



Members of the Cabinet
(Councillors A H Trollope-Bellew (Leader), M J Chilcott (Deputy
Leader), M O A Dewdney, K M Mills, C Morgan, S J Pugsley,
K H Turner and D J Westcott)

Our Ref DS/KK
Your Ref

Contact Krystyna Kowalewska kkowalewska@westsomerset.gov.uk
Extension 01984 635307
Date 24 July 2015

**THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THE MEETING
THIS DOCUMENT CAN BE MADE AVAILABLE IN LARGE PRINT, BRAILLE, TAPE FORMAT
OR IN OTHER LANGUAGES ON REQUEST**

Dear Councillor

I hereby give you notice to attend the following meeting:

CABINET

Date: Wednesday 5 August 2015
Time: 4.30 pm
Venue: Council Chamber, Council Offices, Williton

Please note that this meeting may be recorded. At the start of the meeting the Chairman will confirm if all or part of the meeting is being recorded.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during the recording will be retained in accordance with the Council's policy.

Therefore unless you advise otherwise, by entering the Council Chamber and speaking during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact Committee Services on 01984 635307.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bruce Lang".

BRUCE LANG
Proper Officer

CABINET

Meeting to be held on 5 August 2015 at 4.30 pm

Council Chamber, Williton

AGENDA

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting of Cabinet held on 1 July 2015 to be approved and signed as a correct record – **SEE ATTACHED.**

3. **Declarations of Interest**

To receive and record declarations of interest in respect of any matters included on the agenda for consideration at this meeting.

4. **Public Participation**

The Leader to advise the Cabinet of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public wishing to speak at this meeting there are a few points you might like to note.

A three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue. There will be no further opportunity for comment at a later stage. Your comments should be addressed to the Chairman and any ruling made by the Chair is not open to discussion. If a response is needed it will be given either orally at the meeting or a written reply made within five working days of the meeting.

5. **Forward Plan**

To approve the latest Forward Plan for the month of September 2015 – **SEE ATTACHED.**

6. **Cabinet Action Plan**

To update the Cabinet on the progress of resolutions and recommendations from previous meetings – **SEE ATTACHED.**

7. **Corporate Debt Policy**

To consider Report No. WSC 119/15, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to introduce the new Corporate Debt Policy.

8. Corporate Performance Report – Quarter 4 – Outturn 2014-15

To consider Report No. WSC 118/15, to be presented by Councillor A Trollope-Bellew, Leader of Council – **SEE ATTACHED**.

The purpose of the report is to provide Cabinet with an update on progress in delivering the Council's corporate priorities and the performance of council services for the period from 1 April 2014 to 31 March 2015. The report also provides an overview of the outcome of the latest Council satisfaction survey.

9. Revenue and Capital Outturn 2014/15

To consider Report No. WSC 121/15, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED**.

The purpose of the report is to provide Members with details of the Council's financial outturn position for both revenue and capital budgets, together with information regarding end of year reserve balances, for the financial year 2014/15.

10. Medium Term Financial Plan Update

To consider Report No. WSC 120/15, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED**.

The purpose of the report is to share the latest Medium Term Financial Plan (MTFP) forecasts for the Council's net spending and funding and highlighting the projected budget gap to be addressed over the immediate and short to medium term.

COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS

The Council's Vision:

To enable people to live, work and prosper in West Somerset

The Council's Corporate Priorities:

- Local Democracy:
Securing local democracy and accountability in West Somerset, based in West Somerset, elected by the people of West Somerset and responsible to the people of West Somerset.
- New Nuclear Development at Hinkley Point
Maximising opportunities for West Somerset communities and businesses to benefit from the development whilst protecting local communities and the environment.

The Council's Core Values:

- Integrity
- Respect
- Fairness
- Trust

CABINET**MINUTES OF THE MEETING HELD ON 1 JULY 2015****AT 4.30 PM****IN THE COUNCIL CHAMBER, WILLITON****Present:**

Councillor M J Chilcott Deputy Leader

Councillor M O A Dewdney
Councillor C Morgan
Councillor D J WestcottCouncillor K Mills
Councillor S J Pugsley**Members in Attendance:**Councillor I Aldridge
Councillor G S Dowding
Councillor T Hall
Councillor B Maitland-Walker
Councillor T VennerCouncillor A Behan
Councillor A P Hadley
Councillor I Jones
Councillor P H Murphy
Councillor R Woods**Officers in Attendance:**Assistant Chief Executive (B Lang)
Assistant Director – Resources (P Fitzgerald)
Assistant Director – Energy Infrastructure (A Goodchild)
Assistant Director – Operational Delivery (C Hall)
Assistant Director – Housing and Community (S Lewis)
Economic Regeneration and Tourism Manager (C Matthews)
CIM Fund Manager (L Redston)
Meeting Administrator (K Kowalewska)**CAB13 Apologies for Absence**

Apologies for absence were received from Councillors A H Trollope-Bellew and K Turner.

CAB14 Minutes of the Meeting held on 3 June 2015

(Minutes of the Meeting of Cabinet held on 3 June 2015 - circulated with the Agenda.)

RESOLVED that the Minutes of the Meeting of Cabinet held on 3 June 2015 be confirmed as a correct record.

CAB15 **Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

Name	Minute No.	Member of	Action Taken
Councillor C Morgan	All	Stogursey	Spoke and voted
Councillor D Westcott	All	Watchet	Spoke and voted
Councillor I Aldridge	All	Williton	Spoke
Councillor B Maitland-Walker	All	Carhampton	Spoke
Councillor P Murphy	All	Watchet	Spoke
Councillor T Venner	All	Minehead	Spoke

In addition, the following interest was declared:

Name	Minute No.	Description of interest	Personal or Prejudicial	Action Taken
Cllr D Westcott	CAB20	Landlord	Personal	Spoke and voted

CAB15 **Public Participation**

Agenda Item 8 – HPC Planning Obligations Board – Allocations of CIM Funding:

Mo Young, Holford and District Village Hall Committee Member spoke in support of the Holford and District Village Hall Amenity Enhancement Project.

Alison Eyley, Chair of Kilve Village Hall spoke in support of the Kilve Village Hall Refurbishment Project.

Both applications had been recommended for refusal by the Hinkley Point C Planning Obligations Board (POB) and the speakers urged Members to reconsider the POB's decision and to pass the projects on to Full Council for approval.

CAB16 **Forward Plan**

(Copy of latest Forward Plan published 18 June 2015 – circulated with the Agenda.)

The purpose of this item was to approve the latest Forward Plan published 18 June 2015.

During the discussion of this item, it was agreed to delete the fourth column 'Documents and background papers to be available to decision maker' due to the lack of information contained therein; and it was

requested that the Forward Plan should only detail the proposed items for the next Cabinet meeting on all future agendas. It was noted that the complete Forward Plan would remain available on the Council's website.

RESOLVED that the latest Forward Plan published 18 June 2015 be approved.

CAB17 Cabinet Action Plan

(Copy of the Action Plan – circulated with the Agenda.)

RESOLVED (1) that CAB9 – Hinkley Point C - Economic Development Allocation be deleted as actioned.

RESOLVED (2) that CAB10 – HPC Section 106 Agreement - Allocations of Housing Fund - Administration Fees be deleted as actioned.

RESOLVED (3) that CAB11 – HPC Planning Obligations Board - Allocations of CIM Funding deleted as actioned.

CAB18 Request for Allocation of Planning Obligations Funding

(Report No. WSC 96/15 – circulated with the Agenda.)

The purpose of the report was to make proposals for the allocation of monies secured through planning obligations to individual schemes.

The report was presented by the Lead Member for Resources and Central Support, who highlighted the procedure for allocating monies secured through planning obligations. The Lead Member provided details of the two proposals which had been considered by the internal planning obligations group, namely the Williton Pavilion Project and the Huish Champflower Village Hall.

The Lead Member proposed the recommendations of the report, which were duly seconded by Councillor S J Pugsley.

Members expressed support for the very worthy projects and wished them well, especially in terms of their future fundraising efforts and leveraging in extra match funding.

RESOLVED (1) that it be recommended to Full Council to approve that the allocation of £149,500 for phase 1 of the Williton Pavilion project be added to the capital programme and funded from planning obligations contributions.

RESOLVED (2) that the allocation of £10,000 towards the construction of a new village hall and pavilion at Huish Champflower to be added to the capital programme and funded from planning obligations contributions be agreed.

CAB19 HPC Planning Obligations Board – Allocations of CIM Funding

(Report No. WSC 94/15, circulated with the Agenda.)

The purpose of the report was to present the recommendations of the Hinkley Point C Planning Obligations Board (HPC POB), for the allocation of monies from the Community Impact Mitigation (CIM) Fund secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point; and to inform Cabinet of the decision made by the Planning Obligations Board to allocate funding from the Community Impact Mitigation Small Grants Fund.

The Lead Member for Resources and Central Support presented the item and provided Members with the background information, as well as a brief outline of the applications which had been considered by the HPC POB. The amount of work and effort undertaken by volunteers in the local communities was acknowledged and appreciated. The Lead Member emphasised that it was vital for applicants to provide as much detail as possible about the project in the application form to enable POB to make an informed decision. The applicants whose projects had been recommended for refusal were advised to address the issues raised as there was a second opportunity to submit a revised application for reconsideration by POB.

During the discussion, the following main points were raised:

- It was essential that applicants sought advice from the experienced officers prior to completing and submitting the application form in order that the project fitted the nine criteria upon which it was evaluated.
- It was hoped that the neighbouring parishes closest to Hinkley Point would work together to prevent duplication within that area to secure appropriate and complementary facilities for the community; and it was confirmed that Engage West Somerset and Somerset Active Sports Partnership would provide assistance in this regard.
- The CIM Fund Manager provided clarification on points raised in connection with funding for refurbishment projects and the requirement to provide evidence of engagement with young people.
- The Assistant Director Energy Infrastructure advised that the Council could retain the amount of money received from EDF and spend it within the provisions of the legal agreement.
- Experience was continually being gathered on the applications coming forward and it was hoped that communities would work together and pass on expertise to help and support one another.

It was agreed that the recommendations contained within the report should be voted on separately. On being put to the vote recommendations 3.1, 3.2.1, 3.2.2, 3.2.3 and 3.2.4 were declared CARRIED.

RESOLVED (1) that the decision of the Planning Obligations Board to award funding of £750 to Stogursey Football Club for the purchase of removable goal posts be noted.

RESOLVED (2) that it be recommended to Council to endorse the recommendations of the Hinkley C Planning Obligations Board, as follows:

- That the Holford and District Village Hall application for £507,984 is refused as it does not demonstrate value for money given the level of funding sought relative to the size of the community who would benefit and the lack of match funding.
- That the Kilve Village Hall Refurbishment application for £54,290 is refused given lack of a link between the refurbishment and the impacts that HPC will cause.
- That the North Petherton Playing Fields applications for £46,000 is approved subject to securing the remaining match funding and the grant of planning permission.
- That the Sydenham Together application for £60,000 is approved.

CAB20 HPC Section 106 – Housing Funding Strategy: Amendment to Private Sector Housing Renewal Policy

(Report No. WSC 95/15, circulated prior to the Meeting.)

The purpose of the report was for Members of the Executive to consider and approve the attached amendment, at Appendix 1, to the Somerset West Private Sector Housing Renewal Policy, which sets out the types of financial assistance that the Council can offer owner occupiers and landlords to carry out essential repairs on their property, and to bring empty properties back into use. The Policy needs to be amended in order to be able to offer the grants and loans for empty properties, Landlord Accreditation and the Living Over the Shops grant, contained within the Hinkley Housing Funding Strategy approved by West Somerset Council on 19 November 2014.

In the absence of the Lead Member for Housing, Health and Wellbeing, the Lead Member for Environment introduced the item and outlined the details in the report. He went on to propose the recommendation which was duly seconded by Councillor M Chilcott.

The Assistant Director Housing and Community provided further clarification on the grant policy and the take up of loans by landlords for works to refurbish properties to bring them up to the decent homes standard.

RESOLVED that it be recommended to Council to approve the amendments to the Private Sector Housing Renewal Policy.

CAB21 Hinkley Point C: Section 106 Agreement – Provisional Allocation of Leisure Contribution

(Report No. WSC 90/15, circulated with the Agenda.)

The purpose of the report was for Cabinet to consider and to recommend to Council that the list of projects set out within the report are invited to make application within the allocation of £250,000 paid from the Section 106 agreement for Site Preparation Works at Hinkley Point C. The projects would then be asked to submit information via an application process similar to that provided for other Section 106 agreement allocations before any release of funding.

The Lead Member for Energy Infrastructure introduced the item and the Assistant Director Energy Infrastructure provided Members with the background information. He reported that by giving a group of officers and Members delegated powers the timescales would be shortened and the process of granting applications accelerated. He confirmed that the process was robust and criteria guidelines would be used when determining the projects.

The Lead Member proposed the recommendations of the report, with an addition to the printed recommendation 3.2 to include 'the Lead Member for Community and Customer'. These were seconded by Councillor M Dewdney.

The main points raised during the discussion included:

- This was a once in a generation opportunity which would benefit the whole of the West Somerset Community for many years to come.
- It was confirmed that the shortlisting of projects had been undertaken by SASP, the Assistant Director Energy Infrastructure and the Housing and Community Project Officer; other funding opportunities had also been considered.
- Cllr I Aldridge expressed thanks on behalf of the Williton community for the funding opportunities available to them to progress with the Williton Pavilion and MUGA project.

RESOLVED (1) that it be recommended to Council that the list of projects at paragraph 5.4 of the report be invited to make an application within the allocation of £250,000 paid from the Section 106 agreement for Site Preparation Works at Hinkley Point C.

RESOLVED (2) that it be recommended to Council that delegated powers be granted to the Lead Member for Resources and Central Support, the Lead Member for Energy Infrastructure, the Lead Member for Community and Customer and the Assistant Director Energy Infrastructure to grant monies to projects in accordance with the list of projects at paragraph 5.4 upon receipt of the necessary financial and governance information.

CAB22 **Hinkley Point Connection Project – Development Consent Order – Section 106 Agreement Update**

(Report No. WSC 91/15, circulated with the Agenda.)

The purpose of the report was to provide an update to Members on the status of the Section 106 Agreements (the Agreements) between National Grid and the six Local Authorities (West Somerset Council, Sedgemoor District Council, Somerset County Council, North Somerset Council, South Gloucestershire Council and Bristol City Council) relating to the Development Consent Order application which is currently being Examined by the Planning Inspectorate, to advise Members on the content of the Agreements and how the Agreements affect West Somerset Council in particular, and sets out the process if Members wish to comment further on the content of the Agreements prior to the close of the Examination. The report also gives a general update on the progress of the Examination to date and outlines the remaining aspects of the process.

The item was presented by the Lead Member for Energy Infrastructure who provided Members with detailed background information. He went on to propose the recommendation contained within the report, which was duly seconded by Councillor D Westcott.

RESOLVED that the Assistant Director Energy Infrastructure be instructed, on behalf of the Council, to submit representations to the Planning Inspectorate for Deadline 7 on Monday 13 July indicating that the Council wish for the Panel of Examining Inspectors to positively consider the Joint Councils requests for additional mitigation.

CAB23 Allocation of HPC S106 Tourism Information Funds

(Report No. WSC 92/15, circulated with the Agenda.)

The purpose of the report was to consult with Cabinet on a suggested approach for the allocation of the HPC S106 Phase 2 (Part Two) Visitor Information funds.

The Lead Member for Regeneration and Economic Growth presented the item and referred to the details contained within the report, drawing Members attention to the resource allocation to date. She summarised by stating that tourist information centres were vital assets to the community and the businesses they support and went on to propose the recommendation of the report which was seconded by Councillor M Dewdney.

