should be based on one of the following reasons:

- The procedure applied was unfair
- The outcome was too severe
- The employee is dissatisfied with the outcome of a grievance or harassment and bullying claim
- The employee feels that their grievance or harassment and bullying complaint has not been taken sufficiently seriously
- New evidence has come to light

4.0 The Appeal Hearing

4.1 The appeal will normally be heard within 20 working days of the appeal being lodged. The employee should be kept informed if this is not possible and advised of a likely date for the hearing.

4.2 The employee should receive written notification of the time, date and location of the appeal hearing, 5 working days before the date of the appeal.

4.3 Employees have the right to be accompanied at the appeal hearing by a Trade Union Representative or a work colleague only.

4.4 The employee's chosen companion has the right to address the hearing to present the employee's case, sum up the case and respond on the employee's behalf to any view expressed at the hearing. The companion may also confer with the employee during the hearing. However, the companion does not have a right to answer questions on behalf of the employee, or to address the hearing where the employee indicates that he/she does not wish this.

4.5 The appeal hearing will be a review of the original decision or a re-hearing depending on the grounds of the appeal. The appeal panel will decide whether a re-hearing is appropriate and make this clear in the

Appendix A

appeal hearing invite letter. For example if the grounds for appeal are that the procedure was flawed a re-hearing of the original evidence would be appropriate.

- 4.6 An appeal pack should be prepared and sent to all parties, 5 working days in advance of the hearing, the pack should contain:
- An agenda for the appeal hearing
 - The appeal letter from the employee setting out the grounds for the appeal
 - The letter outlining the original decision
 - Notes from the original hearing/meeting
 - Investigation report (if applicable), including supporting documents
 - A statement from the employee outlining the reasons for the appeal, including the desired outcome
 - Any new evidence if appropriate.
 - A statement from management outlining how the decision was made and why
 - Any other relevant documentation

4.7 The Appeal Panel

4.7.1 Standard Appeals

For appeals outlined in 2.3.1, the appeal panel will consist of a Senior Manager at Theme Manager level or above. If possible the manager hearing the appeal should be more senior to or from a different Theme to the manager who made the original decision. The panel will be advised by a representative from the Southwest One HR Service. All panel members will be independent with no previous involvement in the case.

4.7.2 Member Appeals

For appeals outlined in 2.3.2 the appeal panel will consists of one Senior Manager at Theme Manager level or above and two elected Members. The panel will be advised by a representative from the Southwest One HR Service. All panel members will be independent with no previous involvement in the case.

4.7.2 Order of Proceedings

4.7.2 Order of events for appeals against all decisions with the exception of the outcome of grievances or the outcome of a harassment and bullying complaint:

- i. Chairperson to open hearing, introduce those present, explain the purpose of the hearing, how it will be conducted and the potential outcomes.
- ii. Presentation of the management case, calling any witnesses as appropriate

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- iii. Questions to the management representative and witnesses from the employee and panel
- iv. Employee to present grounds for appeal, calling any witnesses as appropriate
- v. Questions for employee and witnesses from management representative and panel
- vi. Chairperson to invite the management representative then the employee to summarise their cases
- vii. Adjournment to allow the panel to consider their decision
- viii. Meeting to re-convene and Chairperson to present decision

4.7.3 Order of events for appeals against grievance decisions and the outcome of harassment and bullying complaint:

- i. Chairperson to open hearing, introduce those present, explain the purpose of the hearing, how it will be conducted and the potential outcomes.
- ii. Employee to present grounds for appeal, calling any witnesses as appropriate.
- iii. Questions for employee and witnesses from the management representative and panel
- iv. Presentation of management case, calling any witnesses as appropriate
- v. Questions to management and witnesses from employee and panel
- vi. Chairperson to invite the employee then the management representative to summarise their cases.
- vii. Adjournment to allow the panel to consider their decision
- viii. Meeting to re-convene and Chairperson to present decision

5.0 Outcomes

- 5.1 The panel can decide to uphold or overturn the original decision or request that there is a full re-hearing.
- 5.2 In the case of a disciplinary or capability warning, penalties imposed will be reviewed, the panel may agree with the level of the original warning or they may impose a lesser warning or remove the warning entirely. The level of warning cannot be increased.
- 5.3 If the decision to dismiss is upheld the effective date of termination will be the date of the original dismissal and not the date of the appeal hearing.
- 5.4 If as a result of an appeal any dismissal is reversed any loss of earnings as well as regular/contractual overtime, or additional regular payments will be reimbursed and continuity of employment will be restored.

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- 5.5 The outcome of the appeal should be confirmed in writing within 10 working days of the appeal hearing.
- 5.6 The appeal hearing will normally be recorded and a copy of the recording given to the appellant. If the appeal hearing is not recorded a summary of the discussions at the appeal hearing will be provided.
- 5.7 The decision of the appeal panel is final.

Links to:

Absence Management Policy and Procedure
Capability Procedure
Disciplinary Policy
Flexible retirement Policy
Flexible working Policy
Grievance Procedure
Harassment and Bullying Policy
Redundancy Policy

<u>Policy Author</u>	<u>LH</u>
<u>Next planned review date</u>	<u>2013/2014</u>

7. DISCIPLINARY CODE

1.0 INTRODUCTION

- 1.1 This procedure applies to all employees of Taunton Deane Borough Council other than the Chief Executive and Strategic Directors (whose national terms and conditions of employment contain provisions for discipline) and employees who have not completed their probationary period.
- 1.2 The procedure takes effect from 6th April 2009 and supersedes all previous disciplinary procedures and practices.

2.0 PURPOSE

- 2.1 This procedure is designed to help and encourage all members of staff to achieve and maintain acceptable standards of conduct, attendance and job performance. The aim is to ensure consistent, fair and non-discriminatory treatment for all.
- 2.2 Most cases of misconduct or poor performance will be best dealt with informally rather than through the use of the disciplinary procedure. Problems should be discussed by the manager and employee with the objective of encouraging and helping the employee to improve. It is important that the employee knows what needs to be done, how performance or conduct will be reviewed and over what period. The employee should also be made aware of what will happen if they do not reach acceptable standards.
- 2.3 Managers may give informal oral reprimands for the purpose of improving matters when employees commit minor infringements of the established standards of conduct and performance. Such reprimands should be given in private. Managers should keep a diary note when such a reprimand is made.
- 2.4 The formal disciplinary procedures should only be used where informal approaches have been unsuccessful or where the allegations made are of

a more serious nature.

3.0 **PRINCIPLES**

3.1 The disciplinary procedure is underpinned by the concepts of natural justice:

- the right to a fair and impartial hearing;
- the right to be informed of the allegations made;
- the right to a thorough and careful investigation;
- the right to prepare and state a case;
- the right to be accompanied;
- the right to appeal.

3.2 The Borough Council will take all reasonable measures to ensure that its rules and regulations are communicated to all appropriate employees. It is the responsibility of individual employees to ensure that they are aware of and understand these rules and regulations and whichever National and Local Conditions of Service govern their appointment.

3.3 Whilst discipline is ultimately the responsibility of the Chief Executive and Directors, in practice day to day responsibility for discipline rests with Service Managers.

3.4 No formal disciplinary sanction will be issued until the circumstances of the case have been fully investigated and a disciplinary hearing held.

3.5 No steps in this procedure will be taken until Human Resources have been consulted.

3.6 At every stage in the procedure the employee will be advised of the nature of the allegations made against him/her and will be given the opportunity to state his/her case before any decision is made.

3.7 During any formal disciplinary interview/hearing the employee will have the right to be accompanied by a trade union representative or other work colleague if they wish. A trade union representative will be certified by

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- their trade union as having experience of, or as having received training in, acting as an employee's companion at disciplinary hearings. The trade union representative or work colleague will be given reasonable paid time off to fulfil this responsibility.
- 3.8 Where a chosen companion is not available to attend on the date proposed for an interview or hearing the employee can offer an alternative time and date so long as it is reasonable and is within ten working days of the date originally proposed. The location and timing of any alternative should be convenient to both employer and employee. The employer may determine that someone else can act in the place of the manager in these circumstances. If a companion is unavailable on the date proposed for the hearing and remains unavailable during the following ten working days the employee must make alternative arrangements.
 - 3.9 If an employee fails to attend a disciplinary interview/hearing without good cause then a decision may be taken in his/her absence.
 - 3.10 No employee will be dismissed for a first breach of discipline, except in the case of gross misconduct, when the penalty will be dismissal without notice or payment in lieu of notice.
 - 3.11 An employee will have the right to appeal against any disciplinary penalty imposed. [Refer to the Appeals Policy and Procedure.](#)
 - 3.12 The procedure may be implemented at any level if the employee's alleged misconduct warrants such action.
 - 3.13 Repeated acts of proven misconduct, whether of a similar or dissimilar nature, may result in the cumulative application of this procedure.
 - 3.14 No disciplinary action will be taken against a union officer until the circumstances of the case have been discussed with a full-time official of the union concerned.
 - 3.15 This procedure may also be used in circumstances where an employee's conduct outside of work time and/or not on Council premises is such that

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the Council is potentially brought into disrepute or the employee's suitability for continued employment is brought into serious question.

4.0 **EQUAL OPPORTUNITIES**

4.1 All employees should be fully aware of the Council's commitment to equal opportunities and that the following acts are both unlawful and would constitute misconduct liable to formal disciplinary action, which in some cases may include summary dismissal:

- 1 unlawfully discriminating on the grounds of sex, marital status, racial origin, disability, sexual orientation or religious or political beliefs against other employees or job applicants in the areas of employment, training, transfer or promotional opportunities;
- 2 inducing or attempting to induce employees or managers to practice unlawful discrimination;
- 3 verbal or physical, sexual or racial harassment;
- 4 victimising or bullying individuals who have made allegations or complaints of sexual or racial discrimination or harassment or provided information about such discrimination or harassment.

5.0 **THE DISCIPLINARY PROCEDURE**

Minor issues will be dealt with informally but where the matter is more serious the following procedure will be used.

5.1 **INVESTIGATIONS**

5.1.1 The allegations will be discussed between the Service Manager, or other senior manager delegated such responsibility, and the employee. In most cases this discussion will be sufficient to resolve the issues without further use of the disciplinary procedure.

5.1.2 Where the allegations are of a nature where dismissal could result or where a criminal offence is suspected, a Human Resources Officer will be present other than in exceptional circumstances. Where fraud or financial

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- irregularities are alleged Internal Audit must be consulted prior to discussion with the employee.
- 5.1.3 If the issues are unable to be resolved informally or are of a more serious nature, the allegations will be fully investigated in order to ascertain, as far as is reasonably practicable, all the relevant facts. The Service Manager will decide who is to conduct the investigation, in consultation, if appropriate, with their manager and/or the Chief Human Resources Officer. Where practicable, different employees will carry out the investigation and subsequent disciplinary hearing.
- 5.1.4 Where the allegations made appear to suggest gross misconduct the employee may be suspended on full pay pending the result of an investigation into the matter. Suspension may also be required where an incident has occurred which makes it inappropriate for an employee or employees to remain at work during the course of an investigation and/or disciplinary hearing. Suspension should not be seen as a disciplinary step but an opportunity to allow an investigation to establish the facts. It is not prejudicial to any subsequent hearing. Any suspension will be regularly reviewed and lifted immediately if it is determined that it is no longer appropriate. An employee may be suspended by the Chief Executive, a Director, the Head of Commercial Services, a Service Manager, or in their absence the most senior manager in the work area. A Human Resources Officer will normally be present.
- 5.1.5 The investigating officer(s) may wish to interview the employee. In such circumstances the employee will be informed that the purpose of the interview is to find out what happened and why. The employee will be informed in advance of the interview that they may be accompanied at this stage by a union representative or a work colleague of their choice.
- 5.1.6 In conducting an investigation the interviewing officer should ensure that he/she has spoken to all relevant witnesses and, where necessary, has obtained signed statements. Any witnesses will be informed that they may be called to attend any subsequent disciplinary interview/hearing.

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5.1.7 Once the investigation is complete the investigating officer, after consultation with Human Resources, will make recommendations to the manager. The recommendation may be that there is no case to answer and therefore no need to convene a hearing. In this instance the manager will inform the employee as soon as possible.

5.1.8 Where a hearing is considered necessary the employee will be informed of this in writing at least five working days in advance of the meeting by Human Resources. At this time the employee will be informed of:

- the proposed date, time and location of the meeting;
- the officers comprising the Disciplinary Panel;
- the allegations made;
- their right to be accompanied;
- the results of the investigation;
- the list of witnesses in attendance and copies of all witness statements;
- the possibility of summary dismissal as the normal outcome where gross misconduct is found.

5.1.9 The employee will submit their list of witnesses and copies of all witness statements to Human Resources at least three working days before the hearing.

5.1.10 Any late statements or submissions must be made available to both parties and sufficient time given for their consideration.

5.2 **AT THE DISCIPLINARY HEARING**

5.2.1 A disciplinary hearing will normally begin with the introduction of those present. The Disciplinary Panel will normally comprise, the senior manager hearing the matter, and a Human Resources officer to advise them. Others present will typically include the investigating officer(s), the employee and their companion. Where there are complex or lengthy

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- hearings a separate note taker may be used and may remain with the panel during their deliberations to enable the panel to check the content of the discussions at the hearing. Where appropriate and agreed a disciplinary hearing may be tape recorded.
- 5.2.2 The investigating officer(s) will not be part of the Disciplinary Panel.
- 5.2.3 Witnesses may be present for all or part of the hearing at the senior manager's discretion, dependent upon the nature of the case and the evidence to be given.
- 5.2.4 The employee will be reminded of their right to be accompanied if they have not exercised that right.
- 5.2.5 The employee will be reminded of the allegations made.
- 5.2.6 The investigating officer(s) will present the results of the investigation, calling any relevant witnesses. In some cases where the written statements of witnesses are accepted, in advance, as fact the witnesses need not be present.
- 5.2.7 The employee, their companion and the Disciplinary Panel will be given the opportunity to ask questions of the investigating officer(s) and any witnesses called.
- 5.2.8 The employee will be given the opportunity to state his/her case, calling any relevant witnesses. The employee's companion has a right to address the hearing.
- 5.2.9 The employee may be asked questions by the investigating officer(s) and the Disciplinary Panel. The employee's companion has no legal right to answer questions on the employee's behalf.
- 5.2.10 The hearing may be adjourned at any time to

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- 1 enable the employee and his/her companion or the investigating officer(s) to confer in private or for new evidence to be properly considered;
- 2 enable the disciplinary panel to consider the evidence presented.

5.2.11 The investigating officer(s), followed by the employee or their companion, will be given the opportunity to sum up their case. No new evidence is permitted to be introduced at this stage.

5.2.12 The disciplinary hearing will be adjourned whilst the evidence is considered by the Panel.

5.3 **AFTER THE DISCIPLINARY HEARING**

5.3.1 The disciplinary hearing will be reconvened once the evidence has been fully considered by the Disciplinary Panel. The Panel will give its conclusions, which will only be based on the evidence presented. Any disciplinary penalty will take into account the employees' current disciplinary record. The Disciplinary Panel's options may include:

- no disciplinary action required;
- further investigation required;
- informal reprimand;
- formal disciplinary action.

5.3.2 The Disciplinary Panel's conclusions will be confirmed in writing to the employee within five working days.

5.3.3 The Disciplinary Panel will subsequently review the circumstances of the case to identify and action any lessons to be learned.

6.0 **DISCIPLINARY ACTION**

6.1 Formal disciplinary action will only be taken where, after careful and thorough investigation and consideration, on the balance of probabilities the employee did commit the alleged misconduct.

6.2 When deciding whether a disciplinary penalty is appropriate the Disciplinary Panel will consider the reasonableness of any proposed penalty and may take into account precedent, the employee's general record, position, length of service and any other special or mitigating circumstances which might make it appropriate to adjust the level of the penalty.

6.3 The range of available penalties is as follows:

6.3.1 **Oral Warning**

Where it is considered that the employee is at fault but that the misconduct is of a minor nature, an **oral warning** will be given. He/she will be advised of the reason for the warning; any necessary remedial action; the timescale allowed for improvement and that it is the first stage of the disciplinary procedure. A brief note of the oral warning will be issued which will also give advice on the right to appeal. A copy will be placed on the personal file held by Human Resources. This warning will cease to have any cumulative effect after six months or any other lesser period, which may be considered appropriate by the Disciplinary Panel.

6.3.2 **Written Warning**

If the misconduct is serious, or a further offence occurs, a **written warning** will be issued. This will give details of the complaint, the improvement required and the timescale allowed for improvement. It will state that further disciplinary action will be considered if there is no satisfactory improvement and will give advice on the right to appeal. A

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copy of the written warning will be placed on the personal file held by Human Resources. This will cease to have any cumulative effect after 12 months or any other lesser period, which may be considered appropriate by the Disciplinary Panel.

6.3.3 Final Written Warning

If the misconduct is sufficiently serious, or if there is a failure to improve and conduct or performance is still unsatisfactory following a previous written warning, a final **written warning** will be issued. This will give details of the complaint, the improvement required and the timescale allowed for improvement; warn that dismissal will result if there is no satisfactory improvement or further misconduct and will advise on the right to appeal. A copy of the final written warning will be placed on the personal file held by Human Resources. This will normally cease to have any effect after two years, although the Disciplinary Panel may specify an alternative period in exceptional circumstances.

6.3.4 Accumulation of Warnings

Each of the warnings above may have a cumulative effect. This means that if a warning is still in effect, any further warning for misconduct or poor performance of a similar or greater level of seriousness may be at a higher level. In practice, therefore, an oral warning may be followed by either a further oral warning or a written warning. This in turn may be followed by a further written warning or a final written warning.

6.3.5 Dismissal

No dismissal will take place without consulting the Retained Human Resources Manager or his/her nominated deputy.

If conduct or performance is still unsatisfactory and the employee still fails to reach the prescribed standards, dismissal with notice will result. The

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employee will be given written reasons for dismissal, the date on which employment will terminate and advice on the right to appeal.

6.3.6 Gross Misconduct

This is conduct or performance of such seriousness as to warrant summary dismissal without notice. The employee may be suspended on full pay whilst an investigation of the alleged offence takes place.

It is impossible to provide an exhaustive list of such offences but the following would normally be considered gross misconduct:-

- theft or fraud;
- falsification of records or irregular practice in respect of cash, records, returns, subsistence, mileage or other claims, time sheets or flexi time records;
- assault or abusive behaviour;
- a serious act of insubordination;
- deliberate damage to Council or a work colleague's property;
- serious incapability through use of alcohol or illegal substances;
- serious negligence or conduct which causes unacceptable risk, loss, damage or injury or which may damage the public reputation of the Council;
- obscene or indecent behaviour or sexual misconduct/harassment at work;
- bullying;
- failure to carry out a reasonable instruction;
- inappropriate use of e-mail, the Internet or other communication systems;
- unauthorised disclosure of confidential or sensitive information.

6.3.7 Overlapping grievance and disciplinary cases

Where an employee raises a grievance during a disciplinary process the

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disciplinary process may be temporarily suspended in order to deal with the grievance. Where the grievance and the disciplinary cases are related it may be appropriate to deal with both issues concurrently.

6.3.8 Disciplinary Action against Trade Union Representatives

Where disciplinary action is being considered against an employee who is a trade union representative the normal disciplinary procedure should be followed. However no disciplinary action should be taken until the circumstances of the case have been discussed with a union official, after obtaining the employee's agreement.

7.0 EXTERNAL INVESTIGATIONS

7.1 Where an investigation by an outside body such as the police or a coroner's court is likely to coincide with an internal investigation, the manager should consider with Human Resources whether the circumstances are such that it would be appropriate to wait for the outcomes of the external investigations before proceeding with any internal hearing.

8.0 APPEALS

8.1 Refer to the Appeals Policy and Procedure.

An employee who wishes to appeal against any disciplinary penalty must inform the Retained Human Resources Manager, in writing, stating the grounds for the appeal, within ten working days of the receipt of written notification of either the penalty or the result of a first stage appeal. Grounds for appeal will normally include:

- 1) penalty given considered too serious;
- 2) bias by the original disciplinary panel;
- 3) evidence inadequately or insufficiently considered;

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4 substantial new and relevant evidence has become available.

8.2 A first stage appeal will normally be heard by an appropriate Director who has not previously been formally involved in the case, advised by a Human Resources Officer.

8.3 Disciplinary and appeal decisions made by Directors or the Head of Services may be appealed again to a Disputes and Appeals Sub Committee comprising three Councillors drawn from the Staffing Panel.

8.4 An Appeals Panel will normally undertake a full rehearing of the evidence. Following the review of appropriate evidence the original disciplinary penalty imposed will be reviewed. An Appeals Panel may not increase the original penalty imposed.

8.5 A decision by Disputes and Appeals Sub Committee is final.

8.6 The results of any appeal hearing will be confirmed in writing to the employee within 5 working days of the appeal hearing.

Taunton Deane Borough Council

Executive - 14 March 2012

Planning Performance Agreements and Major application performance targets

Report of Growth and Development Manager

(This matter is the responsibility of the Planning and Transportation Portfolio Holder)

1 Executive Summary

The report outlines the benefits of using Planning Performance Agreements as a tool to assist in the delivery of major development proposals and sets out principles for their use across Taunton Deane.

The report also outlines changes to the way major planning application performance is to be monitored in order to better reflect performance specific to the largest and most important proposals.

2 Background

- 2.1 Planning Performance Agreements (PPAs) were introduced formally into the planning system in 2008. They are a project management tool and provide a framework agreed between the local planning authority and an applicant, about how development proposals should be managed in the planning process, including the determination of planning applications. They can help to improve the pre application and application process, by creating greater certainty through agreement in what information is needed to enable an application to be determined and the timescale. They differ from other pre application approaches in that they focus as an agreement between the applicant and the local planning authority.
- 2.2 It is important to state that a PPA is focused on the process and not the decision and cannot commit the Council to granting permission upon receipt of an application. However, the use of a project management framework should help deliver clarity, speed and certainty in the planning process.
- 2.3 The PPA commits both parties to an agreed timetable containing 'milestones' make clear what level of resources and community engagement are required and ensure that all relevant aspects are properly considered. The agreed timetable becomes the target for determination and takes the proposal outside of the usual 13/16 week indicators.
- 2.4 The planning process for large major development proposals can be resource

hungry for both the applicant and the local planning authority. Through a PPA the true costs can be identified and where appropriate, capacity that would otherwise have been funded by the Council can be paid for by the applicant.

- 2.5 The original concept and methodology for PPAs was based on Advisory Team for Large Applications (ATLAS) experience of enabling large complex projects. The current guidance 'Implementing Planning Performance Agreements (ATLAS/DCLG 2008) was written principally for larger more complex schemes. It is for such large and complex schemes where this approach is of greatest benefit.

3. Use of PPAs at Taunton Deane

- 3.1 A national evaluation of the use of PPAs in 2010 established that many authorities were already using PPAs as a project management tool for projects of varying scale and complexity and used at different stages in the process.
- 3.2 There is experience of their use in the South West with South Gloucestershire having produced a protocol for their use and several examples of them being used by Bristol City Council. An example of a particularly complex PPA is that drawn up between Sedgemoor, West Somerset, Somerset County Council and EDF relating to the new nuclear at Hinkley Point. This PPA has funded significant additional capacity within the local authorities to address the needs of the Development Consent process.
- 3.3 As stated earlier in this report, PPAs bring greatest benefit when proposals are particularly complex. It is therefore suggested that in future this Council seeks to agree a Planning Performance Agreement for all proposals which fall within the Significant Major Developments category.
- 200 or more dwellings or 4ha
 - 10,000sqm of floor space or 2ha for other uses

For smaller scale developments the Council will consider as a case by case basis, but will generally not seek a PPA.

- 3.4 The Task and Finish Group on delivery of large housing schemes, whilst not specifically referring to PPAs, did recommend that a charter for major applications be developed. The proposals in this report therefore take forward this recommendation.

4. Performance Indicators

- 4.1 Currently all major applications are categorised together as:
- 10 or more dwellings or 0.5ha or 1000sqm floor space or more than 1ha for other uses are measured against a 13 week target date (or 16 weeks in the case of EIA development). The national target is currently 60% (the Taunton Deane target is 65%).

- 4.2 However, it is widely accepted that to determine the most complex applications in thirteen weeks is unrealistic and the target is therefore somewhat meaningless. It is proposed that the Performance Indicator be retained, but no longer applied to Significant Major Developments.
- 4.3 Performance targets for Significant Major Developments should be based firstly upon the proportion of developments where a PPA has been negotiated and secondly whether the milestones set out in the PPA have been met.

5. Corporate Scrutiny Committee's Views

- 5.1 This matter was considered by Corporate Scrutiny Committee on 23 February
- 5.2 Members were generally supportive of the recommendations, but wanted to be sure that opportunities for PPAs for schemes smaller than specified in Paragraph 3:3 were not missed.
- 5.3 Councillor Ross proposed an additional recommendation as follows: *That Members consider the impacts or benefits of inviting commercial developers to submit draft PPAs for consideration and when not required by the Authority, encourage implementation of elements of public engagement in them in advance of submission of formal applications.* This was supported by the Committee.
- 5.4 Whilst it is good practice to encourage all applicants to carry out meaningful public engagement prior to submission, I do have concerns about inviting developers to submit draft documents. A PPA should be a negotiated document and be bespoke to that particular development. I do not therefore want to encourage developers to adopt a standard approach and enter negotiations with a preconceived idea of the outcome.

6. Finance Comments

- 6.1 No financial implications

7. Legal Comments

- 7.1 No legal implications

8. Links to Corporate Aims

- 8.1 The delivery of the growth agenda through the planning process is fundamental to the Council's Corporate Aims. Any initiative that improves the efficiency and effectiveness of the process will assist delivery of all four aims.

9. Environmental and Community Safety Implications

- 9.1 Collaboration, establishing a shared purpose and clear and structured project management can only assist in the delivery of high quality sustainable development.

9.2 There are no identified community safety implications.

10. Equalities Impact

10.1 An Equalities Impact Assessment has not been carried out in respect of this report. Individual assessments will be made where necessary in respect of specific PPAs.

11. Risk Management

11.1 The proposed use of PPAs is intrinsically linked to the need to deliver the Council's growth agenda. Failure to deliver the proposals identified in the Core Strategy could leave the Council in an extremely vulnerable position in defending refusal of less sustainable development proposals.

12. Partnership Implications

12.1 A structured project management approach is of benefit to all key stakeholders, for example Somerset County Council as transport authority, The Highways Agency, Natural England and the Environmental Agency

13. Recommendations

- That Members endorse the use of Planning Performance Agreements for all Significant Major proposals.
- That a Charter be drawn up in consultation with developers and other key stakeholders to set out the Council's preferred approach to project managing the planning and delivery of large and complex development proposals.
- That Performance Indicators be amended to reflect these changes.

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Taunton Deane Borough Council

Executive – 14 March 2012

Treasury Management Strategy Statement and Investment Strategy

Report of the Strategic Finance Officer

(This matter is the responsibility of Executive Councillor Williams – Leader of the Council)

1. Executive Summary

- Council debt at the time of writing this report is £9m which will rise on 28th March 2012 by £85.2m due to HRA self-financing
- Short-term interest rates are currently 0.5% and are expected to be at this level for the next financial year.
- The strategy has the preservation of capital as the most important factor in investing taxpayers money
- Borrowing rates are currently low but the cost of carry must be considered before taking on any debt.

2. Background

2.1 The purpose of this Treasury Management Strategy Statement and Investment Strategy (TMSS) is to approve:-

- The Treasury Management Strategy for 2012/2013 (Borrowing and Debt Rescheduling); and
- Use of Specified and Non-Specified Investments.

2.2 The treasury management service is an important part of the overall financial management of the Council's affairs

2.3 The bank base rate fell to 0.5% in March 2009 and has remained at that level ever since. The UK economy is continuing its weak recovery from the 2008/09 recession, with GDP growth forecast to be sluggish throughout much of 2012. Government spending cuts, rising unemployment and uncertain export markets are conspiring to keep demand low, and a "double dip" recession cannot be ruled out. Consumer price inflation, which peaked at 5.2% in September 2011 has fallen as one-off factors like 2010's VAT increase and fuel price rises fall out of the annual comparison.

2.4 During 2011/12, the ratings agencies downgraded several sovereign ratings and individual institutions; the Council has responded by listening to and following advice from our treasury advisors Arlingclose.

3. Treasury Management Strategy Statement (TMSS) and Investment Strategy

3.1 This strategy is written in challenging and uncertain economic times. The current economic outlook has a several key treasury management implications:

- The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2012/13;
- Borrowing interest rates are currently attractive, but may remain low for some time.
- The timing of any borrowing will need to be monitored carefully; there will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

3.2 This strategy looks to reduce exposure to risk and volatility at this time of significant economic uncertainty by;

- Considering security, liquidity and yield, in that order.
- Considering alternative assessments of credit strength (see 13.3 of the strategy)
- Spreading investments over a range of approved counterparties.
- Only investing for longer periods to gain higher rates of return where there are acceptable levels of counterparty risk.

3.3 The historically low interest rate situation has led to significant reductions in investment income in the past years which impacts directly on the Council's budget.

3.4 The council's general fund capital financing requirement (CFR) for 2012/13 is £9.1m which is currently funded through internal borrowing. The council is able to borrow funds in excess of the current CFR up to the projected level in 2014/15 of £11.7m. The timing of any borrowing must be considered as mentioned in 3.1 above.

3.5 The strategy includes the Prudential Indicators for the council. These are slightly different to those agreed by Full Council on 21st February 2012 and allow for a larger amount to be invested with counterparties in an contracting list of compliant counterparties.

3.5 Appendix 1 gives the full TMSS.

4. Finance Comments

4.1 This is a finance report and there are no further comments to make.

5. Legal Comments

5.1 There are no legal implications of this report.

6. Links to Corporate Aims

6.1 The TMSS supports the funding of projects as well as the general fund, which in turn support the Corporate Aims.

7. Environmental Implications

7.1 No environmental implications have been identified.

8. Community Safety Implications

8.1 No community safety implications have been identified.

9. Equalities Impact

9.1 After initial screening no Equality Impacts were identified for any specific group

10. Risk Management

10.1 There are both credit and liquidity risk surrounding treasury activities. This strategy looks to minimise the council's exposure to these risks.

11. Partnership Implications

11.1 Southwest One performs the treasury management function on behalf of Taunton Deane Borough Council. Southwest One will adhere to this strategy.

12. Recommendation

12.1 That the Executive approves the Treasury Management Strategy Statement and Investment Strategy outlined in appendix 1.

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Treasury Management Strategy Statement and Investment Strategy

2012/13 to 2014/15

(and where applicable revisions to 2011/12 Strategy)

1. Background

- 1.1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the CLG's Investment Guidance.
- 1.2. The purpose of this TMSS is, therefore, to approve:
 - Treasury Management Strategy for 2012/13
 - Annual Investment Strategy for 2012/13
- 1.3. Treasury Management is about the management of risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk.
- 1.4. All treasury activity will comply with relevant statute, guidance and accounting standards.

2. Capital Financing Requirement

- 2.1. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.
- 2.2. The Authority's current level of debt and investments is set out at *Appendix A*.
- 2.3. The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2014/15. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.
- 2.4. The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves

combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

Table 1: Balance Sheet Summary Analysis

	2011/12 Estimate £m	2012/13 Estimate £m	2013/14 Estimate £m	2104/15 Estimate £m
General Fund CFR	9,369	9,181	10,372	11,741
HRA CFR	100,151	100,151	100,151	100,151
Total CFR	109,520	109,332	110,523	111,892
Less: Existing Profile of Borrowing and Other Long Term Liabilities	(142,410)	(142,410)	(143,812)	(145,421)
Cumulative Maximum External Borrowing Requirement	(32,890)	(33,078)	(33,289)	(33,529)
Usable Reserves	11,134	11,452	9,670	5,865
Cumulative Net Borrowing Requirement/(Investments)	(21,756)	(21,626)	(23,619)	(27,664)

2.5 Table 1 shows how the capital expenditure plans of the Authority are currently funded and how it is expected to be funded in the coming years.

3. Self-Financing of Housing

3.1 The reforms involve a removal of the housing subsidy system by offering a one-off reallocation of debt. The settlement of the reallocation is expected to take place on 28th March 2012 and will result in the Authority having:

An increase in debt to fund the settlement of £85.2m. The specific borrowing amount and terms have been determined by the Authority in conjunction with the advice of its treasury advisers.

In *Appendix B* revisions are made to the Prudential Indicators for 2011/12 to reflect the increase in borrowing in relation to the self-financing settlement.

4. Interest Rate Forecast

4.1 The economic and interest rate forecast provided by the Authority's treasury management advisor is attached at *Appendix C*. The Authority will reappraise its strategies from time to time in response to evolving economic, political and financial events.

5. Borrowing Strategy

5.1 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in *Appendix C* indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a “cost of carry” for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority’s wider financial position.

5.2 The Authority will adopt a flexible approach to borrowing in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source.

6. Sources of Borrowing and Portfolio implications

6.1 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Authority will keep under review the following borrowing sources:

- PWLB
- Local authorities
- Commercial banks
- European Investment Bank
- Money markets
- Capital markets (stock issues, commercial paper and bills)
- Structured finance
- Leasing

6.2 The cost of carry has resulted in an increased reliance upon shorter dated and variable rate borrowing. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority’s exposure to shorter dated and variable rate borrowing is kept under regular review by reference to the difference or spread between variable rate and longer term borrowing costs. A narrowing in the spread by 0.5% will result in an immediate and

formal review of the borrowing strategy to determine whether the exposure to shorter dated and variable rates is maintained or altered.

- 6.3 The Authority has £3m exposure to LOBO loans (Lender's Option Borrower's Option) of which £3m of these can be "called" within 2012/13. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan at which point the Borrower can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the Authority since the decision to call a LOBO is entirely at the lender's discretion.

Any LOBOs called will be discussed with the treasury advisers prior to acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted.

7. Debt Rescheduling

- 7.1 The Authority's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.

- 7.2 The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertaken meaningful debt restructuring although occasional opportunities arise. The rationale for undertaking any debt rescheduling would be one or more of the following:

- Savings in risk adjusted interest costs
- Rebalancing the interest rate structure of the debt portfolio
- Changing the maturity profile of the debt portfolio

- 7.3 Borrowing and any rescheduling activity will be reported to the Executive in the Annual Treasury Management Report and the six monthly treasury management report presented to the Executive.

8. Annual Investment Strategy

- 8.1 In accordance with Investment Guidance issued by the CLG and best practice this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yields earned on investments is important but are secondary considerations.

8.2 Credit markets remain in a state of distress as a result of the excessive and poor performing debt within the financial markets. In some instances, Greece and Italy being the most notable examples, the extent and implications of the debt it has built up have lead to a sovereign debt crisis and a banking crisis with the outcome still largely unknown. It is against this backdrop of uncertainty that the Authority's investment strategy is framed.

8.3 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

8.4 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

Table 2: Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	✗
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	✗
Commercial Paper	✓	✗
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	✗
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	✗

8.5 A number of changes have been implemented to investment strategy for 2012/13 in response to changes in the CLG Guidance and evolving conditions in financial markets. This results in the inclusion of corporate bonds which the CLG have

indicated will become an eligible non-capital investment from 1st April 2012. However, the principal amendments are in relation to the individual institutions with which the Authority is prepared to lend its funds.

8.6 The Authority and its advisors, Arlingclose Ltd, select countries and financial institutions after analysis and ongoing monitoring of:

- Published credit ratings for financial institutions (minimum long term rating of A- or equivalent for counterparties; AA+ or equivalent for non-UK sovereigns) - this is lower than the A+ minimum adopted in 2011/12 and is in response to downgrades in credit ratings below A+ of many institutions considered to be systemically important to the financial system.
- Credit Default Swaps (where quoted)
- Economic fundamentals (for example Net Debt as a percentage of GDP)
- Sovereign support mechanisms
- Share Prices
- Corporate developments, news, articles, markets sentiment and momentum
- Subjective overlay - or, put more simply, common sense.

Any institution can be suspended or removed should any of the factors identified above give rise to concern.

The countries and institutions that meet the criteria for term deposits, Certificates of Deposit (CDs) and call accounts are included in *Appendix D*.

It remains the Authority's policy to make exceptions to counterparty policy established around credit ratings, but this is conditional and directional. What this means is that an institution that meets criteria may be suspended, but institutions not meeting criteria will not be added.

8.7 **Authority's Banker** - The Authority currently banks with National Westminster. At the current time, it does meet the minimum credit criteria of A- (or equivalent) long term. Even if the credit rating falls below the Authority's minimum criteria National Westminster will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

9. Investment Strategy

9.1 With short term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

9.2 In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.

9.3 Money market funds (MMFs) will be utilised but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to diversify any exposure by utilising more than one MMF. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF. The Authority will manage the investments within MMFs so that no more than 50% of its total investments are in MMFs.

10. The Use of Financial Instruments for the Management of Risks

10.1 Currently, Local Authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Bill is not sufficiently explicit. Consequently, the authority does not intend to use derivatives.