RESOLVED that it be recommended to Council that the allocation of the Phase 2 (Part Two) S106 Tourism allocation of £50,000 to those Local Authorities and Visitor Centres identified as requiring support by the Local Authorities party to the S106 Agreement as follows:

- (i) £20,000 to West Somerset Council for the purposes of supporting Minehead, Porlock and Watchet Visitor Information Services.
- (ii) £20,000 to Sedgemoor District Council for the purposes of supporting Burnham-on-Sea, Cheddar and Bridgwater Tourism Information Services.

- (iii) £10,000 reserved for Somerset County Council to be released upon production of a fully costed proposal to be submitted to the Hinkley Tourism Action Partnership for delegated approval.

CAB24 Final Report of the Secondary Education in West Somerset Task and Finish Group

(Report No. WSC 84/15, circulated with the Agenda.)

The report set out the recommendations of the Scrutiny Task and Finish Group which was established to consider the provision of secondary education in West Somerset. The recommendations of this Task and Finish Group (set out in their report at Appendix A to the report) had been agreed by the Scrutiny Committee and were presented to Cabinet for their endorsement.

The Chairman of Scrutiny Committee presented the report in detail and drew attention to the amended recommendations circulated prior to the meeting. Councillor Murphy thanked all who have been involved in helping to understand the issues surrounding secondary education in West Somerset. He urged Members to support the continued engagement and dialogue with the education providers as it was important for the future of the children and the economic development of West Somerset to not lose sight of the matter. It was advised that continuing updates were being received from West Somerset Community College as a result of the work of the Task and Finish Group.

The Lead Member for Resources and Central Support thanked the Scrutiny Committee for the work undertaken in this regard. It was noted that the report had been well put together and thoroughly researched. She proposed the recommendations, as amended, which were duly seconded by Councillor C Morgan.

RESOLVED (1) that the recommendations of Scrutiny Committee be noted and the committee be commended for the quality of the report produced in relation to this matter.

RESOLVED (2) that the Cabinet endorse the interest expressed by Scrutiny Committee in finding out more about the potential for a multi academy trust in West Somerset; share the interest for the continuation of a wide range of post 16 courses in West Somerset; and undertakes to lobby government to secure improvements to the transparency and local accountability of academy governance.

RESOLVED (3) that the Cabinet fully supports the principle of ongoing engagement between the West Somerset College and the Council and is committed to being supportive in promoting the highest possible standard of education provision for the young people of West Somerset.

RESOLVED (4) that the Cabinet would welcome any further reports from the Scrutiny Committee on the whole issue of education provision in the district with particular reference to the potential for joint scrutiny working across the county on educational matters.

CAB25 Temporary Licensing Officer – Extension of Contract

This item was deleted from the agenda.

CAB26 Exclusion of the Press and Public

RESOLVED that the press and public be excluded during consideration of Item CAB27 on the grounds that, if the press and public were present during that item, there would be likely to be a disclosure to them of exempt information of the class specified in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended as follows:

The item contained information that could release confidential information relating to the financial or business affairs of any particular person (including the authority holding that information). It is therefore agreed that after consideration of all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CAB27 Street and Toilet Cleaning Services Contract

(Report No. WSC 93/15, circulated with the Agenda.)

The report set out the history of the Veolia contract and sought support from Cabinet to extend this for a further 12 months.

The Lead Member for Environment presented the item and proposed the recommendations of the report which were seconded by Councillor D Westcott.

RESOLVED (1) that it be recommended to Council to support extending the existing contract for 12 months.

RESOLVED (2) that the use of the saving to deliver the functions as identified within the report be supported.

The meeting closed at 6.25 pm

RISK SCORING MATRIX

Report writers score risks in reports uses the scoring matrix below

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

- Mitigating actions for high ('High' or above) scoring risks are to be reflected in Service Plans, managed by the Group Manager and implemented by Service Lead Officers;
- Lower scoring risks will either be accepted with no mitigating actions or included in work plans with appropriate mitigating actions that are managed by Service Lead Officers.

¹¹
Cabinet Forward Plan – September 2015

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
FP/15/9/01 10/02/2015	2 September 2015 By Leader of Council	Title: Corporate Performance Report 2015-16 Quarter 1 Decision: to provide Members with an update on progress in delivering corporate priorities and performance of council services	No exempt / confidential information anticipated	Paul Harding, Corporate Strategy and Performance Manager 01823 356309
FP/15/9/02 10/02/2015	2 September 2015 By Lead Member Resources & Central Support	Title: Budget Monitoring Report Quarter 1 Decision: to provide Members with details of the Council's expected financial outturn position in 2014/15 for both revenue and capital budgets, together with information relating to predicted end of year reserve balances	No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/15/9/03 10/02/2015	2 September 2015 By Lead Member for Energy Infrastructure	Title: Hinkley Point Decision: to consider key issues relating to Hinkley Point	No exempt / confidential information anticipated	Andrew Goodchild, Assistant Director Energy Infrastructure 01984 635245

Note (1) – Items in bold type are regular cyclical items.

Note (2) – All Consultation Implications are referred to in individual reports.

The Cabinet comprises the following: Councillors A H Trollope-Bellew, M Chilcott, M Dewdney, K M Mills, C Morgan S J Pugsley, K H Turner and D J Westcott.
The Scrutiny Committee comprises: Councillors P H Murphy, R Lillis, D Archer, G S Dowding, B Maitland-Walker, J Parbrook, R Clifford, R Woods and A Behan.

CABINET ACTION PLAN

1 JULY 2015	
Minute Number	CAB18 Request for Allocation of Planning Obligations Funding
Action Required	RESOLVED that it be recommended to Full Council to approve that the allocation of £149,500 for phase 1 of the Williton Pavilion project be added to the capital programme and funded from planning obligations contributions.
Action Taken	At the Council meeting on 22 July 2015 it was RESOLVED that the allocation of £149,500 for phase 1 of the Williton Pavilion project to be added to the capital programme and funded from planning obligations contributions be approved.
Minute Number	CAB19 HPC Planning Obligations Board – Allocations of CIM Funding
Action Required	<p>RESOLVED that it be recommended to Council to endorse the recommendations of the Hinkley C Planning Obligations Board, as follows:</p> <ul style="list-style-type: none"> • That the Holford and District Village Hall application for £507,984 is refused as it does not demonstrate value for money given the level of funding sought relative to the size of the community who would benefit and the lack of match funding. • That the Kilve Village Hall Refurbishment application for £54,290 is refused given lack of a link between the refurbishment and the impacts that HPC will cause. • That the North Petherton Playing Fields applications for £46,000 is approved subject to securing the remaining match funding and the grant of planning permission. • That the Sydenham Together application for £60,000 is approved.
Action Taken	<p>At the Council meeting on 22 July 2015 it was RESOLVED (1) that the decision of the Planning Obligations Board to award funding of £750 to Stogursey Football Club for the purchase of removable goal posts from the Small Grant allocation of the CIM Fund be noted.</p> <p>RESOLVED (2) that the recommendations of the Hinkley Point C Planning Obligations Board and Cabinet be endorsed, as follows:</p> <ul style="list-style-type: none"> • That the Holford and District Village Hall application for £507,984 is refused as it does not demonstrate value for money given the level of funding sought relative to the size of the community who would benefit and the lack of match funding. • That the Kilve Village Hall Refurbishment application for £54,290 is refused given lack of a link between the refurbishment and the impacts that HPC will cause. • That the North Petherton Playing Fields application for £46,000 is approved subject to securing the remaining match funding and the grant of planning permission. • That the Sydenham Together application for £60,000 is approved.

<p>Minute Number</p> <p>Action Required</p> <p>Action Taken</p>	<p>CAB20 HPC S106 Housing Funding Strategy: Amendment to Private Sector Housing Renewal Policy</p> <p>RESOLVED that it be recommended to Council to approve the amendments to the Private Sector Housing Renewal Policy.</p> <p>At the Council meeting on 22 July 2015 it was RESOLVED that the amendments to the Private Sector Housing Renewal Policy be approved.</p>
<p>Minute Number</p> <p>Action Required</p> <p>Action Taken</p>	<p>CAB21 HPC S106 – Provisional Allocation of Leisure Contribution</p> <p>RESOLVED (1) that it be recommended to Council that the list of projects at paragraph 5.4 of the report be invited to make an application within the allocation of £250,000 paid from the Section 106 agreement for Site Preparation Works at Hinkley Point C.</p> <p>RESOLVED (2) that it be recommended to Council that delegated powers be granted to the Lead Member for Resources and Central Support, the Lead Member for Energy Infrastructure, the Lead Member for Community and Customer and the Assistant Director Energy Infrastructure to grant monies to projects in accordance with the list of projects at paragraph 5.4 upon receipt of the necessary financial and governance information.</p> <p>At the Council meeting on 22 July 2015 it was RESOLVED (1) that the list of projects at paragraph 5.4 of the report be invited to make an application within the allocation of £250,000 paid from the Section 106 agreement for Site Preparation Works at Hinkley Point C.</p> <p>RESOLVED (2) that delegated powers be granted to the Lead Member for Resources and Central Support, the Lead Member for Energy Infrastructure, the Lead Member for Community and Customer and the Assistant Director Energy Infrastructure to grant monies to projects in accordance with the list of projects at paragraph 5.4 of the report upon receipt of the necessary financial and governance information.</p>
<p>Minute Number</p> <p>Action Required</p> <p>Action Taken</p>	<p>CAB23 Allocation of HPC S106 Tourism Information Funds</p> <p>RESOLVED that it be recommended to Council that the allocation of the Phase 2 (Part Two) S106 Tourism allocation of £50,000 to those Local Authorities and Visitor Centres identified as requiring support by the Local Authorities party to the S106 Agreement as follows:</p> <ul style="list-style-type: none"> (i) £20,000 to West Somerset Council for the purposes of supporting Minehead, Porlock and Watchet Visitor Information Services. (ii) £20,000 to Sedgemoor District Council for the purposes of supporting Burnham-on-Sea, Cheddar and Bridgwater Tourism Information Services. (iii) £10,000 reserved for Somerset County Council to be released upon production of a fully costed proposal to be submitted to the Hinkley Tourism Action Partnership for delegated approval. <p>At the Council meeting on 22 July 2015 it was RESOLVED that the amendments to the Private Sector Housing Renewal Policy be approved.</p>

Minute Number	CAB27 Street and Toilet Cleaning Services Contract (Confidential Report) 15
Action Required	<p><u>RESOLVED (1)</u> that it be recommended to Council to support extending the existing contract for 12 months.</p> <p><u>RESOLVED (2)</u> that the use of the saving to deliver the functions as identified within the report be supported.</p>
Action Taken	<p>At the Council meeting on 22 July 2015 it was</p> <p><u>RESOLVED (1)</u> that the existing contract be extended for 12 months.</p> <p><u>RESOLVED (2)</u> that the use of the savings to deliver the functions as identified be supported.</p>

Report Number: WSC 119/15

Presented by: Cllr Mandy Chilcott, Lead Member for Resources and Central Support

Author of the Report: Steve Perkins, Senior Debt and Recovery Officer

Contact Details:

Tel. No. Direct Line 01984 635247

Email: srperkins@westsomerset.gov.uk

Report to a Meeting of: Cabinet

To be Held on: 5 August 2015

Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: 4/6/15

CORPORATE DEBT POLICY

1. PURPOSE OF REPORT

- 1.1 To introduce a new Corporate Debt Policy ("the Policy").
- 1.2 The Policy is key in outlining operational debt recovery activities for a range of debt types. It is essential that all monies owed to the Council are actively pursued. The Policy therefore reflects a range of measures to help customers pay sums due, maximising the level of resources available to support front line public services.
- 1.3 The Policy is underpinned by the following key principles:
- taking early and co-ordinated debt recovery action;
 - taking account of all relevant circumstances relating to the debt;
 - offering a range of payment methods to make it easier to settle debts;
 - providing links to debt advice; and
 - adopting a debt hierarchy to prioritise those debts where non-payment could directly impact on an individual's wellbeing.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 West Somerset recognises the importance of fair treatment and are committed to ensuring everyone has access to its services. The Policy will make sure everyone is treated equally and fairly.

3. RECOMMENDATIONS

- 3.1 That Cabinet recommend to Council to:
- (a) approve the adoption of the new Policy detailed in [Appendix 1](#)
 - (b) note the Council's commitment to engage with those customers in debt, helping them to pay by providing advice and guidance and involving relevant welfare and debt agencies; and
 - (c) note the Policy will be reviewed on an annual basis, taking into account changes in legislation, service improvements, regulations and wider policy initiatives.

4. **RISK ASSESSMENT (IF APPLICABLE)**

- 4.1 The scoring of the risks identified in the table below has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

Risk Matrix

Description	Likelihood	Impact	Overall
The lack of a Corporate Debt Policy would expose the Council to the risk that we do not recover debts effectively or consistently thereby resulting in a potential loss of income.	4	4	16
<i>The risk is managed by ensuring a robust but sensitive Corporate Debt Policy is in place that endeavours to collect the maximum amounts possible over a period of time.</i>	2	3	6
In introducing a Corporate Debt Policy there is reputation risk to the Council, as we utilise stronger collection processes at a time when our customers are looking for more flexibility, rather than less.	3	3	9
<i>The risk is managed by ensuring that all officers will be aware there is a need to provided details of organisations that can give help and advice on debt to customers struggling to fulfil their debt obligations with the Council.</i>	2	2	4

5. **BACKGROUND INFORMATION**

- 5.1 The Council has not previously had a Corporate Debt Policy. Having such a policy in place is considered essential and deemed to be good practice.
- 5.2 The Corporate Debt Policy covers the management of all debts owed to the Council. This includes the billing/invoicing, collection, enforcement and write offs for the four income streams of Council Tax, Business Rates, Housing Benefit Overpayments and other miscellaneous debts (known as Sundry Debts). Examples of Sundry Debts include Housing Deposits, Rent of Premises, Licensing Fees and Water Sampling charges.
- 5.3 The Policy follows the following debt recovery principles:
- **Proportionality:** establishing an appropriate balance between the potential loss of income to the Council, recovery costs and any emerging Council or third party costs relating to welfare, care or housing support;
 - **Consistency:** the Council aims to achieve consistency in the advice it gives, the use of its powers and the recovery procedures adopted. Council officers will take account of the social circumstances of the debtor, the debtor's payment history and their ability to pay in pursuing sums due; and
 - **Transparency:** ensuring people understand what is expected of them and what they should expect from the Council, including explaining clearly the reasons for taking debt recovery action. The Council aims to take early recovery action before debts become unmanageable for the customer.
- 5.4 Customers, citizens and businesses within West Somerset have a responsibility to pay for the services they receive and the charges and rents they are liable for. Personal indebtedness levels are increasing and there may be circumstances where our customers are suffering hardship and need and advice in paying sums due. The Council is committed to providing appropriate support and will engage with relevant welfare and debt agencies.