10.1 Should this position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require full Council approval.

11. Balanced Budget Requirement

11.1 The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

12. 2012/13 MRP Statement

12.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

13. Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

13.1 Southwest One Ltd will report to the Executive on treasury management activity / performance and Performance Indicators as follows:

- 6 monthly against the strategy approved for the year. Southwest One will produce for the Authority an outturn report on its treasury activity no later than 30th September after the financial year end.
- The Executive will receive reports on treasury management activity and practices.

14. Other Items

14.1 Training

CIPFA's Code of Practice requires the *responsible officer* to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Reviewing and addressing training needs:

Taunton Deane Borough Council trains new members in its finances including treasury management. Refresher financial training is offered which includes treasury management. Our treasury advisors also present to members at Members Briefings. Council staff (including SWOne secondees) attend regular treasury management training.

14.2 Investment Consultants/Treasury Advisors

The CLG's Guidance on local government investments recommend that the Investment Strategy should state:

- Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and
- How the quality of any such service is controlled.

Taunton Deane Borough Council uses the advice of external contractors. This advice is used to maximise returns on investments whilst retaining certainty over the sum invested. It is also used to ensure that any borrowing is at the best rate available.

The external consultants meet regularly with the s151 officer to review treasury management activities including their advice.

Appendix A - Existing Investment & Debt Portfolio Position (Section 2.2)

	29/02/2012 Actual Portfolio £m
External Borrowing:	
Fixed Rate - PWLB	6
Fixed Rate - Market	3
Variable Rate - PWLB	
Variable Rate - Market	
Total External Borrowing	9
Other Long Term Liabilities:	
- PFI	
- Finance Leases	
Total Gross External Debt	9
Investments:	
<i>Managed in-house</i>	
- Short-term monies (Deposits/ monies on call /MMFs)	13.3
- Long-term investments	1.5
<i>Managed externally</i>	
- By Fund Managers	
- Pooled Funds (<i>please list</i>)	
Total Investments	14.8

Appendix B

Prudential Indicators [revisions to 2011/12 and] 2012/13 - 2014/15

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Net Borrowing and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The s151 officer reports that the authority had no difficulty meeting this requirement in 2011/12, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2011/12 Approved £'000	2011/12 Revised £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
Non-HRA	1,421	8,660	1,794	1,807	2,014
HRA*	4,300	4,300	5,500	7,316	7,316
Total	5,721	12,960	7,294	9,123	9,330

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2011/12	2011/12	2012/13	2013/14	2014/15

	Approved	Revised	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital receipts	487	784	445	0	0
Government Grants	259	4,848	480	0	0
Major Repairs Allowance	3,867	3,938	0	0	0
Revenue contributions	1,108	2,070	6,369	7,721	7,721
Total Financing	5,721	11,640	7,294	7,721	7,721
Supported borrowing	0	550	0	0	0
Unsupported borrowing	0	770	0	1,402	1,609
Total Funding	0	1,320	0	1,402	1,609
Total Financing and Funding	5,721	12,960	7,347	9,123	9,330

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
	%	%	%	%	%
Non-HRA	1.32	0.67	0.86	0.89	1.79
HRA	2.28	3.33	17.05	17.01	16.60
Total	3.6	4	17.91	17.90	18.39

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
Non-HRA	12,015	9,369	9,191	10,372	11,741
HRA	14,451	100,151	100,151	100,151	100,151
Total CFR	26,466	23,820	109,332	110,523	111,892

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2011	£m
Borrowing	12.00
Other Long-term Liabilities	45.42
Total	57.42

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2011/12 Approved £	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £
Increase in Band D Council Tax	-0.84	-0.05	-0.05	0.19
Increase in Average Weekly Housing Rents	0	0.11	0.33	0

7.2 The change in Band D council tax and average weekly rents reflects increases/decreases in the provision for Capital Financing Charges.

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2011/12	2011/12	2012/13	2013/14	2014/15
	Approved £'000	Revised £'000	Estimate £'000	Estimate £'000	Estimate £'000
Borrowing	40,000	139,200	139,200	139,200	141,200
Other Long-term Liabilities					
Total	40,000	139,200	139,200	139,200	141,200

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The s151 officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Council.

Operational Boundary for External Debt	2011/12	2011/12	2012/13	2013/14	2014/15
	Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
Borrowing	30,000	103,020	103,020	104,422	106,031
Other Long-term Liabilities					
Total	30,000	103,020	103,020	104,422	106,031

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
--

The Council approved the adoption of the CIPFA Treasury Management Code at its Executive meeting on 14 th January 2004

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Gross and Net Debt:

10.1 The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need.

Gross and Net Debt	2011/12	2012/13	2013/14	2014/15
	Estimated £'000	Authorised £'000	Authorised £'000	Authorised £'000
Outstanding Borrowing (at nominal value)	96,993	96,993	98,395	100,004
Other Long-term Liabilities (at nominal value)	45,417	45,417	45,417	45,417
Gross Debt	142,410	142,410	143,812	145,421
Less: Investments	(6,000)	(6,000)	(6,000)	(6,000)
Net Debt	136,410	136,410	137,812	139,421

11. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments / net interest paid)

11.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue

budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

Guidance note on quantum of acceptable volatility...

Interest Rate Exposures	Existing level or Benchmark level at 31/03/11 %	2011/12 Approved £m/%	2011/12 Revised £m/%	2012/13 Estimate £m/%	2013/14 Estimate £m/%	2014/15 Estimate £m/%
Fixed						
Upper Limit for Fixed Interest Rate Exposure on Debt	100	100	100	100	100	100
Upper Limit for Fixed Interest Rate Exposure on Investments	(100)	(100)	(100)	(100)	(100)	(100)
Net Fixed Exposure	0	0	0	0	0	0
Variable						
Upper Limit for Variable Interest Rate Exposure on Debt	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure on Investments	(100)	(100)	(100)	(100)	(100)	(100)
Net Variable Exposure	0	0	0	0	0	0

11.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

12. Maturity Structure of Fixed Rate borrowing:

12.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

12.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	Existing level (or Benchmark level) at 31/03/11 %	Lower Limit for 2012/13 %	Upper Limit for 2012/13 %
under 12 months	0-50	0	50
12 months and within 24 months	0-50	0	50
24 months and within 5 years	0-50	0	50
5 years and within 10 years	0-50	0	50
10 years and within 20 years	20-100	20	100
20 years and within 30 years	20-100	20	100
30 years and within 40 years	20-100	20	100
40 years and within 50 years	20-100	20	100
50 years and above	20-100	20	100

13. Credit Risk:

13.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

13.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

13.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);

- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

13.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

14. Upper Limit for total principal sums invested over 364 days:

14.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
	3.5m or 20%	3.5m or 20%	3.5m or 20%	3.5m or 20%	3.5m or 20%

Appendix C - Economic & Interest Rate Forecast (Sections 4.1 & 5.1)

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Official Bank Rate													
Upside risk						0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
1-yr LIBID													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.75	1.75	1.75	1.75	1.75	1.80	1.85	1.95	2.00	2.10	2.20	2.30	2.40
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.25	1.30	1.35	1.40	1.50	1.60	1.70	1.80	2.00	2.10	2.30	2.40	2.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.20	2.30	2.40	2.45	2.50	2.55	2.60	2.70	2.75	2.80	2.85	2.90	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.00	3.05	3.05	3.10	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.60	3.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.25	3.40	3.50	3.60	3.70	3.80	3.90	4.00	4.00	4.00	4.10	4.20	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- Momentum in economic growth is scarce.
- Conventional monetary policy has become largely redundant; the Bank of England and the US Federal Reserve have signalled their respective official interest rates will be on hold through to the end of 2012. We think that it could be 2016 before official interest rates rise.
- The Bank of England's Monetary Policy Committee has returned to unconventional monetary policy and embarked on a further round of Quantitative Easing. There will be more to come.

Underlying Assumptions:

- Against a backdrop of turmoil within the Eurozone and the unwillingness of its politicians to acknowledge and issue a credible plan to resolve it the result is that financial markets continue to see saw between risk "on" and risk "off" daily patterns. The reality is that the risk "off" days outnumber the risk "on" days with the implication that the growth outlook is an increasing cause for concern.
- Despite the efforts of the politicians at the Brussels summit, the initial optimism of markets has been punctured as, once again, the lack of credible detail on the delivery of action as opposed to aspirations becomes worryingly clear. The detail appears to

amount to the news that President Sarkozy will head to China to secure funds for the extended EFSF.

- The MPC's decision to embark on a further £75 billion of QE - which the Minutes showed was unanimously supported - demonstrated the strength of the economic headwinds that are blowing against the nascent UK economic recovery. For growth to occur you need somebody to spend.
- Inflation increased more than predicted to 5.2% in September. Energy prices continued to be the primary cause although the markets are now less interested in inflation given the economic growth focus. The Bank's Inflation Forecasts still point to a sharp downturn in CPI into 2012 as the index effects of VAT and earlier energy price shocks subside.
- Business confidence has yet to recover sufficiently for commitment to new capital investment and employment. Taken together the levels of unemployment remain very high and are a significant drag on consumption despite reasonably robust retail sales data.
- Q3 GDP is expected to be weak but positive.
- Public Finances remain just about on track to meet the Coalition's target. With the risk of lower growth, there is very little scope for tax giveaways to boost business and consumer spending.

Appendix D - Recommended Sovereign and Counterparty List (Section 8)

- *Group Limits* - For institutions within a banking group, the authority executes a limit of 1.5 times the individual limit of a single bank within that group.

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Group Limit (if applicable) %/£m
Term Deposits / CDs / Call Accounts	UK	Santander UK Plc (Banco Santander Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	Barclays Bank Plc	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	Clydesdale Bank (National Australia Bank Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	HSBC Bank Plc	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	Nationwide Building Society	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	NatWest (RBS Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	Royal Bank of Scotland (RBS Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Australia	Australia and NZ Banking Group	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Australia	Commonwealth Bank of Australia	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Australia	Westpac Banking Corp	3.5m or 20%	5.25m or 20%



Term Deposits / CDs / Call Accounts	Canada	Bank of Montreal	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Canada	Bank of Nova Scotia	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Canada	Canadian Imperial Bank of Commerce	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Canada	Royal Bank of Canada	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Canada	Toronto-Dominion Bank	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Finland	Nordea Bank Finland	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	France	BNP Paribas	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	France	Credit Agricole CIB (Credit Agricole Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	France	Credit Agricole SA (Credit Agricole Group)	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	France	Société Générale	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Germany	Deutsche Bank AG	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Netherlands	ING Bank NV	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Netherlands	Rabobank	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Netherlands	Bank Nederlandse Gemeenten	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Sweden	Svenska Handelsbanken	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	Switzerland	Credit Suisse	3.5m or 20%	5.25m or 20%
Term Deposits / CDs / Call Accounts	US	JP Morgan	3.5m or 20%	5.25m or 20%

***Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty is downgraded, this list may be shortened.*

Appendix E - External Fund Management Arrangements (section 9.4) and Collective Investment Scheme Investments (Sections 9.6 - 9.7)

Examples

The Authority's funds managed on a segregated discretionary basis by

- Aviva
- Investec Asset Management
- Invesco Asset Management
- Scottish Widows Investment Partnership (SWIP)

Pooled Funds and Collective Investment Schemes used by the Authority
(please amend as appropriate)

- Cazenove UK Corporate Bond Fund
- City Financial Strategic Gilt Fund
- Elite Charteris Premium Income Fund
- Investec short Dated Bond Fund
- Investec Target Return Fund
- Investec UK Alpha Fund
- Payden & Rygel Sterling Reserve Fund
- Prime Rate Sterling Cash Plus Fund
- WAY Charteris Gold Portfolio Fund
- The Local Authorities Mutual Investment Trust - Property Fund
- Lime Property Fund

Taunton Deane Borough Council

Executive – 14 March 2012

Corporate Debt Management Policy

Report of the Strategic Finance Officer

(This matter is the responsibility of Executive Councillor Vivienne Stock-Williams)

1. Executive Summary

- The last Corporate Debt Management policy was adopted in 2004.
- The policy has been reviewed and updated.
- An equality impact assessment has been completed.

2. Background

2.1 The previous Corporate Debt Management Policy was approved by the Executive on 10 March 2004.

3. Debt Management Policy

3.1 The Corporate Debt Management Policy covers all debts due to the Council. These include housing debts, local taxation debts, housing benefit overpayments and other miscellaneous debts.

3.2 These debts vary widely in terms of their nature and the legislation that covers them. This variety impacts greatly upon the way in which we administer, collect and enforce payment of these debts

3.3 The purpose of the policy is to ensure that our general approach to managing the collection and enforcement of these debts is consistent, fair and transparent across the Authority and conducted in accordance with nationally agreed standards.

3.4 The Policy also reflects the diversity of the debts with which we have to deal and tailors specific policies to fit each individual debt types.

- 3.5 The Policy includes common principals for the billing, collection, enforcement and write-off of all types of debt.
- 3.6 The policy was discussed at the meeting of Corporate Scrutiny on 22nd February 2012. No amendments to the policy were suggested by Corporate Scrutiny.
- 3.7 The policy is given in Appendix A
- 3.8 The table below shows the changes from the current policy adopted in 2004 and the new policy.

Contents	Old Policy	New Policy	Comments on New Policy
Introduction	Included (½ page)	Included (2 pages)	Gives details of relevant legislation
Policies Common to All Types of Debt	Included (2 pages)	Included (2 pages)	
Principals of Enforcement	Included (1 page)	Included (1 page)	Covers transparency
Write-Offs - All Debts	Included (1 page)	Included (1 page)	
Policies Specific to Sundry Debtors	Included (1½ pages)	Included (8 pages)	Far more detail provided
Policies Specific to Local Taxation and Business Rates	Included (1 page)	Included (7 pages)	Gives more details on each stage of recovery and methods that can be used.
Policies Specific to Overpaid Housing Benefit	Included (2½ pages)	Included (5 pages)	Includes monitoring of debts.
Use of External Agents	Included (1 page)	Included (1 page)	
Policies Specific to Housing Rents	Included (2½ pages appendix 3)	Included (3½ pages in the main policy document)	Includes former tenant arrears
Penalty Charge Notices	Included (⅓ page)	Included (⅓ page)	
Enforcement Concordat	Included (appendix 1)	Included (appendix 3)	
National Standards for Enforcement Agents	Included (appendix 2)	Included (appendix 2)	
Collection of CTAX Arrears, Good Practice Protocol	Not included	New – appendix 1	Covers liaison between LAs and advice agencies

Vulnerability Protocol for CTAX and NNDR customers	Not included	New – appendix 4	Gives examples of vulnerable and how recovery will work.
Bailiff Code of Conduct for CTAX Not included and NNDR customers	Not included	New – appendix 5	Specifies in detail external bailiff code of conduct
Credit Services Assoc. Code of Conduct	Not included	New – appendix 6	Specifies in detail CSA code of conduct
Priority Debts	Not included	New – appendix 7	Defines priority debt and the consequences of not paying these debts.
CTAX and NNDR Flowcharts	Not included	New – appendix 8	As described.
Overpaid Housing Benefit Flowcharts	Not included	New – appendix 9	As described.
Sundry Debt Recovery Flow Chart	Not included	New – appendix 10	As described.
Customer Info on CTAX and NNDR Billing and Fees	Not included	New – appendix 11	Details the recovery stages and fees that can be charged.

4. Finance Comments

- 4.1 Correct and timely billing of debts is essential in their collection. A clear Corporate Debt Management Policy aids both the services and debtors of Taunton Deane Borough Council.

5. Legal Comments

- 5.1 There are a variety of different debt recovery methods depending on the nature of the debt and these are set out clearly in the policy.

6. Links to Corporate Aims

- 6.1 There are no direct links to Corporate Aims.

7. Environmental Implications

- 7.1 There are no environmental impacts of this policy

8. Community Safety Implications

8.1 There are no community safety implications of this policy

9. Equalities Impact

9.1 The Revenues and Benefit service have their own equality impact assessments that cover the area of debts. These are shown in Appendix B and Appendix C.

9.2 An equality impact assessment has been completed for the other debts covered by the policy and no one group has been identified as being disadvantaged by the policy. This impact assessment is shown in Appendix D.

10. Risk Management

10.1 There is a potential reputational risk should this policy not be adhered to or debts owed to the Council not be collected.

11. Partnership Implications

11.1 Southwest One provides the Revenues, Benefits and Sundry Debtor functions to Taunton Deane Borough Council and will be bound by this policy.

12. Recommendations

12.1 Executive is recommended to approve the adoption of the Corporate Debt Management Policy in Appendix A.

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TAUNTON DEANE BOROUGH COUNCIL

**Corporate Debt Management Policy
& Procedure Document**

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1. Policies common to all debt types

Introduction

This document details the Council's policies on the billing, collection and recovery of money due to Taunton Deane Borough Council.

Sums due to the Council can be a mixture of statutory and non-statutory charges. Statute tightly prescribes methods for billing and recovery of the statutory debts. Our enforcement practices must take account of this diversity.

Effective debt management is crucial to the success of any organisation. The Council needs an effective policy to support the maximisation of debt collection in an efficient, consistent and sensitive manner. In developing this policy we have considered guidance issued by the Local Government Ombudsman as well as best practice in debt recovery.

This document sets out the general principles we will apply to debt management across all the services we provide. We will use this document with more detailed procedural guidance for staff.

Statement of Intent

The Revenues Best Value review, completed in January 2003, set a "Vision" for collecting money due to the Council. We have extended this to incorporate all debts due to the Council:

"Where the Council seek to collect money, the Council will issue bills promptly and correctly. Where recovery action is required, the Council will act quickly, fairly and impartially, but with due regard to the social welfare and human rights of our customers"

Relevant Legislation

Council Tax

- Council Tax (Administration and Enforcement) Regulations 1992 and subsequent amendments
- Local Government Finance Act 1992

Business Rates (NNDR)

- Local Government Finance Act 1988 and subsequent regulations and amendments
- Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989.

Overpaid Housing Benefit

- Regulations 99 - 107 of The Housing Benefit (General) Regulations 2006 (as amended).
- Social Security Administration Act 1992 (Housing Benefits)
- Overpayment Local Authority Financial Regulations
- The Housing Benefit and Council Tax Benefit (Decisions and Appeals and Discretionary Financial Assistance) (Consequential Amendments and Revocations) Regulations 2001.
- Section 123 of the Social Security Administration Act 1992.
- Section 134 of the Social Security Administration Act 1992 (Housing Benefit)
- Section 139 of the Social Security Administration Act 1992 (Council Tax Benefit)
- Sections 130, 131 of the Social Security Contributions and Benefits Act 1992
- The Housing Benefit (General) Regulations 1987 - and subsequent varying regulations
- Housing Benefit (Recovery of Overpayments) Regulations 1997
- Housing Benefit (General) Regulations 1997 (SI 1971)
- Social Security Administration (Fraud) Act 1997

Sundry Income

- Statutory Instrument 2004/2443 & Statutory Instrument 2005/215 (Business Improvement District (BID) levy)
- Local Government Act 1972
- Accounts and Audit Regulations 1996

Housing Rents

- Housing Act 1985 – Part II
 - Local Government and Housing Act 1989 – Part IV
 - Commonhold and Leasehold Reform Act 2002
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Policies common to all types of debt

- 1.1. We will correctly address every demand for money to the person liable to pay it. The name on the demand will be that of a person or body having “legal personality”.
 - 1.2. We will, wherever possible, issue demands on the day of production.
 - 1.3. We will keep all documentation relating to a demand in either paper or scanned image format until at least six years after the demand is raised. If at the end of that six-year period the demand remains unpaid, we will hold the supporting documentation until either the bill is paid or we write off the debt.
 - 1.4. We will always try to use the most suitable and effective method of debt recovery to maximise income.
 - 1.5. Taunton Deane Borough Council encourages the most cost-effective payment methods with an emphasis on unmediated electronic means where possible. “Unmediated” means a method of payment needing no human intervention by officers to ensure credit to the correct account.
 - 1.6. In the interest of economy and where appropriate we will issue all demands, reminders and final notices by 2nd class post unless contrary to regulations or other statutory or legal requirements.
 - 1.7. Authorised officers will be able to intervene in the recovery cycle in appropriate circumstances to deal with hardship or dispute situations. This includes the ability to arrange for deferred payment where immediate payment is impossible because of lack of means. Officers making arrangements will consider paragraph 1.4.
 - 1.8. Where the potential for a statutory benefit or discount exists in relation to the debt, we will make efforts to ensure the debtor aware of such opportunities and we will aid and encourage the debtor to apply.
 - 1.9. All notices will comply with the corporate style guidance and be readily identifiable as being from Taunton Deane Borough Council.
 - 1.10. Where either national or local performance indicators exist we will strive for top quartile performance and we will publish our performance against these targets annually. We will provide regular progress reports during the year to the Council’s Corporate Management Team and the Corporate Scrutiny Committee.
 - 1.11. Taunton Deane Borough Council welcomes involvement from welfare agencies about debts due to the Council and recognises the benefits these organisations offer to both the debtor and the Council in prioritising repayments to creditors and maximising income.
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- 1.12. We recognise prompt recovery action is key in managing debt and maximising income. Therefore Taunton Deane Borough Council aims to:
- Regularly monitor the level and age of debt.
 - Set clear targets for the recovery of debt.
 - Have clear written recovery procedures.
 - Set priorities for specific areas of debt and assess recovery methods to ensure maximum recovery.
 - Regularly review irrecoverable debts for write-off.
- 1.13. All accounts that are written off will be written off against the income code against which they are raised.
- 1.14. Where we procure help from an external agency to help with the delivery of a service the flow of information should, wherever possible, be in an electronic format.
- 1.15. Where legislation allows, Taunton Deane Borough Council will seek to levy and recover from the debtor any costs/fees legitimately due from the debtor to the Council or its agents. Only in exceptional cases, where it would not be in the public interest to pursue costs/fees will they be waived.
- 1.16. In accordance with Taunton Deane Borough Council's Employee Code of Conduct, any officer who is in debt as a customer to the Council, i.e. Council Tax arrears should declare this to their Head of Service. All debts must be declared even if a repayment plan is already in place.
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2. Principals of enforcement (all debts)

2.1. We will follow the principles outlined below. These principles are drawn from the Government's Enforcement Concordat ([Appendix 2](#)), to which Taunton Deane Borough Council is fully committed:

- Our action will be **proportional**
- Our approach will be **consistent**
- Our actions will be **transparent**

We will also ensure that we pay suitable regard to our Core Values of:

- **Integrity** - we will be honest, do what is right and stick to it
- **Fairness** - we will consistently treat everyone equally, respecting their individual needs and abilities
- **Respect** - we will always show respect for everyone
- **Trust** - we will show trust and confidence in our staff and Councillors.

We intend to be firm and fair and our manner will be polite.

Proportionality

2.2. Proportionality allows us to balance the potential loss of income to Taunton Deane Borough Council against the costs of compliance.

Consistency

2.3. Consistency means taking a similar approach in similar circumstances to achieve similar ends. We aim to achieve consistency in:

- Advice we give.
- Use of our powers.
- Our use of recovery procedures.

2.4. We recognise consistency does not mean simple uniformity. Officers need to take account of many variables such as:

- The social circumstances of the debtor.
 - The debtor's payment history.
 - The debtor's ability to pay.
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Transparency

- 2.5. Transparency is important in preserving public confidence. It means helping people to understand what we expect from them, and in turn what they should expect from us. It also means explaining clearly the reasons for taking any recovery/enforcement action.
 - 2.6. Transparency is a key part of an officer's role. If action is required, the officer must clearly explain the reasons. This should be in writing where needed. If action is required, the time scales must be clearly stated. A distinction must be made between advice and legal requirements.
 - 2.7. Communications should be in plain English and large print with Braille versions available on request.
 - 2.8. Language Line is to be used as an aid to improving verbal communications with those customers for whom English is not their first language.
 - 2.9. We will provide opportunity to the debtor to discuss what is required of them to comply with the law before we take formal enforcement action. We will give a written explanation of any rights of appeal against formal enforcement action either before or at the time we take action.
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3. Write Offs (all debts)

- 3.1. We recognise where a debt is irrecoverable, prompt and regular write off of such debts is good practice.
 - 3.2. We will seek to minimise the cost of write-offs to local Council Tax and Housing Rent payers by taking all necessary action to recover what is due. All debts will be subject to the full recovery, collection and legal procedures as outlined in this policy.
 - 3.3. Irrecoverable debts will be referred to the Council's Responsible Finance Officer (151 Officer) at a pre-agreed frequency and in a pre-agreed format.
 - 3.4. The limits for writing off irrecoverable debts are those contained in the Taunton Deane Borough Council's Financial Regulations.
 - 3.5. Debts may be referred to the Section 151 Officer for write-off in the following circumstances:
 - Debts where all or part has been remitted by the Magistrates Court due to hardship
 - The Council has evidence to confirm the claimant is suffering a severe physical or mental illness which renders enforcement action inappropriate.
 - The Council is unable to trace the debtor. The following records will be checked before the debtor is considered as absconded:
 - Experian Debtor trace
 - Electoral roll
 - Local authority of any previous address for any forwarding address
 - Council Tax records
 - Housing records
 - DWP/JSA trace - if debt is for overpaid Housing or Council Tax Benefit
 - Benefit records - if debt is for overpaid Housing or Council Tax Benefit
 - Statute barred debts - debts that cannot legally be pursued after losing contact with the debtor for 6 years.
 - The debt is not cost-effective to pursue due to small balance.
 - The debt is not cost-effective to pursue due to the likelihood of payment balanced against the cost of proceedings.
 - The debtor has died and there are no or inadequate funds in the estate.
 - The debtor is subject to formal insolvency proceedings and there is little likelihood of a dividend.
 - Committed to prison - if the debtor has been sentenced to more than 3 years imprisonment, then there is little hope of obtaining recovery.
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4. Policies specific to Council Tax & Business Rate accounts

Recovery Strategy for Local Taxation

4.1. Our aim on the recovery of Council Tax and Business Rate debt is:

“Firm but Fair”

Our key objective is:

“To support those who cannot pay and take action against those who will not pay”

- 4.2. We will issue a recovery timetable each year and we will aim to recover outstanding instalments in a timely and efficient manner maximising cash flow and driving down arrears.
- 4.3. We recognise people & businesses do not pay debts for a variety of reasons:
- Some customers genuinely struggle to meet their payments and need advice and help in budget management.
 - Some customers deliberately choose to set out to delay and not pay their debts.
 - Some customers are not receiving the benefits or reductions they are entitled to.
 - Some customers go through personal difficulties that result in short-term and long-term problems in paying their debts,
 - The national economy affects individuals and businesses.
 - Diversity brings complications in customer understanding and guidance may be needed.
- 4.4. At each stage we will encourage customer contact and liaise with internal departments and outside agencies e.g. Citizens Advice Bureaux and welfare rights agencies to offer specialised advice and/or debt counselling to those we feel may be in need of help.
- 4.5. The Local Government Association and the Citizens Advice Bureau published the “Collection of Council Tax Arrears Good Practice Protocol ([Appendix 1](#)) in July 2009. Officers of the Council and contractors acting on its behalf in recovery of Council Tax roles will comply with these standards
- 4.6. The Lord Chancellor's Department has produced National Standards for Enforcement Agents ([Appendix 2](#)). Officers of the Council and contractors acting on its behalf in enforcement roles will comply with these standards.
- 4.7. We have guidelines and a Code of Practice for Bailiffs ([Appendix 5](#)). Council officers and contractors acting on its behalf in enforcement roles will comply with these standards.
- 4.8. If we have reason to believe a customer is “vulnerable”, we will manage their account following our Vulnerable Policy - See [Appendix 4](#).
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- 4.9. If any customer is unable to maintain a payment arrangement or is unhappy with the suggested level of payment under an arrangement, they will have recourse to a Senior Revenues Officer to appeal.

Demand Notices

- 4.10. We will issue all demand notices using Civica Open Revenues (or whatever future revenues system that may be appropriate).
- 4.11. We will issue annual Council Tax and Business Rate bills as soon as practical after the Council has set its Council Tax for the forthcoming year.
- 4.12. We will issue adjustment notices as soon as practicable after the liability is known with payment(s) being due on the earliest date(s) allowed by legislation.
- 4.13. All bills include a monthly instalment arrangement. If the customer wants to change their instalment date, they must contact us as soon as possible.
- 4.14. We offer several different payment methods and dates for customers to pay their accounts. We offer an instalment date of the 1st of the month to all non direct debit payers. We promote payment by direct debit, as it is the most efficient payment method. It also helps customers avoid missing instalments and being subjected to recovery action.
- 4.15. To encourage customers to pay by direct debit, we offer a choice of 2 instalment dates, 1st & 20th. We print Direct Debit mandates on the back of all Council Tax and Business Rate bills (including reminders, final notices, summonses and post Court notices).
- 4.16. If a customer pays regularly, but fails to do so by the instalment date, we will still take recovery action, as payments are late.
- 4.17. Where a Council Tax or Business Rate customer can demonstrate an inability to pay on the set instalment date, Revenue Officers will have the discretion to vary the instalment dates. However, the final instalment date must be before 31st March of the financial year in question. Such arrangements will only be considered where no recovery action has yet started for the account in question.
- 4.18. Where recovery action has started, payment arrangements will generally only be entered into where the debt is secured by a liability order and/or the debtor agrees to pay by direct debit. Arrangements will only be agreed by approved staff and will generally only be agreed to where:
- The debt will clear by the end of the financial year.
 - The debtor's proposals are reasonable in comparison with the amounts that could be secured by taking alternative action.
 - The debtor demonstrates a clear intent to honour the arrangement.
- 4.19. In cases where exceptional circumstances exist and it would not be in the interests of Council Tax payers to pursue enforcement action, arrangements may be made by authorised staff before obtaining a liability order and without the debtor agreeing to pay by direct debit.
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Reminders and Final Notices

- 4.20. We will issue reminders and final notices as far as is practical, within 14 days of the payment default to which they relate, following the recovery timetable. The reminder gives 7 days for the customer to bring their account up to date. Because of the high volume of reminders, it is not possible to individually check them before issue.
- 4.21. If we issue a reminder or final notice, we include a message to tell the customer if they pay by direct debit, they can spread any arrears over the remaining months of the financial year under a “special arrangement. This will be a “one time” offer. If the customer subsequently cancels the direct debit mandate or if the payment is rejected (bounced) by the bank we will not issue any further reminders and we will escalate the account to requesting a Summons from the Magistrates Court.
- 4.22. If we have agreed a special arrangement and the customer fails to meet their duties under that arrangement, we will only allow further instalments by direct debit on immediate payment of any arrears i.e. before any future instalment. If we are not able to agree an instalment plan, then the whole outstanding balance becomes payable.
- 4.23. If we do not receive payment, we will request a summons from the Magistrates’ Court. Once a summons has been issued, the full amount of Council Tax or Business Rates is due, as well as the summons costs.
- 4.24. If the overdue instalment is paid, but a future instalment is missed, a second reminder is issued. If the customer then pays the second overdue instalment, they can continue to pay their account in monthly instalments. However, if the customer misses a third instalment, we will send a “final notice”. This means the customer has to pay the annual charge in full immediately, or we will issue a summons.
- 4.25. We will not issue more than three reminders in a financial year - a maximum of two instalment reminders and one final notice.

Summonses

- 4.26. We will issue summonses as soon as reasonably practicable after the default to which they relate. If the customer does not pay as the reminder, or final reminder instructs, we will request a summons from the Magistrates’ Court. The summons gives details of when the customer must attend court to explain why they have not paid their bill. The cost of sending the summons is added to their bill.
- 4.27. If the customer pays the full amount of the summons, including costs, before the hearing date, the customer does not have to attend court.
- 4.28. If the customer makes a payment arrangement with us before the hearing, they do not have to attend court. However, we will ask the Magistrates Court to grant a “liability order” to secure the debt (explained below). Providing the customer keeps to the payment arrangement, we will not take any further recovery action.
- 4.29. At the court hearing, we must satisfy the Magistrates Court we have followed the correct procedures that is, sending a bill, reminder and summons to the customers’ property, or their last known address. We must also confirm the customer is liable for Council Tax or Business Rates and the debt is outstanding. If the Magistrates Court are satisfied with the evidence we present they will grant a liability order.
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Liability Orders

4.30. A liability order is a decision by the court confirming the customer is liable to pay Council Tax or Business Rates and has not done so in accordance with the law. It gives us powers to recover the outstanding debt using other methods. These are explained in more detail below.

4.31. A Liability Order gives us the power to:

- ask for financial information including the customer's employment status and employer details that must be provided;
 - prosecute for failing to provide financial information (Council Tax only)
 - take money directly from the customer's wage using an Attachment of Earnings Order (Council Tax only);
 - prosecute employers for failing to implement Attachment of Earnings (Council Tax only);
 - take money directly from Members' Allowances (Council Tax only);
 - take money directly from the customer's benefits, for example, Income Support, Jobseekers Allowance, Pension Credit or Employment Support Allowance (Council Tax only);
 - use bailiffs to remove the customer's goods and sell them to pay the debt;
 - start insolvency proceedings (against companies);
 - seek a Charging Order against the customer's property;
 - start committal proceedings for an individual customer's imprisonment for up to 90 days;
 - start bankruptcy proceedings (against individuals);
 - instigate County Court proceedings, as an alternative to the Magistrates Court
- These methods shall only be used with consideration to the principles set out within 2.1 above

4.32. The Magistrates Court may not grant a liability order if the customer can provide a valid defence, such as:

- we have not demanded the Council Tax or Business Rates as the law sets out;
- the customer has already paid the amount on the summons;
- the customer is not the person liable for Council Tax or Business Rates; or
- more than 6 years have passed since we sent a bill for the amount.

4.33. It is not a valid defence if the customer is unable to pay because they have:

- applied for Council Tax Benefit; or
 - appealed to the Valuation Tribunal against the valuation band.
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Request for financial information

- 4.34. When we have a Liability Order we will send an 'income details form' asking the customer to supply details about their income and expenditure. They have two weeks to complete and return it. This letter also details what will happen if we ask bailiffs to collect the outstanding debt.
- 4.35. If the customer does not complete and return the income details form within 2 weeks, we can take action. This may result in a fine of up to £500 and a criminal record. If the customer knowingly supply false information they are liable to a fine of up to £1,000.

Attachment of Earnings

- 4.36. We can tell employers to deduct directly from the customer's salary or wages to pay their Council Tax debt. The amount deducted depends on how much the customer earns. If they have arrears we can make two deductions.

Table of deductions from monthly earnings for each order issued after 1 April 2010

Take home (net) wage	Percentage we can deduct	Amount to be deducted
Under £300	0%	Nil
Over £300 but under £550	3%	£9 - £16.47
Over £550 but under £740	5%	£27.50 - £36.95
Over £740 but under £900	7%	£51.80 - £62.93
Over £900 but under £1,420	12%	£108.00 - £170.28
Over £1,420 but under £2,020	17%	£241.40 - £343.23
Over £2,020	17% of first £2,020 plus 50% of the rest	£343.40 plus 50% of the rest

Table of deductions from weekly earnings for each order issued after 1 April 2010

Take home (net) wage	Percentage we can deduct	Amount to be deducted
Under £75	0%	Nil
Over £75 but under £135	3%	£2.25 - £4.02
Over £135 but under £185	5%	£6.75 - £9.20
Over £185 but under £225	7%	£12.95 - £15.68
Over £225 but under £355	12%	£27.00 - £42.48
Over £355 but under £505	17%	£60.35 - £85.68
Over £505	17% of first £505 plus 50% of the rest	£85.85 plus 50% of the rest

- 4.37. The employer can deduct a further £1 per order for their administration costs each time they make a deduction. Deductions continue until the Council Tax is paid in full. Customers must tell us within 2 weeks of any change in their employment.

Deductions from benefits

- 4.38. We can ask the Department for Work and Pensions to deduct directly from the customer's Income Support, Jobseekers Allowance or Employment Support Allowance.
- 4.39. The money deducted is sent to us each month and continues until the Council Tax is paid in full, or benefit entitlement stops.
- 4.40. Customers must tell us within 2 weeks of any changes in their benefit.
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Recovery of Council Tax through Member Allowances

- 4.41. Regulation 44 Council Tax (Administration & Enforcement) Regulations 1992 relates to an elected member of Taunton Deane Borough Council or a relevant precepting authority.
- 4.42. The Regulations allow an attachment of the allowances of an elected member to be made when the Taunton Deane Borough Council has obtained a Liability Order. These provisions do not extend to Members of Parliament.
- 4.43. Taunton Deane Borough Council can make an order under which they can attach 40% from a member's allowances.
- 4.44. The allowances to which the order relates are those paid under:
- **Section 18 Local Government & Housing Act 1989**
 - This includes schemes for basic, attendance and special responsibility allowances for Local Authority Members.
 - **Section 175 Local Government Act 1972**
 - This includes allowances for attending both conferences and meetings.
- 4.45. Any decision on an attachment of allowances should be referred to the Principal Revenues Officer and the Legal & Democratic Services Manager.

Charging Orders

- 4.46. Charging orders are used when attempts to attach earnings, deduct from benefits and remove a debtor's goods have been unsuccessful. All charging order cases must be controlled by the Principal or Senior Revenues Officer.
- 4.47. If the debtor owns a property the Principal or Senior Revenues Officer can decide to apply for a charging order to be placed on it. This is similar to a mortgage and means we can recover the outstanding council tax debt from the proceeds of sale, should the debtor sell the property at a later date. While it is possible to enforce the sale of a property subject to a charging order, this would be the exception rather than the rule.
- 4.48. A Charging Order relating to Council Tax debt will not be pursued if the customer is considered as vulnerable. The Principal or Senior Revenues Officer will only decide a charging order is a fair and proportionate after they have:
- reviewed an accurate history of the origin of the debt and any attempts to recover it
 - considered information about the past, present, disputed or outstanding benefit claims or any discounts or exemptions that might be relevant
 - assessed that there is no realistic prospect of recovering the debt by other means in a reasonable timescale
 - gathered sufficient evidence about the debtor's circumstances
 - considered if a debtor's failure to pay and to respond to other recovery measures could arise from a disability (including a mental impairment with a long-term and substantial effect on normal day-to-day activities), and
 - considered if the debtor's personal circumstances warrant them being protected from the consequences of recovery action.
- 4.49. Decisions about applying for a charging order should be recorded and the records retained with the information considered by the Principal or Senior Revenues Officer.
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Bankruptcy

- 4.50. All cases must be controlled by the Principal or Senior Revenues Officer.
- 4.51. Such cases will mainly be for business rates where there are no goods and the customer refuses to pay.
- 4.52. Any applications for bankruptcy relating to Council Tax debt will be scrutinised but will not be considered if the customer is considered as vulnerable.
- 4.53. The Principal or Senior Revenues Officer will only decide that pursuing bankruptcy is a fair and proportionate action after they have:
- reviewed an accurate history of the origin of the debt and any attempts to recover it
 - considered information about the past, present, disputed or outstanding benefit claims or any discounts or exemptions that might be relevant
 - assessed that the debtor has assets that will clear the debt if bankruptcy is pursued
 - assessed that there is no realistic prospect of recovering the debt by other means in a reasonable timescale
 - gathered sufficient evidence about the debtor's circumstances
 - considered if a debtor's failure to pay and to respond to other recovery measures could arise from a disability (including a mental impairment with a long-term and substantial effect on normal day-to-day activities), and
 - considered if the debtor's personal circumstances warrant them being protected from the consequences of recovery action.
- 4.54. Decisions about pursuing bankruptcy should be recorded and the records retained with the information considered by the Principal or Senior Revenues Officer.
- 4.55. Written information should to be provided to the debtor when bankruptcy proceedings are being considered. That information should:
- warn the debtor of the serious consequences of bankruptcy and their continued failure to make arrangements to pay the debt, and
 - urge them to seek independent advice and "sign-post" to local sources of advice.

Committal

- 4.56. Where all other recovery options have been exhausted and residence has been confirmed the case can be reviewed for Committal to Prison. Such cases will remain under the strict control of the Principal or Senior Revenues Officer
- 4.57. As this is an option of last resort, the initial intention will be to request a warrant signed by the Court. These warrants will then be issued to a bailiff for the customer's arrest and bail to the next available court.
- 4.58. All cases at this level must be referred to the court officer before any amendments to the accounts can be done.
- 4.59. Decisions about seeking committal to prison should be recorded and the records retained with the information considered by the Principal or Senior Revenues Officer.
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5. Policies specific to overpaid Housing Benefit

General information

- 5.1. An overpayment is any amount of Housing Benefit that has been paid but to which there was no entitlement.
 - 5.2. When we identify an overpayment, we will write to the benefit claimant and provide the following information:
 - Reason for the overpayment
 - Amount of the overpayment
 - Benefit period covered
 - Method of recovery
 - Rights of appeal
 - 5.3. We aim to calculate overpayments quickly and accurately and to provide quality information to the people affected, ensuring we recover the correct amount. To achieve this we will:
 - Invite claimants to apply for underlying entitlement to benefit.
 - Calculate overpaid benefit on average, within 14 days of getting the information we need.
 - Use the proper effective date of change to fix the correct overpayment period.
 - Consider uncashed or returned cheques or underpayment of benefit.
 - 5.4. We aim to ensure we correctly classify overpayments for subsidy purposes to prevent loss of subsidy.
 - 5.5. We will only issue invoices when a recoverable overpayment of Housing Benefit exists and we cannot recover by other prescribed means.
 - 5.6. The Housing Benefit (Recovery of Overpayments) Regulations 1997 allow us to recover overpayments from landlords from their current tenants' claim. We will, in appropriate circumstances, reduce payments to landlords for their current tenants to recover overpayments that arose for former tenants. It will take this action when the original tenant has no continuing Housing Benefit and when there was a misrepresentation or failure to disclose a material fact (blameless tenant deductions).
 - 5.7. We will maintain contact with debtors through visits to their properties and telephone contact to encourage repayment. Such contact will adhere to the principles set out in 2.1. and in accordance with [Appendix 3](#) (Government's Enforcement Concordat).
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Prevention of overpaid benefit

5.8. Taunton Deane Borough Council believes prevention of overpaid benefit debt is better than cure. Therefore strict measures are to be employed to prevent overpayments occurring. These will include:

- Using a well laid out application form to collate accurate information which contains an unambiguous statement that failure to provide correct information could lead to overpayments of benefit and to prosecution.
 - Ensuring all benefit letters and relevant correspondence advise the people affected of their responsibility to tell the Council of any change of circumstances that may affect their claim.
 - Making use of the Verification Framework techniques and procedures for example:
 - Using checks for identity, residency and National Insurance numbers.
 - Tailored reviews for high-risk claimants.
 - Visiting programmes targeting high-risk claimants.
 - Ensuring all staff involved with overpayments receive enough training with comprehensive access to overpayment recovery procedures and an awareness of problems relating to debt.
 - Providing regular fraud awareness training for staff who have contact with claimants.
 - Using and developing information technology to automate the identification and recovery of overpayments and to reduce error.
 - Dealing quickly with reported changes of circumstances.
 - Including publicity material, for example posters, guidance pamphlets sent with application forms and landlord undertakings, information on responsibilities for reporting changes of circumstances.
 - Ensuring procedures are in place for the prompt ending of benefit where a claimant does not comply with a review of their claim
 - Taking part in various data matching exercises with external agencies and cross matching against internal databases while adhering to principles contained in Data Protection and Human Rights Acts.
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Recovery of overpaid benefit

- 5.9. Generally, all overpayments are recoverable, regardless of the reason they occurred, where the claimant or person to whom the benefit was paid can reasonably have been expected to know they were receiving benefit to which they were not entitled. See [Appendix 9](#) for additional information
- 5.10. When an overpayment is classed as recoverable the Benefit Officer dealing with the claim must make a separate decision on whether to recover the overpayment.
- 5.11. Recovery of the overpaid benefit can be sought from the claimant or the person to whom the payment was made. Recovery will only be sought from the landlord or agent where they could be expected to have known about the change in circumstances leading to the overpayment.
- 5.12. In most cases recovery of a recoverable overpayment will be sought. However, consideration will be given to the personal and financial circumstances of the person from whom recovery would be sought. If the situation is unclear we will contact or visit the claimant for clarification.
- 5.13. Where we decide an overpayment is recoverable, recovery arrangements will proceed in the following hierarchy:
- From arrears of Housing Benefit
 - From continuing Housing Benefit. This includes direct payments to a landlord for that claimant even if that claimant has moved or changed landlord. We will base recovery rates on DWP guidelines and will always initially apply the maximum recovery rate permissible. However officers will be empowered to consider applications from debtors to reduce the recovery rate in cases where there is demonstrable hardship.
 - Overpaid Council Tax Benefit will, except in exceptional circumstances be debited to the respective Council Tax account.
 - We will raise an invoice if there is no continuing Housing Benefit and no likelihood of continuing benefit or reduction through underlying entitlement.
 - We will produce all invoices, reminders and final notices using the Civica Open Revenues (or whatever future revenues system that may be appropriate) with a Schedule 6 compliant letter within 14 days.
 - At this point we will seek to recover the overpayment in full by a single payment. However, where this is not possible, due to the debtor's financial circumstances we may agree a payment plan involving instalments.
 - By deductions from other Social Security Benefits managed by the Department for Work and Pensions. Section 75(1) of the Social Security Administration Act 1992 allows recovery of overpaid Housing Benefit by deduction from prescribed benefits that are defined in Regulation 105 of the Housing Benefit Regulations 1987.
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- 5.14. Where we raise an invoice and do not get payment after issuing a final notice, we will consider issuing a claim against the debtor in the County Court. We will make this decision on the realistic prospect of obtaining payment of the debt by a County Court Judgement and repayment through an attachment of earnings.
- 5.15. In some circumstances, we may decide to instruct an external professional debt collection agent in accordance with the policy set out in Section 8.
- 5.16. Where a claimant has been overpaid rent rebate and there is a credit balance on their rent account, we will recover all or part of the overpayment from the credit if it is for the same period as the overpayment. The Council will not recover more than the credit shown on the rent account.
- 5.17. For details about the use of Prosecution and Administrative Penalties that we may apply to debtors who have committed benefit fraud, refer to the Council's Anti-Fraud Policy, Anti-Fraud Strategy and Prosecution Policy.

Debt repayment arrangements

- 5.18. Officers will encourage people owing money for overpaid Housing Benefit to make contact at an early stage in the recovery process
 - 5.19. When a person makes contact, we aim to agree a realistic payment agreement. If there is any doubt as to whether the agreement is realistic (either because it appears to be too high or too low), officers will ask the individual to complete an income and expenditure form.
 - 5.20. Officers will try to get as much detail as possible of a person's circumstances to make the best assessment of their ability to pay. However if a person refuses to divulge any information, this could be considered as a reason to refuse an arrangement.
 - 5.21. In some cases it may be necessary to request documentary proof to confirm particular details when arriving at a payment arrangement. Individuals should not however be asked for documentary evidence unless it is absolutely necessary.
 - 5.22. If it is necessary the individual should be told of the particular items that require confirmation and be given a specified reasonable time limit within which they are required.
 - 5.23. The individual should be advised that if the evidence is not produced within the agreed timescale the offer of payment may be rejected and further action could be taken.
 - 5.24. All information collected is governed by the Data Protection Act 1998 and the Revenues & Benefits Service has procedures in place to comply with the Act.
 - 5.25. The Revenues & Benefits Service will closely monitor all payment arrangements and will take prompt recovery action for missed payments. Action may be taken, even where payment is received shortly after the due date.
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- 5.26. The responsibility for making sure the payment reaches the account by the due date remains with the debtor. The debtor should be reminded the date on which instalments are to be paid is the final date on which money should reach the account.
- 5.27. This means that debtors must allow sufficient time for the payments to reach the Council by the due date.
- 5.28. If an arrangement extends beyond the current financial year approval of a Senior Officer in the Revenues & Benefits Service must be obtained.
- 5.29. It is important to remind the individual to contact the Revenues & Benefits Service if they anticipate problems in meeting any instalment due date. They will be advised not to wait until they have received a written response to their offer of payment, but to start and maintain payments.

Monitoring recovery of overpaid Housing Benefit

- 5.30. The Council will monitor recovery of overpaid Housing Benefit by the Revenues & Benefits Service through success in meeting the following Performance Indicators:
- Amount of overpaid Housing Benefit recovered during the period as a percentage of total amount of overpaid Housing Benefit identified during the period;
 - Amount of overpaid Housing Benefit recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period **plus** amount of overpaid Housing Benefit identified during the period
 - Amount of overpaid Housing Benefit written off during the period as a percentage of total amounts of overpaid Housing Benefit debt outstanding at the start of the period plus amount of overpaid Housing Benefit identified during the period.
- 5.31. In addition to overall Corporate monitoring in this area, the Revenues & Benefits Service will collect and act on management information (at least quarterly) that will include:
- number and financial value of cases reaching each stage of recovery
 - number and financial value of cases where attachments of benefit/earnings are made
 - number and financial value of cases being referred to a professional Debt Collection Agency.
 - number and financial value of cases where recovery is suspended due to arrangements being made
 - number and financial value of cases with arrears outstanding at year end
 - financial value of arrears outstanding at year end
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6. Policies specific to Sundry Debts

Introduction

- 6.1. It is the Council's policy to recover all collectable debt owed to it. With this overall objective in mind this policy aims to:
- Maximise the Council's Income
 - Reduce the time taken to collect charges
 - Reduce the level of debt owed to the Council and hence its provision for bad debts, and
 - Reduce the incidence of debt that cannot be collected.
- 6.2. This Policy supports these aims by:
- Promoting ownership of debts by service providers
 - Ensuring wherever possible that collection of the fee or charge involved takes place prior to the service being provided so that credit is only given when it is essential to do so
 - Promoting a system of active credit control
 - Ensuring invoicing procedures are carried out on an accurate and timely basis
 - Requiring that evidence to support the invoice exists in the form of an order or other written contract
 - Encouraging debtors to pay promptly, and
 - Making collection and enforcement activity more efficient.
- 6.3. The Responsible Finance Officer will review the targets given above each year and report on performance to the Scrutiny Committee.
- 6.4. The Council will publicise this policy and that it intends to pursue the collection and recovery of all debts owed to it.
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Scope

- 6.5. This part of the policy excludes the following debts as they are subject to their own legislation / regulations:
- Council Tax
 - Business Rates (National Non Domestic Rates)
 - Housing Rents
 - Housing and Council Tax Benefits Overpayments
 - Parking penalties

Key Objectives of Fees and Charges

- 6.6. The fee or charge imposed by the Council should be fair in relation to the goods and/or services provided.
- 6.7. The charge should reflect the principles outlined in the appropriate charging policy and in the Council's Financial Regulations.
- 6.8. The charge should, depending on legislation, always at least cover the cost of providing the goods or service and the costs of collection, unless the Council has taken a policy decision to subsidise the service.
- 6.9. The charge should wherever possible be obtained in advance of the goods and/or services being provided. If not, and where appropriate, the prior written agreement of the person receiving the goods and services should be obtained to pay for the goods and/or service.
- 6.10. The charge should be collectable.
- 6.11. Fees and charges must be reviewed at least annually.
- 6.12. There should be a clear and prompt billing and collection process.
- 6.13. There should be a clear and consistent council-wide approach to the giving of credit and the collection of debt that is led by this policy.
- 6.14. There should be a system that ensures Services only retain credit for an invoice if the income is actually collected.

Responsibilities

- 6.15. Directors, Theme Managers and Service Managers must ensure:
- Financial Regulations for collecting sundry debt are adhered to
 - The parts of this policy applying to their services are correctly followed
 - They proactively support the achievement of corporate targets for debt collection
 - Officers directly responsible for budgets are fully appraised of their responsibilities
 - Relevant systems and procedures are put in place
 - Staff involved in the debt collection process are appropriately trained, and
 - The success of training is kept under continuous review.
- 6.16. The Head of the Finance Service and the Application Support Manager are responsible for providing central support and the relevant electronic processes needed to ensure adherence to this policy.
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General Principles

- 6.17. Service providers **must** try to get payment in advance or at the time of service delivery wherever permissible. Sundry debt accounts should **only** be raised where payment in advance for a service is inappropriate.
- 6.18. Checks can be made before the service is provided to minimise risks of bad debt. These checks can include vetting of a contractor to assess their financial strength and consequently assess the risk of future non payment. Investigation can also be made to see if the customer has failed to re-pay a debt owed to the Council in the past.
- 6.19. It is crucial to ensure any debt is properly established. Inadequate legal proof of liability will make collection difficult. It is vital there is sufficient supporting documentation to enforce the debt through written agreements, or official order numbers. The full name and up-to date address of the debtor should be clear before a service is provided.
- If the potential debtor is a commercial organisation - the issuing service will consider the risk of trading with that company and the risk of providing credit duly assessed, including via the use of a credit check, and request payment in advance of the goods or service being provided, if necessary
 - If the debtor is a private individual - check if any existing debt exists in the Council against the individual, or whether the Council has had difficulty enforcing payment of previous debts in the past, and request payment in advance of the goods or service being provided if necessary
 - If an invoice is to be raised - the issuing service will ensure enough supporting documentation exists to enforce the debt in the event of non payment
- 6.20. The minimum value of any demand will be determined annually by the Responsible Finance Officer. However such a minimum value shall not apply to accounts relating to legal charges for rights of access or drainage charges where a contractual duty exists to make such token payments.
- 6.21. Except for a demand payable by instalments, or as otherwise contractually agreed, the settlement terms for all demands will be 14 days.
- 6.22. Recovery action will start no later than 14 days after the demand has fallen due.
- 6.23. Raising sundry debtor invoices will be the responsibility of the service and should only be raised on the Corporate Financial System (SAP)
- The correct details of the debtor should be clearly shown on any invoice, with the most current address used. In the event the invoice is raised to a large organisation it should be clearly directed to the relevant department or contact
 - Details shown on the invoice should be comprehensive and clear to the invoice recipient so that the risk of dispute is minimised. Full details of the service provided should be clearly shown on any invoice, including relevant dates, order references, agreements and any other relevant information that will hasten quick payment and minimise any possible delays or disputes
 - An invoice must be raised within 10 days of the charge becoming known.
 - Invoices raised must be sent to customers within 72 hours.
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Account collection & recovery

- 6.24. The Council has a pro-active approach to collection, to ensure that any disputes are quickly identified and resolved before the account is due for payment.
- 6.25. For individual debts with a value of £5k or greater, an officer within the service to which the debt relates will obtain details of a named individual who will receive the invoice (in the case of a company this is likely to be someone within that company's accounts payable team) and will diarise to check whether payment has been made on time. Where payment has not been received the officer will telephone the named individual to establish why payment has not been made and to obtain a date when payment will be made. Further follow-up calls will be made as necessary.
- 6.26. The Council will take prompt action in respect of any customer that:
- Fails to abide by any Terms and Conditions relating to any account or fails to keep any payment promise as set out within any contractual documentation or agreed verbally or in writing in the normal course of collection procedures
 - Refuses to pay without a valid reason
 - Refuses to pay interest charges on late payments in respect of invoices that have not been subject to a valid dispute
 - Refuses to pay collection costs when the services of a third party have been used.

Recovery & Enforcement

- 6.27. In the event of non payment of an invoice, initial recovery action will be undertaken by the SouthWest One Finance Service, unless specific prior agreement is made with user services. This typically will be in the form of reminder letters and telephone calls in accordance with procedures. The standard recovery flow is shown at [Appendix 10](#).
- 6.28. The extent of recovery procedures for particular types of debt will be agreed in advance between the SouthWest One Finance Service and issuing services.
- 6.29. Once standard reminder letters have been completed, additional appropriate recovery action will be initiated by the SouthWest One Finance Service where necessary, unless previously agreed with the issuing service. The exact nature of this action may vary but typically will include a combination of individual letter, telephone calls, enquiries etc as appropriate.
- 6.30. In the event that payment remains outstanding after this further recovery action, then the SouthWest One Finance Service will refer back to the originating service for instructions to commence additional action as appropriate, and for the issuing service to suspend service provision if legally permissible until outstanding debts are settled. It is essential that services respond promptly to these requests and instruct SouthWest One Finance Service accordingly.
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6.31. The type of recovery action will be agreed between the SouthWest One Finance Service and the originating service. Options to consider will include:

- Telephone contact with the debtor
- Referral to a debt collection agency
- Referral to a tracing agent in the event the debtor has absconded and cannot be traced
- Legal action. At the request of the originating service debts may be referred to the Council's Legal Service & Democratic Service or externally appointment solicitors for appropriate legal action if it is felt the debt is recoverable unless the individual circumstances are such that this does not represent best value for the Council. Options available as the result of instigating legal proceedings will consider if recovery of the debt is best progressed through:
 - Attachments of Earnings
 - Warrants of Execution
 - Garnishee Orders
 - Insolvency
 - Possession proceedings

The cost of legal action will be initially charged to the originating section' budget although every effort will be made to recover legal costs from the debtor.

6.32. Ownership of all sundry debts rests with the originating units. It is only the originating units that may:

- Issue an instruction to cancel an invoice. Cancellation instructions will only be accepted by SouthWest One Finance Service from officers approved by their Theme Manager. Officers who have raised the invoice in question will not be permitted to request its cancellation and should not therefore attempt to do so.
- Correspond with or discuss with the debtor, issues about the validity of the debt

6.33. The costs of enforcement action/litigation to recover sundry debtor invoices will be charged against the budget of the service raising the invoice. Any costs recovered from the debtor will be credited against these sums.

Instalment arrangements

6.34. In the event of customers requesting the facility of paying their debt over a period of time, the matter will be referred to the SouthWest One Finance Service who may agree a suitable payment plan accordingly

6.35. The following table should be used, as guidance only, when agreeing terms:

Value	Terms (from date of invoice)
Debts below £500	No more than 3 months
Debts below £1,500	No more than 6 months
Debts below £2,500	No more than 9 months
Debts above £2,500	No more than 12 months

- 6.36. Such payment plans will not be available as standard but may be available subject to negotiation between the SouthWest One Finance Service and the debtor. These negotiations may entail a “means enquiry” where necessary, where the customer will be asked to provide details of their financial circumstances to support their request to repay the debt over a period of time.
- 6.37. The standard procedure will be for a financial “means test’ to be undertaken for all instalment arrangements lasting more than 6 months.
- 6.38. In the event instalment arrangements have been agreed with a debtor, the repayment plan will be monitored by the SouthWest One Finance Service. In the event of instalment payments being missed, suitable recovery action will be undertaken through reminder letters and other recovery action.
- 6.39. The agreement of any instalment arrangements will be the responsibility of the SouthWest One Finance Service subject to any local guidelines provided by Council Service departments.

Disputes/queries

Disputes must be resolved by the appropriate service in the following timescales:

- Incorrect Charge - 10 days
 - Sub Standard Works - 14 days
 - Work not carried out - 14 days
 - Missing PO's or Contact - 14 days
 - Missing Support Documentation - 14 days
 - Denies liability - 14 days
 - Goods not received - 14 days
- 6.40. A dispute is not resolved unless it meets one of the following conditions
- Customer is correct and gets full credit
 - Customer is partly correct and gets partial credit and accepts the charge
 - Customer is incorrect and accepts the charge
 - Customer is not correct and does not accept the situation but the service is prepared to instigate legal proceedings to recover debt

Interest on debts

- 6.41. Interest may be applied to all non-consumer debt as laid down in the Late Payment of Commercial Debts Act 1998. Similar interest may be applied to consumer overdue debt providing the consumer has received prior notification of such charge.
- 6.42. When legal proceedings are issued, interest can be charged for any debt at a rate of 8% from the date the debt arose until judgement is entered (S69 County Court Act 1984).
- 6.43. So not to make the financial position of the debtor worse, interest is not usually added to debts relating to Bed & Breakfast or Former Tenancy Arrears or where it is known
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that the debtor is on benefits. The debt will already have increased in any event by the addition of costs.

Invoices issued on behalf of other bodies

- 6.44. The Taunton Town Centre Business Improvement District (BID) was set up in accordance with Statutory Instrument (SI) 2004/2443, and levies an additional amount on businesses within a pre-defined area. The money raised is spent on projects within the BID plan.
- 6.45. The Council has conferred the duty to raise the invoices and collect the levies on behalf of the Taunton Town Centre BID to SouthWest One's Revenues & Benefits Service in accordance with Statutory Instrument (SI) 2005/215. The decision on writing-off this type of debts rests with the Taunton Town Centre Management Company rather than with the Council.

Loans to staff

- 6.46. The Council occasionally makes advances of salary to staff. These are repaid by deduction from the next month's salary.
 - 6.47. The Council operates an assisted car purchase scheme for staff. As this is an assisted car purchase scheme, employees will not normally be granted a 100% loan. Interest is charged on the loan, and employees make monthly repayments of the loan principle and interest via salary deduction. If the employee leaves the authority any outstanding loan amount becomes repayable in full by the last day of service. The collection of this debt is administered through the SAP system.
 - 6.48. The Council has a leased car scheme for some members of staff. If an employee with a leased car leaves the authority or returns the lease car, any outstanding amount relating to the leased car (e.g. excess mileage which will not be met by the Council under the terms of the original lease agreement, or any claims for damages) becomes repayable to the authority by the employee in full. The collection of this debt is administered through the SAP system.
 - 6.49. The Council sometimes employs trainees who are studying for a professional qualification. If the qualification is an essential part of the career development for the post concerned, the Council will bear the training costs. Trainees are required to sign a training contract prior to the commencement of their training. If the trainee subsequently leaves the authority, any training expenditure that was incurred within the previous two years becomes repayable in full by the last day of service. The collection of this debt is administered through the SAP system.
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Management reporting

- Age Debt Analysis reports are available in the SAP system. These reports should be run regularly (at least monthly) by services so that each service can make an informed judgment on its bad debt position to ensure the Council's overall bad debt provision remains appropriate, as part of its budgetary monitoring process.
- Quarterly each Theme Manager should prepare a report to CMT detailing the following information;

Top 10 Debts by Value

Name / Ref	Value	Raised	Position

All Debts over £1k and 90 days

Name / Ref	Value	Position

Aged debt profile for all debts within Theme.

Not Overdue	0-30days	31-60days	61-90days	91-180days	181-365days	365days+

7. Policies specific to recovery of Housing Rents

Recovery of Rent Arrears - TDBC Code of Conduct and Procedure

7.1. Specific policies relating to Housing Rents are shown below:

Part 1: Preliminary Considerations

The Economic Realities of Rent Arrears Recovery

- The prompt payment of rent and the efficient recovery of outstanding rent debt are crucial to the financial viability of the Housing Revenue Account.
- The Housing Service seeks to recover rent arrears from a customer group which includes some of the most economically disadvantaged members of society.
- The Housing Service is in competition with other agencies and private companies which are seeking to recover debt from Taunton Deane tenants.
- An irresolute approach to rent arrears recovery would have the following effects:
 - i) Payment of rent would be lost to other competitor accounts and the customer, to his or her own disadvantage, may prioritise his or her debts in an inappropriate manner, e.g., pay a mail order catalogue at the expense of the rent account.
 - ii) If the Housing Service's approach is not perceived as being robust, the economically disadvantaged customer may build this perception into his or her strategy for coping with the demands of day-to-day poverty.
 - iii) Those with sufficient means to pay the rent regularly but attracted to the prospect of what they see as an interest-free loan, will be encouraged to fall into arrears.

Comment: Most of the customers of the Housing Service pay their rent regularly as it becomes due and would expect other tenants to do likewise. It is incumbent on the Council to implement effective strategies and procedures to contain rent arrears for the general benefit of all tenants.

Part 2: General Approach to Rent Arrears Recovery - Statement of Intent

- The Officers of Deane Housing Management will temper the firmness necessary in this area of work with fairness and compassion.
- The Officers will seek to achieve results by persuasion and agreement and only when these options have been exhausted will compulsion be applied via the appropriate legal remedies.
- The Officers will endeavour to assist tenants in arrears to maximise their incomes by the provision of welfare benefits advice and may refer appropriate cases to other agencies which offer debt counselling/advice and support.
- The Officers will carefully record all recovery action throughout the process of rent arrears recovery.

Part 3: Rent Arrears Recovery - Procedure

Deane Housing Management will assess each individual arrears case and make an appropriate choice of action from the following options:

1. Arrears Letter

The choice of a range of letter will depend on the size of the debt and what stage in the recovery procedure the case has reached. The letter will be influenced by a tenant's previous history of rent arrears (if any).

2. Personal Contact

Personal contact with the tenant is the best way to get to the root of the problem. The aim is to achieve an agreement to pay in full or by instalments. The telephone is quick and inexpensive, while the individual personal visit is very effective (albeit expensive) in highlighting the seriousness of a rent arrears debt. Personal contact is intended to establish rapport with the tenant. Personal contact is essential in those cases which may require referral for Court action and preferably will also occur before this stage is reached.

3. Service of Notice Seeking Possession (NSP)

The decision to serve NSP will be made by an Estates Officer within Deane Housing Management. The NSP will be served by hand at the tenants address, and will be accompanied by a covering letter inviting the tenant to discuss the matter.

4. Referral for Court Action

Where the successive rent arrears letters, visits and service of NSP have not achieved the desired effect, an application for a possession hearing will be made by the County Court.

5. County Court Hearing

Before each County Court hearing occurs, an Officer of Deane Housing Management will have made at least one further effort to achieve agreement by visiting the tenant at his/her home. If agreement is reached, the District Judge can be asked to ratify it by making a Suspended Possession Order on similar or identical terms. If no agreement is reached, the Officer bringing the action will seek a Suspended Possession Order appropriate to the individual case which, in his/her judgement, will be acceptable to Court.

6. Warrant to Evict

Where the tenant defaults on the terms of a Suspended Possession Order, an Officer of the Deane Housing Management will, at his/her discretion, refer the case for eviction.

7. Enforcement of the Warrant

At least five working days before a scheduled eviction the Housing Estates and Recover Manager or in his/her absence the appropriate Estates Officer, must pass an Eviction Assessment Report to the Housing Manager - Operations.

8. Action by the Housing Manager - Operations

The Housing Manager - Operations will obtain approval of the Executive Member for Housing, or in his/her absence the Chairperson of the Housing Review Panel, for the eviction to proceed.

Part 4 - Former Tenant Arrears

- Ensure that there are clear and comprehensive procedures for employees to ensure the effective collection and recovery of former tenant arrears.
 - Consider sanctions such as Attachment of Earnings and Money Judgements if debtors fail to respond or maintain an agreement.
 - For smaller debts, an external agency will be used to recover the debt.
 - The council will attempt to establish early contact with the debtor and agree a realistic repayment plan.
 - Confirm any repayment agreements in writing.
 - Act sensitively in cases where former tenants have deceased or have gone into permanent residential care, liaising with Next of Kin/Executors to establish if there are any funds in the estate until a conclusion satisfactory to all parties has been reached.
 - Advise debtors of the future consequences of the non payment of former tenant arrears.
 - The Council will not seek to recover tenant's property as a method of recovering the debt. (e.g. distraint of goods)
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Part 5 - Void Recharges

- Provide information to our customers on how and why void recharges can arise, and through publicity and promotional materials, seek to prevent the occurrence of recharges.
- Ensure that there are clear and comprehensive procedures for employees to ensure the efficient and effective processing and recovery of recharges.
- Notify customers in writing of the value of the void recharge debt at the earliest opportunity.
- In the case of deceased former tenants, ensure that we liaise with Next of Kin/ Executors to establish if there are any funds in the estate prior to raising invoices.
- Review forms, letters and leaflets following feedback from our customers, to ensure that they are relevant and accurate.
- Ensure the provision of high quality photographic evidence to support void recharges and minimise 'bad debts' that cannot be effectively pursued.
- Closely monitor the performance of Taunton Deane Borough Council in relation to the recovery of void recharges.

** Recharges for current tenants & Leaseholder debt; see section 6 of Corporate Debt Policy.*

8. Policies Specific to Recovery of Penalty Charges

8.1 Penalty Charge Notices will be administered in accordance with the requirements of the Traffic Management Act 2004 and the subsequent Regulations laid down by the Secretary of State. These prescribe the procedures and documentation to be used and the timescales to be followed, including the recovery of outstanding sums through the courts.

8.2 The Council will engage only firms of Recovery Agents who are experienced in the collection of outstanding parking charges and who are licensed by the Office of Fair Trading and conform to the code of Practice laid down by the Credit Services Association.

8.3 Recovery Agents will be engaged with due regard to the Corporate Procurement Strategy as detailed in section 9 of this document.

9. Use of Debt Collection Agents & Tracing Services

- 9.1 Taunton Deane Borough Council or contractors working on its behalf will tender for these services and conclude a service level agreement with the successful candidate(s).
 - 9.2 External debt collection agents must demonstrate they will comply with the National Standards for Enforcement Agents ([Appendix 2](#)) and the Enforcement Concordat ([Appendix 3](#)).
 - 9.3 It will be expected any external debt collection agent or those providing tracing services will hold and maintain membership of the Credit Services Association and comply with its Code of Conduct ([Appendix 6](#)).
 - 9.4 Debt Collection Agents will work on a commission basis only where all fees are subject to VAT. Payments are received by way of a monthly invoice, which includes their monthly performance analysis.
 - 9.5 The Debt Collection Agency will provide the Council with a copy of their escalation policy and all cases should return within the specified time period agreed. If the debt returns from the Debt Collection Agency outstanding as 'all options exhausted', the case is either referred for write-off as "All Recovery Options Exhausted" or selected for further action such as Small Claims or Attachment of Earnings.
 - 9.6 All invoices returned by Royal Mail stating "gone away" or "addressee not known" should have the following action taken:
 - The Accounts Payable Team will flag the invoice and note the reason in SAP (or other debtor system).
 - The Accounts Payable Team will refer the invoice back to the originating service immediately for advice on a forwarding address or other helpful information.
 - The originating service must stop the provision of service immediately, where this is appropriate and allowable.
 - For addresses within Taunton Deane Borough Council, the Service will arrange a visit to establish the current occupant at the mailing address and check if there is any forwarding address known for the debtor.
 - The Service will refer debts over £50 to a Tracing Agent within seven days. If, subsequently, no forwarding or alternate address is found, the invoice should be written off under the write-off procedure.
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Appendix 1

Collection of Council Tax Arrears

Good Practice Protocol

Introduction

Council tax payers will receive a better level of service if billing authorities and local debt advice agencies work closely together.

This good practice protocol makes a number of suggestions on how existing relations can be strengthened and improved. It has been developed as a result of partnership work between the national bodies representing advice agencies and local government throughout England and Wales. It reflects best practice at local level and is intended to be an aid towards regular liaison on practices and policy concerning council tax arrears collection. By setting down clear procedures and keeping them regularly under review, all parties can ensure that cases of arrears are dealt with quickly and realistically whilst complaints are handled efficiently.

This partnership approach is even more important at a time of economic uncertainty in order to ensure that taxpayers are able to pay their council tax bills on time, get the benefits to which they are entitled and those in financial difficulty get high quality debt advice. The intention is to ensure that council tax arrears are dealt with quickly, effectively and realistically.

Partnership

The following items cover effective liaison between local authorities and advice agencies.

- Local authorities and advice agencies should agree to meet regularly to discuss practical and policy issues with a recommendation to meet quarterly at local authority officer level and annually with elected members.
 - All parties should have dedicated contacts accessible on direct lines and by electronic means so that issues can be taken up quickly.
 - All parties should promote mutual understanding by providing training workshops and/or exchange visits so that those involved understand the issues facing respective organisations.
 - Vulnerable people: local authorities and advice agencies should work together to develop a fair collection and enforcement policy highlighting examples of vulnerable people and specifying clear procedures about how they should be dealt with. Contractual arrangement with bailiffs should specify procedures for the council to take back cases involving vulnerable people.
 - Local authorities should consider informal complaints as evidence of problems with collection or enforcement with bailiffs. Debtors may be afraid to complain formally where
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bailiff activity is ongoing. Informal complaints received from advice agencies can indicate problems worthy of further investigation.

Information

Literature concerning council tax collection and recovery should be reviewed as part of liaison work between local authorities and advice agencies.

- Publicise debt advice contact details on literature and council tax notices. Local Authorities can provide council tax payment plans to help people budget. Advice agencies can help by promoting the need for debtors to contact their local authority as soon as possible in order to agree payment plans. Work together to ensure that the tone of letters is not intimidating and encourages prompt engagement by council tax payers experiencing financial difficulties.
- Local authorities should consider providing literature addressing any likely concerns council tax debtors involved in the recovery process may have on bailiffs and enforcement. Information could cover charges bailiffs are allowed to make by law, how to complain about bailiff behaviour or check bailiff certification and further help available from the local authority or advice agencies.
- All parties should work together to promote engagement by council tax payers. Include information on how bills can be reduced through reliefs, exemptions and council tax benefit, how tax payers should contact the local authority if they experience financial hardship and the consequences of allowing debts to accumulate. Information should be made available on local authority and advice agency websites and available at offices of relevant agencies. This is an opportunity for joint campaign work.
- Promote different payment dates within the month as options available to council tax payers. This can allow people to budget more effectively for council tax when they have the money.

Recovery

If a council tax bill is not paid then the recovery process comes into play. The first stage of the recovery process will involve the billing authority obtaining a liability order from the courts. While authorities strive to make contact with a debtor the first point of contact often occurs only when a bailiff visits the premises. The following items should be considered to ensure an appropriate response.