- 5.5 Where the Council is pursuing multiple debt then payments will be allocated firstly to debts where non-payment could lead to loss of the customer's home or have direct implications for an individual's wellbeing.
- 5.6 A small proportion of the Council's overall income may not be collectable due to matters outside its control. Where a debt is assessed to be irrecoverable it will be subject to a write-off process that is consistent with recognised accounting practices and in line with the Council's Financial Regulations. The Council will seek to minimise the cost of write-offs by taking all appropriate action to recover what is due.
- 5.7 Prompt recovery action is essential for effective debt management and the level and age of key debt types will be regularly reviewed. A range of indicators have been developed to monitor performance against agreed targets and to ensure the Policy achieves its objectives these will be included in the Council's performance reporting updates. Some key indicators include the in-year collection targets for both Council Tax and Business Rates and a percentage of overall collection of Housing Benefit Overpayments. The top ten (by value) of overdue Sundry debt cases are reported to the Joint Management Team on a quarterly basis and all of these cases have an updated progress report. It is also crucial that service areas regularly monitor their own overdue invoices and have the necessary processes in place to facilitate payment.
- 5.8 The Policy ensuring that both businesses and customers that owe monies will be treated equally and fairly and all the people involved in the collection of money owed to the Council have a consistent approach and an understanding what that approach is.
- 5.9 The debts being collected/recovered 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 and this Policy tailors specific policies to fit each individual debt types.
- 5.10 The Policy was discussed at the meeting of the Policy Advisory Group on 25 March 2015. No amendments to the policy were suggested by the Policy Advisory Group, however, the sheer size of the document was commented upon by several members. These comments have been taken on board and the policy has now been condensed thus reducing its size from the original 108 pages to just 27 pages.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 The recovery actions detailed in the Policy are responsible for the annual collection of over £34 million over the four income streams.

7. COMMENTS ON BEHALF OF SECTION 151 OFFICER

- 7.1 It is essential all monies owed to the Council are actively pursued to drive down arrears. Following this policy will ensure efficiency, effectiveness and consistency in the billing/invoicing and collection of debt - all essential to ensure the maximisation of cash flow/resources that the Council needs to deliver front line services. A clear Corporate Debt Policy will aid both the services and customers of West Somerset.

8. EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 **Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.** The three aims the authority **must** have due regard for are:

- Eliminate discrimination, harassment, victimisation

- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

8.2 The Council will ensure that the provisions outlined in the Corporate Debt Policy are accessible to everyone and that customers are treated fairly and equitably. The Council will ensure all relevant equality standards are being met, ensure appropriate staff receive cultural awareness, disability discrimination and mental health awareness training and communicate to customers using plain English and help customers whose first language is not English.

9. CRIME AND DISORDER IMPLICATIONS

9.1 There are no crime and disorder implications in this policy.

10. CONSULTATION IMPLICATIONS

10.1 Consultation was undertaken with elected members at the Policy Advisory Group on 25 March 2015, Council Officers and the local Citizen Advice Bureau. The Policy also draws from advice provided from Local Government, Audit and The Local Government Ombudsman in detailing best practices throughout its content.

10.2 The Council will make every effort to support customers in managing their Council debts and will engage with relevant welfare and debt agencies on an ongoing basis.

11. ASSET MANAGEMENT IMPLICATIONS

11.1 There are no asset management implications in this policy.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

12.1 There are no environmental impact implications in this policy.

13. HEALTH & WELLBEING

13.1 Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

14. LEGAL IMPLICATIONS

14.1 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.

West Somerset Council - Corporate Debt Policy



1. Overview

This document details the Council's policies on the billing, collection and recovery of money due to West Somerset 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.

This corporate policy covers all of the Council's service areas which raise bills or invoices for payment. We will process personal information and financial details for the purposes of administering and collecting local taxes and other revenue. Where necessary we will share some or all of this information, as appropriate, with debt collection and tracing agencies, local and central Government, courts and tribunals in accordance with our data protection registration and in observance of the requirements of the Data Protection Act.

Mission Statement

"West Somerset Council seeks to collect all monies owed to the Council for the benefit of all its residents. Bills and invoices will be issued promptly and correctly and in cases 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 all of our customers"

2. Key Aims of the Policy

This Policy aims to strike a fair balance between the financial needs of the Council and the social needs of our customers by:

- coordinating income collection, recovery and debt management activities;
- ensuring circumstances are taken into account when determining appropriate recovery action, including potential emerging costs for ongoing support and care;
- adopting a debt hierarchy for multiple debts;

- providing advice and or signposting to receive appropriate support to those owing money to the Council, ensuring they are maximising reliefs, discounts or benefit entitlements;
- taking prompt recovery action before debts become unmanageable for the customer;
- applying best practice debt collection methods e.g. timely and accurate billing;
- offering a range of cost effective payment methods;
- ensuring that we treat everybody with integrity, fairness, respect and trust;
- recognising that failure to recover monies due impacts on the Council's ability to provide key services;
- aiming to be consistent in our approach in similar circumstances to achieve similar ends;
- taking a proportional view will be taken against loss of income and costs incurred;
- being transparent to maintain public confidence;
- producing accurate and timely management reports;
- identifying vulnerability and acting or responding appropriately.

3. Scope

This Policy applies to the collection of all debts, including:

- Council Tax
- Non-Domestic Rates (Business Rates)
- Housing Benefit Overpayments
- Sundry Debts (invoices raised on the Corporate Finance system for a variety of Council Services)

4. Debt Recovery Principles

The Council's debt recovery principles are outlined below.

- **Proportionate:** establishing an appropriate balance between the potential loss of income to the Council, recovery costs and any emerging Council or third party costs relating to welfare, care or housing support.
- **Consistent:** the Council aims to achieve consistency in the advice it gives, the use of its powers and the recovery procedures adopted. Council officers will take account of the social circumstances of the debtor, the debtor's payment history and their ability to pay.
- **Transparent:** ensuring people understand what is expected of them and what they should expect from the Council, including explaining clearly the reasons for taking debt recovery action. The Council aims to take early recovery action before debts become unmanageable for the customer.
- **Offset:** where a customer owes money to the Council but this is less than any funds due from the Council, this will be offset against what is owed and the net balance settled. Where a customer owes money to the Council that is greater than any funds due to them by the Council, these funds will be used to reduce the amount owed and the customer contacted about arrangements to repay the outstanding balance. Any such arrangements will be undertaken in a fair and legal manner and with the customer's agreement wherever possible.
- **Appropriate Costs/Fees:** where legislation permits, the Council will seek to apply and recover from the debtor any costs/fees that are legitimately due to the Council or its agents. Only in exceptional cases, where it would not be in the public interest to pursue such costs/fees, will these be waived.
- 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 and professional.

Detailed recovery action for the key debt types is outlined in the appendices to the Corporate Debt Policy.

5. Hierarchy of Debt

Customers, citizens and businesses within West Somerset have a responsibility to pay for the services they receive and the charges and rents they are liable for. In some instances customers will owe more than one debt to the Council. The Council will adopt a co-ordinated approach when dealing with multiple debts, taking into account the person's circumstances, legislation, the level of debt and the potential for financial hardship.

Where the Council, or its identified collection agent, is pursuing multiple debt then payments will be allocated firstly to debts where non-payment could lead to loss of the customer's home or have direct implications for an individual's wellbeing.

Priority debts have then been ranked as follows:

- Council Tax
- Non-Domestic Rates (Business Rates)
- Housing Benefit Overpayments / Sundry Debts

All debt will be actively pursued in accordance with the Corporate Debt Policy, however, for accounting and collection purposes the above debts will have priority.

The Council's Corporate Debt Policy and complementary third party collection arrangements will ensure that incidences of multiple debt are effectively monitored. These arrangements will provide timely and regular information to facilitate the annual review of the Policy and assess the ongoing appropriateness of the hierarchy of debt.

6. Vulnerability

This protocol has been drawn up in agreement with representatives of West Somerset's Advice Bureau (WSAB). It sets out a strategy to increase the likelihood of successful collection 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 Council recognises that vulnerability can come in many forms and it can also be multi layered. Vulnerability can also be temporary, permanent or come in a series of episodes and anyone at any time could potentially be deemed vulnerable. 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
- Lone Parents – with young children
- 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.

7. Methods of Payment

The Council recognises that the easier it is to pay, the more likely that payment will be made and the less likely that debts will accrue. The Council's preference is for low cost payment options that provide a high degree of accuracy and certainty, such as Direct Debit. However to provide our customers with the greatest flexibility a range of payment types appropriate to the debt type and size is offered. Customers currently use a mixture of payment methods and channels for different services, including cash, cheque, postal order, debit cards, standing orders and other electronic banking methods, such as online internet banking and touch tone telephone payments. Payments can also be made via the Council's website www.westsomersetonline.gov.uk by clicking on the "Pay for it" tab. Specific services can also be paid by credit card.

8. Write-offs

The Council recognises that a small proportion of its overall income may not be collectable due to matters beyond its control. Where a debt is assessed to be irrecoverable it will be subject to a write-off process that is consistent with recognised accounting practices. The Council will seek to minimise the cost of write-offs by taking all appropriate action to recover what is due including the use, where appropriate, of inhibitions. Income deemed irrecoverable must satisfy one of the pre-determined criteria including but not restricted to:

- the customer has died and there are no or insufficient funds in the estate;
- the customer cannot be traced;
- it is uneconomical to pursue the debt;
- the income is uncollectable due to insolvency;
- all recovery methods have been exhausted;
- it is not in the public's interest to pursue e.g. at risk and vulnerable service users; and
- the debt is prescribed under the limitation act 1980.

All write-offs will be carried out in accordance with the relevant provisions contained within the Council's Financial Regulations, as supplemented by the Finance Rules.

It should be noted that just because a debt is written off it does not rule out the possibility of writing the debt back and pursuing it to the full extent of the law. An example of when this may occur is if a debtor absconds with no forwarding address but is subsequently traced. A further example would be in insolvency cases where an individual/company goes bankrupt or is made insolvent, partial/full dividend(s) can be received many years later.

9. Performance Monitoring

The Council recognises that prompt recovery action is essential for effective debt management. The Council will:

- regularly monitor the level and age of its debt;
- set clear targets for the recovery of debt;
- have written recovery procedures;
- assess recovery methods to ensure maximum returns; and
- regularly review irrecoverable debts for write-off.

To ensure the Corporate Debt Policy achieves its objectives a range of indicators has been developed to monitor performance. Key quarterly indicators (unless stated otherwise) include:

- In year collection targets (Council Tax, Business Rates & Housing Benefit Overpayments) - Monthly
- Value of Sundry Debt greater than 90 days
- Sundry Debt invoices outstanding (value)
- Top 10 Sundry Debts outstanding with progress reports (reported to JMT)
- Invoices / Credit Notes raised
- Total Sundry Debt balance broken down by age of debt and recovery stage
- Sundry debt cases on hold

The Council recognises that failure to achieve income and collection targets will have financial and service consequences. Performance will be reviewed on a quarterly basis by the Finance Manager, liaising as appropriate with relevant service managers, and this information will be reported as part of the Council's wider performance updates to members.

Where an external agency assists the Council's collection and recovery process it will also be required to produce detailed performance and management information.

10. Stakeholders

The Council recognises that personal indebtedness is increasing and that any debt recovery action can potentially cause distress, particularly where the person has other debts or is on a low income. The Council will make every effort to support customers in managing their Council debts and will engage with relevant welfare and debt agencies where appropriate.

11. Confidentiality

The Council will ensure that all information about a customer's personal and/or financial circumstances is dealt with in the strictest confidence.

The Corporate Debt Policy will be reviewed on an annual basis. This review will take account of changes in legislation, service improvements, regulations and wider policy initiatives. Any proposed changes will be discussed with appropriate stakeholders and updated in line with related policies.

13. Segregation of Duties

The Council will ensure that income and debt recovery transactions are governed by robust controls, with clear segregation of duties. Financial decisions will be made by identified officers and reviewed by appropriate managers. These arrangements will be clearly detailed in relevant service operation manuals and the Finance Rules.

Supporting Policy Documents

Appendix 2 – Council Tax & Business Rates Recovery Strategy (page 6-13)

Appendix 3 – Overpaid Housing Benefit Overview (page 14 -17)

Appendix 4 – Sundry Debts Overview (page 18 - 23)

Appendix 5 – Signed Good Practice Protocol with West Somerset Advice Bureau (page 24 - 27)

1. Council Tax & Business Rate accounts

Recovery Strategy for Local Taxation

- 1.1. Our ultimate aim is to recover 100% of Council Tax and Business Rate debt by taking a “**Firm but Fair**” approach.

Our key objective is:

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

- 1.2. 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.
- 1.3. We recognise people and 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 and local economy affects individuals and businesses
 - Diversity brings complications in customer understanding and guidance may be needed.
- 1.4. 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.
- 1.5. The Local Government Association and the Citizens Advice Bureau published the “Collection of Council Tax Arrears Good Practice Protocol” first launched in July 2009 and refreshed in 2013. Officers of the Council and contractors acting on its behalf in Council Tax enforcement roles will comply with these standards.
- 1.6. The Lord Chancellor's Department has produced Taking Control of Goods: National Standards for Enforcement Agents brought in on 6 April 2014. Officers of the Council and contractors acting on its behalf in enforcement roles will comply with these standards.
- 1.7. We have guidelines and a Code of Practice for Enforcement Agents. Council officers and contractors acting on its behalf in enforcement roles will comply with these standards.
- 1.8. If we have reason to believe a customer is “vulnerable”, we will manage their account following our Vulnerable Policy.
- 1.9. 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

- 1.10. 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.
- 1.11. 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.
- 1.12. All bills include a monthly instalment arrangement. If the customer wants to change their instalment date, they must contact us as soon as possible.
- 1.13. 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.
- 1.14. To encourage customers to pay by direct debit, we offer a choice of 4 instalment dates: 1st, 8th, 15th & 23rd of the month. We promote the setting up of Direct Debit over the telephone.
- 1.15. If a customer pays regularly, but fails to do so by the instalment date, we will still take recovery action, as payments are late.
- 1.16. In line with Council Tax and Non-Domestic Rating legislation customers can request payments over 12 monthly instalments. This request must be made before 1st April to allow us sufficient time to issue a bill over the whole period. Where this request is made part way through the year, instalments are reduced accordingly. Where applicable when a customer clearly demonstrates they are struggling to pay, this payment option should be made known to them.
- 1.17. Where a Council Tax or Business Rate customer cannot 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.
- 1.18. 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 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.
- 1.19. In cases where exceptional circumstances exist and it would not be in the interests of 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.

Reminders and Final Notices

- 1.20. We will issue reminders and final notices as requested after 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.
- 1.21. If we issue a reminder or final notice, we will advise the customer that 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 time²⁹ offer. If the customer subsequently cancels the direct debit mandate or if the payment is rejected by the bank we will issue further reminders and if still unpaid we will escalate the account to requesting a Summons from the Magistrates Court.

- 1.22. If the overdue instalment is paid, but the customer misses a future instalment, we will issue a second reminder. We will tell the customer that we will not issue any further reminder and that they must bring their account up to date within 7 days and maintain future instalments on the due date or we will issue a summons. A Business Rate debtor will only receive one further notice, followed by a summons if the account is not brought up to date.
- 1.23. A "Final Notice" is a courtesy letter and is not required in law. We will not issue more than three reminders in a financial year - a maximum of two instalment reminders and one final notice. We will issue Final Notices as an exception rather than a rule to closed accounts at year end to encourage cash flow.
- 1.24. 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.
- 1.25. 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.

Summons

- 1.26. 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.
- 1.27. If the customer pays the full amount of the summons, including costs, before the hearing date, the customer does not have to attend court.
- 1.28. 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.
- 1.29. 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 customer's 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 and costs.

Liability Orders

- 1.30. 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.
- 1.31. 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, Employment Support Allowance or Universal Credit (Council Tax only)
- use enforcement agents 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. The key aims of the policy**

1.32. 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/company has already paid the amount on the summons and provides evidence of the payment
- the customer/company is exempt
- the property is not entered into the relevant Valuation list
- the customer/company is not the person liable for Council Tax or Business Rates
- more than 6 years have passed since we sent a bill for the amount
- Bankruptcy, Debt Relief Order (DRO), winding up proceedings have commenced or an Administration Order has been made (and evidence is provided).