- Local Authorities should work in partnership with advice agencies on the content of all documents produced by the billing authority and agents acting on its behalf which are part of the enforcement process. This should ensure that the rights and responsibilities of all parties are clearly set out and understood.
 - Recovery officers should provide the debtor with a contact number should they wish to speak to the billing authority.
 - All charges associated with recovery should be kept regularly under review to ensure they are reasonable. Bailiffs employed by billing authorities should only make changes in accordance with council tax collection and enforcement regulations.
 - Consider the level of debt (inclusive of liability order fees) before bailiff action is taken.
 - Billing authorities will have varying definitions of a vulnerable person/household. Recovery action will be referred to the billing authority where these criteria are found to have been met.
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- Find out whether the debtor has outstanding claims for council tax benefit or housing benefit which are contributing to arrears. Recovery can be suspended once it is established that a legitimate claim is pending.
 - Billing authorities should prioritise direct deduction from benefits or attachment of earnings in preference to using bailiffs. This avoids extra debts being incurred by people who may already have substantial liabilities.
 - Ensure procedures exist for debt advisors to negotiate payments on behalf of the taxpayer at any point in the process including when the debt has been passed to the bailiff. In some cases the debtor may only, in practice, contact an advice agency following a visit from the bailiff.
 - Set down, as part of contractual arrangements, a clear procedure for people to report complaints about recovery action. Billing authorities will regularly monitor the performance of those recovering debts on their behalf and ensure that contractual and legal arrangements are adhered to.
 - A key part of the recovery is treating each case on its merits. Arrangements need to be affordable and sustainable while ensuring that the debt is paid off within a reasonable period. Literature concerning council tax collection and recovery should be reviewed as part of liaison work between local authorities and advice agencies.
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Appendix 2

National Standards for Enforcement Agents

May 2002

- Introduction
 - Terms Used
 - Professionalism and Conduct of the Enforcement Agent
 - Statutory or Financial Requirements for Enforcement Agencies
 - Training and Certification
 - Complaints/Discipline
 - Information and Confidentiality
 - Times and Hours
 - Goods
 - Vulnerable Situations
 - Creditors' Responsibilities
 - Professional Organisations
-

Introduction

The Lord Chancellor's Department has produced these *National Standards for Enforcement Agents* to share, build on and improve existing good practice and thereby to raise the level of professionalism across the whole sector. These standards are intended for use by all enforcement agents, public and private, the enforcement agencies that employ them and the major creditors who use their services. Private sector enforcement agents who are recovering debts owed to the public sector perform the vast majority of enforcement work, and this document has for the first time established a set of common standards to cover this activity. In order to improve the public's perception of the profession, enforcement agents and those who employ them, or use their services, must maintain high standards of business ethics and practice.

This guidance is the first document of its kind that will be sent on an individual basis to all certificated bailiffs and which has been so widely endorsed by the industry and by Government. The various trade associations, operating across the enforcement sector, make a valuable contribution in terms of raising standards, handling complaints and assisting their members. Membership is not obligatory but we strongly recommend that enforcement agents should join an appropriate organisation relevant to their sphere of activity. Enforcement is a difficult but essential task and those who operate in this field often face situations that require careful and sensitive handling. It is believed that the creditor and those carrying out enforcement share a duty to give particular consideration to vulnerable debtors or those who have special needs. Therefore, this document provides new guidance on some issues which may not be specifically covered in legislation, but which are relevant in a modern society.

Copies will be made widely available, including to the organisations listed below; in due course, it will be evaluated on its usefulness and to see how it may be further improved as we recognise that up-to-date guidance in this area is essential.

This national guidance does not replace local agreements, existing agency codes of practice or legislation; rather it sets out what the Department, those in the industry and some major users regard as minimum standards.

We recognise this document is not legally binding, but offer it as a helpful tool for the industry and for creditors which, it is hoped, will inform their own arrangements and against which they may benchmark their professional standards. We are working on the recommendations from Professor Beatson's *Independent Review of Bailiff Law* informed by responses to the recent Green Paper *Towards Effective Enforcement: A single piece of bailiff law and a regulatory enforcement structure*. As part of that work, in advance of future legislative proposals, and with the support and involvement of experienced people within the profession, these National Standards have been produced. We are grateful for the invaluable assistance and endorsement received from:

- The Association of Civil Enforcement Agencies
 - The Advisory Group on Enforcement Service Delivery
 - The Certificated Bailiffs Association
 - The Child Support Agency
 - The Civil Court Users Association
 - The Court Service
 - The Department for Transport, Local Government & the Regions
 - Her Majesty's Customs & Excise
 - The Inland Revenue
 - The Institute of Revenues, Rating & Valuation
 - The Local Authorities Civil Enforcement Forum
 - The Local Government Association
 - The Sheriffs' Officers' Association
 - The Under Sheriffs' Association
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Terms used

In this document we have used the following terms:

- **Creditor:** for these standards which identify some responsibilities for creditors we include - a local authority, major or frequent judgment creditors in the civil courts, including Government Departments and magistrates' courts committees to whom financial penalties are paid (to the consolidated fund), and landlords undertaking distress for rent procedures.
- **Debtor:** we mean a person who owes a sum of money - this may be a judgment debt or a criminal financial penalty fine which is in default or a liability order. The debtor should behave lawfully and is encouraged to co-operate with the enforcement agent.
- **Enforcement:** in this document we mean the lawful process of warrant or writ execution, distraint and levying on goods.
- **Enforcement Agency:** here we mean the business that employs enforcement agents, unless specifically indicated (where different arrangements exist); we also include those public sector organisations that have in-house enforcement agents.
- **Enforcement Agent:** we mean someone who is responsible for the enforcement of court orders against goods (warrants of distress and execution) or the person (arrest warrants); we include those employed in the public and private sector, bailiffs, sheriffs' officers and distrainers.

Professionalism and conduct of the enforcement agent

- Enforcement agents should always produce relevant identification on request, such as a badge or ID card, together with a written authorisation to act on behalf of the creditor.
 - Enforcement agents must act within the law at all times, including all defined legislation and observe all health and safety requirements in carrying out enforcement. They must maintain strict client confidentiality and comply with Data Protection legislation and, where appropriate the Freedom of Information Act.
 - Enforcement agents, for the purpose of distress or execution shall, without the use of unlawful force, gain access to the goods. The enforcement agent will produce an inventory of the goods seized and leave it with the debtor, or at the premises, with any other documents that are required by regulations or statute.
 - Enforcement agents must carry out their duties in a professional, calm and dignified manner. They must dress appropriately and act with discretion and fairness.
 - Enforcement agents must not misrepresent their powers, qualifications, capacities, experience or abilities.
 - Enforcement agents must not discriminate unfairly on any grounds including those of age, disability, ethnicity, gender, race, religion or sexual orientation.
 - In circumstances where the enforcement agency requires it, and always where there have been previous acts of, or threats of violence by a debtor, a risk assessment should be undertaken prior to the enforcement agent attending a debtor's premises.
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Statutory or Financial Requirements for Enforcement Agencies [Endnote 1]

- Enforcement agencies should ensure that audited accounts are available on request, where it is appropriate that these are kept. An annual audit of the agency's accounts by independent accountants should be undertaken at least once a year for businesses where this is appropriate. This should apply in the case of small companies and sole traders too - wherever possible.
- Enforcement agencies must comply with statutory obligations, for example, the Companies Act, Value Added Tax, Inland Revenue provisions, Data Protection, Health & Safety etc.
- A separate account for monies due to the creditor should be maintained and accurate books and accounts should be kept and made available to establish monies owed to the creditor.
- Enforcement agencies must keep a complete record of all financial transactions in whatever capacity undertaken.
- Enforcement agencies must maintain suitable and comprehensive insurance cover for both professional indemnity and other risks including employer's liability and public liability. Insurance requirements must actively be re-visited each year to the satisfaction of the client and to ensure adequate and appropriate arrangements are in place.

Training and Certification

- Enforcement agencies must ensure that all agents, employees and contractors are provided with appropriate training to ensure that they understand and are able to act, at all times, within the bounds of the relevant legislation. This training should be provided at the commencement of employment and at intervals afterwards to ensure that the agent's knowledge is kept up to date.
 - Enforcement agencies must ensure that all employees, contractors and agents will at all times act within the scope of current legislation, i.e. The Companies Act, VAT, Inland Revenue provisions, Data Protection, Health and Safety etc, and have an appropriate knowledge and understanding of it and be aware of any statutory obligations and provide relevant training.
 - Enforcement agents should be trained to recognise and avoid potentially hazardous and aggressive situations and to withdraw when in doubt about their own or others' safety.
 - Professional training/assessment should be to an appropriate standard, for example to that of the *NVQ for Civil Enforcement Officers*, or membership of the *Sheriffs' Officers Association*.
 - Enforcement agencies must ensure that legislation restricting the enforcement activity to certificated bailiffs is complied with [Endnote 2].
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Complaints/Discipline

- Enforcement agencies must operate complaints and disciplinary procedures with which agents must be fully conversant.
- The complaints procedure should be set out in plain English, have a main point of contact, set time limits for dealing with complaints and an independent appeal process where appropriate. A register should be maintained to record all complaints.
- Enforcement agents/agencies are encouraged to make use of the complaints and disciplinary procedures of professional associations such as the *Association of Civil Enforcement Agencies* or the *Certificated Bailiffs Association*.
- The enforcement agent must make available details of the comments and complaints procedure on request or when circumstances indicate it would be appropriate to do so.

Information and confidentiality

- All notices, correspondence and documentation issued by the agent/agency must be clear and unambiguous and to the satisfaction of the creditor.
- On returning any un-executed warrants, the enforcement agent should report the outcome to the creditor and provide further appropriate information, where this is requested and paid for by the creditor.
- All information obtained during the administration and enforcement of warrants must be treated as confidential.
- Copies of the *National Standards for Enforcement Agents* must be freely available from the offices of enforcement agencies, or agents on request and wherever possible from creditors.
- Enforcement agents should provide clear and prompt information to debtors and where appropriate, creditors.
- Enforcement agents should, so far as it is practical, avoid disclosing the purpose of their visit to anyone other than the debtor. Where the debtor is not seen, the relevant documents must be left at the address in a sealed envelope addressed to the debtor.
- Enforcement agents will on each and every occasion when a visit is made to a debtor's property which incurs a fee for the debtor, leave a notice detailing the fees charged to date, including the one for that visit, and the fees which will be incurred if further action becomes necessary. If a written request is made an itemised account of fees will be provided.
- Enforcement agents will clearly explain and give in writing, the consequences of the seizure of a debtor's goods and ensure that debtors are aware of the additional charges that will be incurred.

Times and Hours

- Enforcement should not be undertaken on Sundays, on Bank Holidays, on Good Friday or on Christmas Day, unless the court specifically orders otherwise or in situations where legislation permits it.
 - It is recommended that enforcement should only be carried out between the hours of 6.00am and 9.00pm or at any time during trading hours, existing legislation must be observed.
 - Enforcement agents should be respectful of the religion and culture of others at all times. They should be aware of the dates for religious festivals and carefully consider the appropriateness of undertaking enforcement on any day of religious or cultural observance or during any major religious or cultural festival.
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Goods

- Enforcement agents must only take goods in accordance with the appropriate regulations or statute. In addition creditors may agree other restrictions with agents acting on their behalf.
- Enforcement agents must ensure that goods are handled with reasonable care so that they do not suffer any damage whilst in their possession and should have insurance in place for goods in transit so that if damage occurs this is covered by the policy.
- Enforcement agents should not remove anything clearly identifiable as an item belonging to, or for the exclusive use of a child.
- A receipt for the goods removed should be given to the debtor or left at the premises.
- Enforcement agents should take all reasonable steps to satisfy themselves that the value of the goods impounded in satisfaction of the judgement is proportional to the value of the debt and charges owed.

Vulnerable situations

- Enforcement agents/agencies and creditors must recognise that they each have a role in ensuring that the vulnerable and socially excluded are protected and that the recovery process includes procedures agreed between the agent/agency and creditor about how such situations should be dealt with. The appropriate use of discretion is essential in every case and no amount of guidance could cover every situation, therefore the agent has a duty to contact the creditor and report the circumstances in situations where there is potential cause for concern. If necessary, the enforcement agent will advise the creditor if further action is appropriate. The exercise of appropriate discretion is needed, not only to protect the debtor, but also the enforcement agent who should avoid taking action which could lead to accusations of inappropriate behaviour.
 - Enforcement agents must withdraw from domestic premises if the only person present is, or appears to be, under the age of 18; they can ask when the debtor will be home - if appropriate.
 - Enforcement agents must withdraw without making enquiries if the only persons present are children who appear to be under the age of 12.
 - Wherever possible, enforcement agents should have arrangements in place for rapidly accessing translation services when these are needed, and provide on request information in large print or in Braille for debtors with impaired sight.
 - Those who might be potentially vulnerable include:
 - the elderly;
 - people with a disability;
 - the seriously ill;
 - the recently bereaved;
 - single parent families;
 - pregnant women;
 - unemployed people; and,
 - those who have obvious difficulty in understanding, speaking or reading English.
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Creditors' Responsibilities

- In order for the enforcement process to work effectively, creditors must be fully aware of their own responsibilities. These should be observed and set out in terms of agreement with their enforcement agent/agency. They should consider carefully any specific requirements for financial guarantees etc so that these are adequate, fair and appropriate for the work involved.
 - Creditors must not seek payment from an enforcement agent or enforcement agency in order to secure a contract.
 - Creditors must notify the enforcement agency of all payments received and other contacts with the debtor.
 - Creditors have a responsibility to tell the debtor that if payment is not made within a specified period of time, action may be taken to enforce payment.
 - Creditors must not request the suspension of a warrant or make direct payment arrangements with debtors without appropriate notification and payment of fees due to the enforcement agent.
 - Creditors must not issue a warrant knowing that the debtor is not at the address, as a means of tracing the debtor at no cost.
 - Creditors must provide a contact point at appropriate times to enable the enforcement agent or agency to make essential queries particularly where they have cause for concern.
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Professional Organisations

Organisation	Contact
Association of Civil Enforcement Agencies Chesham House 150 Regent Street London W1R 5FA	Tel: 020-7432 0366 Fax: 020-7432 0516 Email: sec@acea.org.uk website: www.acea.org.uk
The Executive Director Certificated Bailiffs Association Ridgefield House 14 John Dalton Street Manchester M2 6JR	Tel: 0161-839 7225 Fax: 0161-834 2433 e-mail: enquiries@bailiffs.org.uk website: www.bailiffs.org.uk
Institute of Revenues Ratings and Valuation 41 Doughty Street London WC1N 2LF	Tel: 020-7831 3505 Fax: 020-7831 2048 website: www.irrv.org.uk
Sheriffs' Officers' Association Ashfield House Illingworth Street Ossett West Yorkshire WF5 8AL	Tel: 01924-279005 Fax: 01924-280114
Under Sheriffs' Association 20-21 Tooks Court London EC4A 1LB	Tel 020-7025 2550 Fax- 020-7025 2551 Email: j-hargrove@sheriffs.co.uk
Local Authority Civil Enforcement Forum Brighton & Hove City Council Priory House PO Box 2929 Brighton BN1 1PS	Tel:01273-291876 Fax: 01273-291 881 Email: barrie.minney@brighton-hove.gov.uk Website: www.lacef.org.uk

Endnotes

1. *Separate provisions regarding financial accounting and insurance may apply to public sector organisations who directly employ their own enforcement agents*
 2. *Distress for Rent Rules 1988*
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Appendix 3 Enforcement Concordat

The Principles of Good Enforcement: Policy and Procedures

This document sets out what business and others being regulated can expect from enforcement officers. It commits us to good enforcement policies and procedures. It may be supplemented by additional statements of enforcement policy.

The primary function of central and local government enforcement work is to protect the public, the environment and groups such as consumers and workers. At the same time, carrying out enforcement functions in an equitable, practical and consistent manner helps to promote a thriving national and local economy. We are committed to these aims and to maintaining a fair and safe trading environment.

The effectiveness of legislation in protecting consumers or sectors in society depends crucially on the compliance of those regulated. We recognise that most businesses want to comply with the law. We will, therefore, take care to help business and others meet their legal obligations without unnecessary expense, while taking firm action, including prosecution where appropriate, against those who flout the law or act irresponsibly. All citizens will reap the benefits of this policy through better information, choice, and safety.

We have therefore adopted the central and local government Concordat on Good Enforcement. Included in the term “enforcement” are advisory visits and assisting with compliance as well as licensing and formal enforcement action. By adopting the concordat we commit ourselves to the following policies and procedures, which contribute to best value, and will provide information to show that we are observing them.

Principles of Good Enforcement: Policy

- **Standards**

In consultation with business and other relevant interested parties, including technical experts where appropriate, we will draw up clear standards setting out the level of service and performance the public and business people can expect to receive. We will publish these standards and our annual performance against them. The standards will be made available to businesses and others who are regulated.

- **Openness**

We will provide information and advice in plain language on the rules that we apply and will disseminate this as widely as possible. We will be open about how we set about our work, including any charges that we set, consulting business, voluntary organisations, charities, consumers and workforce representatives. We will discuss general issues, specific compliance failures or problems with anyone experiencing difficulties.

- **Helpfulness**

We believe that prevention is better than cure and that our role therefore involves actively working with business, especially small and medium sized businesses, to advise on and assist with compliance. We will provide a courteous and efficient service and our staff will identify themselves by name. We will provide a contact point and telephone number for further dealings with us and we will encourage business to seek advice /information from us. Applications for approval of establishments, licenses, registrations, etc, will be dealt with efficiently and promptly. We will ensure that, wherever practicable, our enforcement services are effectively co-ordinated to minimise unnecessary overlaps and time delays.

- **Complaints about service**

We will provide well publicised, effective and timely complaints procedures easily accessible to business, the public, employees and consumer groups. In cases where disputes cannot be resolved, any right of complaint or appeal will be explained, with details of the process and the likely time-scales involved.

- **Proportionality**

We will minimise the costs of compliance for business by ensuring that any action we require is proportionate to the risks. As far as the law allows, we will take account of the circumstances of the case and the attitude of the operator when considering action.

We will take particular care to work with small businesses and voluntary and community organisations so that they can meet their legal obligations without unnecessary expense, where practicable.

- **Consistency**

We will carry out our duties in a fair, equitable and consistent manner. While inspectors are expected to exercise judgement in individual cases, we will have arrangements in place to promote consistency, including effective arrangements for liaison with other authorities and enforcement bodies through schemes such as those operated by the Local Authorities Co-ordinating Body on Food and Trading Standards (LACOTS) and the Local Authority National Type Approval Confederation (LANTAC).

Principles of Good Enforcement: Procedures

Advice from an officer will be put clearly and simply and will be confirmed in writing, on request, explaining why any remedial work is necessary and over what time-scale, and making sure that legal requirements are clearly distinguished from best practice advice.

Before formal enforcement action is taken, officers will provide an opportunity to discuss the circumstances of the case and, if possible, resolve points of difference, unless immediate action is required (for example, in the interests of health and safety or environmental protection or to prevent evidence being destroyed).

Where immediate action is considered necessary, an explanation of why such action was required will be given at the time and confirmed in writing in most cases within 5 working days and, in all cases, within 10 working days.

Where there are rights of appeal against formal action, advice on the appeal mechanism will be clearly set out in writing at the time the action is taken (whenever possible this advice will be issued with the enforcement notice).

March 1998

Appendix 4

Vulnerability Protocol for Council Tax or Business Rates Customers

This protocol has been drawn up in agreement with representatives of Taunton Citizens Advice Bureau (CAB). It set out a strategy to increase the likelihood of successful collection of Council Tax or Business Rates without causing unreasonable distress to those liable.

Definition

A vulnerable person is a person who, by characteristics and/or circumstances, is unable to act or respond appropriately to the normal collection procedures, or for the same reason is unreasonably affected by them. The characteristics or circumstances that may lead to identifying a person as vulnerable are as follows:

- Carers
- Cognitive Impairment
- Debt Management Agency involvement and overall debts need to be managed
- Disability
- Financial Impoverishment
- Learning Difficulty (including literacy difficulties)
- Language Difficulty
- Late Term Pregnancy
- Medication
- Mental Health (including personality disorders)
- Physical Health (including fragility due to advance years)
- Possession Proceedings
- Probation Service Involvement
- Recent Bereavement
- SMI (Severely mentally Impaired)
- Substance Abuse
- Social Services Involvement
- Terminal Illness
- Victim of Abuse
- Victim of War

This list of factors is not definitive and all the circumstances must be taken into account.

Recovery for customers identified as vulnerable

The recovery process starts when a customer owing Council Tax or Business Rates falls into arrears. We will issue a Reminder, Final Notice, Summons and then a "14 day" letter before instructing our bailiff service as well as asking for further information.

If the Bailiff Service is involved, we will not stop recovery action as there must be consistency in the recovery process.

If we identify a customer as vulnerable before instructing our Bailiff Service, we will not refer their account to the bailiffs unless we consider their case demonstrates a "*Won't Pay*" attitude (in contrast to "*Can't Pay*").

If we identify a customer as vulnerable after instructing our Bailiff Service, we will recall their account unless we consider their case demonstrates a "*Won't Pay*" attitude (in contrast to "*Can't Pay*").

In all cases where we consider a customer to be vulnerable, we will allocate a Revenues Officer for the account to attempt to agree a Special Arrangement to allow payment of the debt over a longer period. Where possible, all current year debts should be recovered within the financial year. Arrears from previous years may be paid at a lesser amount over an agreed period to allow payment of Council Tax or Business Rates for the current year to take priority.

All cases coded as vulnerable will be means tested by the Revenues Officer and/or the CAB using the same financial statement. This will ensure consistency. To assist the customer, we can send the form by post or arrange a phone or face to face interview with the customer to go through the form. Further communication can be maintained through phones, face to face meetings and by letter. In some cases, a visit to the customers' home could help with debt management and form completion.

Citizens Advice Bureau

It is suggested that even if a means test is being carried out and for example the person does not have arrears of Council Tax and that 100% council tax benefit is in payment but the person is vulnerable that the Authority are made aware of these as well.

The Citizens Advice Bureau will have in place a robust policy to enable them to identify when a person may be vulnerable. The factors, as set out below, will be used as the basis upon which a decision will be made but all the taxpayer's circumstances will be taken into account. The taxpayer will need to give their consent before the Local Authority is notified that they have been identified as vulnerable. An Advice Session Supervisor or Manager will check the assessment and confirm that the taxpayer is vulnerable.

The CAB will e-mail a standard pro-forma containing all relevant information to the Local Authority to enable our records to be updated. This way should a change take place on the account/s then the vulnerable code will already be in place and this policy will apply.

Regular reviews for each case will be carried out by Citizens Advice and by the Local Authority to ensure the vulnerable code is still applicable. It is acknowledged that some people may be vulnerable for only a short period whereas there are others who may be vulnerable for much longer periods or indeed indefinitely.

Proactive Monitoring

In the near future there will be development of a report that will be run before any recovery action is commenced to identify those taxpayers coded as “vulnerable”. If a taxpayer is identified as vulnerable they will be contacted to advise them that documents that will be sent out shortly.

Council Tax and Housing Benefits

When a person claiming one or both of these benefits is deemed to be vulnerable the person processing the case with also contact the collections team to have the indicator placed on the Council Tax account/s.

Direct Debit

Where arrangements are required then a direct debit should be set up where possible to pay the current years charge. To help spread the payment this can be done over 12 months or the remaining months left within a year.

Should some cases of severe debt or other reasons where vulnerable has been identified and coded then a DD can be set up at any stage under “Special Arrangements”. This will hold any further recovery action whilst it is being paid. Should, however, the DD fail then the recovery process will start again but the account being monitored by a Revenues Officer.

Summary

Even though vulnerable has been agreed on cases this should not stop them paying current year and/or arrears. These cases will be debt managed by officers to help guide those that need it through the process to clear arrears. Working with the CAB by a referral process will help treat all the same and maintain the consistency in approach.

Whilst the CAB is mentioned in this document other stakeholders can be approached to follow the same process.

Appendix 5

Bailiff Code of Conduct for Council Tax or Business Rates Customers

This document is the code of conduct for external bailiffs acting on behalf of Taunton Deane Borough Council in the enforcement of Council Tax and National Non-Domestic Rates.

It is intended to assist them in dealing with the enforcement of all such debts in a manner consistent with legislation, efficiency and effectiveness but also consistent with the Council's approved Corporate Debt Management Policy.

Where a reference is made to consulting the Council's supervising officer in this document, the bailiff should speak to the Council's Principal Revenues Officer or in his/her absence the Senior Revenues Officer.

Code of Practice for the Management of Bailiffs employed by Taunton Deane Borough Council for the Enforcement of Local Taxation debts

1. Bailiff firms and bailiffs contracted by Taunton Deane Borough Council to undertake specified tasks will be required to ensure that they, their employees, contractors, and agents comply with the following Code of Practice at all times.
 2. The bailiff firm will ensure that all employees, contractors, and agents will at all times act strictly within the scope of current legislation, and will not commit any illegal act whilst working on behalf of Taunton Deane Borough Council.
 3. The bailiff firm will ensure that all notices and other documentation left with or sent to the debtor are neither ambiguous nor misleading. Except where a notice or other documentation is handed to the debtor, it must be enclosed in a sealed envelope addressed to the debtor.
 4. The bailiff firm will ensure that all bailiffs, employees, contractors, and agents have appropriate knowledge and understanding of the relevant legislation, case law, and powers. Where necessary, the bailiff firm will ensure that adequate training is undertaken.
 5. Bailiffs and employees, contractors, and the agents of bailiff firm will act in a reasonable and courteous manner, and will act in the interests of Taunton Deane Borough Council at all times.
 6. The bailiffs and all employees, contractors, and agents must be aware that they represent Taunton Deane Borough Council in their dealings and should act accordingly at all times.
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7. The bailiff firm will maintain an acceptable standard of dress code among all employees, contractors, and agents consistent with the provision of a professional service.
 8. All bailiffs carrying out the lawful act of distraint on goods shall hold a current bailiff's certificate issued by the County Court. The bailiff firm will ensure that the removal of goods is always directly supervised by a certificated bailiff.
 9. Taunton Deane Borough Council will appoint a supervising officer, who shall be a senior member of staff, to liaise with bailiffs and the bailiff firm on all matters. The Supervising Officer and the bailiff firm shall be responsible for the operation of this Code of Practice and for resolving any complaints from the debtor.
 10. The bailiff firm must establish and maintain an internal complaints procedure overseen by a senior member of staff. Taunton Deane Borough Council's supervising officer shall be responsible for ensuring that any complaints received from debtors or their authorised representatives by Taunton Deane Borough Council are handled efficiently and promptly and in accordance with the Taunton Deane Borough Council Complaints Procedure.
 11. The bailiff firm will bring to the attention of the supervising officer cases which are felt to be inappropriate for distraint action in accordance with the attached "Bailiff Guidelines", and will seek further instructions before proceeding.
 12. The bailiff and the bailiff firm will, on returning any un-executed liability orders, report any reason(s) why distraint has not taken place, together with a full history of activity undertaken in respect of the liability order and any information obtained during those activities.
 13. The bailiff and the bailiff firm shall ensure that all information coming into their possession during the performance of the contract is treated strictly confidential and is not to be used for any purpose other than performance of the contract. All data will be handled in strict confidence with Data Protection legislation, and with any guidance issued by the Information Commissioner (formerly the Data Protection Commissioner).
 14. The bailiff firm must ensure that its employees use the title "Bailiff" only in appropriate work (for instance, not when acting as debt collectors or tracing agents). Bailiffs must not misrepresent their powers, qualifications, capacities, experience, or abilities.
 15. The bailiff firm must declare all associated interests of companies, firms, associations, and groups to Taunton Deane Borough Council.
 16. The bailiff firm will undertake to process all instructions received within the time-scale laid down by Taunton Deane Borough Council.
 17. The bailiff firm will report back on any cases which remain outstanding within the timescale laid down by Taunton Deane Borough Council, supplying such information as is required by Taunton Deane Borough Council.
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18. The bailiff firm will answer all correspondence from debtors within 5 working days of such being received, wherever possible.
 19. The bailiff firm will account for monies and return all abortive/withdrawn instructions to Taunton Deane Borough Council promptly and in accordance with the contract.
 20. The bailiff firm must keep and properly maintain a separate client bank account for "Taunton Deane Borough Council Local Taxation Monies" and also a suspense account that records all unidentified payments. The bailiff firm must allow reasonable access for Taunton Deane Borough Council's auditors and Taunton Deane Borough Council's supervising officer to the records of these accounts.
 21. The bailiff firm must make available to Taunton Deane Borough Council on request, all correspondence relating to debtors, and any supporting documents and working papers.
 22. The bailiff firm must hold an agreed amount of professional indemnity insurance to cover the acts and omissions of its employees, contractors, and agents. The bailiff firm will satisfy Taunton Deane Borough Council that such insurance is up to date at all times.
 23. Copies of the Taunton Deane Borough Council's Bailiff Code of Practice (including the bailiff guidelines) must be freely available from the offices of both Taunton Deane Borough Council and the bailiff firm. Taunton Deane Borough Council must also send a copy to the local office of the Citizens' Advice Bureau and other local advice agencies named in the Council's Corporate Debt Recovery Policy. A copy of the Code must be available on the Internet site of Taunton Deane Borough Council (www.tauntondeane.gov.uk). A copy of the Code must be given to each person who requests a copy.
 24. The bailiff firm shall ensure that goods in its possession (or in the possession of its employees, contractors, and agents) are covered by adequate insurance and shall ensure that goods are handled in such a way that they do not suffer any damage.
 25. The bailiff firm recognises that at any time Taunton Deane Borough Council reserves the right to direct, instruct, take action or make arrangements in any case whether or not the Liability Order has been referred to the bailiff.
 26. Where it is apparent that the debtor speaks little or no English, the bailiff firm will ensure that interpreter services are made available.
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Bailiff Guidelines

1. The following guidelines must be adhered to when enforcing the payment of debts.
 2. Advance notice may be given to the debtor of the bailiff's intention to make an initial call, unless efficient use of the bailiff's time or other circumstances warrant a call without notice. Follow-up calls may be made with or without notice.
 3. The bailiff will try to contact the debtor personally. If this is not possible, the bailiff will speak to the debtor's partner or other responsible adult to establish when the debtor is likely to be at home.
 4. The bailiff will not enter the debtor's premises if it appears that the only people present are young people under the age of 18, but in such circumstances the bailiff may enquire as to when the debtor is likely to be at home. The bailiff should take reasonable steps to ensure that he/she is speaking directly with the debtor, before identifying himself or herself as a bailiff. The bailiff should seek to establish the identity of all persons present, and inform the debtor (when present) of the purpose of the visit, and where appropriate explain the powers of the bailiff. The absence of the debtor should not automatically prevent the bailiff from levying distress, but the bailiff will be expected to take all relevant circumstances into account before deciding whether to levy distress. The bailiff must not reveal the purpose of his or her visit to uninterested third parties. Confidentiality must be maintained at all times and particular care should be taken on business premises to avoid, as far as possible, customers and clients of the debtor from discovering the purpose of the visit. The Bailiff must act with extreme caution where the debtor is a lone female and, if she becomes distressed or the bailiff has any reason to believe that an allegation may follow, the bailiff must always contact the police and request their attendance. If the bailiff wants to establish the debtor's present address, such enquiries must be made discreetly and without disclosing the reason for the visit or enquiry. The bailiff will at all times carry full and proper photographic identification and produce such without being asked whenever attending the debtor's property, and will also show such identification to any person who has reason to require it. On no account must the bailiff represent himself or herself as being an officer of Taunton Deane Borough Council or the court. The bailiff should identify himself or herself as a bailiff of [*name of the bailiff firm*] and state he or she is working on behalf of Taunton Deane Borough Council. It is a legal requirement that bailiffs acting on behalf of a local authority are authorised to so act. The bailiff must carry the appropriate authorisation at all times and produce it on request.
 5. The nature of the work demands that the bailiff should adopt a firm but correct attitude with debtors and other people they contact in the course of their duties. The bailiff is to be polite in his or her dealings with the public and must at all times act in a dignified and correct manner. The bailiff's approach to debtors should be firm and confident but never arrogant. The bailiff must never be rude, discourteous, or patronising. If the debtor disputes the liability, the bailiff will contact Taunton Deane Borough Council before proceeding further. If required, the bailiff will provide the debtor with a telephone number that can be used to contact Taunton Deane Borough Council during normal office hours.
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6. The bailiff should promptly report any threats or other matters of concern to the Police and to the bailiff firm and to the Taunton Deane Borough Council's supervising officer.
 7. The bailiff firm will provide a contactable service for debtors whilst bailiff operations are in progress.
 8. The bailiff's initial contact with a debtor will be with the intention of levying distress. If the debtor tenders payment in full including all costs incurred, the bailiff must not distrain but may still charge the debtor the statutory attendance fee. When the bailiff has distrained, the debtor should normally be invited to sign a walking possession agreement. If the debtor refuses to sign, or refuses to make payment, or defaults on payment, the goods should (subject to contrary instructions from Taunton Deane Borough Council) be removed at the earliest opportunity. The bailiff must not remove goods without first consulting Taunton Deane Borough Council's supervising officer.
 9. The debtor must immediately be given an acknowledgement of payment or an official receipt for all payments made in person. All payments must be handed in for banking no later than the following working day. Where payment is made by post or left at an office which is closed, an official receipt must be sent within 3 working days where a prepaid self addressed envelope accompanies the payment.
 10. The bailiff will be cautious in all cases and have regard to the circumstances of the case. The bailiff will take no further action and will refer back to the supervising officer any 'vulnerable' cases. Taunton Deane Borough Council shall inform the bailiff firm of the types of debtor considered to be 'vulnerable'; these are listed below. Any other cases considered suitable by the bailiff for special consideration should be referred back to Taunton Deane Borough Council's supervising officer. Where there is any doubt about whether this clause applies, the supervising officer should be consulted before any enforcement action is taken.
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Guidance on Vulnerable Cases

Extreme care and discretion should be taken when dealing with the following categories of case, all of which may loosely be described as 'vulnerable'. Where the following circumstances are encountered, the approach expected by Taunton Deane Borough Council is outlined below:-

The Elderly

Just because someone is elderly it does not follow that they are also vulnerable. A great many elderly people are financially secure and both mentally and physically healthy. However, a great many are frail, confused, ill, and living off fixed and limited incomes. If it is evident that the debtor either falls into the latter categories or is over 75 years old, no attempt to levy or remove goods should be made without first consulting Taunton Deane Borough Council.

The Disabled

The term disabled can cover a variety of conditions ranging in severity from a bad back to permanent disability. Regardless of severity, the bailiff should never remove or levy on goods that are necessary to that person by virtue of their disability. If it is evident that the debtor has a disability that is anything other than a relatively minor disability, no action should be taken without consulting Taunton Deane Borough Council

The Mentally Impaired

If it is evident that the debtor is mentally impaired, no action should be taken without consulting Taunton Deane Borough Council.

Long Term Sickness or Serious Illness

No action should be taken if the debtor (or the debtor's partner) is suffering from any condition which is serious, life threatening, or may conceivably be made worse by the stress of the bailiff action. However, there are conditions which, although long term, do not fulfil any of the above criteria. The bailiff is not medically qualified and should not attempt to make any judgement on this issue. The bailiff should note the circumstances and seek guidance from Taunton Deane Borough Council.

People Recently Bereaved

How long after the event is 'recent'? This really depends on the person's state of mind. If the debtor (or the debtor's partner) is obviously still extremely distressed and possibly potentially suicidal, then the bailiff should seek guidance from Taunton Deane Borough Council before proceeding even though weeks may have passed. As a general rule, no action should be taken within two weeks of the bereavement.

Single Parent Family

As with the elderly, this does not automatically place the defaulter in a vulnerable category. Some single parent families are financially secure and may even be wealthy. A great many, however, are totally dependent on State benefits. The bailiff should exercise discretion and consult Taunton Deane Borough Council before taking action against the latter.

Pregnancy

It is possible that the stress of the bailiff action may lead to a premature birth or even miscarriage. If the debtor (or the debtor's partner or other resident) is heavily pregnant, it is best not to take any chances. In other cases, proceed with extreme caution and back off if the debtor (or the debtor's partner or other resident) starts to become visibly distressed.

Persons living on Employment Support Allowance, Income Support or Job Seekers Allowance (or where a benefit application has been made but not yet determined)

Those on Employment Support Allowance, Income Support or Job Seekers Allowance are, by definition, vulnerable as they are living on a subsistence level benefit. As a general rule, the bailiff should withdraw automatically where the debtor is living on Employment Support Allowance, Income Support or Job Seekers Allowance and advise Taunton Deane Borough Council immediately, as alternative recovery remedies are available to the Council (e.g. attachment of benefits). In this event, the liability order should be returned to Taunton Deane Borough Council endorsed accordingly. If it appears to the bailiff that the debtor may be claiming benefit fraudulently or is supplementing their benefit from earnings on 'the black economy', the bailiff should contact Taunton Deane Borough Council before taking any action. If the debtor is awaiting the result of a benefit application, the bailiff should contact Taunton Deane Borough Council before taking any action.

The Unemployed

Again, this does not automatically mean the debtor is vulnerable. The debtor may have received a substantial redundancy payment. If it is evident from the bailiff's observation of the debtor's circumstances that the debtor may be vulnerable, no action should be taken without consulting Taunton Deane Borough Council.

People who have experienced recent marital break-up

If it is evident to the bailiff that non-payment may be due to a recent marital break-up, the bailiff should take no action without consulting Taunton Deane Borough Council.

Cases where the welfare of young children would be put at risk

If it is evident to the bailiff that the welfare of young children may be put at risk, the bailiff should take no action without consulting Taunton Deane Borough Council.

Possible Job Losses

In any case where job losses may result through the removal of goods, the bailiff must consult Taunton Deane Borough Council before removing goods.

Unusual Circumstances

If the bailiff finds unusual circumstances that are not covered by any of the above categories, the bailiff should take no action without consulting Taunton Deane Borough Council.