To save the court time it is reasonably expected that if any of the above situations apply (or the customer believes they may apply) the customer should contact the Council for clarity before the actual hearing as it may be possible to resolve the enquiry and therefore there will be no need to attend court. If the customer is not satisfied with the Council's response they have the right to appear before the Magistrates and dispute the application for a liability order.

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

- applied a discount/exemption or relief (including Council Tax Support) that may reduce their Council Tax or Business Rates
- appealed to the Valuation Office Agency against the valuation band or rateable value
- money problems and simply cannot afford to pay.

Request for financial information

1.34. When we have a Liability Order we will send a "request for information form" asking the customer to supply details about their income and expenditure. They have 21 days to complete and return it. This letter also details what will happen if we ask enforcement agents to collect the outstanding debt.

- 1.35. If the customer does not complete and return the income details form within 21 days we can take action. Under Schedule 3 of the Local Government Finance Act 1992 a penalty can be imposed ranging from £70.00 to £280.00.

Attachment of Earnings

- 1.36. 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 multiple Liability Orders 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

- 1.37. 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

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

Recovery of Council Tax through Member Allowances³²

- 1.41. Regulation 44 Council Tax (Administration & Enforcement) Regulations 1992 relates to an elected member of West Somerset Council or a relevant precepting authority.
- 1.42. The Regulations allow an attachment of the allowances of an elected member to be made when West Somerset Council has obtained a Liability Order. These provisions do not extend to Members of Parliament.
- 1.43. West Somerset Council can make an order under which they can attach 40% from a member's allowances.
- 1.44. 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.
- 1.45. Any decision on an attachment of allowances should be referred to the Principal Revenues Officer and the Council's Assistant Chief Executive (Monitoring/Proper Officer).

Charging Orders

- 1.46. 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 Revenues Officer.
- 1.47. If the debtor owns a property the Principal 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.
- 1.48. A Charging Order relating to Council Tax debt will not be pursued if the customer is considered as vulnerable. The Principal Revenues Officer will only decide a Charging Order is 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.
- 1.49. Decisions about applying for a Charging Order should be recorded and the records retained with the information considered by the Principal Revenues Officer.

- 1.50. All cases must be controlled by the Principal Revenues Officer.
- 1.51. Any applications for bankruptcy relating to Council Tax debt will be scrutinised but will not be considered if the customer is considered as vulnerable.
- 1.52. The Principal 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.
- 1.53. Decisions about pursuing bankruptcy should be recorded and the records retained with the information considered by the Principal Revenues Officer.
- 1.54. 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

- 1.55. Where all other recovery options have been exhausted and residence has been confirmed the case can be reviewed for Committal to Prison proceedings. Such cases will remain under the strict control of the Principal Revenues Officer.
- 1.56. A pre committal letter will be issued to all cases warning of the seriousness of this course of action. This letter will also detail a final offer of repayment over a period deemed acceptable by the Principal Revenues Officer.
- 1.57. A Committal Summons or a warrant will be issued by the Council on behalf of the Magistrates' Court and this will include a request for reasonable costs.
- 1.58. Legislation states that for a Committal hearing to take place the individual concerned must be in attendance.
- 1.59. If an individual does not attend the Committal hearing due to illness both the Council and the Magistrates will only accept an official signed declaration from a doctor detailing why the individual cannot attend the hearing. The case will be adjourned to another time and date and the individual

will be notified of this new hearing by the court. However, if there is no apparent reason for an individual's nonattendance the Council will have no alternative but to request an arrest warrant from the Magistrates, due to non-attendance/contact. The Council is likely to ask for a warrant without bail, therefore, when arrested, the debtor could spend some time in custody until the Council and the court agree for the case to be heard.

- 1.60. In the case of a Committal Summons, warrants (both with and without bail) will be prepared in advance and will be taken to the court hearing in anticipation of nonattendance.
- 1.61. Any signed warrant will be promptly issued to an enforcement agent acting on behalf of the Council for the customer's immediate arrest. When any arrest is imminent or when it actually occurs it is essential the enforcement agent keeps in regular contact with the Council to keep them well informed of the situation. If the debtor is subsequently held in remand or released on bail, the Magistrates' Court will advise the Council of the hearing time and date.
- 1.62. At the Committal hearing the court must hold means enquiries for each unpaid financial year.
- 1.63. The Magistrates' decision should be duly noted and recorded on the customer's account for future reference. The maximum period of imprisonment the Magistrates can impose is three months (90 days).
- 1.64. Any Committal payment arrangements agreed by the Magistrates should be strictly monitored by the Council and where appropriate cases in default should be taken back to court for another Committal hearing.

2. Overpaid Housing Benefit

General information

- 2.1. Recovery of overpaid Housing Benefit is carried out with due regard of the Department for Work and Pensions Good Practice Guide.
- 2.2. An overpayment is any amount of Housing Benefit that has been paid but to which there was no entitlement.
- 2.3. 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
- 2.4. We will 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.
- 2.5. We will correctly classify overpayments for subsidy purposes to prevent loss of subsidy.
- 2.6. We will only issue invoices when a recoverable overpayment of Housing Benefit exists and we cannot recover automatically through deductions from on-going benefit.
- 2.7. 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. We 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).
- 2.8. We will maintain contact with debtors through telephone contact and visits to their properties to encourage repayment.
- 2.9. **Prevention of overpaid benefit**
- 2.10. West Somerset 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 inform 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.

Recovery of overpaid benefit

- 2.11. 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.
- 2.12. 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.
- 2.13. 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.
- 2.14. 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.
- 2.15. Where we decide an overpayment is recoverable, recovery arrangements will proceed in the following hierarchy:
- From arrears of Housing Benefit. Via lump sum recovery
 - 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
 - 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 Northgate Debtors (or whatever future revenues system that may be appropriate)
- At this point we will seek to recover the overpayment in full by a single payment, especially if the overpayment has occurred due to excess capital. However, where this is not possible, due to the debtor's financial circumstances we may agree a payment plan involving instalments (see 2.29 for guidance on maximum repayment periods)
- 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.

2.16. Where we raise an invoice and do not get payment after issuing a final notice, we will consider implementing a Direct Earnings Attachment (DEA) as provided for under the Social Security (Overpayments and Recovery) Regulations 2013. A DEA gives West Somerset Council the power to recover overpaid Housing Benefit by deductions from earnings without applying for a court order. DEAs give us the opportunity to recover these debts from employed people if they:

- refuse to repay
- cannot agree an acceptable repayment plan
- default on a voluntary repayment arrangement.

If a debtor fails to provide information requested to support a DEA, or an employer fails to comply with their duties they could be subject, on conviction, to a fine of up to £1,000 (Regulation 30 of the Social Security (Overpayments and Recovery) Regulations 2013).

2.17. In some circumstances, we may decide to instruct an external professional debt collection agent and their actions are governed by the Council's Service Level Agreement.

2.18. As an alternative to a DEA, 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.

Debt repayment arrangements

2.19. Officers will encourage people owing money for overpaid Housing Benefit to make contact at an early stage in the recovery process.

2.20. 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.

2.21. 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.

2.22. 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.

2.23. 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.

2.24. 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.

- 2.25. All information collected is governed by the Data Protection Act 1998 and the Revenues and Benefits Service has procedures in place to comply with the Act.
- 2.26. The Revenues and 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.
- 2.27. 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.
- 2.28. This means that debtors must allow sufficient time for the payments to reach the Council by the due date.
- 2.29. We will individually consider repayment for every case and, where possible, will seek to recover the debt in full within 12 months. If it is not possible to recover the debt in full within 12 months, in exceptional circumstances, alternative repayments may be offered with an ideal maximum repayment term of five years. Very occasionally arrangements may need to extend beyond five years and in such instances, approval from a Senior Officer in the Revenues and Benefits Service must be obtained. No repayments should extend beyond 10 years.
- 2.30. It is important to remind the individual to contact the Revenues and 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

- 2.31. The Council will monitor recovery of overpaid Housing Benefit by the Revenues and 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 Housing Benefit 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.
- 2.32. Statistics on the amounts of overpaid Housing Benefit are held from the 2008/09 financial year. These provide a useful yearly/quarterly/monthly comparison with all overpayments created, the recovery by deduction from weekly on-going Housing Benefit (OGB) and through manual invoice and the total amount outstanding being reported.

3. Sundry Debts

Introduction

- 3.1. 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 risk of bad debts, and
 - Reduce the incidence of debt that cannot be collected.
- 3.2. 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.
- 3.3. The Director of Operations will set and monitor delivery of relevant targets for debt collection and will report performance against target to members.
- 3.4. The Council will publicise this policy and that it intends to pursue the collection and recovery of all debts owed to it.

Scope

- 3.5. 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 Benefits Overpayments and Excess Council Tax Support

Key Objectives of Fees and Charges

- 3.6. The fee or charge imposed by the Council should be fair in relation to the goods and/or services provided.
- 3.7. The charge should reflect the principles outlined in the appropriate charging policy and in the Council's Financial Regulations.
- 3.8. 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.

- 3.9. 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.
- 3.10. The charge should be collectable.
- 3.11. Fees and charges must be reviewed at least annually.
- 3.12. There should be a clear and prompt billing and collection process.
- 3.13. 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.
- 3.14. There should be a system that ensures Services only retain credit for an invoice if the income is actually collected.

Responsibilities

- 3.15. Directors, Assistant Directors and Service Managers must ensure:
 - Financial Regulations for collecting sundry debt are adhered
 - 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 apprised 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.
- 3.16. The Finance Manager and the ICT and Information Manager are responsible for providing central support and the relevant electronic processes needed to ensure adherence to this policy.

General Principles

- 3.17. 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.
- 3.18. 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.
- 3.19. 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.
- 3.20. 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.
- 3.21. Except for a demand payable by instalments, or as otherwise contractually agreed, the settlement terms for all demands will be 14 days.
- 3.22. Recovery action will start no later than 14 days after the demand has fallen due.
- 3.23. Raising sundry debtor invoices will be the responsibility of the service and should only be raised on the Corporate Financial System.
- 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 2 days of the charge becoming known
 - Invoices raised must be sent to customers within 72 hours.

Account collection & recovery

- 3.24. 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.
- 3.25. For individual debts with a value of £5,000 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.
- 3.26. 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 42

- 3.27. In the event of non-payment of an invoice, all subsequent recovery action will be undertaken by the Corporate Recovery Team. This typically will be in the form of reminder letters, telephone calls, emails and liaising with service areas in accordance with documented procedures.
- 3.28. The extent of recovery procedures for particular types of debt will be agreed in advance between the Corporate Recovery Team and issuing services.
- 3.29. Once standard reminder letters have been completed, additional appropriate recovery action will be initiated by the Corporate Recovery Team where necessary, unless previously agreed with the issuing service. The exact nature of this action may vary case by case but typically will include a combination of individual letter, telephone calls, enquiries etc. as appropriate.
- 3.30. In the event that payment remains outstanding after this further recovery action (and no standing instruction exists), then the Corporate Recovery Team 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 the Corporate Recovery Team accordingly.
- 3.31. The type of recovery action will be agreed between the Corporate Recovery Team and the originating service. Options to consider will include:
- Telephone contact with the debtor
 - Referral to a debt collection agency
 - Legal action (obtaining a County Court Judgement). At the request of the originating service debts may be taken further by the Council's Corporate Recovery team if it is felt the debt is recoverable unless the individual circumstances are such that this does not represent best value for the Council. Further options available as the result of a County Court Judgement will then be considered if recovery of the debt is best progressed through:
 - Order to obtain information (making the debtor attend court to explain their financial circumstances)
 - Attachments of Earnings Order
 - Third party debt order (allowing the freezing of bank accounts)
 - Charging Order
 - Statutory demand prior to a Bankruptcy Order or Insolvency proceedings
 - Writ of Control (carried out by a High Court Enforcement Officer)
 - The cost of legal action will be initially charged to the originating section's budget although every effort will be made to recover legal costs from the debtor.
 - The Council's legal department are on hand to offer support/advice should the Corporate Recovery team require support. It is understood that the Legal Department will take control of certain cases for example where a breach of lease has occurred.
- 3.32. Ownership of all sundry debts rests with the originating service. It is only the originating service that may:
- Cancel an invoice relating to their service area via the raising of a credit note. However, an individual officer who has 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.
- 3.33. 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

- 3.34. In the event of customers requesting the facility of paying their debt over a period of time, the matter will be referred to the Council's Corporate Recovery Team who may agree a suitable payment plan accordingly.
- 3.35. We will individually consider repayment for every case and where possible, will seek to recover the debt in full within 12 months. If it is not possible to recover the debt in full within 12 months, in exceptional circumstances, alternative repayments may be offered with an ideal maximum repayment term of five years. Very occasionally arrangements may need to extend beyond five years and in such instances, approval from a Senior Officer in the Revenues and Benefits Service must be obtained. No repayments should extend beyond 10 years.
- 3.36. Such payment plans will not be available as standard but may be available subject to negotiation between the Council's Corporate Recovery Team 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.
- 3.37. 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.
- 3.38. In the event instalment arrangements have been agreed with a debtor, the repayment plan will be monitored by the Council's Corporate Recovery Team. In the event of instalment payments being missed, suitable recovery action will be undertaken through reminder letters and other recovery action.
- 3.39. The Housing section may set up instalment arrangements at time of invoice however all further instalment arrangements will be the sole responsibility of the Council's Corporate Recovery Team.
- 3.40. Wherever possible long term payment arrangements should be subject to an annual review.

Disputes/queries

- 3.41. Disputes must be resolved by the appropriate service in line with the timescales detailed in the own policy/procedures.
- 3.42. 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

- 3.43. 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.
- 3.44. 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).
- 3.45. So not to make the financial position of the debtor worse, interest is not usually added to the vast majority of debts and where it is known that the debtor is on benefits. The debt will already have increased in any event by the addition of court costs.

Loans to staff

- 3.46. Any Council loans, for example an assisted car purchase or training costs for professional qualifications, are repayable in accordance with the terms set out in the Council's Human Resources policies. If the employee leaves the authority any outstanding loan amount becomes repayable in full by the last day of service. Any remaining amount unpaid will be administered through the Corporate Finance System and collected following the usual Sundry Debt processes.

Management reporting

- 3.47. Age Debt Analysis reports are available in the Corporate Financial 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.
- 3.48. Quarterly the amount of invoices and credit notes raised in the previous quarter are reported to individual departments for their signing off. Upon completion these signed documents are scanned into the Council's Document Management System. The Finance Manager is notified of all invoices and credit notes raised each quarter.
- 3.49. Quarterly the Finance Manager receives a report detailing the total amount raised on the Corporate Finance System. This value is broken down by the recovery codes of Not Yet Due, On Hold, Paying, Collection Agent, 7 Day Letter, County Court and Write Offs. The total amount is also broken down by aged debt into the classifications of less than 3 months, 3-6 months, 6 months to 1 year and more than a year.
- 3.50. Quarterly the Finance Manager receives a listing of all cases on hold.
- 3.51. Quarterly the Senior Debt and Recovery Officer in liaison with the Corporate Strategy and Performance Manager will prepare a report to the Joint Management Team (JMT) detailing the following information:

Top 10 Overdue Sundry Debts

Name	Customer Reference	Invoice Number	Invoice Date	Due Date	Invoice Details	AD Owner	Total Due	Recovery Action Taken	Officer Comments	On Last Quarters Report Y/N

Good Practice Protocol

Introduction

Council Tax payers will receive a better level of service if Local Authorities and debt advice agencies work together.

This good practice protocol makes a number of suggestions on how relations can be strengthened. It has been developed through 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 facilitate regular liaison on practices and policy concerning Council Tax debt collection. In 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.

By signing up to the protocol you can help ensure that taxpayers pay their Council Tax bills on time while accessing timely debt advice when needed.

In its report of June 2013 the Government endorses the Citizens Advice Local Government Association Good Practice Protocol and recommends Local Authorities who have not done so already to commit to it.

Use the section below to sign up to the protocol as a public commitment to its principles of fairness, partnership working and transparency in Local Authority debt collection.

Signature



S R Perkins - Local Authority representative (West Somerset Council)

Signature



West Somerset Advice Bureau Manager – 18 December 2014

Partnership

The following items cover effective liaison between Local Authorities and advice agencies.

- Local Authorities and advice agencies should meet regularly to discuss practical and policy issues with a recommendation to meet quarterly at officer level and annually with elected members.
- All parties should have dedicated contacts accessible on direct lines and electronically so that issues can be taken up quickly.
- All parties should promote mutual understanding by providing training workshops and/or exchange visits.
- Advice agencies and Local Authorities should work together to develop a fair collection and enforcement policy highlighting examples of vulnerable people and specifying clear procedures in dealing with them. Contractual arrangement with enforcement agents 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 enforcement agents. Debtors may be afraid to complain formally where enforcement agent activity is ongoing. Informal complaints received from advice agencies can indicate problems worthy of further investigation.

Information

Literature should be reviewed as part of liaison work between Local Authorities and advice agencies.

- Publicise debt advice contact details on literature and 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 promptly in order to agree payment plans. Both parties can work together to ensure the tone of letters is not intimidating but encouraging of engagement.
- Local Authorities should consider providing literature about concerns council tax debtors may have on Enforcement Agents and enforcement. Information could cover charges Enforcement Agents are allowed to make by law, how to complain about Enforcement Agent behaviour or check Enforcement Agent 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 support schemes, 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, via social media 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.

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 reminders but if the account remains unpaid the Billing Authority obtaining a Liability Order from the Magistrates' Court. While authorities strive to make contact with a debtor the first point of contact often occurs only when an Enforcement Agent 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 its behalf which are part of the enforcement process. This should ensure that the rights and responsibilities of all parties are clearly set out.
- Enforcement Agents should provide the debtor with a contact number should they wish to speak to the Local Authority.
- All charges associated with recovery should be kept regularly under review to ensure they are reasonable. Enforcement Agents are employed by the Billing Authorities and should only make charges in accordance with the Taking Control of Goods (Fees) Regulations 2014.
- The level of debt (inclusive of liability order fees) should be considered before Enforcement Agent action is taken.
- Local Authorities may have different definitions of a vulnerable person/household. Recovery action will be referred to the Local Authority where these criteria are found to have been met.
- The debtor may have outstanding claims for Council Tax Support or Housing Benefit which are contributing to arrears. Recovery can be suspended once it is established that a legitimate claim is pending.
- Local Authorities should prioritise direct deduction from benefits or attachment of earnings in preference to using Enforcement Agents. This avoids extra debts being incurred by people who may already have substantial liabilities.

- Procedures should 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 Enforcement Agent. In some cases the debtor may only, contact an advice agency following a visit from the Enforcement Agent.
- Set down, as part of contractual arrangements, a clear procedure for people to report complaints about recovery action. Local Authorities will regularly monitor the performance of those recovering debts on their behalf and ensure that contractual and legal arrangements are met.
- 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.

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CORPORATE PERFORMANCE REPORT – QUARTER 4 – OUTTURN 2014/15

1. PURPOSE OF REPORT

- 1.1 This report is to provide Cabinet with an update on progress in delivering the Council's corporate priorities and the performance of council services for the period from 1st April 2014 to 31st March 2015. The report also provides an overview of the outcome of the latest Council satisfaction survey.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The performance report monitors and reports on the delivery of the corporate priorities, the associated objectives and actions.

3. RECOMMENDATIONS

- o That Cabinet notes performance in 2014/15 and highlights any matters of particular concern.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
The key risk is that the Council fails to manage its performance and use the subsequent information to inform decisions and produce improved services for customers.	Likely (4)	Major (4)	High (16)
<i>The mitigation for this will be the continued strong leadership from Lead Members and JMT to ensure that performance management remains a priority.</i>	Unlikely (2)	Major (4)	Medium (8)

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. **BACKGROUND INFORMATION**

- 5.1 Regularly monitoring our performance is a key element of the Council's Performance Management Framework.
- 5.2 During 2014/15, performance reports have been presented to Cabinet quarterly. In quarters 2 and 4 reports have also been provided to Scrutiny. Performance reports are also reviewed quarterly by the Councils full senior leadership team.
- 5.3 **This report was considered by Scrutiny Committee at their meeting of 9th July. Three recommendations came from Scrutiny:-**
1. **That the performance target for KPI 52 (on page 19 Appendix A) relating to waiting times for Disabled Facilities Grants, be changed from 21 to 40 weeks to be more realistic in light of reduced funding during 2014/15, following the Council's decision not to contribute its own funds to top-up funding from the Government. This has led to pent-up demand rolling in to 2015/16. The Somerset West Private Sector Housing Manager and the Assistant Director for this service area feel that in fact a target of 45 weeks would be more appropriate.**
 2. **That Scrutiny have a role in shaping future Corporate Priorities and performance targets which will be effective from 2016/17 onwards;**
 3. **That the Somerset West Private Sector Housing Manager be invited to the next Community PAG meeting (Sept 15) to provide Members with an overview of the work of the Partnership and some more insight into the Disabled Facility Grant process.**
- 5.4 There are **114** measures in total which are reported. These are split over three areas. The first two areas are the Council's two corporate priorities; where there are 29 and 46 measures respectively. The third area relates to service performance indicators of which there are 39 reported measures.
- 5.5 The full performance report is attached at **Appendix A**. Each action/measure is given a coloured status to provide the reader with a quick visual way of identifying whether it is on track or whether there might be some issues with performance or delivery or an action. The key used is provided below:

Key	
Green	-Target or milestone met -progress is on track (where action extends beyond 31st March 2015)
Amber	- Minor delay - Variance from target or uncertainty (in the case of project milestones which extend beyond 31 st March 2015) - Negative trend, in the case of measures
Red	- Significant delay or significant variance from target.

5.6 A summary of the performance headlines is provided below.

5.7 Corporate Priority Indicators 1 - LOCAL DEMOCRACY

RED	AMBER	GREEN	NOT DUE	TOTAL
0	7	21	1	29
0.00%	24%	73%	3%	

There are no 'Red' indicators relating to this corporate priority.

5.8 Corporate Priority Indicators 2 - NEW NUCLEAR DEVELOPMENT AT HINKLEY POINT

RED	AMBER	GREEN	NOT DUE	TOTAL
10	4	32	0	46
21%	9%	70%	0.00%	

There are **ten** 'Red' indicators relating to this corporate priority:

- **One** relates to provision of **empty property grants** which was delayed due to delays in WSC receiving Hinkley funding (see 5.1.4 page 10 of Appendix A)
- **Six** of these relate to delivery of **affordable homes** where delivery was anticipated within 2014/15 but have been delayed for a variety of external reasons beyond the control of the Council (see 5.2.2 to 5.2.7 page 10 & 11 Appendix A).
- **One** of these relates to delivery of 15 **low cost home improvement loans**. At the end of March 2015 7 loans had been approved and a further three were in progress. This is demand led. Low cost products are not as attractive in times such as now where standard bank interest rates are also running at low rates. However, there is more the Somerset West Private Sector Housing Partnership can do to promote these products (see 5.4.1 page 11 Appendix A)
- **Two** relate to developing a **programme of investment for ecology funding** provided to the Council. This has been delayed due to the Major Projects Officers being no longer in place. An equivalent post of planning lead once the overall position on the Hinkley Point C project is clear (see 7.1.1 and 7.1.2 page 13 Appendix A).

5.9 Service Performance Indicators

RED	AMBER	GREEN	NOT AVAILABLE	TOTAL
3	3	28	5	39
8%	7%	72%	13%	

There are **three** 'Red' service performance indicators. They are:

- **One** relates to the percentage of **Environmental Health requests** completed within 60 days. The target was to complete 75% requests within this timescale. However the average for the year was 66% completed within this timescale (compares to 67% 2013/14).

The overall performance was affected by the performance in Q4 being lower than usual. This was due to more complex complaints being investigated and the investigations taking longer where enforcement action has been taken. For example light nuisance, defective drainage complaint, noise from licensed premises in Minehead. This is a demand led service which is exposed to volatility in the number of requests received which can often not be anticipated or planned for (see KPI 56a page 16 Appendix A)

- **One** relates to the percentage of households making **homeless applications** where the applicant is accepted as statutorily homeless. The target was for 23% or fewer applications to be accepted as statutorily homeless. In 2013/14 15.68% of applications were accepted as statutorily homeless whereas for 2014/15 the figure is 29.25%. However, this change is not in fact indicative of a change within our client base but instead reflects a change of approach, introduced part way through 2014/15, in how those who submitted a homeless application but then subsequently failed to attend an appointments with housing officers were treated for the purposes of this calculation (see KPI 46 page 18 Appendix A).
- **One** measure relates to the average end-to-end time taken to complete **disabled facilities grants**. The target set at the start of the year was for the average time between when the recommendation is received by the Council (Somerset West Private sector Housing Partnership) to the date that the grant is completed. This measure is an indication for how long clients are waiting with us from when the Occupational Therapist has submitted the application. The average has risen to 61 weeks during 2014/15. This is primarily a result of the Council reducing the budget available to undertake this work and consequently demand is far outstripping supply (see KPI 52 page 19 Appendix A).

6 Annual Council Satisfaction Survey

- 6.1 As in previous years the survey was sent out with the annual Council Tax bills. The survey was also available online at www.westsomersetsays.com . Links to the survey were also provided via the council's Facebook and Twitter pages.
- 6.2 A summary of the results of the annual satisfaction survey (compiled from results received at 1 June 2015) are provided as **Appendix B**.
- 6.3 785 completed surveys were received by the 1st June 2015. This is a **14% increase** on last year (667).
- 6.4 Overall the survey shows good satisfaction with council services. Across all services listed the average satisfaction is **79%**.
- 6.5 **81%** of respondents were satisfied with the way in which WSC runs things. This is almost identical to last year and is encouraging during a period of significant change in how the Council delivers its services to the public in conjunction with Taunton Deane Borough Council.

6.6 **83%** of respondents agreed that the Council provides value for money. This is the same as for 2014, which had shown the highest level of satisfaction in the past 4 years.

6.7 388 comments were received in relation to the survey. This compares to 290 in 2014. These comments have been shared with all members via the Corporate PAG papers for the 24 June 2015 meeting as well as with the Councils senior leadership team.

7. FINANCIAL/RESOURCE IMPLICATIONS

7.1 None

8. COMMENTS ON BEHALF OF SECTION 151 OFFICER

8.1 Financial performance is reported within a separate report to Scrutiny/Cabinet.

9. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

9.1 This report provides an update on performance and does not recommend implementation of new services, policies, practices or changes to service provision which might impact on service users or staff. Therefore officers have not identified any clear equality and diversity implications relating to this report.

10. CRIME AND DISORDER IMPLICATIONS

None directly within this report.

11. CONSULTATION IMPLICATIONS

11.1 This report includes measures relating to customer satisfaction at a service level as well as the results of the annual Council survey.

12. ASSET MANAGEMENT IMPLICATIONS

12.1 None directly within this report.

13. ENVIRONMENTAL IMPACT IMPLICATIONS

13.1 None directly within this report.

14. HEALTH & WELLBEING

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

15. LEGAL IMPLICATIONS

15.1 None directly with this report

WSC CORPORATE PERFORMANCE UPDATE - Q4 Outturn 2014/15

Progress Against Corporate Priorities & Service Measures /Targets

APPENDIX A

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
PRIORITY 1. LOCAL DEMOCRACY					
Objective 1 Local democracy and accountability remains within West Somerset by working with Taunton Deane Borough Council to establish and implement shared service delivery models that deliver effective, efficient services					
Key Task 1.1 Working with TDBC to establish and implement shared services by April 15. With Tiers 2,3 & 4 in place, design the proposed structures by 31st May and implement by 1st Aug 2014 for service leads/supervisors With service leads/supervisors in place, design the proposed structures by 31st Oct and implement by 1st Feb 2015 for service teams	1.1.1	JMT to receive and sign off the proposed structures for service leads/supervisors	31-May-14	Completed Q1	GREEN
	1.1.2	Recruitment process undertaken and service leads/supervisors structure in place	01-Aug-14	Completed The majority of tier 4/5 structure in place by 1 Aug 2014. Business Growth service restructure was in Place Dec 2014. Private Sector Housing structure was in place 1 March 2015.	GREEN
	1.1.3	JMT to receive and sign off the proposed structures for Service Teams	31-Oct-14	Completed	GREEN
	1.1.4	Recruitment process undertaken and Service Teams structure in place	01-Feb-15	Completed Structure below tier 5 was in place 1 Feb '15	GREEN
	1.2.1	Legal Services – take business case through the democratic process	01-Jan-15	The business case was presented to Mendip Scrutiny on 24 Nov, then to TDBC Corporate Scrutiny on 20 Nov and 12 Jan. MDC, TDBC and WSC Executive/Cabinets approved the business case during January.	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
<p>Key Task 1.2 Undertake the work required to deliver the shared services implementation plan including: Subject to acceptance of the business cases, implement the proposals for service transformation of Legal Services & Building Control as the services identified as suitable for fast tracking and any other fast track opportunities that arise by 31st March 2015</p>	1.2.2	Legal Services - Implement the approved business case in accordance with the agreed timescales	31-Mar-15	Completed The Legal Shared service partnership when live 1 April '15 with all staff TUPEd to Mendip DC as the host authority.	GREEN
	1.2.3	Building Control - take business case through the democratic process	01-Jan-15	Completed The Building Control Partnership recommendations were approved by WSC's Council on 15 April '15 and by TDBC's council on 31 March '15	GREEN
	1.2.4	Building Control -Implement the approved business case in accordance with the agreed timescales	31-Mar-15	Following the business case being taken through the democratic process, details regarding savings, cost/sharing, support service provision etc need to be finalised. Current proposals are that the inter-authority agreement to be drafted ready for sign-off by End June '15 and the go live date for the partnership still planned for 1 July with ICT provision/enablement to be to be in place by Sept '15.	AMBER
	1.2.5	Senior Leadership Team (SLT) to receive and sign off the service transformation programme	31-Dec-14	Work continues regarding the next stage of transformation. Senior leadership discussions continue. Members workshops have been held and a JPAG session held in March that focussed on the transformation phase. Further work will commence following the May elections.	AMBER
	1.2.6	Approve the progress of any other fast track/quick wins – including completion of business case and its sign-off via the democratic process	31-Mar-15	This action will follow key action 1.2.5	AMBER
	1.3.1	Communication line in place between TDBC & WSC	30-Jun-15	Completed	GREEN
<p>Key Task 1.3 Undertake the technology actions to support joint working and shared services including the introduction of common platforms for email account/calendars an</p>	1.3.2	Shared domain implemented and rolled out to all staff	31-Mar-15	Completed	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
integrated phone system, printing and flexible office space enabling staff and Members to work more effectively by 31st March 2015	1.3.3	Shared Intranet – delivering the ICT capability/in place (Sharepoint)	31-Mar-15	Shared intranet in place and the content and capability now being developed and tested. Roll-out and associated training scheduled for May-June '15.	GREEN
	1.3.4	SLT to oversee the progress, delivery of the capability and roll-out of ICT functionality in line with the programme plan.	31-Mar-15	ICT progress is reported via the highlight report that is presented to the JMASS Joint Project board (JPB) whose membership includes all members of SLT. ICT update meetings are held weekly to track progress against the project plan	GREEN
Key Task 1.4 Undertake HR actions required to support a review of terms and conditions and the implementation of any required changes by 1st April 2015	1.4.1	Terms & Conditions reviewed and any amendments requiring approval to go through the democratic process and working with UNISON	31-Mar-15	Terms and Conditions review underway. The scoping document was presented to JPB of 19 Feb, JPAG of 3 March and JUB on 11 March. Supporting data on Terms & Conditions and costs are currently being refreshed and research on national practice and trends are being gathered. Work is on track for completion and new T&Cs to be in place by 1 April '16	AMBER
	1.4.2	Review and harmonise HR policies where appropriate and any changes requiring approval to go through the democratic process	31-Mar-15	Policies affecting staff that remain on WSC terms have been updated to reflect that legal changes required. The majority of policies will be updated as part of the T&Cs review (see action 1.4.1)	AMBER
Key Task 1.5 By 31st March undertaken corporate/governance work to review policies and align where necessary, the development of a performance management framework and financial monitoring that supports the requirements of the joint management and shared services programme	1.5.1	Review TDBC & WSC's constitutions and align where appropriate nd any changes requiring approval to go through the democratic process	31-Dec-14	At WSC, there is now more delegated authority to make minor changes to the constitution (and aligns with TDBC delegated powers) More substantial changes will be incorporated ready for full council(s) approval by the end of the 2015 calendar year.	AMBER
	1.5.2	Review and align performance Management frameworks of TDBC & WSC where appropriate	31-Mar-15	Preparatory work undertaken. To roll into 2015/16.	AMBER
Key Task 1.6 Draft and implement a strategy and supporting plan for internal and external	1.6.1	Work with the LGA Comms support re: Comms	31-Mar-15	Matt Nicholls LGA/Comms continues to support TDBC/WSC regarding communications and engagement associated with JMASS and the preparation for the transformation phase.	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
communications to support the shared services and service transformation programme during 2014/15.	1.6.2	Internal Comms: - Launch new shared Newsletter - Set up shared Intranet	31-Mar-15	The One Team newsletter is produced monthly See action 1.3.3 regarding the shared intranet.	GREEN
Objective 2					
Identify additional savings, income generation and maximise existing and new funding opportunities to secure financial sustainability by March 2016					
	2.1.1	Monitor the delivery of the 2014/15 savings target of £78,177 and report progress to Performance & Corporate PAG	31-Mar-15	This is the total of the breakdown of savings is shown in 2.1.2 to 2.1.7 below	GREEN
	2.1.2	Interest payments due on external loans (£42,950) – repayment of existing loan – ensure budget has been reduced	Jul-14	As part of the 2014/15 final budget process it was agreed to move this saving to 2015/16.	NOT DUE
	2.1.3	External Audit (£2,982) – Decrease in Audit fee – ensure budget has been reduced	Apr-14	Completed - Q1	GREEN
	2.1.4	Staff- Post 83 Accounting Technician (£26,423)- vacant post to be deleted – ensure budget has been reduced	Apr-14	Completed - Q1	GREEN
	2.1.5	Staff –shared senior management (£11,400) – ensure budget has been reduced	Apr-14	Completed - Q1	GREEN
	2.1.6	Home Improvement Agency Contact (£22,710) - Negotiated Reduction In Contract	Apr-14	Completed - Q1	GREEN
Key Task 2.1 Deliver 2014/15 budget savings and income generation by April 2015. Achieve savings of £78,177 as a proportion of the overall savings from the WSC budget					