11. Where the bailiff levies distress with a view to securing payment in the future or over an agreed period of time, the debtor should be invited to sign a walking possession agreement which details the arrangement made regarding payment. The bailiff may make payment arrangements to collect the full outstanding balance in the shortest time possible having regard to the debtor's ability to pay. Only in exceptional circumstances, and only with the agreement of Taunton Deane Borough Council's supervising officer, should an arrangement to pay be accepted which exceeds a period of twelve months.
12. The purpose of the bailiff's visit is to distrain. Where distress is not levied, and no immediate payment is obtained, the bailiff should try to establish whether a defaulting debtor is in employment, and if so, the name and address of the employer; and if unemployed, whether claims have been made for state benefits and council tax benefit or housing benefit.
13. All documents must be correctly completed in a legible manner. All documents must be signed and carry the appropriate reference numbers (including the Council's Payment Reference Number). Pre-printed stationary must not be altered or added to in any way expect to advise of proposed subsequent visits, balances outstanding, etc. Any documentation that the bailiff leaves at the premises, and which has not been handed to the debtor, must be in a sealed envelope addressed to the debtor.
14. The bailiff may distrain on the debtor's goods wherever they are found in England and Wales, subject to Taunton Deane Borough Council's instructions. The bailiff must not remove goods without first consulting Taunton Deane Borough Council.
15. The bailiff firm must ensure that whenever forced entry to premises is necessary, any damage is kept to a minimum and that the premises are secured before departure. Forced entry must not take place without prior agreement by Taunton Deane Borough Council. It is the bailiff's responsibility to establish who owns goods on which it is proposed to levy distress. The Bailiff must not remove goods that do not belong to the debtor. The bailiff must not remove goods that are specified in the relevant legislation. Furthermore, the following items must not be removed from domestic premises:

In the case of Council Tax debts only:

- Tools, books, vehicles, and other items of equipment necessary to the debtor for personal use in the course of trade, employment, profession, or vocation.

(A tool of trade is anything needed by the defaulter to carry out his trade, employment, profession, vocation, etc. A mini cab driver's car is clearly a tool of trade. A car used for simply commuting to and from work is not. For the professional person who works from home, books, a PC etc, would constitute tools of trade.)

For all debts:

- Cooking appliances, where this would leave the debtor and his/her family with no means of preparing a hot meal.
- Heating appliances, where this would leave the premises without adequate heating.
- Refrigerators, where this would leave the debtor and his/her family with no means of keeping food cold.
- Food.
- Bedding or household linen necessary for satisfying the basic domestic needs of the debtor and his/her family.
- Beds and chairs, where this would leave the premises without one bed and one chair for each occupant.
- Any other goods necessary for satisfying the basic domestic needs of the debtor and his family.
- Children's toys and other children's items, primarily for the use of any child who is a member of the debtor's household.
- Articles required for the care or upbringing of a child who is a member of the debtor's household.
- Medical aids or medical equipment reasonably required for use of the debtor or any member of the debtor's household.
- Goods whose removal will have a serious detrimental effect on the health of the debtor or a member of the debtor's household.
- Books or any other articles reasonably required for the education or training of the debtor or any member of the debtor's household not exceeding in aggregate value £500.
- Articles required for safety reasons in the home.
- Items purchased through loans or grants advanced from the Social Fund.
- Vehicles or other means of transport where this would jeopardise the debtor's employment.

Where there is any doubt regarding the removal of any of the above goods, the bailiff should consult Taunton Deane Borough Council before any further enforcement action is taken.

16. Taunton Deane Borough Council will provide the bailiff firm with a schedule of cases where liability orders have been obtained and a letter of authority to act on the Council's behalf. In all cases where distraint takes place, whether or not walking possession is obtained, the bailiff shall produce that authority to any person having good reason to require sight of it. In all cases, the appropriate documentation required by regulations is to be left at the premises or given to the debtor.
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17. Goods may be removed by the bailiff in person or by contractors acting under the bailiff's direct supervision. All goods must be clearly labelled so they can be traced to the debtor. Due care must be exercised to avoid unnecessary damage and goods are to be stored safely pending either their collection by the debtor on payment, or sale. Goods should not be double stacked. Items that are likely to fall should be secured to the side of the van by ropes. Packing material or blankets should be placed between items to prevent them from getting scratched. The bailiff firm is responsible for ensuring that the debtor's goods are adequately insured whilst in possession of the bailiff or any agent or contractor engaged by the bailiff.
 18. The bailiff or the person personally supervising the removal of goods must give the debtor if personally present or leave in a prominent place at the premises an inventory listing each of the goods removed. In the event of goods being removed for auction, the bailiff firm must advise the debtor in writing of the date, time, and place of the auction sale at least 48 hours prior to the auction sale. THE bailiff should place a realistic reserve on high value goods before putting them into auction. High value goods means any single item with an estimated value of £500 or more (for Council Tax purposes) or £1,000 or more (for National Non-Domestic Rates purposes).
 19. Unless otherwise specified, a minimum of three unsuccessful visits to the debtor's address is required before the case is referred back to Taunton Deane Borough Council. Two visits may only take place on the same day where the bailiff has reason to believe after the first visit that the debtor will be present at a later time. Otherwise, the subsequent visit must take place on a different date.
 20. Where no contact has been made following a visit(s), at least one visit should be made to the debtor's address outside normal office hours (i.e. Monday-Friday 9am-5pm) before referring the debt back to the Taunton Deane Borough Council.
 21. The bailiff must not respond to verbal abuse under any circumstances. THE bailiff is expected to retain a calm and professional exterior at all times and not allow any personal feelings to interfere with his or her conduct or judgement.
 22. Minimum force may be used by the bailiff in self-defence only, and physical confrontation should be avoided at all costs. If the bailiff suspects that a breach of the peace is likely, he or she should always contact the Police.
 23. The bailiff must never consume alcohol whilst working and must never be under the influence of alcohol whilst working.
 24. In appropriate circumstances, the bailiff should issue Nulla Bona certificates to Taunton Deane Borough Council within 12 weeks of commencing action.
 25. Unless circumstances are exceptional, the bailiff must not visit to enforce a Liability Order:
 - (i) outside the hours between 8.00am and 8.00pm or
 - (ii) on Sundays or on Bank Holidays.
 26. Unless circumstances are exceptional, the bailiff must not remove goods from domestic premises during the period from 18 December to 1 January inclusive.
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Appendix 6

Credit Services Association - Code of Conduct

The Credit Services Agency (CSA) works for the benefit of those companies active in relation to unpaid credit accounts; debt recovery, tracing and allied professional services.

As part of its function the CSA aims to promote best practice throughout the industry. The CSA has developed its Code of Practice which all members must adhere to.

This code is now the benchmark for Best Practice in the industry, assuring quality and professionalism in the services members provide.

Members should:

- Conduct business lawfully
- Conduct dealings with debtors in a fair and reasonable manner
- Maintain a high standard of business practice
- Compete in a fair and reasonable manner
- Ensure all staff are provided with adequate training
- Not discriminate
- Protect the reputation of clients
- Remit monies collected regularly to clients
- Not knowingly misrepresent qualifications, experience and abilities
- Handle debt cases in a fair and reasonable manner

1. General Conduct

Each member shall act responsibly and with integrity in the day-to-day conduct of its business. For example:

- a) Conduct its business lawfully, comply with all relevant UK legislation, regulation and judicial decisions and trade fairly and responsibly.
 - b) Conduct its business under a name, title or style which will not confuse or mislead clients, creditors, debtors or members of the public, or which will not imply any association with other organisations or persons, which do not exist.
 - c) Comply with this Code of Practice and follow any guidance notes issued by the Board of the Association.
 - d) Comply with Debt Collection Guidance as published by the Office of Fair Trading from time to time.
 - e) Where appropriate, comply with guidance issued by OFCOM, with particular regard to 'silent calls'.
 - f) Follow where appropriate any requests conveyed to members by the Board of the Association or the enforcement authorities.
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- g) Provide adequate training for members of its staff, bringing to their attention the principles of this Code and requiring them to carry out their duties in accordance with it. Also, ensure continuous and appropriate training of staff in respect of current legislation and best practice.
- h) Use plain English in all communications.
- i) Show on all letters, postcards and forms the full business address, telephone number and email address, where used.
- j) In all contacts by staff or agents, ensure that the member's identity is clearly disclosed.
- k) Ensure by continuously examining debt collection procedures and those of any third parties employed, that they conform to the highest ethical standards.
- l) Ensure that their agents, sub-contractors and subsidiaries comply with the Association's Code and Guidelines.
- m) Comply with all reasonable requests by debtors, clients or their appointed representatives for information concerning their agreements and accounts.
- n) Ensure the Association's Code is available on their own website where they have one. They shall further ensure that a copy of the Code is supplied promptly upon request.

2. Confidentiality

Members must keep in strict confidence any information supplied by the debtors or their chosen third party, except where disclosure is authorised by the debtor or others permitted or required by law.

3. Complaints

- a) Each member shall have in place adequate processes to deal with debtors or client complaints, this must contain the following minimum procedure:
 - I. The Management level at which complaints are handled.
 - II. The time frame in which complaints are handled.
 - III. The remedy, if the complainant is not satisfied.
 - IV. Complainants must be advised that one of the remedies is referral of the complaint to the Association where appropriate.
 - b) Members shall deal with complaints speedily, responsively, in a user-friendly fashion and at an appropriate management level.
 - c) Member's complaints procedures must be made available to the complainant or his/her advisor on request.
 - d) For Consumer Credit Regulated Complaints, Members must follow the DISP Rules set by the Financial Ombudsman Service.
 - e) If a complaint is made to the Association in relation to dealings with a member of the Association, the Association will deal with the complaint in accordance with the published complaints procedure.
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4. Debt Collection & Default Guidelines

The following list of guidelines is intended as an indication of the procedures to be adopted by members. It is not intended as an exhaustive directive to members.

Moreover, the effectiveness of collection techniques and procedures depends on the circumstances applying at the time collection is attempted and so cannot be regulated in an absolute manner. Nevertheless, the Association expects compliance with the guidelines and any member not so complying will have to give a justifiable reason for non-compliance in the event of a complaint being received by the Association.

In attempting to carry out collection in default of payment, members of the Association should:

- a) Not use oppressive or intrusive collection procedures.
 - b) Not bring unreasonable pressure to bear on the debtor in default of payment.
 - c) Not act in a manner in public intended to embarrass the debtor.
 - d) Be circumspect and discreet when attempting to contact the debtor by telephone, SMS, email or by personal visit, with due regard to the Data Protection Act and OFT Guidance.
 - e) Ensure that all attempted contacts with debtors are made at reasonable times and at reasonable intervals.
 - f) Unless instructed otherwise, accept all reasonable offers by debtors to pay by instalments, provided acceptable evidence of non-ability to pay is given.
 - g) Not use improper* means to obtain the telephone number and address of a debtor and treat all information supplied as private and confidential unless specific authorisation has been given by the debtor to disclose information to third parties. (*Improper in this connection would refer to actions in breach of relevant legislation or in breach of the Association's code.)
 - h) In respect of 4g above, have specific regard to Section 55 of the Data Protection Act 1998.
 - i) Not pressurise debtors to sell property or to raise funds by further borrowing.
 - j) Not falsely imply by written or verbal means that criminal proceedings will be brought, nor that civil action has or will be instituted where members are unable to do so due to legal restrictions.
 - k) Ensure that collectors who use pseudonyms can be identified within the members organisation.
 - l) Have due regard and deal sensitively with individuals where evidence has been given, or is apparent, that the individual is incapacitated by mental or physical disability.
 - m) When dealing with fee charging debt advisory services, follow the Office of Fair Trading Guidelines on debt management.
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- n) Offer maximum co-operation with the debtor's nominated or chosen Third Party. Where the Third Party is an accredited advisory service, and at first appointment and upon request, give a period of up to 30 days 'grace' before re-commencing collection activity.
- o) Encourage debtors in financial difficulties to inform members of their difficulties and then respond sympathetically and positively on the evidence provided.
- p) Take into consideration before determining whether to enforce repayment, all information supplied in relation to the reason for non payment, which may include The Common Financial Statement, or the debtor's future ability to repay. If the debtor has disclosed multiple debt problems, inform them of the availability of accredited advisory services. Where available, provide in all relevant correspondence the name or designation of a specially trained member of staff who may be contacted regarding financial difficulties.
- q) Where a debt or the sum owed is disputed, as soon as is practicable, supply information to the debtor in support of the claim. Where no information has been supplied by the creditor, obtain the required support, or failing that cease collection action.

5. Trace Guidelines

Each member shall:

- a) In all contact, be circumspect and act with full regard to the Data Protection principles.
- b) Take all possible steps to verify that the person traced is in fact, the debtor.
- c) Verify data relating to a debtors whereabouts via one or more of the following methods:
 - I. Public databases.
 - II. Sending soft letters.
 - III. Contacting other people.
 - IV. Investigative/Field enquiries.
- d) Cease contact should it become apparent that the located person is not the debtor, and carry out further checks.

6. Purchased Debt Guidelines

Each member shall:

- a) Timely advise the consumer that the debt has been assigned.
 - b) Adhere to all relevant requirements under the Consumer Credit Act 2006 and any other relevant legislation.
 - c) In debt collection or trace activity comply with all the principles of this code.
-

7. Conduct Regarding Clients

Each member shall:

- a) Ensure fairness and transparency of contracts made with clients.
- b) Inform their clients of the true rates of charges for services rendered.
- c) Safeguard the security of collected monies.
- d) Account and remit to their clients at least once a month, or as otherwise agreed all monies collected.
- e) Ensure that by prior arrangement clients are able to visit their premises for the purpose of auditing and checking their accounts.
- f) Not approach, induce or persuade staff in the employment of a client to join the Member's organisation, although nothing in this clause will prohibit the engagement by a member of such an employee where a bona fide application is made.

Credit Services Association Revised March 2009

Appendix 7

Priority Debts

The definition of a priority debt is one that could either involve the loss of the debtor's home, or those owed to creditors who can take the strongest legal action against the debtor. It is not the size of a debt that denotes it as a priority, but the result of action creditors can take to recover their money.

Priority debts include:

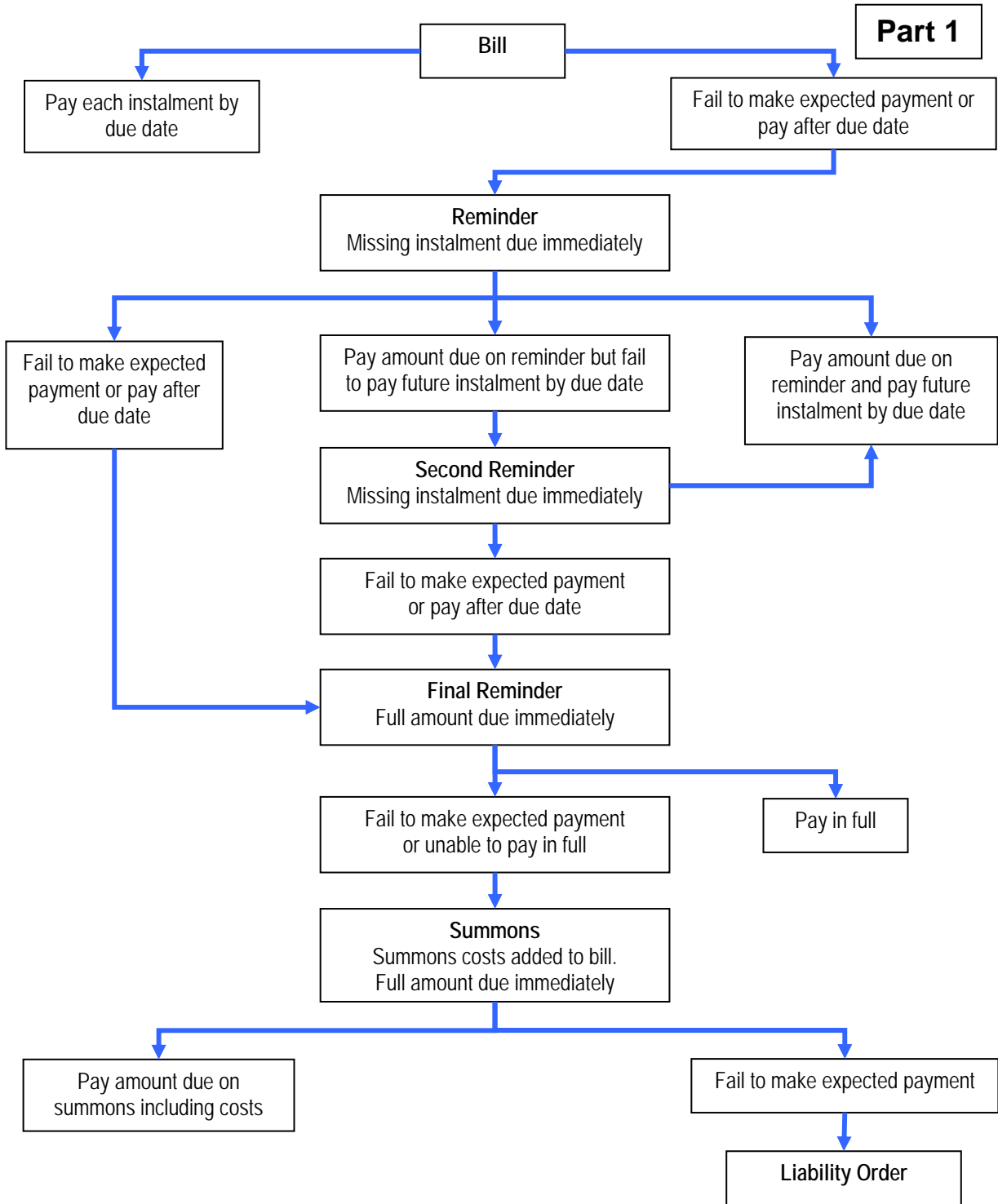
- Mortgage
- Secured loans
- Income Tax
- Rent
- VAT
- Magistrates' Court fines
- Council Tax
- County Court Judgments (CCJs)
- Gas, water, electricity & telephone
- Business Rates
- Child maintenance
- Essential Hire Purchase goods (e.g. washing-machines, cars)
- TV licence
- National Insurance
- Certain overpayments for benefits & Tax Credits

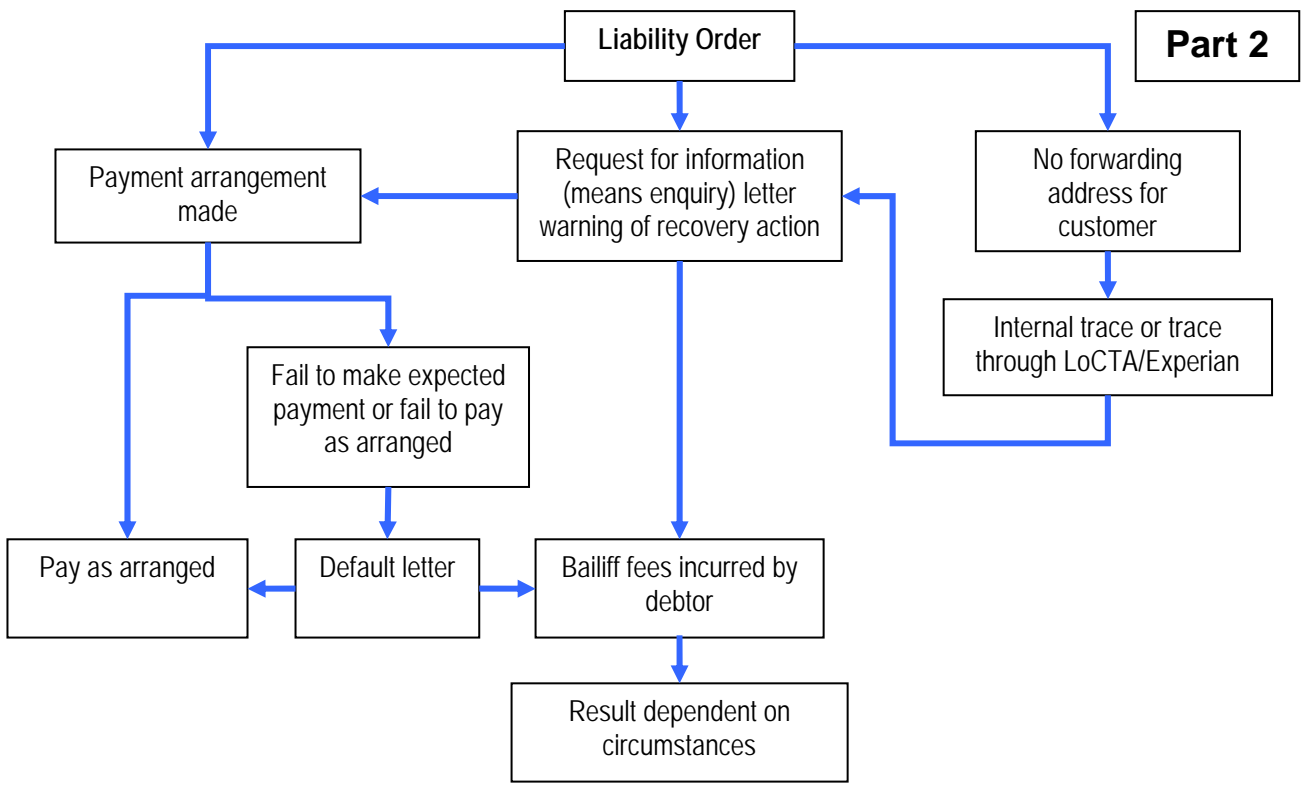
If the debtor does not keep up with priority debt repayments, the consequences of non-payment could include:

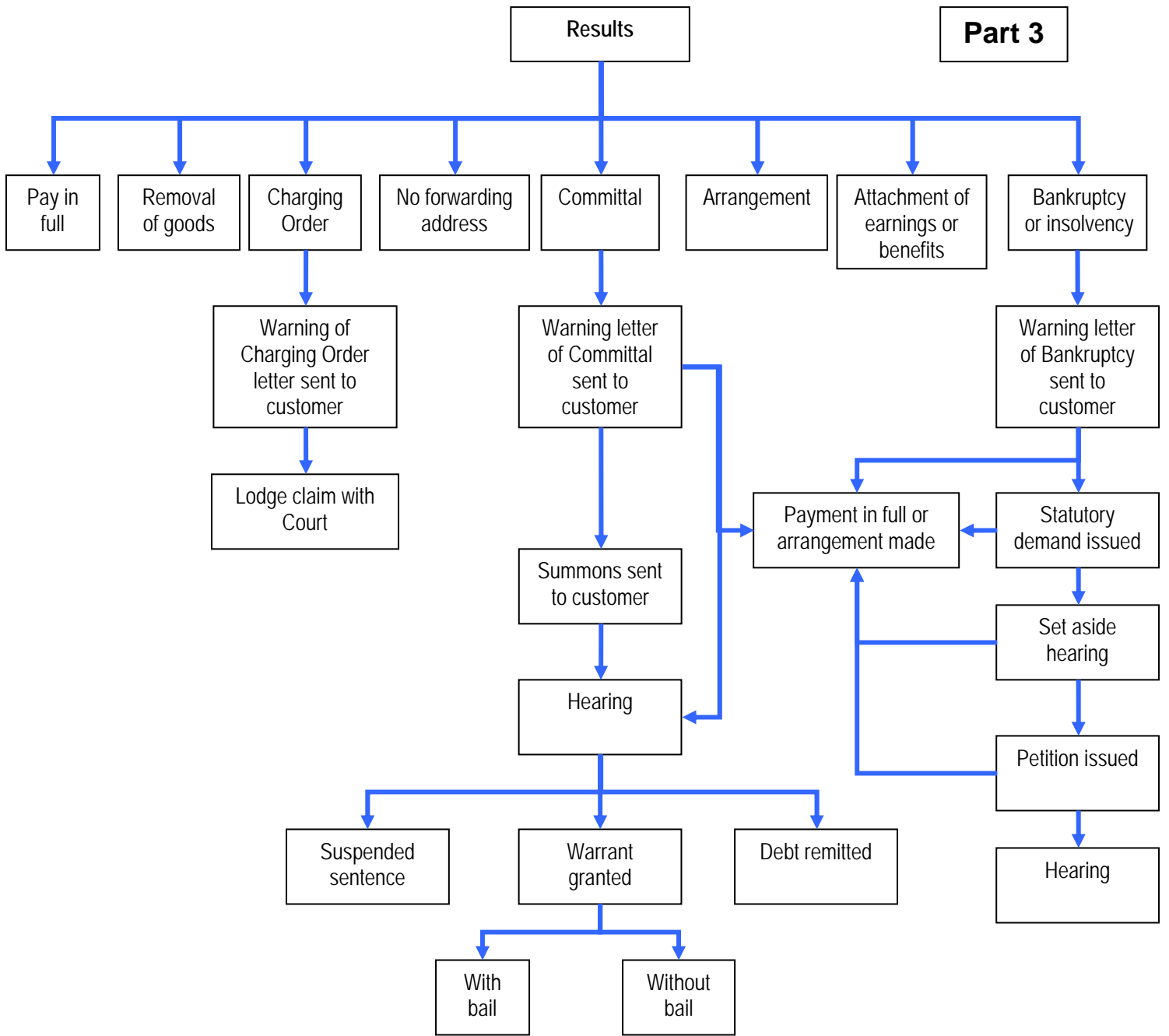
Type of Debt	Possible Action	Final Sanction
Council Tax & NNDR	Summons, Magistrates Court action, payment arrangement negotiated, attachment of earnings or benefit, referral to external bailiff company	Liability Order, Bankruptcy/ insolvency or charging order, committal to prison.
Housing Benefit overpayments	Direct deductions from ongoing benefit entitlement or payment arrangement negotiated	County Court Judgement, Attachment of Earnings Order, Charging Order or removal of goods through County Court Bailiff
Sundry Debts	Referral to debt collection agency, Court action	County Court Judgement, Attachment of Earnings Order, Charging Order or removal of goods through County Court Bailiff
Rent arrears	Notice seeking possession, direct deductions from benefit Court action	Possession Order - Eviction
Former tenant arrears	Referral to debt collection agency, Court action	County Court Judgement, Attachment of Earnings Order, Charging Order or removal of goods through County Court Bailiff, committal to prison

Appendix 8

Council Tax & Business Rates Flowcharts



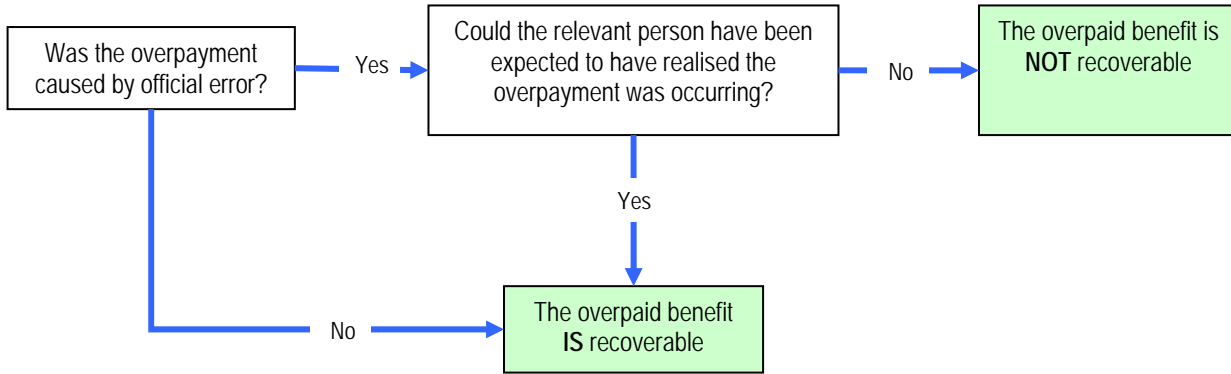




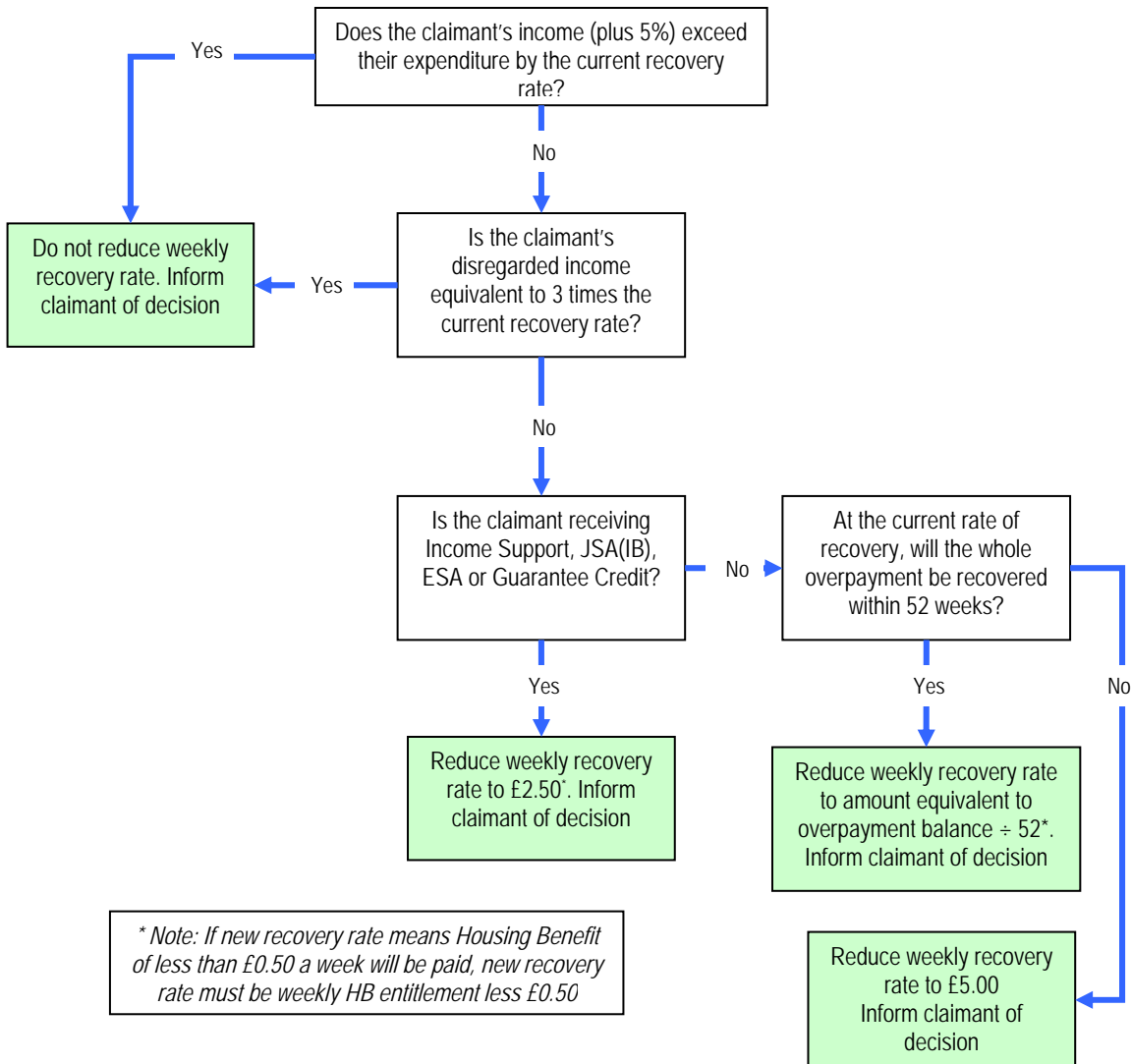
Appendix 9

Overpaid Housing Benefit Flowcharts

Deciding if overpaid Housing Benefit is recoverable

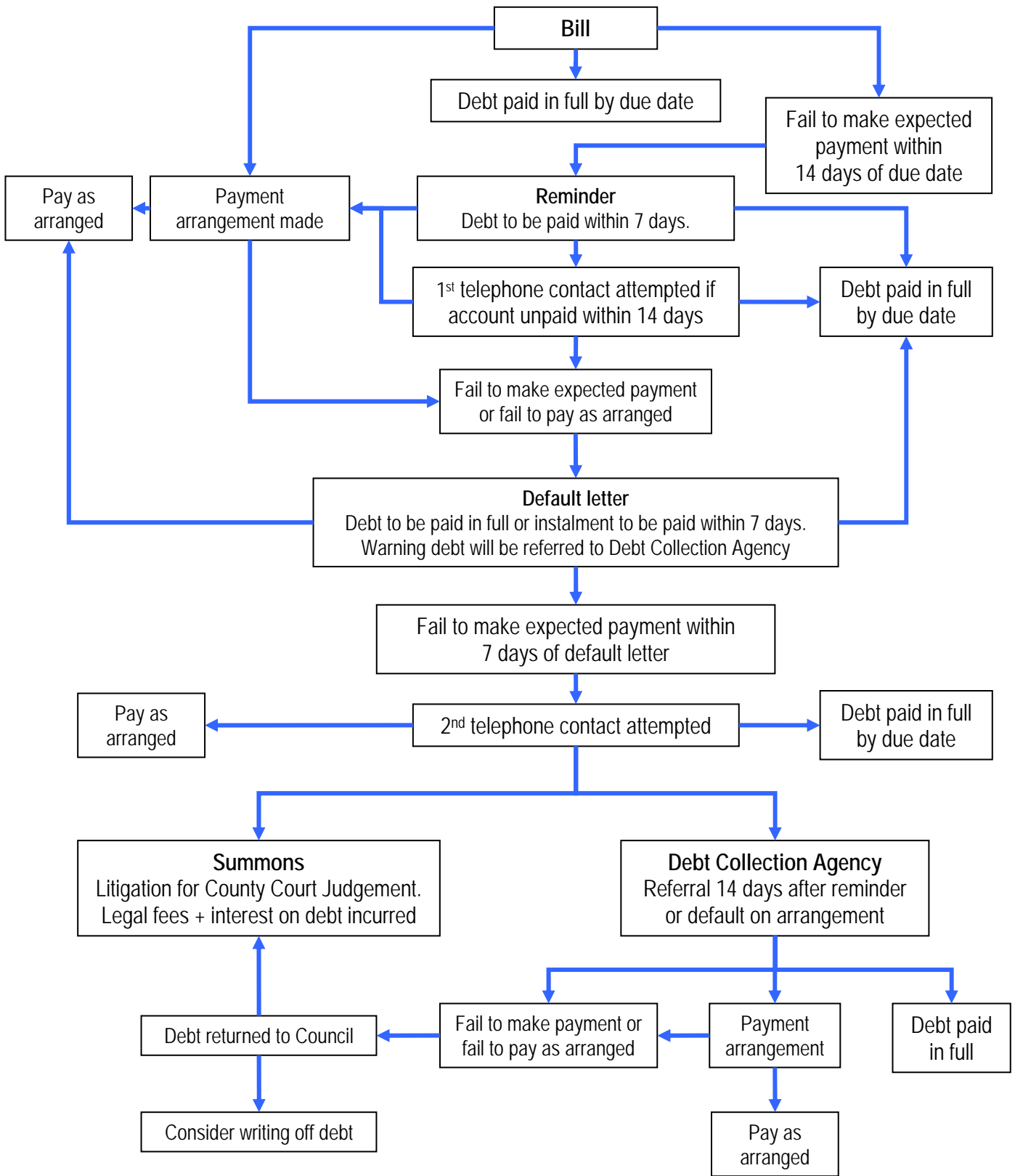


Deciding a new, reduced recovery rate for overpaid Housing Benefit



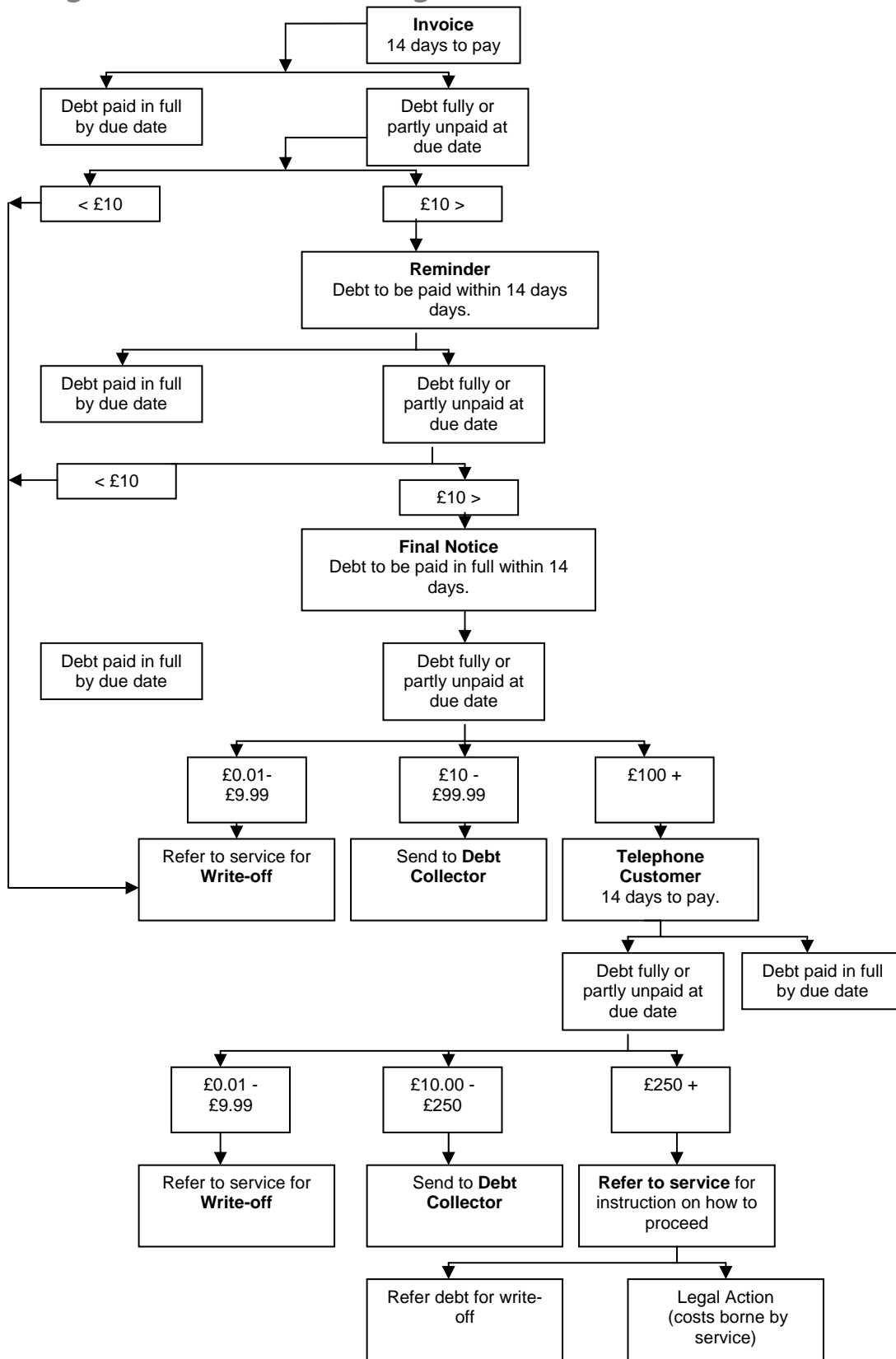
* Note: If new recovery rate means Housing Benefit of less than £0.50 a week will be paid, new recovery rate must be weekly HB entitlement less £0.50

Recovery of overpaid Housing Benefit through invoice



Appendix 10

Sundry Debt Recovery Flowchart



Appendix 11

Customer information on Council Tax & Business Rates - billing & fees

Bills

We will normally send your Council Tax bill in March. It will tell you the amount you have to pay and how we have worked out the amount. The bill will also set out each instalment and the dates on which you should pay each one. Normally, we will offer you ten instalments, although we will reduce that number if we issue the bill after the end of April. If your charge changes during the year we will send you a revised bill.