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
	2.1.7	Staff- Post 66 Housing Options & Advice Officer (£14,662) - Reduction in Hours to 3 days per week	Apr-14	Completed - Q1	GREEN
Key Task 2.2 Identify 2015/16 budget savings and income generation opportunities as part of the budget saving process by Feb 2015.	2.2.1		Feb-15	On track as part of 2015/16 budget setting	GREEN
Key Task 2.3 Monitor and review levels of income from New Homes Bonus and Business Rate Retention and assess any subsequent impact on Medium Term Financial Plan	2.3.1		Feb-15	Monitored throughout 2014/15 as part of the budget monitoring process, which will in turn feed into the Medium Term Financial Plan	GREEN
PRIORITY 2. NEW NUCLEAR DEVELOPMENT AT HINKLEY POINT					
Objective 3.					
Communities in West Somerset can access and understand the process for accessing funding opportunities provided for by the development at Hinkley Point and are supported in delivering funded projects and initiatives					
	3.1.1	Review and publish the agreed Expression of Interest Form for the Community Impact mitigation fund with the joint Planning Obligations Board	Mar-15	Action complete during Q1 2014	GREEN
Key Task: 3.1 To explain to the West Somerset community the	3.1.2	Review and publish an agreed Funding Strategy for the community impact mitigation fund with the joint Planning Obligations Board	Mar-15	Action complete during Q1 2014	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
agreed process for communities and organisations to access and bid for funding, maximising the potential investment in West Somerset from Hinkley Point related funding once funding becomes available	3.1.3	Review and publish an agreed set of Frequently Asked Questions for the community impact mitigation fund with the joint Planning Obligations Board	Mar-15	Action complete during Q1 2014	GREEN
	3.1.4	Review and publish an agreed set of Guidance Notes for the community impact mitigation fund with the joint Planning Obligations Board	Mar-15	Action complete during Q1 2014	GREEN
	3.1.5	Publish agreed set of principles for the operation of the Board with the joint Planning Obligations Board	Mar-15	Action complete during Q1 2014	GREEN
Key Task: 3.2 To improve the community's understanding of the funding available from WSC and Somerset Community Foundation through production of a communications strategy to be launched once each phase of funding becomes available	3.2.1	Review and operate an agreed communications strategy with the joint Planning Obligations Board	Mar-15	Informal discussions have been held with the Planning Obligations Board to discuss the content of the review. The review will formally be carried out in May 15. Activities continue to be delivered in line with the objectives of the current strategy. A publicity campaign and a range of community engagement events are due to be delivered during summer 2015.	AMBER
	3.2.2	Maintain the Councils website, hosting the funding information and outputs from Key Task 3.1	Mar-15	All minutes and notes of the Planning Obligations, Board, committee papers and decisions have been uploaded to the website. The Expression of Interest form and guidance has been reviewed and amended.	GREEN
	3.2.3	Work with key affected communities to advise and explain process for accessing funding opportunities <ul style="list-style-type: none"> Organise a high quality conference aimed at inspiring and instilling vision within the Community with fringe events aimed at raising capability and skills by March 2015. Develop in partnership key priorities for the communities of West Somerset that will strategically influence and guide project development and delivery by September 2014. Build resilient and strong partnerships that can deliver and lead community projects that meet current and future local needs and wants by March 2015. 	Mar-15	Engage WS, and the Housing and Communities project team continue to support organisations to plan effective projects and complete bids for funding. There has been a marked improvement in the quality of bids coming forward for funding and an increase in the number of bids being approved. A publicity campaign and a range of community engagement events are due to be delivered during summer 2015.	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
Key Task: 3.3 To support the community during the bidding process, maximising the number of successful bids and potential investment in West Somerset	3.3.1	Work with key affected communities to identify priorities for funding, along with identifying and help source match funding, for presentation to the Planning Obligations Board	Mar-15	Increased support and communications to establish community priorities and assist applicants are described within the Q4 update for 3.2.3. Further capacity has been secured within the Housing and Community Development Project team to support applicants and Engage WS continue to work closely with applicants to bring forward successful bids.	GREEN
	3.3.2	Support appropriate bids from communities in West Somerset if they are compliant with the criteria set out in the s106 legal agreement for funding at the bi-monthly Planning Obligations Board meetings and vote in favour.	Mar-15	During the last round of applications (Deadline 1st January) 4 bids were presented to POB, 2 of which were from West Somerset organisations. 1 was supported by WSC officers as it fully met the criteria, this application was approved by the POB.	GREEN
	3.3.3	Present recommendations from the bi-monthly Planning Obligations Board meeting to Cabinet / Council for approval	Mar-15	All of the recommendations from the Planning Obligations Board have been presented to Cabinet and Council (if required) in accordance with the timetable set out on the CIM Fund information pages on the Council's website.	GREEN
Key Task: 3.4 By March 2015 develop a programme of investment within West Somerset for the leisure funding provided directly to the council from the development at Hinkley Point	3.4.1	Develop, using existing evidence, an investment strategy for the leisure contributions	Nov-14	Somerset Activity & Sports Partnership (SASP) have presented their report and recommendations to Officers, this will be presented for approval to the Planning Obligations Board and subsequently to Cabinet in July 2015 to make recommendations to Full Council. All background work delivered to time. Delay associated with democratic approval process.	AMBER
	3.4.2	Identify and secure match funding opportunities for the leisure contributions and submit proposals to the WSC Planning Obligations Group	Jan-15	SASP have presented their report and recommendations to Officers, this will be presented for approval to the Planning Obligations Board and subsequently to Cabinet in July 2015 to make recommendations to Full Council. All background work delivered to time. Delay associated with democratic approval process.	AMBER
	3.4.3	Present funding allocations to Cabinet / Council for approval	Mar-15	SASP have presented their report and recommendations to Officers, this will be presented for approval to the Planning Obligations Board and subsequently to Cabinet in July 2015 to make recommendations to Full Council. All background work delivered to time. Delay associated with democratic approval process.	AMBER
Objective 4. The economic opportunities that arise from the development and associated activities are maximised					

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
<p>Key Task 4.1 Work with key partners and EDF Energy to support businesses and the local working age community to gain economic benefits from the development in terms of contracts awarded to local suppliers and increased employment opportunities</p>	4.1.1	Effectively maintain and use the business database to segment business sectors and target those businesses with timely and appropriate communications and information relating to the HPC Project. Provide an update report to the Economic Development PAG on the use of the data.	Quarterly	A simple funding application system is in place with funds made available to assist businesses with achieving specific certification as a requirement of the supply chain such as ISO and SALSA. General information was disseminated to all businesses via the business rates bills in relation to signing up and updating registrations on the business supply chain portal as well as on general business support available from the Economic Development Team at the Council.	GREEN
	4.1.2	Provide bespoke business support activity to build the capacity and capability of businesses within the Facilities Management and Construction sectors To enable them to realise the opportunities offered by the HPC Project and other developments. Provide an update report to the Economic Development PAG	Quarterly	A further 16 local employees participated on the second Welcome Host Gold training in March and successfully completed the accreditation. Some employees have gone on to participate in further training activity. This quarter has seen direct dialogue with 22 businesses regarding specific business issues. These have received signposting to specific support relating to their needs. A further 10 businesses have had financial support made available to them following their successful application to a small grants scheme. Specific support for Watchet during road works at Washford Cross has included the production and dissemination of nearly 40,000 promotional leaflets across the County. Facebook and Twitter campaigns have also been set in motion to promote the town.	GREEN
<p>Key Task 4.2 Work with key partners and EDF Energy to provide suitable access to skills, training and employment opportunities to benefit local residents and ensure that local businesses have the access to the skilled workforce that they require</p>	4.2.1	Address identified skills gaps and raise attainment levels through delivering packages of support to ensure that individuals are suitably prepared and skilled for work and are able to make the most of job opportunities. Raise aspirations and improve motivation through developing knowledge of local employment and training opportunities and associated progressions routes. Report progress to Economic Development PAG	Quarterly	Contract in place in preparation to launch a "Skills Swap Brokerage" based in Watchet as an informal way of skills development within the community. Activity will commence in Q1 of 2014/15. This has been developed with partners as part of the Our Place Project with WSC as the lead partner	GREEN
	4.2.2	Address identified barriers which are restricting individuals' access to employment and training opportunities. This includes lack of basic skills and IT skills, (mental) health issues, criminal activity / anti-social behaviour and homelessness. Work with the Pre Employment and Skills Steering Group to direct appropriate activity. Report progress to Economic Development PAG	Quarterly	The "Our Place" operational plan was submitted and accepted by Locality in March. This provides a strategic framework for employment and skills activity in West Somerset. Along with other projects recently launched, as part of this activity a "Passport to Employment" will also be set up for pupils at West Somerset College to help them keep records of their skills achievements.	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
	4.2.3	Provide access to mentoring, training and employment opportunities for the long term unemployed through delivery of programmes of training identified as an element of action Expand and enhance the provision of appropriate training opportunities to support those furthest away from the labour market.	Quarterly	Employment Hubs launched in February in Williton and Watchet. Early indications are very positive in terms of the number of users and early success with two users finding employment.	GREEN
	4.3.1	Work with the Hinkley Action Tourism Partnership to adopt a clear strategy and SMART action plan using the on-going development of the Cool Tourism Project to put into place pilot projects and activity within business networks to test the effectiveness of the strategic aims.	June 14 & Quarterly	The HTAP Strategy was signed off by the HTAP Board with the costed first years Action Plan (£160K) and agreed by WS Council on 4th February. The funding is aligned to delivering against the following priorities (1) Improving the Visitor Experience (2) attracting and retaining customers (3) increasing industry resilience. In addition to this a Visitor Monitoring Survey has been commissioned. Work continues to support the three WS TIC's with regular meetings held. A newsletter aimed at the Tourism Industry has been launched and is co-ordinated by Minehead TIC.	GREEN
Key Task 4.3 Work with tourism partners to mitigate the negative effects of the development and take advantage of any opportunities created.	4.3.2	Fully develop 2 new tourism business related networks linked to <ul style="list-style-type: none"> Dunster; Coleridge way; and use the lessons learnt to replicate activity over at least two other business networks including Porlock . Provide a package of support to each network to include IT training, research, marketing and promotion Report on progress of both tasks to Economic Development PAG	Quarterly	The Interreg Project that WS has been a partner in 'Cool Tourism' has come to an end, with a number of positive outcomes. A presentation was made in advance of the March Council meeting. A sub-site of Vist Exmoor for Minehead Tourism has been developed and has gone live. Development work is being undertaken with Partners to bid for the Interreg Programme (2015-2018) to extend the Cool activity. The town of Watchet is being supported with promotion and marketing activity to help mitigate the impacts of the closure of the B3190 during the construction of the Washford X roundabout.	GREEN
Objective 5. The availability of housing supply within West Somerset is increased if funds become available to mitigate					
	5.1.1	Submit a bid for use of the Hinkley housing fund to the Planning Obligations Board detailing the proposed interventions to deliver the key task.	Mar-15	POB Bids agreed on 2nd December were further agreed by Cabinet on 7th January 2015 and Full Council on 21st January 2015	GREEN
Key Task 5.1 Using the Hinkley Point Housing Fund to provide 100 additional bed spaces in the West Somerset area by 31st	5.1.2	Facilitate the delivery of 15 bed spaces by housing associations in priority areas through implementation of their Downsizing Policies.	Mar-15	7 additional bedspaces were freed up in the 4th Quarter (18 in the financial year). The recruitment process is well under way for the Post to be hosted by Magna and funded through the Hinkley Housing Fund	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
Mar 2015	5.1.3	Work with private developers to maximise opportunities in conjunction with the fund to bring forward both open market and affordable homes on sites in <ul style="list-style-type: none"> • Watchet • Williton 	Mar-15	Discussions are ongoing and additional dwellings will be identified as part of the process	GREEN
	5.1.4	Provide empty property grants and advice to deliver an additional 30 bed spaces over and above the requirements of Key task 5.3	Mar-15	This target has not been met due to delays in securing Hinkley funding the first properties have been referred to Chapter 1 and further suitable properties are being identified. The issue here was simply one of the timing of funding.	RED
	5.2.1	Facilitate the delivery of the remaining 15 additional affordable homes at Brackensfield (Silvermead) Alcombe	Mar-15	All homes complete and occupied	GREEN
	5.2.2	Facilitate the delivery of 8 additional homes to rent at Ellicombe, Minehead (Subject to Planning Approval)	Mar-15	Development is on site in line with the original planning application which will deliver 8 affordable homes in 2015/16. Appeal has been lodged against the Planning Committee decision to refuse a new scheme which will see the affordable housing numbers rise by 1 to 9.	RED
	5.2.3	Facilitate the delivery of 20 additional affordable homes at Townsend Farm in Carhampton	Mar-15	Development is on site and affordable homes will be delivered in 2015/16	RED
Key Task 5.2 Facilitate the delivery of 80 affordable homes within the West Somerset area by 31st Mar 2015	5.2.4	Facilitate the delivery of 19 additional affordable homes at Seaward Way in Minehead	Mar-15	Dependant on sale of land .	RED
	5.2.5	Facilitate the delivery of 4 additional affordable homes to rent on the Croft House site in Williton	Mar-15	Development is on site and affordable homes will be delivered in 2015/16	RED
	5.2.6	Facilitate the delivery of 18 additional affordable homes to rent in Watchet	Mar-15	No further update - delayed by Developer	RED