First reminder

If you miss a council tax instalment we will send you a reminder notice giving you 7 days to bring your council tax payments up to date.

If you pay the instalment in full as requested but miss a later instalment we will send you a second reminder notice.

If you do not pay the first reminder the next notice we will send you will be a summons.

Second reminder

If you pay the instalment in full as requested on the second reminder but miss a later instalment, we will send you a final notice. This means you have lost your right to pay by instalments and will ask you to pay the full amount outstanding for the financial year.

If you do not pay the second reminder the next notice we will send you will be a summons.

Final notice

If you have had first and second reminder notices and paid them in full but then miss a further instalment you will receive a final notice. This means you have lost your right to pay by instalments and will ask you to pay the full amount outstanding for the financial year.

If you do not pay the final notice in full the next notice we will send you will be a summons.

Summons notice

We can apply to the magistrate's court for a liability order when we identify your account is in arrears with an instalment plan and we have sent you the necessary reminder notice(s).

We will send a summons notice telling you when and where the court hearing will take place. We will show the tax you owe as well as the amount we are seeking to recover for court costs.

When you get a summons notice if you are unable to pay the total amount plus costs in full, you must contact us to discuss the situation so we can try to reach a reasonable payment arrangement. If we are able to agree a payment plan with you, we will take no further action against you after the liability order is granted, providing you keep to the agreed arrangement.

Summons notice continued...

You have the right to attend the court and offer evidence on why the order should not be made. The Magistrates may not grant a Liability Order if you can provide a valid defence, such as:

- we have not demanded the council tax as the law sets out,
- you have already paid the amount on the summons, including costs,
- you are not the person liable for council tax,
- more than 6 years have passed since we sent you a bill for the amount,
- we have already started bankruptcy or winding up proceedings against you.

It is not a valid defence if you:

- are unable to pay,
- have applied for Council Tax Benefits,
- have appealed to the Valuation Office against your council tax valuation band.

If you wish to defend our application for a Liability Order, please contact us to let us know of your intention to attend the Magistrates Court and your reasons for contesting the order.

Liability order

If the court is satisfied you owe the amount we are asking you to pay and you have not paid it by the date we made our application, then the court must grant a 'Liability Order'. This gives us further powers to recover the money you owe. These powers are set out below.

Request for information

We can ask for certain information from you about your employment and earnings. You are under a legal duty to provide it. If you do not provide the information within 14 days of our request, we will continue to recover what you owe by one of the methods previously described.

Failure to supply requested information or knowingly supplying false information is a criminal offence. People found guilty will receive a court fine.

Attachment of earnings

We can order your employer to deduct what you owe from your wages or salary and pay it straight to the Council. The amount collected will be a set proportion of your pay after certain other deductions, such as income tax and national insurance. Your employer may also deduct a further £1 towards their costs for each deduction.

Attachment of benefit

If you get Income Support, Employment Support Allowance, Job Seekers Allowance, or Pension Credits, we may be able to apply for deductions from your benefit. Deductions are at a set rate. You will be told what these deductions are.

Bailiffs

We can use Bailiffs to recover the debt. This will mean you incur extra charges for bailiff fees. It could ultimately mean the Bailiffs can remove your goods from your property up to the value of the debt. The Bailiffs will only remove your goods if you default on your payment arrangement.

We can instruct bailiffs to collect the outstanding council tax debt from you if you fail to:

- complete and return the means enquiry form,
- make a suitable payment arrangement, or
- pay as arranged.

Before we use the bailiffs, we will send you a final warning letter to tell you about the instruction of the bailiffs and the costs involved.

The bailiffs are certificated through the County Court and abide to a Code of Practice.

When the bailiff visits you, they will ask you for full payment.

The bailiff can add a set fee to your debt for each time they have to visit you.

If you cannot pay your bill in full immediately, the bailiff will normally make a payment arrangement with you. This is covered by a “walking possession” agreement. This is where the bailiff records an inventory of your goods that is equal to the amount of your debt. You will be asked to sign the walking possession agreement.

Additional fees will be added to your bill for this action. Providing you pay as arranged there will be no further costs.

If your goods are subject to a walking possession agreement you cannot dispose of them without the bailiff’s permission.

If you fail to pay as arranged and you have signed a walking possession agreement, the bailiff may re-enter your property, by force if necessary, to take the goods listed on the inventory. You will be charged for the removal and sale of them.

If the bailiff believes that you may intentionally dispose of your goods, they may take “close possession” of them. This means that your goods **MUST**, by law, stay on the premises until your debt is paid.

The bailiff may visit your property with a van to enforce the Liability Order by removing goods. If a van is used, you will incur extra costs.

If the bailiff believes there is insufficient goods to clear the debt, or that there is no prospect of peaceful entry to the property, they will send a “Nulla Bona” certificate to us and we will consider alternative recovery options.

If we instruct the bailiffs to recover the money you owe us, you should contact them to discuss your situation, as we will no longer administer the debt.

Charging order

If you own your property we may decide to apply for a charging order to be placed on it. This is similar to a mortgage and means we can recover your outstanding council tax debt from the proceeds of sale, should you sell your the property at a later date.

We can enforce the sale of a property subject to a charging order, to recover monies owed if a repayment offer is not made. However, this would be the exception rather than the rule.

Charging orders are used when attempts to attach earnings, deduct from benefits and remove your goods have been unsuccessful.

Bankruptcy

The Council may consider taking action against you to make you bankrupt if the debt is more than £750 and attempts to attach earnings, deduct from benefits and remove your goods have been unsuccessful.

We will send you a letter warning of bankruptcy proceedings and give you a last chance to make a payment arrangement before bankruptcy action starts. We will also advise you of the implications of bankruptcy. Please read the demand and notes carefully. If you are in any doubt about your position you should seek advice immediately from a solicitor or the CAB.

If you do not make a payment arrangement we will serve a "Statutory Demand". The statutory demand gives you 21 days to pay us the full amount. If you do not settle the statutory demand, we will present a petition for bankruptcy or liquidation in the County Court. Costs will be incurred if a petition is requested. At the County Court hearing we will ask these costs to be passed onto you.

If a bankruptcy order is issued against you:

- Your home could be sold to pay your debts
- Your bank accounts will be frozen
- The official receiver will investigate your affairs
- You will lose your credit rating and you will be blacklisted from getting credit

If you are declared bankrupt, the official receiver will control your spending for three years.

If a liquidation order is granted against your company;

- You could be forced to sell your home
 - Your company will be wound up by the official receiver
 - Your personal bank accounts could be frozen and
 - You will not be allowed to be a company director
-

Committal

The Council may apply to the Magistrates' Court for a warrant committing you to prison. We will only take this step when all other methods of collection have failed. Before issuing a warrant of commitment the court must hold a means enquiry with you present.

The court will only issue a warrant if it is satisfied your failure to pay is through wilful refusal or culpable neglect. The maximum period of imprisonment is three months.

Statutory Charges for Bailiff Services for Council Tax & Business Rates debts

Description	Bailiff Fee
<p>1. For making a visit to premises with a view to levying distress (where no levy is made)-</p> <ul style="list-style-type: none"> ▪ where the visit is the first or only such visit. ▪ where the visit is the second such visit. No charges can be made for any further visits. 	<p>£24.50 £18.00</p> <p>The lesser of-</p> <ul style="list-style-type: none"> ▪ the amount of the costs and fees reasonably incurred; and ▪ the relevant amount calculated under £24.50 for first £100 of arrears. 4% for the next £400 of arrears. 2.5% for the next £1,500 of arrears 1.00% for the next £8,000 of arrears (business rates only) 0.25% for any additional amount.
<p>2. For levying distress, by gaining peaceful entry, and listing goods on a Walking Possession form.</p>	<ul style="list-style-type: none"> ▪ the amount of the costs and fees reasonably incurred; and ▪ the relevant amount calculated under £24.50 for first £100 of arrears. 4% for the next £400 of arrears. 2.5% for the next £1,500 of arrears 1.00% for the next £8,000 of arrears (business rates only) 0.25% for any additional amount.
<p>3. For entering into a Walking Possession</p>	<p>£12.00 Flat Fee</p>
<p>4. or one attendance only with a vehicle with a view to the removal of goods (but only after a levy has been made, i.e. where Walking Possession has been signed.</p>	<p>Reasonable costs and fees incurred, but only one attendance.</p>
<p>5. For the removal and storage of goods for the purposes of sale:</p> <ul style="list-style-type: none"> ▪ For the possession of goods ▪ For close possession (the man in possession to provide his own board): <p>For appraisal of an item distrained, at the request in writing of the debtor.</p> <p>For other expenses of, and commission on, a sale by auction-</p> <ul style="list-style-type: none"> ▪ where the sale is held on the auctioneer's premises: <p>where the sale is held on the debtor's premises:</p> <p>Where no sale takes place by reason of payment or tender.</p>	<p>Reasonable costs and fees incurred.</p> <p>£15.00 per day.</p> <p>Reasonable fees and expenses of the broker appraising.</p> <p>The auctioneer's commission fee and out-of-pocket expenses (but not exceeding in aggregate 15% of the sum realised), with reasonable costs/fees incurred for advertising.</p> <p>The auctioneer's commission fee (but not exceeding 7.5% of the sum realised), with the auctioneer's out-of-pocket expenses and reasonable costs/fees incurred for advertising.</p> <p>Either-</p> <ul style="list-style-type: none"> ▪ £24.50, (£22.50 for business rates) or ▪ The actual costs incurred, to a maximum of 5%, of the amount in respect of which the liability order was made. (whichever is the greater)

EQUALITY IMPACT ASSESSMENT (EIA) RECORD SHEET

Name of the Policy/function/strategy: Administration and collection of Council Tax, NNDR (Business Rates)

Service Unit: Revenues & Benefits Unit - (Revenues ONLY)

A. Determine the Aims of the function

1. What is the main purpose of the function

- Collection & enforcement of Council Tax & Non Domestic Rates
- Council Tax administration & billing
- Income administration
- Non Domestic Rate administration & billing
- Sundry Debt administration

2. List the main areas of activity of the function (e.g. Interviewing, Assessing, Visiting)

- Collect Council Tax, NNDR and Sundry Debt in accordance with the relevant legislation & the Council's Debt Management Policy
- Assess entitlement to the various discounts & exemptions in accordance with the relevant legislation
- Issue recovery documentation for unpaid bills
- Instigation & prosecution of court proceedings to obtain liability orders
- Enforcement of liability orders
- Refer, administer and monitor cases with the bailiffs
- Deal with collection queries & correspondence from the public
- Negotiate and monitor payment arrangements with the public
- Trace absconded debtors
- Administer and submit insolvency claims
- Visit properties to determine eligibility to discounts and exemptions

3. Who is affected by the function?

The main impact of the service is directly upon the people liable for the 48,000 Council Tax assessments and 3,800 Non-Domestic assessments throughout the borough as well as those who receive a sundry income invoice from the Council.

However, particularly for Council Tax, there may be a consequential impact upon other members of the household because of the actions of the householder engaging ineffectively, or failing to engage, with the billing and collection process. e.g., removal of personal possessions used by the household as a whole, the impact of attachment of earnings orders on household disposable income or , in the most serious cases, the imprisonment of a member of the household for failing to pay the Council Tax or Non-Domestic Rate.

4. Is it expected that one or more of the Equality Group will be affected?

	Yes	No	Reasons
BME	X		We have a statutory duty to collect council tax, business rates & sundry debts regardless of the ethnicity of the taxpayer. BME groups will be included in our tax base.
Disability	X		People with a disability will be included in our tax base although some discounts and exemptions can apply for Council Tax purposes where a member of the household has a disability.
Gender	X		People of either gender as well as transgender will be included within our taxbase.
Age	X		People of all ages over 18 years are included within our tax base. However certain statutory age related discounts and exemptions are available.
Sexual Orientation	X		The regulations relating to Council Tax now recognise same sex relationships. People of all sexual orientations are included within our tax base.

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Faith/Belief	X		People of all faiths / beliefs as well as those with no faith / belief are included within our tax base.
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B. Collecting Information and Data – the preparation stage

1. Do you have monitoring data available on the number of people who are using or are impacted upon by the function? *Please tick the appropriate box.*

	Yes	No
BME		X
Disability		X
Gender		X

	Yes	No
Age		X
Sexual Orientation		X
Faith/Belief		X

2. If monitoring has not been undertaken, will this be done? *Please tick the appropriate box.*

Yes	No
X	

If yes, complete the attached action plan with details. If no, please give reasons for decisions:

Given we bill every household and business in the Borough it is assumed there will already be comprehensive corporate data available concerning the diversity of households within the Borough that could be drawn upon.

However a customer survey for Revenues service users is planned within our operational plan for 2009/10 to help us build on customer focused delivery. This is likely to be issued in Jan / Feb 2010

3. Feedback/consultation

Have you had feedback from staff involved in implementing function?

Yes	No
	X

If yes, what form has that feedback taken?

4. Have you had feedback from service users about the function?

Yes	No
X	

If yes, please confirm who you have received feedback from (*for example, from community/focus groups or from individuals with relevant expertise*).

We have received limited feedback from individual customers as part of the Council's Complaints / feedback process. We also regularly meet with the Taunton CAB in order to identify any gaps in our service or possible service improvements.

5. Is there any other information needed to ensure you have considered all the relevant issues? E.g. any local or national research, good practice from other TDBC Service Units or from other Local Authorities?

C. Assessing the Impact: You will need to consider the **actual** and **potential impact** of your functions on equality groups. Where an impact is negative/adverse you will need to make a judgement as to whether it is high, medium or low.

a)

Disability	High Negative Impact	Medium Negative Impact	Low Negative Impact	Reasons
		X		<p><i>Corporately the interviewing facilities at Deane House are poor. For example interview rooms are very cramped, making access by wheelchair difficult.</i></p> <p><i>The Council's website doesn't provide for changes in text size or provide audio descriptions.</i></p> <p><i>The service we provide to our customers who have a disability would improve if these facilities were updated.</i></p>

b)

Race	High	Medium	Low	Reasons

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	Negative Impact	Negative Impact	Negative Impact	
			X	<i>Council Tax and Non-Domestic rates are statutory functions. Billing and Collection procedures, rules and regulations are applied to taxpayers regardless of race.</i>

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c)

Gender	High Negative Impact	Medium Negative Impact	Low Negative Impact	Reasons
			X	<i>Council Tax and Non-Domestic rates are statutory functions. Billing and Collection procedures, rules and regulations are applied to taxpayers regardless of gender.</i>

d)

Age	High Negative Impact	Medium Negative Impact	Low Negative Impact	Reasons
			X	<i>Council Tax and Non-Domestic rates are statutory functions. Billing and Collection procedures, rules and regulations are applied to taxpayers regardless of age</i>

e)

Sexual Orientation	High Negative Impact	Medium Negative Impact	Low Negative Impact	Reasons
			X	<i>Council Tax and Non-Domestic rates are statutory functions. Billing and Collection procedures, rules and regulations are applied to taxpayers regardless of sexual orientation.</i>

f)

Religious Belief	High Negative Impact	Medium Negative Impact	Low Negative Impact	Reasons
			X	<i>Council Tax and Non-Domestic rates are statutory functions. Billing and Collection procedures, rules and regulations are applied to taxpayers regardless of religious belief.</i>

Appendix B

Is there any evidence that the function has a positive impact on equality groups?

	Yes	No	Reasons
BME		X	<p><i>Generally no, but the service can translate any correspondence into different languages if required and a translation service is available for face-to-face meetings.</i></p> <p><i>We employ a mix of male and female staff within the unit and can meet requests for a same-sex interview where the customer would be more comfortable with this.</i></p> <p><i>Access statements are provided within the booklet that accompanies every annual Council Tax and Non-Domestic Rate bill. Access statements are also provided on most if not all discount application forms.</i></p> <p><i>All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i></p>
Disability	X		<p><i>The function can have positive impacts on those with disabilities as Council Tax bills can be reduced where a property has certain features to meet particular needs of a person with a disability.</i></p> <p><i>Disregards and exemptions can be granted to people suffering severe mental Impairment where regulatory requirements are met.</i></p> <p><i>Access statements are provided within the booklet that accompanies every annual Council Tax and Non-Domestic Rate bill. Access statements are also provided on most if not all discount application forms.</i></p> <p><i>All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i></p>
Gender		X	<p><i>We employ a mix of male and female staff within the unit and can meet requests for a same-sex interview where the customer would be more comfortable with this.</i></p> <p><i>All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i></p>
Age		X	<p><i>Generally no, but Council Tax exemptions available for dwellings occupied by residents under 18 and occupied annexes by dependent relatives over 65.</i></p> <p><i>All staff receive equality and diversity awareness training as part of their induction course and</i></p>

Appendix B

			<i>all staff are regularly refreshed.</i>
Sexual Orientation		X	<i>Generally no, but Council Tax and Non-Domestic Rate regulations now fully recognise same – sex relationships and partners in such a relationship can now be billed jointly. All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i>
Faith/Belief		X	<i>Generally no, but for Council Tax there are some statutory exemptions available for ministers of religion. All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i>

If there is no evidence that the function promotes equality or good relations, or is discriminatory, is there any way in which it can be amended to do so?

Yes	No

If yes, please explain how:

If the negative impact is low for all equality groups then please sign below (or print your name if completing this electronically and keep a copy on record, to which the Public could have full access. Please forward to your Head of Service who will check and sign off the record. The results of the assessment will be incorporated into the full Headship EIA report that will be sent to the Equality Co-ordinator.

Signed
(Service Unit Manager)

Heather Tiso

Signed Paul Harding 4 December 2008
(Nominated Officer)

If you have ticked Medium or High for any equality group, please continue to complete the rest of this document.

D. Considering Alternative Approaches

Have you considered any alternative approaches to lessen the impact of Policy/function/strategy?

Yes	No

Please give details:

E. Formal Consultation Stage

Please list details of any comments, criticisms or alternative approaches suggested.

Will any of these alternatives be adopted within the Policy/function/strategy?

Yes	No

Please give details:

F. Adopting measures to Policy/function/strategy

I confirm that after formal consultation and consideration of alternative approaches that the results of this EIA will be used to inform the future development of the policy/function/strategy as outlined in the attached Action Plan.

Date of next review (annual monitoring)

Name (Service Unit Manager)

Name (Nominated Officer)

Date

Results of EIA checked

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Head of Service

Date

Please keep a copy of the record to which the public can have full access.

EQUALITY IMPACT ASSESSMENT: ACTION PLAN

Issue	Action Points	Lead Officer	Time Scale	Resource Implications	Comments

EQUALITY IMPACT ASSESSMENT (EIA) RECORD SHEET

Name of the Policy/Strategy/Function: Assessment of Housing Benefit and Council Tax Benefit

Service Unit: Revenues & Benefits Unit - (Benefits ONLY)

A. Determine the Aims of the Policy/Strategy/Function

1. What is the main purpose of the Policy/Strategy/Function:

- To administer, determine and pay claims for HB/CTB
- To administer the Council's Discretionary Housing Payments scheme
- To operate an anti-fraud strategy
- To recover overpaid HB/CTB
- To maximise income from central Government subsidy payments

2. List the main areas of activity of the Policy/Strategy/Function (e.g. Interviewing, Assessing, Visiting)

- Assessing all claims for Housing and Council Tax Benefit within agreed timescales and to agreed accuracy levels in accordance with all relevant legislation, regulations, case law and council policy;
- Collection of all evidence to support a claim in compliance with DWP's Verification Framework;
- Applying appropriate discounts and exemptions on Council Tax liabilities where a claim for Council Tax Benefit is made
- Advice on Council Tax, benefits and other related DWP benefits;
- Paying benefit either by direct transfer to the rent (Council tenants) or Council Tax account or, with rent allowance to people in privately rented accommodation, by cheque or BACS;
- Adjusting claims following changes in circumstances within agreed timescales and to agreed accuracy levels and in accordance with all relevant legislation, regulations, case law and council policy;
- Responding to appeals and preparing and presenting cases at Tribunal;
- Administration of the Discretionary Housing Payments scheme and payment;
- Accurately creating and classifying overpayments correctly and applying underlying entitlement where appropriate
- Recovering overpaid Housing Benefit, using a variety of agreed methods;
- Preventing fraud through the identification and referral of potentially fraudulent claims to the Investigations Team;
- Welfare visiting service to vulnerable customers;
- Maximising customers' income through the promotion of legitimate benefit take-up;
- Deal with customer telephone calls in a professional manner within agreed corporate timescales, minimise abandoned calls;
- Deal with complaints within corporate timescales;
- Investigation and detection of fraudulent claims for Housing and Council Tax Benefit; compliance to all relevant legislation;
- Investigating potentially fraudulent applications under the "right to buy" scheme" and home improvement grants;

- Verification visits for all Housing/Council Tax Benefit customers and achievement of intervention targets;

3. Who is affected by the Policy/Strategy/Function?

The main stakeholders are residents and landlords of properties within Taunton Deane, organisations involved in promoting benefit take-up within the borough, such as Shelter and CAB, and the Department for Work and Pensions, which substantially funds the service and through Jobcentre Plus and the Pension Service, accepts claims on our behalf and verifies evidence provided by claimants.

The common requirement of these stakeholders is that the function be administered efficiently with benefit claims being determined quickly and accurately.

4. Is it expected that one or more of the Equality Group will be affected?

	Yes	No	Reasons
BME	X		We have a statutory duty to provide benefit services regardless of the ethnicity of the taxpayer. BME groups will be our customers.
Disability	X		People with a disability will be included as our customers. Additional Housing Benefit or Council Tax Benefit is payable where there is a specific impairment/disability benefit in payment.
Gender	X		We have a statutory duty to provide benefit services regardless of gender.
Age	X		People of all ages will be our customers. However statutory provisions will apply in the calculation of benefit dependent on age.
Sexual Orientation	X		The regulations relating to Housing Benefit and Council Tax Benefit recognise same sex relationships. People of all sexual orientations are included in our customer base
Faith/Belief	X		People of all faiths / beliefs as well as those with no faith / belief are included in our customer base

B. Collecting Information and Data – the preparation stage

1. Do you have monitoring data available on the number of people who are using or are impacted upon by the policy/strategy/function? *Please tick the appropriate box.*

	Yes	No
BME		X
Disability	X	
Gender	X	

	Yes	No
Age	X	
Sexual Orientation		X
Faith/Belief		X

2. If monitoring has not been undertaken, will this be done? *Please tick the appropriate box.*

Yes	No

If yes, complete the attached action plan with details. If no, please give reasons for decisions:

3. Feedback/consultation

Have you had feedback from staff involved in implementing strategy/function/policy?

Yes	No
	X

If yes, what form has that feedback: taken?

4. Have you had feedback from service users about the strategy/function/policy?

Yes	No
X	

If yes, please confirm who you have received feedback from (*for example, from community/focus groups or from individuals with relevant expertise*). If No, please state why not:

We received feedback from individual customers as part of the Council’s Complaints / feedback process. We also meet with the Taunton CAB in order to identify any gaps in our service or possible service improvements.

On an annual basis we carry out a satisfaction survey of Benefit customers using the methodology of the old BVPI 80 Customer satisfaction survey. Improvements highlighted through the results of that survey are detailed in reports taken to Members.

5. Is there any other information needed to ensure that you have considered all the relevant issues? E.g. any local or national research, good practice from other TDBC Service Units or from other Local Authorities?

Figures issued by the Department for Work and Pensions suggest around £8 billion a year of means-tested benefits is unclaimed. DWP estimates that up to £1,650 million in Housing Benefit and up to £1,800 million in Council Tax Benefit went unclaimed in the year 2004/05. They also suggest there may have been a significant fall in the take-up of both benefits over the last few years. The DWPs report did not look at underclaiming amongst different ethnic/minority groups.

C. Assessing the Impact

a)

Disability	Positive Impact	Negative Impact	Neutral Impact	Reasons
	X			<p><i>There is no data to suggest being disabled is a specific barrier to access the Benefits Service. However, we recognise disability is a possible barrier. The service can visit housebound claimants to allow them to claim, report changes and query their award.</i></p> <p><i>In terms of assessing claims, there is no differentiation between disabled persons as all claims are determined on economic grounds alone.</i></p>

Appendix C

b)

Race	Positive Impact	Negative Impact	Neutral Impact	Reasons
			X	<p><i>No data is available about the racial mix of claimants, both successful and unsuccessful. However, bearing in mind the Council has not received any complaints about the service on grounds of racial discrimination, it is reasonable to assume the service has a neutral effect on different races.</i></p> <p><i>The service makes no differentiation between racial groupings as all claims are determined on economic grounds alone.</i></p> <p><i>The benefit application form and notification letters can be translated into different languages if required and a translation service is available for face-to-face meetings.</i></p>

c)

Gender	Positive Impact	Negative Impact	Neutral Impact	Reasons
			X	<p><i>As the Council has not received any complaints about the service on grounds of gender discrimination, it is reasonable to assume the service has a neutral effect on different genders.</i></p> <p><i>The service makes no differentiation on gender as all claims are determined on economic grounds alone.</i></p>

d)

Age	High Negative Impact	Medium Negative Impact	Low Negative Impact	Reasons
			X	<p><i>The Benefits Service undertakes a statutory function and while the rate of benefit will be affected through age, the service has no discretion in applying those rules and in its administration, makes no differentiation.</i></p>

Appendix C

e)

Sexual Orientation	High Negative Impact	Medium Negative Impact	Low Negative Impact	Reasons
			X	<i>The service makes no differentiation on the basis of sexual orientation as all claims are determined on economic grounds.</i>

f)

Religious Belief	High Negative Impact	Medium Negative Impact	Low Negative Impact	Reasons
			X	<i>The service makes no differentiation on the basis of religious belief as all claims are determined on economic grounds..</i>

Is there any evidence that the function has a positive impact on equality groups?

	Yes	No	Reasons
BME		X	<p><i>Generally no, but the service can translate any correspondence into different languages if required and a translation service is available for face-to-face meetings.</i></p> <p><i>We employ a mix of male and female staff within the unit and can meet requests for a same-sex interview where the customer would be more comfortable with this.</i></p> <p><i>We subscribe to the National Leaflet campaign to allow us to produce Benefit leaflets in various languages. We also use Bristol City Council Translation Services to translate our letters in to a range of languages</i></p> <p><i>All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i></p>
Disability	X		<p><i>The function can have positive impacts on those with disabilities as Housing Benefit or Council Tax Benefit can be increased where a customer meets the necessary criteria defined under the legislation.</i></p> <p><i>Access statements are provided within all key documents and communication.</i></p> <p><i>All staff receive equality and diversity awareness training as part of their induction course and</i></p>

Appendix C

			<i>all staff are regularly refreshed.</i>
	Yes	No	Reasons
Gender		X	<i>We employ a mix of male and female staff within the unit and can meet requests for a same-sex interview where the customer would be more comfortable with this. All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i>
Age	X		<i>The function can have a positive impact on customers on age related grounds as Housing Benefit or Council Tax Benefit can be increased where a customer meets the necessary criteria defined under the legislation. All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i>
Sexual Orientation		X	<i>Generally no, but Housing Benefit & Council Tax Benefit regulations now recognise same – sex relationships and we will treat the income of customers in such relationships as joint in working out their entitlement. All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i>
Faith/Belief		X	<i>The service in undertaking a statutory function makes no differentiation on the basis of faith or belief. All staff receive equality and diversity awareness training as part of their induction course and all staff are regularly refreshed.</i>

If there is no evidence that the Policy/Strategy/Function promotes equality or good relations, or is discriminatory is there any way in which it can be amended to do so?

Yes	No
	X

If the negative impact is low for all equality groups then please sign below (or print your name if completing this electronically and keep a copy on record, to which the Public could have full access. Please forward to your Head of Service who will check and sign off the record. The results of the assessment will be incorporated into the full Headship EIA report that will be sent to the Equality Co-ordinator.

Signed

Heather Tiso

Signed Steve Hankin 4 December 2008

Appendix C

(Service Unit Manager)

(Nominated Officer)

If you have ticked Medium or High for any equality group, please continue to complete the rest of this document.

D. Considering Alternative Approaches

Have you considered any alternative approaches to lessen the impact of Policy/function/strategy?

Yes	No

Please give details:

E. Formal Consultation Stage

Please list details of any comments, criticisms or alternative approaches suggested.

Will any of these alternatives be adopted within the Policy/function/strategy?

Yes	No

Please give details:

F. Adopting measures to Policy/function/strategy

I confirm that after formal consultation and consideration of alternative approaches that the results of this EIA will be used to inform the future development of the policy/function/strategy as outlined in the attached Action Plan.

Date of next review (annual monitoring)

Name (Service Unit Manager)

Name (Nominated Officer)

Date

Results of EIA checked

Head of Service

Date

Please keep a copy of the record to which the public can have full access.

EQUALITY IMPACT ASSESSMENT: ACTION PLAN

Issue	Action Points	Lead Officer	Time Scale	Resource Implications	Comments
1. Accessibility	Assess whether service users with disabilities share the council's view that the Benefits Service is accessible to them.	Heather Tiso, Simon Doyle	9 months	To be carried out within existing resources	This work will be undertaken as part of the report looking into the results of the BVPI180 Customer Satisfaction survey.
2. Engagement with racial/ethnic groupings	Seek advice on how to engage with under-represented Chinese and Bengali community	Simon Doyle	12 months	To be carried out within existing resources	
2. Ethnicity, Lesbian, Gay, Bisexual, transgender, faith/religious belief	Appropriate data to be collected on benefit claim form	Heather Tiso, Simon Doyle	12 months	To be carried out within existing resources	
3. Discretionary Housing Payments	DHP claim form to collect data on equalities profile of claimants	Simon Doyle	3 months	To be carried out within existing resources	
4. Backdating benefit	Collect data on equalities profile of claimants requesting backdating and those who are successful/unsuccessful	Simon Doyle	12 months	To be carried out within existing resources	
5. Anti-fraud	Collect data on equalities profile of claimants investigated for fraud and those who receive a caution, admin penalty or prosecution	Helen Vile	12 months	To be carried out within existing resources	

Equality Impact Assessment – pro-forma

Responsible person	Maggie Hammond	Job Title Strategic Finance Officer
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service	
	Change to Policy or Service	x
	Budget/Financial decision – MTFP	
	Part of timetable	
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	Corporate Debt Policy	
Section One – Scope of the assessment		
What are the main purposes/aims of the policy?	Sets out Taunton Deane Borough Council’s general principals that will apply to debt management across all the services we provide.	
Which protected groups are targeted by the policy?	No one group is targeted by the policy. Any person regardless of if they are in a protected group or not can owe TDBC money and therefore be subject to the policy	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	<p>Data has been gathered from those services that deal with customers who owe money to Taunton Deane Borough Council.</p> <p>Both the Revenue and Benefit Services have shared their Equalities Impact Assessment forms that cover the collection of debt</p> <p>The data from the other services has identified that one group “Age” is impacted by debt collection.</p>	
Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality		

Appendix D

I have concluded that there is/should be:	
No major change - no adverse equality impact identified	Those in the "Aged" group are given additional clarification and where necessary a home visit. This policy will not change this service. The current support arrangements for debtors with learning difficulties will continue.
Adjust the policy	
Continue with the policy	x
Stop and remove the policy	
Reasons and documentation to support conclusions The engagement activity has shown that there will be no change in impact of the new debt management policy.	
Section four – Implementation – timescale for implementation	
August – Corporate Scrutiny September – Executive September – Implement New Policy	
Section Five – Sign off	
Responsible officer Date	Management Team Date
Section six – Publication and monitoring	
Published on	
Next review date	Date logged on Covalent

Appendix D

Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions	

Taunton Deane Borough Council

Executive – 14 March 2012

Financial and Performance Monitoring – Quarter 3 2011/2012

Joint report of the Performance and Client Lead Officer and Financial Services Manager

(This matter is the responsibility of Executive Councillor Mrs Vivienne Stock-Williams)

1. Executive Summary

This report provides an update on the financial position and the performance of the Council to the end of Quarter 3 of 2011/12 (as at 31 December 2011).

The detailed 2011/12 financial position for Quarter 3 is provided in Appendix B although a high level summary is also included in the Scorecard (section 3).

The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets is an important part of the overall performance management framework.

Analysis of the overall performance of the Council reveals that 64% of all performance measures are on target (ie Green alert). This is a slightly worse position than the previous quarter (Quarter 2 was 68%).

3 'key issues' have been identified from analysis of the performance and financial data for Quarter 3 (these are described in section 4 of this report):

- Health & Safety Inspections
- Complaints
- Sundry Debts

In addition, it should be noted that the current forecast outturn for the Council's General Fund services is an overspend of £313k for the financial year 2011/12. CMT are considering measures to address this for the remainder of financial year.




2. Introduction to the Performance Scorecard (please see Appendix A)

- 2.1 The TDBC Scorecard at **Appendix A** contains full details of Quarter 3 performance, however section 4 (below) of the report provides further information and guidance for members on the key issues that have been identified through analysis of the data. Additional commentary has also been provided by responsible officers and CMT where appropriate
- 2.2 Scorecard explanation / key

Each section of the scorecard uses the same template and is structured as follows:

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
	Strategic & corporate objectives categorised in the 7 sections of the scorecard	Key performance indicators (& targets where possible) used to measure the objective.	Red, Amber or Green (see below)	A brief summary highlighting reasons for and issues surrounding the alert reported (see Green, Amber, Red below). Also any known problems that may jeopardise attainment. Where relevant, CMT will provide further information in addressing under performance.

2.3 Key to performance alerts:

	Reasons for alert	Notes
 Green	Planned actions are on course	Justification for the Green alert will be provided. Key successes or exceptional performance will be outlined.
	Performance indicators are on target	
 Amber	Some uncertainty in meeting planned actions	The reason for the Amber alert will be made clear. Mitigating actions will be outlined
	Some concern that performance indicators may not achieve target	
 Red	Planned actions are off course	A brief high level summary is included within scorecard. Where the Corporate Management Team consider a Red alert to be a priority issue requiring further detail and explanation, a separate one page information sheet for more detail will be appended to the report
	Performance indicators will not achieve target	

2.3 A summary / overview of the Quarter 3 scorecard (appendix A) is in the table below

Section	No. of measures	Green	Amber	Red	N/A	Trend (from last quarter)
1) Corporate Strategy Aims	21	71% (15)	24% (5)	5% (1)		↓
2) Service Delivery	15	60% (9)	20% (3)	13% (2)	7% (1)	↔
3) Managing Finances	12	75% (9)		25% (3)		↓
4) Key Projects	4	50% (2)	50% (2)			↔
5) Key Partnerships	9	67% (6)	22% (2)	11% (1)		↔
6) People	6	33% (2)	50% (3)		17% (1)	↓
7) Corporate Management	10	60% (6)	30% (3)		10% (1)	↔
TOTALS	77	64% (49)	23% (18)	9% (7)	4% (3)	↓

KEY:

↑ = Improving (ie more Green, less Amber &/or Red alerts)

↓ = Worsening (ie less Green, more Amber &/or Red)

↔ = No change

3. Financial Performance (April 2011 - December 2011 Budget monitoring)

3.1 A summary of key financial performance is found in the scorecard (**Appendix A**), section three – Managing Finances.

3.2 A more detailed financial performance report can be found in **Appendix B**. This appendix provides details of the financial position and forecast outturn summaries for the: General Fund Revenue Account; General Fund Reserves; Housing Revenue Account; HRA Reserves; Earmarked Reserves; Deane DLO Trading Account; Deane Helpline Trading Account; Capital Budgets (GF & HRA).

3.3 Finance comments from the Strategic Finance Officer (Deputy S151 Officer):

- i) The economic climate continues to have an adverse impact upon on revenue budget position.
- ii) The overspend on the General Fund continues to be monitored by CMT and has improved slightly from the Q2 estimates. Should this overspend materialise and be funded by the general fund reserve this would leave the reserve at £2.55m well above the minimum level of £1.25m
- iii) The HRA is predicting small overspend which should this be funded by the HRA reserve would leave the reserve at £1.29m above the minimum level of £0.9m.
- iv) The capital programmes are currently predicting no significant issues.

4. Key issues arising from Quarter 3 Performance and Budget monitoring

The Corporate Performance Scorecard (appendix A) and Financial Position report (appendix B) have been analysed by the Performance and Financial Advisory teams, and 'Key Issues' identified. These 'Key Issues' have been subsequently considered by CMT to provide Members with the relevant information on: description of the issue; risks & impacts; reasons for the issue emerging; management actions and CMT comments.

4.1 Health & Safety Inspections (Environmental Health)

Description of the issues / areas of concern	Scorecard (appendix A) ref: 2.2 Health & Safety intervention visits are off target Quarter 3 actual = 39% (24 / 62 inspections) against a target of 90%.
Risks & impact	All high risk premises will continue to have inspections of frequency according to their risk rating. There are no impacts/implications for failing to achieve the health and safety target, as (a) we inspected the highest risk businesses, and (b) the action we have taken to improve known risks in gas safety installations justifies prioritising this over lower risk routine work. The HSE are aware that we have prioritised the gas safety work and support this position.
Reasons that the issues have emerged	<ul style="list-style-type: none"> • The gas safety visits continue to be highly enforcement intensive requiring considerable officer input. This work is worthwhile due to the risk posed by unsafe gas appliances and installations. • The number of programmed health and safety visits required per year was reduced for 2011/12 in line with HSE work planning guidance which was issued part way through the year. • The highest risk businesses have received their planned inspection, and the programmed inspection slippage has occurred in the lower risk businesses. • The gas safety enforcement work warranted greater priority than some lower risk planned visits due to the severity of the safety problems being uncovered and the likelihood of a serious incident occurring. • A number of confidential matters have significantly affected the staffing capacity of the team, including one recent resignation • The health and safety inspection target will not be met for 2011/12, for the reasons given above.
Management actions & CMT comments	Available resources have been diverted to the areas of greatest risk within food, health and safety.

4.2 Complaints

Description of the issues / areas of concern	<p>Worsening level of complaints responses within 10 day target time. A significant increase in number of complaints is also apparent.</p> <p>Scorecard (appendix A) ref: 2.3</p>
Risks & impact	<p>Customers expect good service including a timely resolution to any complaints – if this is not achieved, there is increased risk that complaints will escalate (potentially to the Local Government Ombudsman), resulting in possible damage to reputation and financial loss</p>
Reasons that the issues have emerged	<p>Possible reasons include:</p> <ul style="list-style-type: none"> • The increasing number of complaints is creating additional demand on already stretched resources • Somerset Waste Partnership's apparent poor response time performance has skewed the overall result • There may potentially be some mis-recording on the complaints database • Sickness absence in some services • Potentially not seen as a priority in some areas
Management actions & CMT comments	<ul style="list-style-type: none"> • A new Customer Feedback guidance & policies document will be introduced shortly (for Officers & Members) • The Senior Responsible Officer (SRO) for the Waste Partnership is raising the issue with SWP management • The Theme Managers Group continue to monitor complaints data on a regular basis, liaising with the 'Face-to-Face Operational Manager' • A detailed Customer Feedback analysis report for 2011 will be produced for Members by March • Portfolio / Shadow Portfolio Holders and Senior Managers are encouraged to review & consider customer feedback during their regular performance meetings • An article is included in the February 'Core Brief'

4.3 Sundry Debts

Description of the issues / areas of concern	<p>Scorecard (appendix A) ref: 3.4</p> <p>Disruption to downward trend of corporate sundry debt arrears. 1 October 11 to 1 Feb 12 showed level of debt over 90 days old rising (against previous year's figures) in contrast to the previous month by month downward trend experienced in the first 6 months of the current financial year.</p> <p>However, 1st March 12 figures do show improvement and are once again an improvement on the previous financial year's at the corresponding point although it is too soon to say whether this is a one-off or whether this is the start of a downward trend emerging in debt levels.</p>
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		DEBTS 90+ DAYS OVERDUE ~ 1 APR 2010 - 1 MAR 2012																																																		
		<table border="1"> <thead> <tr> <th></th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>2.52</td> <td>2.58</td> <td>3.28</td> <td>3.31</td> <td>3.16</td> <td>3.02</td> <td>2.26</td> <td>1.83</td> <td>1.51</td> <td>1.40</td> <td>1.29</td> <td>1.62</td> </tr> <tr> <td>2011/12</td> <td>1.46</td> <td>1.99</td> <td>1.98</td> <td>1.99</td> <td>2.21</td> <td>2.14</td> <td>2.12</td> <td>2.21</td> <td>2.01</td> <td>1.94</td> <td>1.80</td> <td>1.45</td> </tr> </tbody> </table>													Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2010/11	2.52	2.58	3.28	3.31	3.16	3.02	2.26	1.83	1.51	1.40	1.29	1.62	2011/12	1.46	1.99	1.98	1.99	2.21	2.14	2.12	2.21	2.01	1.94	1.80	1.45
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar																																								
2010/11	2.52	2.58	3.28	3.31	3.16	3.02	2.26	1.83	1.51	1.40	1.29	1.62																																								
2011/12	1.46	1.99	1.98	1.99	2.21	2.14	2.12	2.21	2.01	1.94	1.80	1.45																																								
Risks & impact	Loss of income worsening the Council's budget position.																																																			
Reasons that the issues have emerged	<p>Unable to be certain as not simply down to a single obvious reason. Reason most likely to include a combination of;</p> <ul style="list-style-type: none"> • Delay in a relatively small number of very large debts being paid, which can have a massive affect on the overall debt position (we raise some individual invoices for £200k, £400k or more). • Limited proactive debt management within services. • Possible lack of clarity of debt management process and of team responsibilities 																																																			
Management actions & CMT comments	<ul style="list-style-type: none"> • Report provided to Sect 151 officer to highlight the account types with the highest rises in debt levels (over 90 days) • An e-mail be sent to all Leads to clarify the debt management processes and their role in this • A short presentation be made to the March Leads meeting to advise on the process and reemphasise services role in managing their debts • The Theme Managers Group continues to monitor the debt position for their themes on a regular basis. 																																																			

4.4 Other significant performance issues or concerns

There are other performance measures identified with 'Red' or 'Amber' alerts in the scorecard which are not included in this 'Key Issues' section as they have not been considered the most significant. Members are invited to scrutinise any aspect of the performance and financial reports as usual, however it is recommended that the 'Key Issues' within this section require the closest scrutiny.

The other 'Red' alerts are:

- **Index of Multiple Deprivation (IMD) (1.1)** – this will not change until next IMD update in 3 years time
- **PLANNING (2.1)** – speed of processing 'major' applications (a slight improvement from Qtr 2 but still significantly off target)
Target = 65% (previous data – last year Q1 = 67%, Q2=55%, Q3=53%, Q4=52%, This year Q1=40%, Q2 = 44%, Q3 = 46%)
- **GENERAL FUND REVENUE** – a slightly improved forecast since Qtr 2, but still forecast overspend of £313k (refer to Appendix B for further detail)
- **PROCUREMENT SAVINGS (3.6)** – outturn forecast = £1.25m vs. original target approx £3.4m
- **TONE LEISURE (5.3)** – a significant downturn on visits to leisure centres

5. Comments from Scrutiny

This report was considered by the Corporate Scrutiny Committee on 23rd February. The list below includes the key comments, queries and concerns that were raised. These points are being addressed by the relevant Officer, and a response will be circulated to members of the Corporate Scrutiny & Executive Committees.

- Environmental Health (Health & Safety inspections) - concerns expressed at the level of inspection as this has become a standing issue
- Complaints - information received too late to do anything about it / Members should be regularly informed about complaints.
- Economic Development / Green Knowledge Economy - there were a number of comments and questions relating to the Economic Development service, including: concerns over the lack of inward investment to Taunton Deane; involvement in the Olympic Torch Relay event; measuring the 'outcomes' of Economic Development
- Debt Management / Sundry Debts – request that reports include more detailed information, and the cost to TDBC of carrying unpaid debts
- Other financial queries:
 - What action is CMT taking in response to the General Fund forecast overspend position?
 - Deane Helpline – has fee increase had a detrimental impact on demand for the service?
 - Car Parking – requested financial modelling / projections on the potential effects of lower parking fees
 - Staff sickness - What are the financial implications / costs to TDBC?

6. Finance Comments

This report covers the financial position of the Council and comments from the Strategic Finance Officer are included in section 3 of this report.

7. Legal Comments

There are no legal implications in this report.

8. Links to Corporate Aims

As this report covers all aspects of the Council's performance, all Corporate Priorities are affected.

9. Environmental and Community Safety Implications

Please see the following sections of the Scorecard for those areas contributing to the above: 2.4 (Service Delivery – 'Street Scene'); 5.4 (Somerset Waste Partnership).

10. Equalities Impact

See the scorecard section 7.3 for details of equalities progress within the council.

11. Risk Management

Significant risks associated with each 'key issue' are identified in this report (section 4). See the scorecard section 7.4 for details of risk management progress within the council.

12. Partnership Implications

See the scorecard section 5 for details of the council's key partnerships.

13. Recommendations

It is recommended that the Executive review the Council's performance and financial position as at the end of Quarter 3, taking corrective action or requesting further information from Theme Managers where necessary.

Contacts:

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Paul Fitzgerald – *General Financial queries and overview*

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Maggie Hammond







Strategic Finance Officer and Deputy S151 Officer

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1. CORPORATE STRATEGY AIMS

Tackling Deprivation & Sustainable Community Development (Aim 1)





Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.1	Objective 1 Focus on Taunton East, North Taunton & Rural Deprivation	Index of Multiple Deprivation (IMD) score <i>For Information only</i>	 Red	IMD data is only published every 3 years, consequently this indicator will remain as 'Red' throughout this period and is <i>'for information only'</i> as it does not reflect current TDBC performance re delivery of this corporate aim. The latest IMD data for 2010 highlights that levels of deprivation within Taunton Deane are worsening (especially North Taunton & Taunton East). Our focus is on the delivery of the 'Priority Areas Strategy' (PAS) programme.
		Actions – Progress against key activities	 Green	<ul style="list-style-type: none"> • Priority Areas Strategy (PAS) programme is progressing although with some ongoing slippage due to staff capacity issues within the Strategy Unit. The PAS continues to receive the support of a wide range of partners across the public and voluntary sectors • A draft action plan for North Taunton & Taunton East was taken to the PAS project management group in Jan 2012. Further work is required before going to TDBC Community Scrutiny & TDP Board in March. Final partner / community engagement to occur in April / May 2012 • SCC & TDBC are working jointly on a Troubled Families / Community Budgets initiative for Taunton Deane. The deadline for developing a business case (for submission to CLG) is April 2012. This will include plans for service redesign and monitoring / success tracking arrangements
		Staff volunteer scheme	 Green	The pilot scheme has been reviewed by CMT and whilst the principle of volunteering and thematic working continues to be strongly supported, the scheme will not continue.
	Objective 2 'One-Stop' advice on skills, employment & training	Actions – Progress against key activities	 Green	Vista commenced a new contract to manage the delivery of the 3 Job Clubs in November 2011 (Priorswood, Halcon, & Wellington). This is now a funded project until March 2013.
		Number of people supported / back to work	 Green	SLA targets – 40 attendances per month (combined); 4 jobs per month; 6 'soft' outcomes (placements, training etc). To be reviewed end April 2012 (more ambitious) Reports in January 2012 indicate that all targets are being met.
	Objective 3 Secure medium term future of N. Taunton & Link Partnerships	Funding & delivery against Service Level Agreement (SLA)	 Amber	Funding secured for current financial year, however funding for 2012/13 is dependant on the TDBC Budget Review. We need more clarity over output & outcomes which in some cases are currently unclear and not easily measured or monitored. Renegotiating Service Level Agreements with both the Resource and Link Centres re roles & responsibilities, output & outcomes. Revised SLAs to be in place 1 st April.

As at: 01/03/2012 **TDBC SCORECARD Q3 2011/12** (Appendix A)






Regeneration (Aim 2)				
Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.2	Objective 4 Facilitate the creation of a leading Green Knowledge economy	Actions – Progress against key activities	 Amber	<ul style="list-style-type: none"> • Reduced staff capacity in Ec Dev team (long-term sickness) and shifting priorities this year (ie Olympic Torch event) have affected the delivery plan • Proactive programme of events & PR for local businesses is on-going • There is limited inward investment (eg Care Home facilities) but the inward investment market is still flat, however commercial property (eg West Park) is continuing to sell to local investors. • Engagement with the Hinkley supply forum to encourage Taunton Deane businesses to benefit from Hinkley supply opportunities • 2012 programmed events include: Tourism conference (Feb); Wellington Business conference (Feb); Carbon Reduction meeting (Jan); Olympic Torch relay celebrations (May).
		Number of companies visited & supported	 Amber	The target is to visit approx 100 companies during the year. To date, approx 50 – 60 companies have been visited or engaged with on a 1-2-1 basis.
	Objective 5 Facilitate Housing growth	Actions – Progress against key activities	 Green	The examination of the Core Strategy by a Government appointed independent inspector is due to start on 7 February 2012. Anticipated that the plan will be adopted by summer 2012 Work on the Strategic Housing Land Availability Assessment has been completed and is published on the TDBC website.
		Net additional homes provided	 Amber	The target for 2011/12 = 700 dwellings Data is only available annually (NB - Council Tax data shows a net difference in housing stock of 348 from 31 March 2011 to 2 January 2012)
		Supply of ready to develop housing sites	 Amber	Target = 5 year supply of housing land within Taunton by December 2011 The assessment has now been published and indicates a marginal under supply against 5 year requirements. Members have agreed to the identification of further interim release sites capable of contributing to the 5 year supply.
	Objective 6 Deliver Infrastructure	Actions – Progress against key activities	 Green	<ul style="list-style-type: none"> • Infrastructure Delivery Plan published July 11 (next annual review summer 2012) • TDBC in process of developing interim policy on Planning contributions – to be introduced by end 2011/12. Consulting on a draft charging schedule early 2012. The document will be subject to formal representation & examination in autumn 2012 (adopted by end 2012/13).








As at: 01/03/2012 **TDBC SCORECARD Q3 2011/12** (Appendix A)

Affordable Housing (Aim 3)




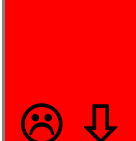



Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS											
1.3	Objective 7 Making homes more affordable	Actions – Progress against key activities	 Green	<ul style="list-style-type: none"> • Empty Homes bid submitted to the HCA to bring back 4 properties into use • Geographical Information System (GIS) used to comprehensively map a wide range of private sector housing indicators (eg health, deprivation, conditions, fuel poverty etc) – this will help target resources • The 2011-2015 Framework Agreements between HCA & Registered Providers have been signed & affordable housing schemes are being delivered (eg Victoria Gate, Taunton) • Selection process for affordable housing development partners launched. Partnership anticipated to be in place April 2012. 											
		Target of 200 affordable homes delivered	 Green	Forecast for 2011/12 = 226 (excluding Private Developer units – figures awaited from HCA). (Q3 actual = 100 units with 126 in the pipeline) There are many schemes with planning that will complete this year, including units at: Waterside House (Firepool); Rylands Nursery (Wellington)											
		% of non-decent council homes	 Green	0.07% were non decent (4 out of 6014 properties) as at end December 2011 Target = max 0.5% (25 properties)											
		Somerset West Private Sector Housing Partnership	 Green	<table border="1"> <thead> <tr> <th>Measure</th> <th>Quarter 3 - cumulative performance</th> </tr> </thead> <tbody> <tr> <td>Energy efficiency</td> <td>570 loft insulations; 406 cavity wall insulations; 20 boiler replacements; 12 night storage heater replacements; 18 gas heating system replacements (no targets as demand led/budget constrained)</td> </tr> <tr> <td>No of private sector homes improved to Decent Homes</td> <td>120 made decent Annual Target = 100</td> </tr> <tr> <td>No of empty properties brought back into use</td> <td>New Homes Bonus (year 2: Oct 10 – Oct 11) = 45 empty properties brought back into use (Annual Target 60). Q3 cumulative = 56</td> </tr> <tr> <td>No of statutory Disabled Facilities Grants* approved & implemented</td> <td>26 in private sector stock, 29 in Council stock Annual Target = 36 private sector, 48 in Council stock * statutory responsibility if eligibility proven</td> </tr> <tr> <td>No of statutory housing standards interventions (enforcement activities)</td> <td>30 Houses in Multiple Occupation (HMO) inspected Target = 30 HMO inspections to be completed 40 fitness conditions complaints dealt with Target = 15 fitness complaints to be dealt with</td> </tr> </tbody> </table>	Measure	Quarter 3 - cumulative performance	Energy efficiency	570 loft insulations; 406 cavity wall insulations; 20 boiler replacements; 12 night storage heater replacements; 18 gas heating system replacements (no targets as demand led/budget constrained)	No of private sector homes improved to Decent Homes	120 made decent Annual Target = 100	No of empty properties brought back into use	New Homes Bonus (year 2: Oct 10 – Oct 11) = 45 empty properties brought back into use (Annual Target 60). Q3 cumulative = 56	No of statutory Disabled Facilities Grants* approved & implemented	26 in private sector stock, 29 in Council stock Annual Target = 36 private sector, 48 in Council stock * statutory responsibility if eligibility proven	No of statutory housing standards interventions (enforcement activities)
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No of statutory housing standards interventions (enforcement activities)	30 Houses in Multiple Occupation (HMO) inspected Target = 30 HMO inspections to be completed 40 fitness conditions complaints dealt with Target = 15 fitness complaints to be dealt with														
Objective: Better standards and interventions in the private sector stock, by improving housing conditions															

As at: 01/03/2012 **TDBC SCORECARD Q3 2011/12** (Appendix A)

Climate Change (Aim 4)				
Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.4	Objective 8 Meet TDBC's & partner organisation's internal climate change commitments	Actions – Produce and implement Carbon Management Plan (CMP)	 Green	<ul style="list-style-type: none"> • CMP (containing 52 actions in 2011/12) - 79% are on track or completed (41/52) and 21% (11 actions) have either been removed or deferred. • New actions added to the CMP include: electric vehicle charging posts at Canon St car park; Recycling at DLO; Lighting zoning at Blackbrook Pavilion • A formal progress monitoring report will be produced in April 2012 • The Carbon Management Steering Group informally tracks progress quarterly and is also reported informally to staff in the quarterly Footprint Newsletter • The Green Champions project work is on-going
		3% reduction in CO2 by Mar 12	 Green	The reduction in CO2 emissions for Q1/Q2 of 2011/12 compared to Q1/Q2 of 2010/11 is 10.8%. The next update is due to be reported in the 2011/12 Outturn report
		Adapting to climate change	 Green	LAA target now removed, however Climate Change Adaptation plans were updated by Core Council Managers early 2010, and are currently included within the 2011/12 Core Council Service Plans.
	Objective 9 Work with communities to reduce carbon emissions across the Deane	Actions – Progress against key activities	 Green	<ul style="list-style-type: none"> • Taunton Deane Partnership has agreed the setting up of working groups to coordinate the development of a Climate Change & Local Resilience Strategy. Working Groups will be operational from February. A scoping workshop with community stakeholders was held in January. Strategy to be completed Dec 2013 • Work on creating an exemplar Low Energy House in partnership with a Housing Association is progressing with the contract expected to be awarded in March, and starting on site autumn. Project aim - to achieve the highest possible level of energy efficiency at costs no higher than 15% above current standard house costs • Carbon reduction event for Deane SMEs took place in Jan 2012 in partnership with Carbon Trust, Somerset College and Federation of Small Businesses – approx 40 businesses participated with positive feedback received
		Per capita CO2 emissions in TD area	 Green	Latest data published in Sept 2011 showed an 11% reduction from 2006 to 2009 in Taunton Deane. At 5.8 tonnes per head, Taunton Deane is 7% better than the South West average, and 10% better the UK average. (NB - data published annually but 2 year time lag)

2. SERVICE DELIVERY							
Excellent services - Customer driven - A dynamic organisation - Local focus							
Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS			
2.1	Ensuring development proposals are dealt with positively, with an emphasis on quality outcomes Delivering the Development Management Service aims	Planning Applications Speed of Processing	 Amber	Type	Quarter 3	Targets	Comments
				a) Major	46.4% ↑ (13/28)	65%	
				b) Minor	76% ↑ (171/225)	75%	
		c) Other	85.4% ↑ (502/588)	85%			
	% of appeals allowed against the authority's decision	 Green	Quarter 3 = 13% (Target max 25%) Total of 15 appeals lodged, with 2 of these allowed against the council's decision.				
2.2	Safeguarding the health, safety & welfare of everyone in the Borough Delivering the aims of the Environmental Health Service	Satisfaction with EH regulatory services	 Green	Quarter 3 = 99% (Target = 75%)			
		Food Safety compliance	 Amber	Quarter 3 = 88% (Target = 80%) Although this is on target as at Q3, we may not achieve our food inspection target for Q4, due to the same confidential reasons affecting Health & Safety. Please note - the highest risk inspections are prioritised over the lower risk ones where we have the discretion to use an 'alternative to inspection' strategy in such circumstances.			
		Environmental Protection Team reactive tasks	 Green	Quarter 3 = 87% Total Service Requests responded to in target time Requests for service (eg pest control, dog warden, noise, odour, drainage, air pollution, public health)			
		Health & Safety intervention visits (Commercial premises only)	 Red	Qtr 3 actual = 39% (24 / 62 inspections). The 2011/12 target (90%) will not be met. The target number of health and safety inspections has been reduced in line with the most recent HSE guidance, however, staff resources have been diverted as a result of events in November 2011, leaving a significantly depleted staffing level to cover the ongoing intensive workload. Refer to main report – 'Key issues' (section 4.1)			
		Licensing inspections	 Green	Quarter 3 actual = 93% of annual inspection programme completed (135 / 144 inspections) Target 75%			







As at: 01/03/2012 **TDBC SCORECARD Q3 2011/12** (Appendix A)

2.3	Delivering customer driven services To deliver customer focussed services, achieving high levels of customer satisfaction.	Calls resolved at 1 st point of contact	 Green	Quarter 3 actual = 96.14% (Target 85 %)																																			
		Calls answered within 20 seconds	 Green	Quarter 3 actual = 80.49% (Target 80%) This performance has improved from last quarter (which was off target at 78%)																																			
		Calls abandoned	 Green	Quarter 3 actual = 4.87% (Target <5%) This performance has improved from last quarter (which was off target at 5.8%)																																			
		Complaints measures -10 day response - % Complaints upheld	 Red	<table border="1"> <thead> <tr> <th></th> <th colspan="2">Total no. complaints</th> <th colspan="2">% 10 day response</th> <th colspan="2">% upheld</th> </tr> <tr> <th></th> <th>Q3</th> <th>Q3 last year</th> <th>Q3</th> <th>Q3 last year</th> <th>Q3</th> <th>Q3 last year</th> </tr> </thead> <tbody> <tr> <td>TDBC</td> <td>42</td> <td>15</td> <td>67%</td> <td>93%</td> <td>24%</td> <td>27%</td> </tr> <tr> <td>SWP</td> <td>21</td> <td>2</td> <td>0%</td> <td>100%</td> <td>57%</td> <td>50%</td> </tr> <tr> <td>Total</td> <td>63</td> <td>17</td> <td>44%</td> <td>94%</td> <td>45%</td> <td>29%</td> </tr> </tbody> </table> <p>A detailed Customer Feedback report for 2011 will be produced for Members by end March. A new Customer Feedback staff guidance document is to be introduced in February. Feedback recording is increasing – in Q3 there were also: 26 compliments; & 32 other comments or suggestions. Refer to main report – ‘Key issues’ (section 4.2)</p>		Total no. complaints		% 10 day response		% upheld			Q3	Q3 last year	Q3	Q3 last year	Q3	Q3 last year	TDBC	42	15	67%	93%	24%	27%	SWP	21	2	0%	100%	57%	50%	Total	63	17	44%	94%	45%	29%
			Total no. complaints		% 10 day response		% upheld																																
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SWP	21	2	0%	100%	57%	50%																																	
Total	63	17	44%	94%	45%	29%																																	
Benefits Service: Time to process new claims	 Green	Quarter 3 actual = 18.78 days (Target = 22 days) 2011/2012 forecast = 20 days (Q3 last year 2010/11 was 18.40 days)																																					
Landlord Services – satisfaction with repairs	N/A	The survey results as at qtr 2 were 98.4% satisfied overall with the repairs service. The qtr 3 report is currently unavailable (due to sickness absence in Business Support Team), however there is no indication of a decline in satisfaction levels																																					
2.4	Ensuring the Borough is a clean and attractive place to live, work & visit Delivering Parks, Street Cleansing, Highways & Transport Services that are high quality & cost-effective	Street & environmental cleanliness Fly-tipping target	 Amber	Quarter 3 estimate: Grade 3 “not effective” Target: Grade 2 “effective” Results are only confirmed at the end of the current year however there are known increases in the number of fly tipping incidents based on last years figures which pushes our grading off target. Incidents in 2010/11 = 407; Incidents in 2011/12 to date (Dec) = 494 NB - Somerset County Council are funding any additional Fly-Tipping over & above the level of previous years																																			
		Quality assurance accreditation / Awards	 Green	As previous quarter - Taunton was awarded a Gold medal in the Britain in Bloom competition and the judges commented that ‘the standard of street cleansing was exceptional’ and ‘the street floral displays were outstanding’. In the same competition Vivary Park was awarded a heritage award and there were three local neighbourhood awards given. The four Green Flags (French Weir, Victoria, Vivary and Wellington Parks), Heritage Award (Wellington Park) and the Green Pennant (Swains Lane) have all been successfully retained.																																			





3. MANAGING FINANCES (ref Appendix B for detailed budget monitoring)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS		
3.1	Budget monitoring To control spending within approved budget total for the year	General Fund Revenue within 0.5% = 0.5 – 2% = over 2% =	 Red	2011/12 Forecast Outturn as at Quarter 3 = overspend of £313k (= 2.7%) against budgeted net expenditure of £11.714m		
		General Fund Capital within 2% = 2 – 3.5% = over 3.5% =		 Green	2011/12 Forecast Outturn as at Quarter 3 = underspend of £6k (excluding slippage) (= 0%) against budgeted net expenditure of £8.660m	
		Housing Revenue (HRA) within 0.5% = 0.5 – 2% = over 2% =			 Green	2011/12 Forecast Outturn as at Quarter 3 = overspend of £23k (= 0.1%) against budgeted gross expenditure of £22.606m
		HRA Capital within 2% = 2 – 3.5% = over 3.5% =				 Green
3.2	Reserves To maintain an adequate reserve (based on financial risk analysis)	General Fund reserve >£1.25m = £1 - £1.25m = <£1m =	 Green			
3.3	Next year's budget gap	A balanced budget 2012/13		 Green		




As at: 01/03/2012 **TDBC SCORECARD Q3 2011/12** (Appendix A)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS								
3.4	Debt collection	Council Tax Target = 97.8%	 Green	Quarter 3 actual = 91.62% 2011/2012 forecast = 97.8% (Q3 last year 2010/11 was 91.86%)								
		NNDR Target = 98.4%	 Green	Quarter 3 actual = 90.83% 2011/2012 forecast = 98.4% (Q3 last year 2010/11 was 87.99%)								
		Housing Rent Target = 98.3%	 Green	Quarter 3 = 97.28% 2011/2012 forecast = 98.3% (Q3 last year 2010/11 was 96.97%) Quarter 3 figure is for the end of December and the Council offices are closed, so no payments made over the holidays have been credited to the rent accounts. The figure shows we are still doing better than the same time last year. Officers are confident that the target will be met by end of March 2012								
		Sundry Debts position In SAP only*	 Red		<table border="1"> <thead> <tr> <th></th> <th>End of Quarter 3 (as at 1st Jan 2012)</th> <th>Last year (as at 1st Jan 2011)</th> </tr> </thead> <tbody> <tr> <td>Outstanding debt</td> <td>£3.42m</td> <td>£3.12m</td> </tr> <tr> <td>Aged debt over 90 days old</td> <td>£1.94m</td> <td>£1.4m</td> </tr> </tbody> </table>		End of Quarter 3 (as at 1 st Jan 2012)	Last year (as at 1 st Jan 2011)	Outstanding debt	£3.42m	£3.12m	Aged debt over 90 days old
	End of Quarter 3 (as at 1 st Jan 2012)	Last year (as at 1 st Jan 2011)										
Outstanding debt	£3.42m	£3.12m										
Aged debt over 90 days old	£1.94m	£1.4m										
		<p>Report taken to Corporate Governance Committee 12 December highlighting the sundry debt position at 1st October, which until that point had shown the debt position during every month in 2011 being better than the corresponding time in 2010. However, since that time the trend, both in terms of overall debt value and value of debt over 90 days old has, for the first time this financial year, started to show a worse position than the corresponding time in 2011. It is too soon to see if this is a trend or a one-off event. The Sw One AR team have been asked to generate a report of debts over 90 days old, raised in SAP, for analysis. Refer to main report – ‘Key issues’ (section 4.3)</p>										
3.5	Benefits subsidy	To achieve 100% subsidy	 Green	Projection for 2011/12 = 100% (by remaining in the lower threshold for LA error overpayments)								
3.6	Procurement Transformation Project Ensure TDBC realises benefits of the various transformation projects	Value of Procurement Savings against target	 Red	<p>A total of £1.25m Procurement Savings will be delivered by year-end. This is significantly behind the original IBM estimate.</p> <p>A paper has been taken to Corporate Scrutiny and the Executive (18/1/12) highlighting the impact this shortfall has had on our ability to repay when planned, the borrowings taken out to pay for the Southwest One Transformation projects.</p> <p>Repayment of the borrowings will now be rescheduled to take place during 2014/15 rather than 2011/12.</p>								







4. KEY PROJECTS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
4.1	Local Development Framework (LDF) Core Strategy To create a plan to deliver sustainable growth	- Publish Core Strategy for consultation in Mar/Apr 2011 - Adopt the LDF Core Strategy in March 2012	 Amber	The Published Plan Core Strategy was further delayed due to practical difficulties in publishing the document within the Purdah period running up to Local Elections in Spring 2011. The Plan was Published in July 2011 and is now anticipated to be adopted by July 2012. The Core Strategy examination will be held between 7 th & 9 th Feb. The independently appointed planning inspector will then produce a report including recommendations as to the soundness of the plan and any changes required prior to adoption.
4.2	DLO transformation project	To deliver the specified benefits (financial and non-financial) of the DLO transformation	 Green	The transformation plan was approved by Full Council on 16 Aug 2011 and is on course to deliver the specified benefits. Progress is overseen by the DLO Transformation Members' Steering Group
4.3	SAP BOP (Back Office Processing) system re-launch	SAP Back Office Processing (BOP) system implementation	 Amber	All business critical modules of SAP are now in use across the Council. The SAP PREDS (appraisal) module is currently being piloted by Tim Burton. Discussions are ongoing with Sw One and our partners regarding the remaining elements of SAP, where partners require changes to be made before using the additional functionality; although in all such cases perfectly acceptable alternative processes are currently in place and available to our staff.
4.4	HRA Reform Project	Monitor progress against required outputs for each workstream as detailed in the project outline.	 Green	Phases 2 & 3 of the project commenced in November 2011. The 1 st draft of the HRA Business Plan 2012-42 and recommendations in the accompanying report received draft approval from the Tenant Services Management Board, Community Scrutiny Committee & Executive in 2011. The CLG have now provided further draft settlement figures which are to be confirmed following consultation between the CLG and Local Authorities in January 2012. The Business Plan and financial modelling is currently being updated with the new draft settlement figures and other amendments. The final draft version of the Business Plan will be presented to the Tenant Services Management Board, Community Scrutiny Committee, Executive and Full Council for a second cycle in early 2012. The Treasury Management Lead is continuing to liaise with our Treasury Advisors on securing the settlement figure at the most advantageous rates for TDBC and is preparing to complete the transaction to the CLG on the 28 th March 2012.






5. KEY PARTNERSHIPS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS																					
5.1	Taunton Deane Partnership (TDP)	PIs to be agreed as part of the review of the TDP Action Plan (March/April 2012)	 Green	<ul style="list-style-type: none"> • Priority Areas Strategy (PAS): Work on the preparation of the Action Plan for North Taunton and Taunton East continues. Key themes and potential projects are beginning to emerge. The intention is to undertake a final round of engagement during April / May 2012. The draft Action Plan will be debated at Community Scrutiny in March. The Action Plan for the rural areas is taking longer to develop. There are many agencies developing initiatives for the rural areas. We are taking our time to ensure that all initiatives are linked to the benefit of the rural communities. A draft Action Plan for the rural areas is unlikely to emerge until autumn 2012. • Planning Cycles: This priority is seeking to ensure that partner resources (human / financial) are supportive of the emerging Action Plans for North Taunton and Taunton East. In addition, it is also seeking to provide multi-agency support for Community Budgets / Troubled Families. The project plan for CB/TF is still being developed, with a deadline of March 2012. Government have recently identified limited funding to support this initiative. • Promoting Taunton Deane: Having scoped this priority in some detail, it is clear that there are many agencies that are undertaking similar work. The need to continue with this as a priority will be debated at the next meeting of the TDP Board on 14th February 2012 																					
5.2	Southwest One	Efficient delivery of in-scope services (basket of KPIs)	 Green	Key Performance Indicators – Quarter 3 (2011/12)																					
				<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>No. of indicators</th> <th>No. of times measured in Q3</th> <th>No. on Target</th> <th>% on target</th> </tr> </thead> <tbody> <tr> <td>Monthly</td> <td style="text-align: center;">13</td> <td style="text-align: center;">39</td> <td style="text-align: center;">39</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Quarterly</td> <td style="text-align: center;">9</td> <td style="text-align: center;">9</td> <td style="text-align: center;">9</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Annually</td> <td style="text-align: center;">21</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">43</td> <td style="text-align: center;">49</td> <td style="text-align: center;">49</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>		No. of indicators	No. of times measured in Q3	No. on Target	% on target	Monthly	13	39	39	100%	Quarterly	9	9	9	100%	Annually	21	1	1	100%	Total
	No. of indicators	No. of times measured in Q3	No. on Target	% on target																					
Monthly	13	39	39	100%																					
Quarterly	9	9	9	100%																					
Annually	21	1	1	100%																					
Total	43	49	49	100%																					
				KPI failures ☹️																					
				Successes 😊																					
				There were no KPI failures in Q3																					
				Revenues & Benefits: Ahead of target for Council Tax and NNDR in-year collection; and achieved Customer Service Excellence Accreditation on 5/10/2011																					
		Progress against key business objectives	 Amber	Broadly business objectives are being met in most services. Some services are producing excellent service delivery such as Customer Contact who are also rolling out an enhanced training and development programme for staff. However currently two services are not meeting objectives, these are the ICT service and the Finance Advisory component of the finance service. TDBC are working closely with both areas on the implementation of service delivery improvement plans that are now agreed and progressing to address the areas of																					
















As at: 01/03/2012 **TDBC SCORECARD Q3 2011/12** (Appendix A)

				<p>poor or non delivery.</p> <p>SWOne continues to work against a backdrop of challenging economic conditions. The Board has agreed a new financial plan to address this in 2012. The plan will be implemented without impacting on agreed service levels</p>
5.3	Tone Leisure 'More people, more active, more often'	Target 1% increase in total leisure visits	 Red	Tone Leisure usage is 4% down against target, so 3% adrift of the same period last year. Leisure Activity, Golf, and Club/School usage are the areas struggling. Swimming usage has turned a corner in Q3 and increased by 6% on the same period last year.
		Progress against Tone Leisure key business objectives	 Green	Tone Leisure continues to operate in a volatile market place. During Quarter 3 the company remained on track to deliver most non financial key objectives with a few slipping in to Q4. However Q3 has seen sales continue to decline (-£9k) especially in; Leisure Activities, Health and Fitness membership and the Feel Good Factory. The company are working hard to mitigate losses and efforts are been focussed on flexing the company's cost base, while also generating new sales and new business opportunities in Q4 and beyond. A full performance report was presented to Community Scrutiny in November, and a further update is due to be reported in May.
5.4	Somerset Waste Partnership To increase participation in the recycling service through promotion and enforcement	% of household waste sent for reuse, recycling & composting	 Green	Cumulative to Quarter 3 = 46.8 % (Target = 45.4%) (Cumulative to Quarter 3 last year 2010/11 = 46.3 %)
		Residual household waste	 Amber	Cumulative to Quarter 3 = 291.6 kg per household (Target = 380kg per household per annum) (Cumulative to Quarter 3 last year 2010/11 = 278.2 kg per household)
		Progress against key business objectives	 Green	The small reduction in residual waste performance compared to last year is believed to be due to the effects of more non-recyclables in the waste arisings. SWP will be building on on-going trials of doorstep canvassing, with further targeted campaigns aimed at boosting recycling participation. During Quarter 3, waste reduction, reuse and recycling have primarily been promoted through the local press, Deane Dispatch and a Green Routine campaign, which gained 500 sign-ups to four themed waste weeks aimed at reducing food waste, smart shopping, clutter busting and surprising recycling. A draft SWP Business Plan 2012-17 (including action plan & communications plan) was reported to the Executive 18 January. This plan is due to be adopted by the Waste Board in February.
5.5	South West Audit Partnership	Target min 90% of 2011/12 Audit plan delivered	 Green	78% of planned audits as at end of quarter 3 were complete or are at draft report. (Note – revised definition) The Audit Plan is on track to deliver a minimum of 95% by the end of quarter 4. The Audit Plan workload is lighter in quarter 4 and the audits in progress as at the end of quarter 3 are materially complete.