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
	5.2.7	Facilitate the delivery of 4 additional affordable homes for low cost sale in Watchet (Subject to Planning Approval)	Mar-15	No further update - delayed by Developer	RED
Key Task 5.3 To work with landlords and owners of empty properties to return 55 back into use across West Somerset with priority on the eastern area parishes	5.3.1	Return 55 back into use across West Somerset	Mar-15	35 empty properties brought back into use in Quarter 4 following an intervention. Makes a total of 143 for the year.	GREEN
Key Task 5.4 To work with landlords and owners to bring properties up to the Decent Homes Standard making them available for use across the West Somerset area	5.4.1	In partnership with Wessex Home improvement Loans deliver 15 low interest loan products	Mar-15	Year to date there have been 9 referrals, 7 completed 4 cancelled and 3 ongoing. Interest in the loans has been low due to a) people not wanting to take out the loan when they have contacted the team to enquire about assistance and b) SWPSHP haven't promoted the scheme that well due to low level of resources available. SWPSHP are currently working with Wessex on a new promotion exercise. There is a workshop coming up in May for SWPSHP staff to attend with Wessex, to look at the recent promotion pilot in the West of England. West Somerset are not alone in this, loan take up is of concern in the South West area and nationally.	RED
	5.4.2	Delivering 30 Disabled Facilities Grants (Budget has reduced for DFGs and therefore target has come down to 30 (from 40 last year).	Mar-15	30 completed by year end.	GREEN
	5.4.3	Improving 15 privately rented properties to the minimum standard (target reduced from 55 homes - agreed at Housing PAG Sept 2014)	Mar-15	There have been 23 interventions in the year where an intervention lead to improvement.	GREEN
Objective 6. The development at Hinkley Point is carried out in accordance with approved plans and ensuring that the council actively monitors the development and responds to any complaints received in a timely and sound manner					

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
Key Task 6.1 When significant development commences on the Hinkley Point C site to establish and maintain thereafter a programme of site visits to Hinkley Point and associated development sites to ensure that the development is carried out in accordance with the approved plans	6.1.1	To make at least one planned / un-planned visit to Hinkley Point and associated development sites every 2 months	Mar-15	Visits and liaison are continuing with EDF and the HP officers group.	GREEN
	6.1.2	To monitor compliance with planning conditions / requirements and obligations through regular meetings / observations	Mar-15	HPC EHO liaising with colleagues at HPC, planning and the Hinkley officers group	GREEN
	6.1.3	Investigate and respond proactively to complaints received in relation to the development being carried out at Hinkley Point within 10 working days	Mar-15	Complaint regarding noise from the site investigated within the EH team and communication made with EDF team. noise monitoring results requested.	GREEN
Key Task 6.2 To monitor and publicise Noise and Air Quality Data on the Councils website to enable communities affected to access data and, following the agreed complaints procedure, to respond appropriately to issues which arise from development activity.	6.2.1		Ongoing	Issues regarding the monitoring data currently being investigated.	GREEN
Key Task 6.3 Once the development commences, continue working with partners to implement a range of community safety initiatives raising awareness of the development project, its potential impacts and preventative measures.	6.3.1	Deliver a range of projects that ensure the community are aware of the impacts of the new build and identify measures to mitigate those impacts: <ul style="list-style-type: none"> • Regular engagement with emergency services to identify opportunities for collaborative working • Organise partnership meeting to identify opportunities for shared or supportive working 	Mar-15	Funding for New Nuclear Programme Team in place including provision for a part time community safety officer. Recruitment to be undertaken post EDF's Financial Investment Decision and Transition to coincide with increases in worker numbers. Assistant Director - Energy Infrastructure is attending meeting as required.	GREEN
	6.3.2	Ensure partnership structures are in place and sufficiently robust to facilitate positive partnership activity, this includes: <ul style="list-style-type: none"> - Partnership workshops - Continued involvement with the ESLAG (emergency Services And Local Authorities Group) - Engagement with EDFE through regular one-to-ones 	Mar-15	Funding for New Nuclear Programme Team in place including provision for a part time community safety officer. Recruitment to be undertaken post EDF's Financial Investment Decision and Transition to coincide with increases in worker numbers. Assistant Director - Energy Infrastructure is attending meeting as required.	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
Objective 7.					
Minimise the effects on the environment by working with partners to positively respond to opportunities to enhance the environment in the affected communities using secured funding within Section 106 agreements are mitigated.					
Key Task 7.1 By July 2014 develop a programme of investment within West Somerset for the ecology funding provided directly to the council from the development at Hinkley Point	7.1.1	Using data supplied from EDF Energy develop a range of sites suitable for the provision of ecology mitigation	Mar-15	The Major Projects Manager is no longer in post and this project has not been progressed. An equivalent post of Planning Lead will be put in place once the overall position on the Hinkley Point C project is clear.	RED
	7.1.2	Present funding allocations to WSC Planning Obligations Group / Cabinet / Council for approval	Mar-15	The Major Projects Manager is no longer in post and this project has not been progressed. An equivalent post of Planning Lead will be put in place once the overall position on the Hinkley Point C project is clear.	RED
Key Task 7.2 To actively work with Somerset County Council to ensure that they develop a clear programme of investment within West Somerset for the contributions where the County Council is the initial recipient from the development at Hinkley Point.	7.2.1	Work with SCC and partner organisations such as AONB service to understand and, where appropriate, influence funding allocations to ensure that mitigation is delivered in favour of affected communities in West Somerset	Mar-15	Panel in place and actively considering application. Lead Member for Environment and AD - Energy Infrastructure both on Panel to ensure that WS based schemes are considered favourably if appropriate.	GREEN
	7.2.2	The Delivery Steering Group (WSC, EDF, SDC & SCC) monitor SCC spend and outcomes in West Somerset area to ensure that communities most affected receive funding as appropriate	Mar-15	The DSG is working well and representatives of the Council attend and monitor activity of all the other parties including EDF Energy, SCC and SDC to ensure that activity is co-ordinated and that affected communities receive funding.	GREEN
OPERATIONS DIRECTORATE -Service Performance Indicators					
Street Cleansing - Service Performance Indicators					
	KPI 103	% service requests actioned within 5 working days	85% (Higher is better)	Q1 = 89% Q2 = 93% Q4= 95% Q4 = 95% Average for year = 93% target has therefore been met an exceeded (94% 2013/14)	GREEN
	KCI 81	No. of complaints (lower is better)	Average of 20 or fewer over the year	Q4 = 0 complaints logged 5 in total for the year (14 2013/14)	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
Waste & Recycling - Service Performance Indicators					
	KPI 88	Fly-tipping: % removed within 48 hrs	75%	Q1=85% Q2=85% Q3= 92% Q4 = 68% Year average is 82.5% . Target has therefore been met and exceeded. (84% 2013/14)	GREEN
	KPI 90	Fly-tipping: No of incidents	No target -measure only	Q4 = 40 incidents 98 incidents to date (77 incidents 2013/14)	AMBER
	KPI 87	% missed collections collected within 24 hours	100%	Q4 = 98.65% 98.78% average for year. (99% 2013/14)	AMBER
	KPI 86	% of waste recycled and composted	41%	48.94% of household waste sent for re-use, recycling and composting this is a 5.2% positive variation and represents an overall positive change of 11.89% (compares to 44% 2013/14)	GREEN
	KCI 82	Waste & Recycling complaints	20 or fewer for the year.	Data for Q4 not supplied as SWP have data issues	NOT AVAILABLE
Building Control - Service Performance Indicators					
	KPI 94	Dangerous structures - % of incidents responded to within 24 hrs.	95%	Q1= 100% (3 reports) Q2 = 100% (2 reports) Q3 = no dangerous structures reported this quarter. Q4 = no dangerous structures reported this quarter. For the year 100% dangerous structures reported were responded to within 24 hours. (100% 2013/14)	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
	KPI 92	% applications registered within agreed timescale (5 days)	95%	Q1 = 97.65% Q2 = 92.5% Q3 = 100% Q4 = 98% Average for year was 97% therefore target exceeded. (No comparison for 2013/14 as was against 3 day turnaround and not 5 day)	GREEN
	KPI 93	% of inspections carried out on day registered	95%	Q1= 98.44% Q2 = 100% Q3=100% Q4 = 100% Average for year = 99.61% therefore target exceeded.	GREEN
	KC 187	% of customers who are satisfied or very satisfied with the building control service	85%	97% Results still coming in. 81 questionnaires sent out. 18 questions within the questionnaire. 248 very good, 110 good, 10 poor, 2 very poor. Ave 97.5% for year. (97% for 2013/14)	GREEN
Customer Access - Service Performance Indicators					
	KPI 25	Abandoned in queue call rate %	<8%	Q1 = 8.28% Q2 = 6.82% Q3 = 6.87% Q4= 9.46% Average for year is 7.86%. Therefore target met and exceeded. (8.25% for 2013/14)	GREEN
	KPI 21	Number of unique visitors to Council website	80,000	Q4 - 26,292 (162k hits for the year however this was distorted in Q2 due to testing of website as part of external IT healthcheck).	GREEN
Environmental Health - Service Performance Indicators					
	KPI 54	Average time taken to respond to initial request for service (days)	4 days or lower	Current performance is 1 day for Q4. (Ave for year is 1.5 days)	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
	KPI 56a	% of requests completed within stated service standard (60 days)	75% or higher	<p>Q1= 77% Q2= 77% Q3 = 63% Q4 = 47%</p> <p>Average for year is 66%. target not met. Target not met in 2013/14 either when the average performance during the year was 67%.</p> <p>The overall performance was affected by the performance in Q4 being lower than usual. This was due to more complex complaints being investigated and the investigations taking longer where enforcement action has been taken. For example light nuisance, defective drainage complaint, noise from licensed premises in Minehead. This is a demand led service which is exposed to volatility in the number of requests received which can often not be anticipated or planned for.</p>	RED
	KCI 44	% of customers who are satisfied or very satisfied with the environmental health service	80%	<p>Customer satisfaction cards are not currently in use for EH or licensing but in Q1 and Q2 100% of respondents were satisfied or very satisfied but a very limited response rate.</p>	GREEN
Licensing - Service Performance Indicators					
	KBI 59	% of licenses issued on time	90%	<p>Q1=100% Q2= 93% Q3= 88% Q4 = 95%</p> <p>Average for the year is 94% therefore target has been met and exceeded. (96% 2013/14)</p>	GREEN
	KCI 47	% of customers who are satisfied or very satisfied with the licensing service	70%	<p>Customer satisfaction cards are not currently in use for EH or licensing</p>	NOT AVAILABLE
Benefits - Service Performance Indicators					
	KPI 1	% of customers who are satisfied or very satisfied with the benefits service	97%	<p>75% - whole year - caused by just one bad response, this was due to outputs. The customer was happy with all other parts of the service. Very low response rate.</p>	AMBER
	KBI 3	% of 'Local Authority' error against overall expenditure (lower is better)	<0.48	<p>Year to date: 0.30%</p> <p>Better than target. (0.22% 2013/14)</p>	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
	KPI 5	Average processing times for new claims (lower is better)	22 days or lower	22.69 days average for the year. Given green status as very close to target, and should still be upper quartile nationally. (18.08 days 2013/14)	GREEN
	KPI 6	Average processing times for changes of circumstances (lower is better)	9 days or lower	6.52 days average for the year. (5.4 days 2013/14)	GREEN
Revenues - Service Performance Indicators					
	KPI 10	% Council tax collected in the year	97.8% or more	97.25% - this represents and improvement on 2013/14. (97% 2013/14)	GREEN
	KPI 12	% business rates collected in the year	98% or more	98.5% - this represents an improvement on 2013/14. (98% 2013/14)	GREEN
Finance - Service Performance Indicators					
	KB1 132	% of invoices for commercial goods or services paid within 30 days of receipt	90%	Average for year is 92.26% which is above target. (2013/14 95.68%)	GREEN
	KPI 133	Number of invoices received	No target -measure only	Q4 - 716 received (2771 for the year) (2982 received 2013/14)	GREEN
ACE / CORPORATE - Service Performance Indicators					
Electoral Services - Service Performance Indicators					

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
	KPI 16	Form A's returned after personal visits and before internal checks	90%	The way of registering to vote changed to individual electoral registration and the whole process is dealt with different. Therefore this measure is no longer appropriate.	DELETED
HOUSING AND COMMUNITY - Service Performance Indicators					
Housing Options - Service Performance Indicators					
	KPI 45	Number of Households making homeless applications (lower is better)	195 or fewer for the year	Q1= 33 Q2 = 34 Q3 = 30 Q4 = 27 Total for year = 124 (144 2013/14)	GREEN
	KPI 46	% of homeless applications accepted as statutory homeless (lower is better)	23% or lower	Q1 = 24% Q2 = 29% Q3 = 23% Q4 = 41% Average for year 29.25% (15.68% 2013/14) - In reality the change in performance is largely resultant from a change to how this measure has been calculated part way through the financial year. "not homeless" decisions are no longer being recorded where an applicant failed to attend an appointment. . Shortage of privately rented accommodation available within the District at reasonable rents however remains an issue.	RED
	KPI 47	Number of homelessness events prevented (Higher is better)	42 or more for the year	Q1=17 Q2 =22 Q3 =21 Q4=16 76 For the year. (75 for 2013/14)	GREEN
	KCI 41	% customers who are satisfied or very satisfied with the service	90%		NOT AVAILABLE
Housing Enabling - Service Performance Indicators					
	KCI 42	% of partners involved in the delivery of new affordable houses satisfied or very satisfied with the service	75%	100% are satisfied. Currently undertaking one-to-one meetings with all delivery partners to ensure that service continues to be tailored to requirements and expectations remain realistic	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
Private Sector Housing - Service Performance Indicators					
	KPI 52	Disabled facilities grants - average time taken end to end to complete adaptation work	22 weeks	By the end of Quarter 4, the overall average for the year was 61 weeks. The measurement is from the enquiry date i.e. when the Recommendation is received by the Council to the date that the grant is completed. This measure is an indication for how long clients are waiting with us from when the Occupational Therapist has submitted the application. The waiting times are affected by the reduced budget for this service.	RED
	KCI 43	% customers who are satisfied or very satisfied with the private sector housing service	75%	Average 99.2% by year end.	GREEN
GROWTH AND DEVELOPMENT - Service Performance Indicators					
Development Control - Service Performance Indicators					
	KPI 90A	% major planning applications determined within 13 weeks (or within agreed extension of time)	60%	Q1 =33% Q2 =100% Q3=100% Q4=66.6% Average for year is 74%. Target met and exceeded. This measure can be quite volatile due to the relatively small number of major applications in West Somerset. The Council also agreed to reduce staff resource in this area as a budget saving for 2014/15.	GREEN
	KPI 90B	% minor planning applications determined within 8 weeks (or within an agreed extension of time)	80%	Q1=81.48% Q2= 72% Q3=90.4% Q4=88.9% Average for year = 94.2% (191 applications of which 185 determined within 8 weeks or an agreed extension of time). (96% 2013/14)	GREEN
	KPI 90C	% of other planning applications determined within 8 weeks	95%	Q1=91.07% Q2=96.3% Q3=90.4% Q4=94.2% Average for 2014/2015 = 94.2% - 191 applications (177 applications were determined within 8 weeks and 3 applications determined within an agreed extension of time). Green status as within 0.75% of target. (98% 2013/14)	GREEN

Key Task	Ref	Key Action /Measure	Target	UPDATE	Status Q4
	KCI 86	% of customers satisfied with the service received	85%		NOT AVAILABLE
Additional Measures					
Staff Sickness					
	KPI 160	Number of days sickness per FTE	8.2 days or fewer per FTE.	Average days sickness absence per Full Time Employee was 7.89 days in 14/15 and below the target set for what has been a year of significant change and uncertainty for staff. (2013/14 7.22 days WSC and 8.2 days TDBC)	GREEN

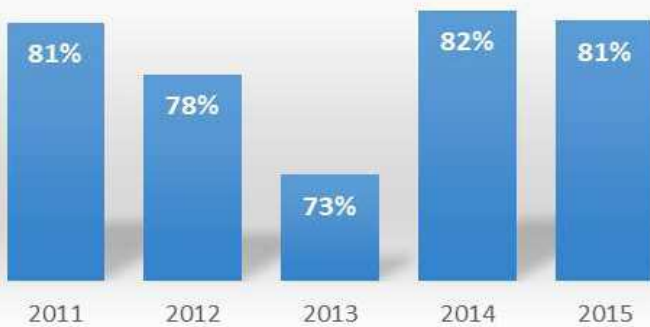
Customer Satisfaction 2015

785 respondents

(Compares to 667 in 2014).