6. PEOPLE (Human Resources)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
6.1	Staff Sickness Reduce sickness absence through strong absence management, revised policies & procedures, & training	Target = 8.5 working days max lost per FT employee	 Amber	Quarter 3 actual = 7.2 days 2011/12 forecast = 9.6 days Last years TDBC target was 9 days and the actual was 9.62 days
6.2	PRED / Training Plans Maintain effective performance management of people and establish & deliver development needs	100% completion of PREDs	N/A	PREDS (staff appraisals) are 100% up-to-date (where due) for Theme 1. Theme 2 and Theme 3 are not due until quarters 3 and 4. Theme 4 data still to be collated.
		100% completion of training plans	 Amber	76% of 2011/12 training plans have been completed (ie service training plans received as part of the annual service Learning & Development budget allocation). This figure remains as last time as it is a task completed once a year so it will not change. Where training plans were not submitted Corporate Training budget has not been allocated.
		100% delivery of 'essential' training activities (corporate training plan)	 Green	There was one training activity due to be completed in the period which was around Negotiation and Influence and this has been completed. Work was completed in support of a request to look at Business Improvement Techniques and this was completed as requested. The Mentor Coaching Scheme has been launched and all managers offered Change Management training.
6.3	Staff Turnover	Target 12% (voluntary leavers as % of staff in post)	 Green	Total turnover - 7.4% Voluntary turnover - 4% Early retirement / redundancy - 1% Ill-health retirement – 0% Other (End of contract/ dismissal) – 2.4%
6.4	Improve Staff Satisfaction	Results from staff survey / resulting action plan	 Amber	Staff survey has been undertaken and raw data collated. This is now being compared against previous survey results and will then be reported to CMT. This survey had a relatively low return rate.

7. CORPORATE MANAGEMENT

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS												
7.1	Corporate Governance Action Plan Deliver the action plan, focussing on high priority areas	Deliver 95% of High priority Actions, and 80% of Medium priority actions by target dates	 Amber	The 2011/12 Corporate Governance Action Plan has been reviewed and updated to include the most recent external audit recommendations. 24 actions from the previous plan have been completed – the new plan now includes 22 actions, with the status as at end December 2011 being: <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>High priority actions</u></th> <th style="text-align: center;"><u>Total actions</u></th> </tr> </thead> <tbody> <tr> <td>Green (on course)</td> <td style="text-align: center;">= 50% (5/10)</td> <td style="text-align: center;">= 73% (16/22)</td> </tr> <tr> <td>Amber (some concern)</td> <td style="text-align: center;">= 50% (5/10)</td> <td style="text-align: center;">= 27% (6/22)</td> </tr> <tr> <td>Red (off course)</td> <td style="text-align: center;">= 0%</td> <td style="text-align: center;">= 0%</td> </tr> </tbody> </table> <p>A detailed report was taken to the Corporate Governance Committee 12th December.</p>		<u>High priority actions</u>	<u>Total actions</u>	Green (on course)	= 50% (5/10)	= 73% (16/22)	Amber (some concern)	= 50% (5/10)	= 27% (6/22)	Red (off course)	= 0%	= 0%
	<u>High priority actions</u>	<u>Total actions</u>														
Green (on course)	= 50% (5/10)	= 73% (16/22)														
Amber (some concern)	= 50% (5/10)	= 27% (6/22)														
Red (off course)	= 0%	= 0%														
7.2	Audit & Inspection Ensure that statutory Audit & Inspection obligations are met	Internal audit findings	 Amber	2011/12 Internal Audit Work: In relation to quarters 1, 2 & 3 there were 19 audits complete and 5 at draft report. The following audit assessments were reported in respect of these audits where complete or draft (draft reports could be subject to change): <table style="margin-left: 20px; border-collapse: collapse;"> <tbody> <tr> <td> Comprehensive assurance</td> <td style="text-align: center;">= 2</td> </tr> <tr> <td> Reasonable assurance</td> <td style="text-align: center;">= 9</td> </tr> <tr> <td> Partial assurance</td> <td style="text-align: center;">= 9</td> </tr> <tr> <td> No assurance</td> <td style="text-align: center;">= 0</td> </tr> <tr> <td>Non-Opinion</td> <td style="text-align: center;">= 3</td> </tr> </tbody> </table> <p>Internal Audit (SWAP) reports quarterly on audit plan progress, assurance levels and priority recommendations to the Corporate Governance Committee (next report due March).</p>	 Comprehensive assurance	= 2	 Reasonable assurance	= 9	 Partial assurance	= 9	 No assurance	= 0	Non-Opinion	= 3		
		 Comprehensive assurance	= 2													
 Reasonable assurance	= 9															
 Partial assurance	= 9															
 No assurance	= 0															
Non-Opinion	= 3															
	2010/11 Final Accounts unqualified	 Green	The 10/11 accounts were unqualified by District Audit													

As at: 01/03/2012 **TDBC SCORECARD Q3 2011/12** (Appendix A)

7.3	Equalities & Diversity Develop practices & policies based on Equalities Framework for Local Govt ('achieving' level)	Council reports including Equality Impact Assessments (EIA)	 Amber	The general picture is one of improvement (see figure below). However, it has been impossible to accurately measure this (since Quarter 2) due to the absence (long term sick leave) of the relevant monitoring officer. A temporary member of staff will be appointed as of February to assist with equalities work (compliance with the Equality Duty) that will include monitoring Q3 (2010/11) = 29% Q4 (2010/11) = 56% Q1 (2011/12) = 60% New Equality Actions Plans will be developed for all Themes as part of Service Planning for 2012/13.
7.4	Risk Management	Delivery of RM Strategy & Policy & Procedures	 Green	A review of strategic risks will be undertaken by CMT in January – February 2012, and a refreshed Corporate Risk Register is to be reported to the Corporate Governance Committee March 2012.
7.5	Value for Money / Benchmarking To ensure that Services provide excellent Value for Money (VfM)	Council Tax charges – in lowest quartile	 Green	TDBC remains in the lowest quartile in 2011/12. (£136* = ranked 40 th out of 201 English Districts; 4 th out of 15 in 'Family Group'; and 3 rd out of the 5 Somerset Districts). <i>* Council Tax average band D tax bill - amount paid to local services (excluding parishes)</i>
		Target efficiency savings at areas with poor VfM	N/A	A project has commenced to deliver a Value for Money analysis report for all TDBC services using comparative information on cost and performance. Initial high-level findings will then be used to inform further in-depth analysis of selected services.
7.6	Asset Management Develop the Council's Asset Management arrangements	Implementation of Asset Mgt Plan (AMP)	 Green	Over two thirds of the action points are complete or on target
		Target 70% of maintenance spend planned	 Green	All maintenance spend is now separated into planned and unplanned. Condition surveys now complete to enable more works to be planned.
7.7	Health & Safety To raise the standard of Health & Safety knowledge & performance	Delivery of H & S Action Plan	 Green	Delivery continues on the 5 priority issues within the 2011/12 Health and Safety Forward Plan. A number of the completion deadlines have moved to March 31st 2012, when the majority of the plan will be completed and CMT will need to consider the future strategy. Work continues a pace on the detail within the employee H&S competency framework, as this forms an essential part of the DLO's ability to compete for external contracts. Officers are discussing how to lift the profile of H&S, Corporate and Business Contingency risk by using a single decision model. Accident data & trends are regularly reported to Corporate Governance Committee. Percentage compliance figures against the H&S KPI one Management competency and KPI two Management systems will be available in April 2012

Appendix B

2011/12 Financial Position – Quarter 3 Update

1 Introduction

- 1.1 This appendix provides further information for Members regarding the financial position for the Council, with a focus on budget monitoring outcomes and the forecast year end position for 2011/12 financial year.
- 1.2 Budgets and forecasts are based on known information and the best estimates of future spending and income of the Council. The income and expenditure of the Council over the financial year 2011/12 is estimated by the budget holders in the Council and then reported through the budget monitoring process. During this process risks are identified which could affect the financial projections but the likelihood and/or amount are uncertain. Where material risks/uncertainties have been identified these are included later in this appendix.
- 1.3 The Council carries protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves.

PART A: REVENUE BUDGETS

2 Forecast Outturn Summary – General Fund Revenue Account

- 2.1 The current forecast outturn for the Council's General Fund services is an **overspend of £313k** for the financial year 2011/12. This is £3k less than the forecast overspend at Q2.
- 2.2 A summary of the General Fund Revenue Account budget and forecast for the year is included in **Annex A**.
- 2.3 The significant changes to the forecast in this quarter are in the following areas:
 - a) **Car Parking Income:** The previous forecast reported to Members at Q2 showed a projected shortfall of £251k for the year. The annual projected shortfall as at Q3 has deteriorated and is now £530k (on-street £12k and off-street parking £518k), which is closer to estimate at Q1. The current economic climate, the recession, increasing cost of motoring, and Park & Ride take-up are considered the most likely factors in this reduced usage. The car parks that have been particularly impacted are commuter and Wellington car parks.
 - b) **Building Control Income:** There projected shortfall in building control income is now £132k (Q2 forecast = £200k). The overall shortfall is partly due to the reduced number of applications received due to the economic downturn and the affect this has had

on the construction industry, but also related to the changes in the building control charging system and increased competition from other Approved Inspectors.

- c) **SWOne Contract Savings:** Projected savings on SWOne contracts has increased to £208k (Q2 = £90k). This is due to reduced recharge of staff secondees' costs resulting from the pay freeze, plus income from service credits.
- d) **Housing and Council Tax Benefit:** The recoupment of overpayments is expected to be £175k higher than the budget.
- e) **Cemeteries and Crematorium:** The net costs of the Cemeteries and Crematorium service are projected to exceed budget by £99k (Q2 = £54k). The main causes of this overspend include a projected reduction in income (£40k) plus overspends on premises and maintenance costs (£59k). A key factor is maintenance works to the cremators due to their age and slippage with the new cremators installation.
- f) **Waste Collection and Recycling:** A underspend of £50k waste and recycling services is projected. This takes into account projected savings on the contract where cautious estimates were included in the budget for recycling rates and entitlement to recycling credits. There is also a reduction in projected costs for new/replacement containers, although there is a risk that take up could increase in the remaining months of the year. The savings are partly offset by a reduction in forecast income.

2.4 Further information regarding the reported variances to budget and the management action that has been taken, or is planned, is included in **Annex B**.

3 General Fund Reserves

3.1 The General Fund Reserves balance at the start of the year was £2.94m. Taking into account approved budget changes and the Q3 forecast, the **projected year end balance is £2.5m**.

3.2 This projected balance remains well above the recommended minimum balance of £1.25m as contained within the Council's financial strategy. However, it is important to keep reserves high due to financial pressures over the medium term.

3.3 A summary of the movement in the General Fund Reserves Balance is included in **Annex C**.

4 General Fund - Risk and Uncertainty

4.1 There are no new risks or uncertainties to report this quarter.

5 Forecast Outturn Summary – Housing Revenue Account (HRA)

- 5.1 The current forecast outturn for the Council's HRA services is an **overspend of £23k** for the financial year 2011/12. This is £295k less than the forecast overspend at Q2.
- 5.2 A summary of the HRA revenue budget and forecast for the year is included in **Annex D**.
- 5.3 The significant changes in the forecast are in the following areas:
- a) **Income – Non Dwelling Rents/Dwelling Rents:** A predicted under recovery of income from garage rents of £60k was reported at Q2. For Q3 it is predicted that dwelling rents will be up by £60k resulting in rental income overall being broadly in line with budget.
 - b) **Maintenance:** The Community Services Manager has implemented cost containment measures in light of the projected overspend in maintenance at Q2. The reported overspend in this area remains significant, but is reduced by some £282k to £476k (Q2 = £758k overspend).
- 5.4 Further information regarding the reported variances to budget and the management action that has been taken or is planned specifically in relation to those is included in **Annex E**.

6 HRA - Risk and Uncertainty

- 6.1 Work is currently underway to ensure that maintenance works are correctly allocated between capital and revenue spending. This may see some movement in costs between capital and revenue by the end of the financial year, but this is not expected to change the "bottom line" for the HRA as capital costs are fully funded from the annual revenue budget.

7 Housing Revenue Account Reserves

- 7.1 The HRA Reserves balance at the start of the year was £1.59m. Taking into account approved budget changes and the Q3 forecast the **projected year end balance is £1.3m**.
- 7.2 This projected balance remains above the recommended minimum balance of £0.9m as contained within the Council's financial strategy for the current financial year. However, Members will note that provision is included within the 2012/13 budget to increase the working balance to £1.8m due to the transition to self-financing at the end of March 2012.
- 7.3 A summary of the movement in the HRA Reserves Balance is included in **Annex F**.

8 Earmarked Reserves

- 8.1 Earmarked reserves are finite funds that are held in the Council's Balance Sheet for specific purposes. The funds can be withdrawn over one or more years but do not form part of the Council's Base Budget.
- 8.2 The Earmarked Reserves balance at the start of the year was £7.440m. This included £6.859m for General Fund and £0.581m for the HRA.
- 8.3 A Summary Statement of Earmarked Reserves is included in **Annex G**. This shows the opening balances and the amounts transferred to and from reserves during the year as at Q3.

9 Deane DLO Trading Account

- 9.1 There are no material variances to budget declared at this time by DLO management. The savings being delivered through the transformation currently underway are projected to be on target with assumptions included when the budget was set.

10 Deane Helpline Trading Account

- 10.1 Deane Helpline is currently forecasting an underspend of £38k. This is mainly due to increased income through new charging and savings on salaries due to reduced overtime costs.

PART B: CAPITAL BUDGETS

11 Forecast Outturn Summary – General Fund Capital Programme

- 11.1 The current forecast outturn for the Council's General Fund Capital Programme is Net Expenditure of £7.046m, compared to the budget of £8.680m. The forecast underspend is therefore £1.634m (19%) for the financial year 2011/12, although £1.628m relates to slippage into 2012/13. The "real" **underspend is £6k**, after slippage.
- 11.2 A summary of the General Fund Capital Programme budget and forecast for the year is included in **Annex H**.
- 11.3 The forecast variances for the year are in the following areas:
- a) **Car Park Payment Equipment Replacement:** There is an underspend of £21k on the car park payment equipment replacement project. This is due to the original bid being on a worse-case scenario. It is anticipated this underspend will be recommended for carry forward into 2012/13 to help fund the costs for Paul Street Car Park.
 - b) **IT Infrastructure Maintenance:** It is predicted that the IT Infrastructure Maintenance budget will need to be slipped into 2012/13 as the project has been delayed.

- c) **Crematorium Mercury Abatement:** Work to install the new cremators and associated mercury filtration equipment has been delayed. The machines are now built. However, the supplier of the equipment has been delayed in providing certain technical information to Southwest One property team, and there have been changes in the design specification such that final drawings and tenders for ancillary works are later than previously planned. There are also unforeseen problems with the condition of our existing flue liners that have to be addressed. Officers are currently working with equipment suppliers and Southwest One property team to produce a more definitive timetable for the planned works. Consequently the majority of expenditure for this project will now fall in 2012/13.
- d) **Grants to Registered Providers:** There is currently slippage of £754k being reported in this area, which will be requested to carry forward to 2012/13. Currently of this sum £242k is firmly committed to be spent in 2012/13 with the remaining £512k earmarked for grants yet to be allocated to specific schemes.

11.4 Further information regarding the reported variances to budget and the management action that has been taken or is planned is included in **Annex I**.

12 GF Capital Programme Risk and Uncertainty

12.1 There are no new risks or uncertainties to report this quarter.

13 Forecast Outturn Summary – Housing Revenue Account Capital Programme

13.1 The current forecast outturn for the Council's Housing Revenue Account Capital Programme is net expenditure of £4.314m, which is an **overspend of £15k** against the current budget of £4.299m.

13.2 The service management is undertaking a detailed review of spending. There is currently a relatively minor overspend predicted for decent homes works, but this will be offset by managed savings against two other schemes. Management are also reviewing planned capital spend in the current year budget to see what may be safely delayed to be met from next year's budget. This is to ensure capital spending overall remains within the total capital budget for 2011/12.

13.3 A summary of the HRA Capital Programme budget and forecast for the year is included in **Annex J**.

14 HRA Capital Programme Risk and Uncertainty

14.1 The service is currently working with finance officers to ensure that maintenance works are correctly allocated between capital and revenue spending. This may see some movement in costs between capital and revenue, and this will be reported at outturn.

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GENERAL FUND REVENUE ACCOUNT SUMMARY 2011/12

	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	%
Service Portfolios					
Communications & Community Leadership	1,121	1,350	1,348	(2)	
Corporate Resources	1,730	1,936	1,541	(395)	
Economic Development & the Arts	837	939	968	29	
Environmental Services	4,284	4,237	4,241	4	
General Services	1,413	1,457	1,515	58	
Housing Services	2,264	2,330	2,313	(17)	
Planning Policy & Transportation	(1,366)	(1,317)	(697)	620	
Sports, Parks & Leisure	2,546	2,507	2,566	59	
Net Cost of Services	12,830	13,440	13,795	355	2.6%
Other Costs and Income					
Interest Payable and Debt Management Costs	226	226	172	(54)	
Interest and Investment Income	(69)	(69)	(57)	12	
Council Tax Freeze Grant	(137)	(137)	(137)	0	
Parish Precepts and Special Expenses	503	503	503	0	
Transfers To/(From) Earmarked Reserves	(150)	(591)	(591)	0	
Capital Expenditure Funded from Revenue (RCCO)	130	175	175	0	
Repayment of Capital Borrowing (MRP)	371	371	371	0	
Transfers to Capital Adjustment Account	(1,930)	(1,930)	(1,930)	0	
Total Other Costs and Income	(1,055)	(1,451)	(1,494)	(42)	2.9%
NET EXPENDITURE BUDGET BEFORE FUNDING	11,776	11,988	12,301	313	2.6%
Formula Grant and Council Tax Income	(11,873)	(12,265)	(12,265)	0	
Net (Surplus)/Deficit for the Year	(98)	(277)	36	313	
Met by Transfer to (from) General Fund Balance	98	277	(36)	(313)	

ANNEX B

GENERAL FUND REVEUE ACCOUNT FORECAST VARIANCES TO BUDGET 2011/12

#	Portfolio	Service / Heading	Forecast Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTAL £'000		
2	COR	Council Tax Benefit	55	0	0	55	Due to the current economic climate overpayment recovery is estimated to be lower than budget.	These budgets have been re-assessed for 2012/13 and amended as required.
3	COR	Rent Rebates to HRA Tenants	65	0	(65)	0	Recoupment of overpayments expected to be higher than initially thought in Q2.	
4	COR	Rent Allowances	0	0	(230)	(230)	Recoupment of overpayments expected to be higher than budget set.	
5	COR	SWOne Contracts	(90)	0	(118)	(208)	Reduction in contract cost due to pay freeze for staff seconded to SWOne plus income from service credits.	No further action. Saving to offset other budget pressures.
8	COR	TDBC Assets	0	(39)	0	(39)	Additional Income received for Firepool Site.	Budget for 2012/13 has been reassessed. Additional income to offset other budget pressures.
12	COR	HR	0	0	34	34	Overspend reported on medical fees and childcare fees.	
15	ECD	Tourist Information Centre (TIC)	55	0	0	55	Sales income budget overstated during budget setting.	Attempts will be made to fund the gap in 2011/12. Budget updated for 2012/13.
16	ENV	Licensing	73	(48)	(14)	11	Licensing income is down showing the impact of wider economic downturn. Costs are being reduced by management to offset this loss e.g. equipment costs reduced.	

#	Port- folio	Service / Heading	Forecast Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTA L £'000		
17	ENV	Crematorium	0	54	45	99	Reduction in income, and increased premises and maintenance costs.	Reduction in income taken into account when setting the 2012/13 budget.
20	ENV	Waste and Recycling	0	0	(50)	(50)	Projected costs for the main contract and new/replacement containers are below budget estimates, partially offset by reducing income. See 2.3f of the appendix for detailed explanation	No further action required. Saving to offset other budget pressures.
26	PTC	Off Street Parking	640	(240)	118	518	Mainly loss of Income due to reduction in parking numbers. See 2.3a of the appendix for detailed explanation.	Variances taken into account when setting the 2012/13 budget.
27	PTC	On Street Parking	(78)	(71)	161	12	Loss of income due to reduction in parking numbers. See 2.3a of the appendix for detailed explanation.	
28	PTC	Planning Services	140	(140)	(10)	(10)	Planning applications received, including large applications, broadly in line with budget expectations.	No further action. Saving to offset other budget pressures.
29	PTC	Building Control	60	140	(68)	132	Underachievement of income due to several influences. See 2.3b of the appendix of this report for detailed explanation.	
31	SPL	Vivary Park	0	0	30	30	Income is below usage due to reduced use of car park in Vivary Park.	
33	SPL	Community Parks and Open Spaces	0	0	30	30	Forecast income through bookings etc is below budget estimates.	

#	Port- folio	Service / Heading	Forecast Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTA L £'000		
34	VAR	Various Salaries	(93)	(80)	69	(104)	Various staff vacancy savings across services and reduced employee costs due to pay freeze.	No further action. Saving to offset other budget pressures.
35	VAR	Various	(22)	(35)	77	20	Minor variances	No further action.
36	OTH	Net Interest Payable and Receivable	0	(30)	(12)	(42)	Both interest costs and income are below budgeted levels reflected continued low interest rates.	
GRAND TOTALS			805	(489)	(3)	313		

Key: Portfolios

COM	Community Leadership
COR	Corporate Resources
ECD	Economic Development, Asset Management, Arts & Tourism
ENV	Environmental Services
GEN	General Services
HSG	Housing Services (Non-HRA)
OTH	Other Costs
PTC	Planning and Transportation/Communications
SPL	Sports, Parks & Leisure

GENERAL FUND RESERVES SUMMARY 2011/12

	Original Budget £'000	Current Budget & Forecast £'000
Balance Brought Forward 1 April	2,937	2,937
Repayment of Invest to Save Schemes:		
Invest to Save Repayment - Restructuring	101	101
Invest to Save Repayment - ISIS Transformation	200	200
Planned Use of Reserves within Original Budget:		
Funding of 2011/12 Costs	(203)	(203)
Net Budgeted Movement in General Fund Reserves	98	98
Estimated use of reserves - Core Council Review Theme 5 (subject to approval)		(62)
Estimated use of reserves - DLO Transformation (estimated worse case)		(247)
Estimated use of reserves - Corporate Support Restructure		(71)
Return of unused Earmarked Reserves to General Reserves		159
Projected Balance before 2011/12 Outturn		2,814
Forecast underspend (overspend) for the year		(313)
Projected Balance Carried Forward 31 March	3,035	2,501

HOUSING REVENUE ACCOUNT SUMMARY 2011/12

	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	%
Income					
Dwelling Rents	(21,196)	(21,196)	(21,256)	(60)	
Non Dwelling rents	(586)	(586)	(526)	60	
Charges for Services Facilities	(497)	(497)	(497)	0	
Supporting People	(299)	(299)	(299)	0	
Contribution towards expenditure on Estates	(259)	(259)	(259)	0	
Government Subsidy	7,002	7,002	7,122	120	
Total Income	(15,835)	(15,835)	(15,715)	120	-1%
Expenditure					
Management General	4,476	4,476	4,258	(218)	
Maintenance	5,902	5,902	6,378	476	
Capital Charges - Depreciation	3,938	3,938	3,938	0	
Provision for Bad Debt	50	50	50	0	
Debt Management Expenses	15	15	15	0	
Total Expenditure	14,381	14,381	14,639	258	2%
Other Costs and Income					
CDC Costs	188	188	188	0	
Interest payable	617	617	472	(145)	
Interest and Investment Income	(97)	(97)	(117)	(20)	
Transfers To/(From) Earmarked Reserves	130	130	(60)	(190)	
Capital Expenditure Funded from Revenue (RCCO)	361	361	361	0	
Transfers to Procurement Savings	430	430	430	0	
Total Other Costs and Income	1,629	1,629	1,274	(355)	-22%
NET (SURPLUS)/DEFICIT FOR THE YEAR	175	175	198	23	13%
Met by Transfer to (from) HRA Reserves Balance	(175)	(175)	(198)	(23)	

ANNEX E

HOUSING REVEUE ACCOUNT FORECAST VARIANCES TO BUDGET 2011/12

#	Port- folio	Service / Heading	Forecast Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTAL £'000		
1	HSG	Non-Dwelling Rents	0	60	0	60	Garage rents income is projected to fall below budget mainly due to voids. See also 4.3a in this appendix for further explanation.	Continue to monitor, and seek to minimise voids where within management control.
	HSG	Dwelling Rents	0	0	(60)	(60)	Dwelling rents income projected to be slightly over budget. See 4.3a of this appendix for further explanation.	Underspend to be used to offset other overspends reported.
	HSG	Negative Subsidy	0	120	0	120	Balance of negative subsidy payable related to 2010/11, compared to estimate of the final claim made at the end of last financial year.	None.
	HSG	Management	0	(265)	47	(218)	Managed savings across various budget headings (e.g. staff training) and additional extra care income received.	Continue to manage controllable costs to help balance the budget overall.
	HSG	Maintenance	(168)	926	(282)	476	Significant increase in projected costs, largely due to increased voids and associated repairs and maintenance costs, anticipated aged debt write off and increased insurance costs..	Review planned maintenance spend in order to reduce spending in the current financial year in order to remain within overall budget.
	HSG	Interest Payable/Receivable	0	(165)	0	(165)	Interest payments predicted to be lower than expected. See also para 4.3e in Annex B.	None.
	HSG	Earmarked Reserves		(190)	0	(190)	Surplus balance within the Heating Reserve. See also para 4.3f in Annex B.	Recommended to return surplus balance to the revenue account.
	HSG	Other	2	(2)	0	0	Minor variations.	None.
GRAND TOTALS			(166)	484	(295)	23		

HOUSING REVENUE ACCOUNT RESERVES SUMMARY 2011/12

	Original Budget £'000	Current Budget & Forecast £'000
Balance Brought Forward 1 April	1,593	1,593
Planned Use of Reserves within Original Budget:	(175)	(175)
Estimated use of reserves - DLO Transformation		(84)
Estimated use of reserves - Core Council Review Theme 5		(21)
Net Budgeted Movement in HRA Reserves		1,313
Forecast underspend (overspend) for the year		(23)
Projected Balance Carried Forward 31 March	1,418	1,290

SUMMARY STATEMENT OF EARMARKED RESERVES 2011/12

Ref		Balance B/F £'000	Transfers In £'000	Transfers Out £'000	Current Balance £'000
EARMARKED RESERVES - GENERAL FUND					
902460	Capital Financing Reserve - General Fund Projects	762	123		885
902487	Self Insurance Fund	750			750
902366	Asset Management Leisure	632			632
902477	Housing Enabling	599			599
902430	DLO Trading Account Reserve	569	101	(101)	569
902542	Housing & Planning Delivery Grant	474		(84)	390
902501	LABGI	423			423
902514	Local Plan Enquiry General Provisions	311			311
	Other smaller earmarked reserve accounts	2,339	392	(854)	1,877
		6,858	616	(1,039)	6,435
EARMARKED RESERVES - HOUSING REVENUE ACCOUNT					
902480	Capital Financing Reserve - HRA Projects	79			79
904210b	CCR DLO Transformation (HRA Resources)	113		(15)	98
902483	HRA Heating Reserve	390			390
		582	0	(15)	567
GRAND TOTAL		7,440	616	(1,054)	7,002

GENERAL FUND CAPITAL PROGRAMME SUMMARY

Scheme/Portfolio	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Slippage £'000	Under/ Overspend £'000	Net Variance £'000
Corporate Resources						
IT Improvements	60	70	70	0	0	0
ICT Infrastructure Maintenance	35	35	0	(35)	0	(35)
Climate Change Projects	0	55	55	0	0	0
Members IT Equipment	0	6	6	0	0	0
Total	95	166	131	(35)	0	(35)
Economic Development, Asset Management, Arts and Tourism						
DLO Vehicle Acquisitions	150	202	202	0	0	0
Market Works	0	5	5	0	0	0
HPDG Firepool Weir	0	10	10	0	0	0
Total	150	217	217	0	0	0
Environmental Services						
Mercury Abatement Works	235	1,296	478	(818)	0	(818)
Crematorium Music System	14	4	0	0	(4)	(4)
Crematorium Mower	15	15	13	0	(2)	(2)
Taunton/Bridgwater Canal	10	10	10	0	0	0
Waste Initiative	0	65	65	0	0	0
Total	274	1,390	566	(818)	(6)	(824)
Planning Policy and Transportation						
Town Centre Improvements	8	8	8	0	0	0
Parking Strategy – Payment Equipment Replacement	0	1	1	0	0	0
Payment Equipment Replacement – New Coinage	0	31	10	(21)	0	(21)
Total	8	40	19	(21)	0	(21)

Scheme/Portfolio	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Slippage £'000	Under/ Overspend £'000	Net Variance £'000
Sports Parks and Leisure						
Play Equipment – Grants to Clubs	46	113	113	0	0	0
Play Equipment – Grants to Parishes	20	20	20	0	0	0
Play Equipment – Replacement Programme	20	20	20	0	0	0
Wheelspark Hamilton Gault	0	26	26	0	0	0
Play Area - Lyngford	0	27	27	0	0	0
Play Area - Greenway	0	52	52	0	0	0
Station Road Lift Replacement	0	45	45	0	0	0
Total	86	303	303	0	0	0
Housing						
Disabled Facilities Grants – Private Sector	359	610	610	0	0	0
Private Sector Renewal Grants	0	65	65	0	0	0
Grants to RSL's	450	916	162	(754)	0	(754)
DLO System Replacement	0	400	400	0	0	0
Total	809	1,991	1,237	(754)	0	(754)
Project Taunton						
Longrun Farm	0	163	163	0	0	0
Firepool	0	931	931	0	0	0
Castle Green	0	2,250	2,250	0	0	0
High St Retail	0	98	98	0	0	0
NIDR	0	182	182	0	0	0
Somerset Square	0	23	23	0	0	0
Urban Growth	0	381	381	0	0	0
Goodlands Gardens and Bridge Street Link	0	297	297	0	0	0
Charging Points	0	12	12	0	0	0
Coal Orchard	0	14	14	0	0	0
High Street	0	145	145	0	0	0
Network/Bus Station Masterplanning	0	15	15	0	0	0

Scheme/Portfolio	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Slippage £'000	Under/ Overspend £'000	Net Variance £'000
Tone Way	0	5	5	0	0	0
Signage	0	25	25	0	0	0
Firepool Consultancy	0	25	25	0	0	0
Brewhouse	0	7	7	0	0	0
Total	0	4,573	4,573			
Total General Fund Capital Programme	1,422	8,680	7,046	(1,628)	(6)	(1,634)

ANNEX I

GENERAL FUND CAPITAL PROGRAMME FORECAST VARIANCES TO BUDGET 2011/12

#	Portfolio	Service / Heading	Forecast Outturn Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTAL £'000		
1	Planning Policy and Transportation	Car Parking	(21)	0	0	(21)	This is due to the cost of replacing the car parking machines to accept the new coinage being introduced being less than the original bid which was the worst case scenario.	This budget is requested to be carried forward into 2012/13 to support the Paul Street (Orchard Car Park) repairs.
2	Corporate Resources	IT Improvements	(35)	0	35	0	This budget is now forecast to be on track.	No Action Required.
3	Corporate Resources	IT Infrastructure	0	0	(35)	(35)	This project is going to slip into 2012/13 as the project has been delayed.	This budget will need to be carried forward into 2012/13.
4	Environmental Services	Crematorium	0	(818)	0	(818)	It is anticipated that work will start on this project in February 2012 and will therefore not be completed until 2012/13. The reason for the delay is due to an unforeseen problem with the flue liners.	This budget will need to be carried forward into 2012/13.
5	Housing Services	Housing Enabling	0	(754)	0	(754)	Slippage is being reported by the budget holder due to projects not starting until 2012/13.	This budget will need to be carried forward into 2012/13.
6	Environmental Services	Crematorium	0	0	(6)	(6)	Small underspends reported on the Music System and Crematorium Mower.	These budget can be returned to capital resources.
GRAND TOTALS			(56)	(1,572)	(6)	(1,634)		

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME SUMMARY

Scheme	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance		
				Slippage £'000	(Under)/ Overspend £'000	Net Variance £'000
Decent Homes	3,654	3,654	3,704	0	50	50
Integrated Housing Management System	15	15	0	0	(15)	(15)
Door Entry Systems	20	20	20	0	0	0
Aids and Adaptations	200	200	200	0	0	0
Soundproofing	20	20	20	0	0	0
DDA Work	20	20	0	0	(20)	(20)
Asbestos Works	20	20	20	0	0	0
Community Alarm Systems	45	45	45	0	0	0
Tenants Improvements	5	5	5	0	0	0
Disabled Facilities Grants – HRA Stock	300	300	300	0	0	0
Total HRA Capital Programme	4,299	4,299	4,314	0	15	15

14/03/2012, Report:Quarter 3 Performance Report

Reporting Officers:Dan Webb

14/03/2012, Report:Treasury Management Strategy Statement

Reporting Officers:Maggie Hammond

14/03/2012, Report:Planning Performance Agreements for major planning applications

Reporting Officers:Tim Burton

14/03/2012, Report:Corporate Debt Management Policy

Reporting Officers:Maggie Hammond

14/03/2012, Report:Proposal for a Taunton Deane Borough Council Appeal Policy and Procedure

Reporting Officers:Laura Holland

11/04/2012, Report:Proposed new swimming pool at Blackbrook Sports Centre, Taunton

Reporting Officers:Simon Lewis

11/04/2012, Report:Voluntary Sector Grants and Service Level Agreements for 2012/2013

Reporting Officers:Lisa Redston

02/05/2012, Report:Development of a Corporate Business Plan 2012/2013 to 2014/2015

Reporting Officers:Simon Lewis

20/06/2012, Report:Proposed Passiv Haus Development

Reporting Officers:Lesley Webb

20/06/2012, Report:Draft Corporate Strategy

Reporting Officers:Mark Leeman

20/06/2012, Report:Community Infrastructure Levy - Draft Preliminary Charging Schedule and Affordable Rent

Reporting Officers:Nick Bryant

20/06/2012, Report:2012/2013 Carbon Management Plan

Reporting Officers:Torsten Daniel

20/06/2012, Report:Right to Buy Changes

Reporting Officers:James Barra

11/07/2012, Report:Potential Development Site, Taunton

Reporting Officers:John Sumner

11/07/2012, Report:Performance Monitoring Outturn Report 2011/2012

Reporting Officers:Dan Webb

11/07/2012, Report:2011/2012 Budget Outturn Report

Reporting Officers:Shirlene Adam

11/07/2012, Report:Final Draft Corporate Strategy

Reporting Officers:Simon Lewis

11/07/2012, Report:Proposed Swimming Pool Provision in Taunton

Reporting Officers:Simon Lewis

12/09/2012, Report:Adoption of Core Strategy

Reporting Officers:Nick Bryant

12/09/2012, Report:Community Infrastructure Levy - Draft Charging Schedule and Affordable Rent

Reporting Officers:Nick Bryant

12/09/2012, Report:Quarter 1 Performance Report

Reporting Officers:Dan Webb

14/11/2012, Report:Taunton Deane Borough Council Local Council Tax Support Scheme

Reporting Officers:Paul Harding

14/11/2012, Report:Community Infrastructure Levy

Reporting Officers:Nick Bryant

05/12/2012, Report:2013/2014 Provisional Budget Proposals and Savings Plans

Reporting Officers:Paul Fitzgerald

05/12/2012, Report:2013/2014 Council Tax Base

Reporting Officers:Paul Fitzgerald

05/12/2012, Report:Quarter 2 Performance Report

Reporting Officers:Dan Webb

07/02/2013, Report:2013/2014 Capital Programme Estimates

Reporting Officers:Paul Fitzgerald

07/02/2013, Report:2013/2014 Housing Revenue Account Estimates

Reporting Officers:Paul Fitzgerald

07/02/2013, Report:2013/2014 General Fund Revenue Estimates

Reporting Officers:Paul Fitzgerald

07/02/2013, Report:2013/2014 Council Tax Setting

Reporting Officers:Paul Fitzgerald