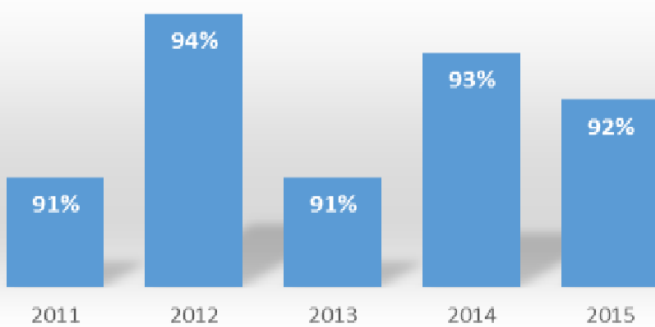
Surveys issued with all 18,000 Council Tax bills and available online. Data compiled 1 June 2015.

Are you satisfied with the way WSC runs things?



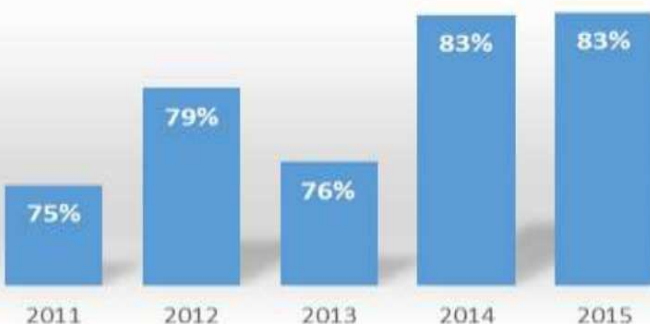
81%* Satisfied.

In the last year has WSC treated you with respect?



92%*
Always or Most of the time.

Do you agree that WSC provides value for money?



83%* Agree.

Areas of Particular Satisfaction 😊

- Customer services staff at Minehead and Williton;
- Waste collection service;
- Benefits;
- Environmental Health.

Areas of Particular Dissatisfaction 😞

- Street cleaning / litter;
- Dog fouling / lack of dog waste bins;
- Car parking charges too high/ winter charging;
- Planning- policy, decisions and enforcement.

Non-WSC issues 😞

- Pot holes / Road works
- Lack of Policing
- Street lighting (left on or not working)

388 comments received 2015
(290 received 2014)

<i>Report Number:</i>	<i>WSC 121/15</i>
<i>Presented by:</i>	<i>Cllr M Chilcott, Lead Member for Resources and Central Support</i>
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<i>Report to a Meeting of:</i>	<i>CABINET</i>
<i>To be Held on:</i>	<i>5th August 2015</i>
<i>Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:</i>	<i>26/6/15</i>

REVENUE AND CAPITAL OUTTURN 2014/15

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Members with details of the Council's financial outturn position for both revenue and capital budgets, together with information regarding end of year reserve balances, for the financial year 2014/15.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The Council's financial performance is directly linked to the 'Local Democracy' priority in terms of local accountability and maximising government funding. Additionally, financial performance and monitoring of financial information is crucial to monitoring the progress being made in delivering all Council services.

3. RECOMMENDATIONS

- 3.1 It is recommended that Cabinet notes the reported General Fund Revenue Budget net overspend of £228,348.
- 3.2 It is recommended that Cabinet supports the proposed recommendation to Full Council to transfer £2,183,884 to the Business Rates Smoothing Reserve to mitigate the deficit on the Collection Fund in 2014/15 and the estimated deficit in 2015/16 due to the outcome of the recent Hinkley Point appeal, as well as future risks in this area.
- 3.3 It is recommended that Cabinet supports the proposed recommendation to Full Council to approve a Supplementary 2015/16 Revenue Budget allocation of £40,000 for essential asset maintenance and health and safety works to be funded from the Sustainability Earmarked Reserve.
- 3.4 It is recommended that Cabinet notes the transfers to and from Earmarked Reserves as set out in Table 4 and Appendix B of this report, and supports the recommended Budget Carry Forward of 2014/15 underspends for specific service costs in 2015/16 totalling £206,394 as set out in Appendix B.

- 3.5 It is recommended that Cabinet notes the proposed recommendation to Full Council to approve Capital Programme Budget Carry Forwards totalling £577,719 for general schemes to be funded using capital receipts, capital grant and S106 contributions (as set out in Appendix C of this report).
- 3.6 It is recommended that Cabinet notes the proposed recommendation to Full Council to approve Capital Programme Budget Carry Forwards totalling £1,026,174 for Hinkley S106-funded schemes (as set out in Appendix C of this report).
- 3.7 That Cabinet notes the net overspend of £39,204 in relation to the Capital Programme for general schemes in the current year and that this overspend has been funded from the useable capital receipts reserve.

4. **RISK ASSESSMENT (IF APPLICABLE)**

Risk Matrix

Description	Likelihood	Impact	Overall
That the Authority overspends against the approved budget	3	4	12
<i>Regular budget monitoring reports are produced and managers actively manage the budgets under their responsibility</i>	1	4	4

- 4.1 The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. **BACKGROUND INFORMATION**

- 5.1 Members have received financial performance information throughout the year, with reports submitted to Scrutiny and Cabinet in line with the agreed reporting arrangements. This report provides details of the position at the end of the financial year, and enables Members to compare in year forecasts with the actual outturn (end of year) position. It also describes how the year end position impacts on the important objective for achieving financial sustainability.
- 5.2 Effective financial management forms an important part of the Council's overall performance management framework. It is also vital that the Council maintains strong financial management and control in the face of continuing and unprecedented financial pressures as funding for council services is squeezed, and our community continues to face up to the effects of wider economic pressures.
- 5.3 The Outturn figures in this report are provisional (pending end of year audit) and have been used as part of the completion of the Unaudited Statement of Accounts, which has been approved by the S151 Officer. Should the External Auditor identify any changes to the Accounts these will be reported to the Audit Committee in September 2015.
- 5.4 This report provides some detail behind the financial performance for the year. The high level headline information can be summarised as follows:
- The Outturn against the revised Revenue Budget is a net overspend of £228,348. Despite achieving an underspend against controllable budgets, the Council has had to account for the impact of a substantial business rates appeal, which has pushed the authority into an overspend position. As well as triggering a financial problem from 2014/15, the impact of this appeal will be felt on our ongoing financial position (see report later on the agenda - MTFP Report).
 - The General Reserves Balance at the end of the financial year (subject to audit) is £529,899, which is just above the recommended minimum balance of £500,000.

- Total Capital Expenditure for the year after taking into account the use of funding from capital grants plus S106 contributions, produces a £39,204 overspend against revised budget. This overspend has been funded using the Capital Receipts Reserve.

5.5 2014/15 has been the second year of Business Rates Retention. This continues to provide risks for the Council, as reported to Members previously. This report provides a summary of the overall impact during the year, which is significantly affected by the outcome of the Hinkley B Rateable Value appeal.

6. **REVENUE BUDGET OUTTURN 2014/15 AND RESERVES**

6.1 The Council has reported an overall net overspend of £228,348. This comprises of a £121,846 underspend in respect of net expenditure on services before reserve transfers, plus a further underspend in respect of surplus funding received during the year of £1,509,698. However this is offset by an over spend against transfer to / from earmarked reserves of £1,859,892. For information the forecast outturn as at Q3 (April to December 2014) was a projected underspend of £60,833.

6.2 Below is a table showing the main variances between Q3 and the final outturn position:

Table 1 –Main Differences between Q3 and Outturn Variances 2014/15

	Q3 £000	Change £000	Q4 £000
Legal	(13)	(16)	(29)
Corporate and Democratic Core		(21)	(21)
Coast Protection		(30)	(30)
Building Control	59	0	59
Public Conveniences – All	13	10	23
Open Spaces	12	(24)	(12)
Garden Waste (accounting timing difference)		65	65
Street Cleansing	20	(10)	10
Council Tax Benefit	10	0	10
Housing Benefits	(82)	40	(42)
Finance	(12)	12	0
Estates – Assets	(11)	36	25
Private Sector Renewal	38	(3)	35
Development Control	(37)	(55)	(92)
Salaries / Shared Service Costs		(67)	(67)
Transfers From Earmarked Reserves	0	(109)	(109)
Transfers To Earmarked Reserves	0	1,969	1,969
Business Rates Funding	0	(1,445)	(1,445)
Collection Fund Surplus (budget error)		(46)	(46)
Others	(58)	(17)	(75)
TOTAL – over / (under) spend	(61)	289	228

6.3 The main changes since the Q3 report are explained below:

- **Legal:** Underspend in relation to the Mendip District Council legal contract as well as lower than expected general legal fees.
- **Corporate and Democratic Core:** Lower than budgeted Audit Fees as external audit costs have reduced.
- **Coast Protection:** Includes a budget that was created to provide revenue funding of £25,000 to fund the Blue Anchor Coastal Protection Scheme, however the scheme was discontinued meaning the revenue funding was not required.

- **Building Control:** Lower than budgeted income received during the year, partly as a result of increased competition from private sector suppliers.
- **Public Conveniences:** Approved savings target that was included in the budget were not fully achieved.
- **Open Spaces:** General underspends against budget.
- **Waste:** The reported overspend is essentially due to a correction to historic accounting practices for the treatment of garden waste kerbside collection service. The majority of income for 2015/16 garden waste service is received from customers in February/March of 2014/15 financial year, whereas the cost of the service is paid for during 2015/16. It is therefore appropriate to transfer (accrue) the income in 2015/16 so that income and costs are reported in the same accounting year.
- **Street Cleansing:** Approved savings target that was included in the budget were not fully achieved.
- **Housing Benefits:** Ongoing Benefit Adjustments – Payments recovered from ongoing benefits in respect of Housing Benefit overpayments.
- **Estates – Assets:** Generally income received higher than budgeted however this has been offset by the setting aside of funding for essential works on general asset compliance and Dulverton Mill Leat which members approved to be funded/offset by in-year underspends.
- **Development Control:** Increased application fees received compared to prediction at Q3 and budget. During Q4 applications in respect of Premier Inn / Brewers Fayre and Lidl were received, which contributed to the surplus income for the year.
- **Salaries / Shared Service costs:** Through the period of restructuring to implement the shared service structure there have been vacancies or delayed appointments in some posts which have resulted in savings against budget.
- **Transfers from Earmarked Reserves:** Earmarked reserve balances have been reviewed in light of the impact of the business rates refund costs on the outturn and general balances, and it is proposed to return monies to the General Fund.
- **Transfers to Earmarked Reserves:** An additional sum transferred to the Business Rates Smoothing Reserve to provide for the Collection Fund loss reported in 2014/15 and the predicted loss in 2015/16.
- **Business Rates Funding:** The impact of the major cost of appeals results the Council being due to receive a “safety net payment” to maintain funding in year close to the funding baseline. This payment will partly offset the Council's share of the Collection Fund loss referred in previous bullet point.
- **Collection Fund:** This was a budget error for the omission of the previous year's surplus on the Council Tax Collection Fund which was identified as part of the year-end closedown process.

6.4 Table 2 below provides a summary the revenue budget and outturn for the year.

Table 2 – Summary Revenue Outturn 2014/15

	Revised Budget £	Outturn £	Variance £
Corporate	389,396	385,295	-4,101
Operations	3,872,661	3,817,325	-55,336
Housing and Communities	343,629	393,079	49,450
Growth and Development	288,882	200,306	-88,576
Hinkley Central Support Recharges	-122,059	-115,683	6,376
Subtotal - Net Service Costs	4,772,509	4,680,322	-92,187
Interest costs and income	7,850	3,191	-4,659
Revenue Contribution for Capital Outlay (RCCO)	25,000	0	-25,000
Provision for capital debt repayment	200,400	200,400	0
Subtotal – Net Costs before reserve transfers	5,005,759	4,883,913	-121,846
Transfers from Earmarked Reserves	-602,164	--712,026	-109,862

	Revised Budget £	Outturn £	Variance £
Transfers to Earmarked Reserves	1,267,679	3,237,433	1,969,754
Transfers to/from General Reserves	-233,619	-233,619	0
NET BUDGET AND EXPENDITURE	5,437,655	7,175,701	1,738,046
<i>"Below the line" Funding items:</i>			
Business Rates Funding	-1,876,810	-3,321,464	-1,444,654
Revenue Support Grant	-1,224,738	-1,224,738	0
New Homes Bonus	-443,644	-447,252	-3,608
Other Grants	50,581	35,045	-15,536
Council Tax	-1,823,221	-1,869,121	-45,900
Estimated Surplus on 13/14 NNDR	-119,823	-119,823	0
TOTAL FUNDING	-5,437,655	-6,947,353	-1,509,698
NET OVERSPEND FOR THE YEAR	0	228,348	228,348

- 6.5 Further analysis and commentary on the main variances reported for the year is provided in **Appendix A**. The net underspend automatically transfers to General Fund Reserves as part of the financial year end process.

General Reserves

- 6.6 The following table summarises the movement on the General Reserves Balance during the year. The reserve balance as at 31 March 2015 is £529,899, which is £461,967 less than at the start of the financial year.

Table 3 – General Reserves Balance 31 March 2015

	Actual £
Balance Brought Forward 1 April 2014	991,866
Original Budget	-321,108
Supplementary Estimates:	
Sand Clearance	-10,000
Blenheim Gardens	-5,500
Blue Anchor Coastal Protection	-25,000
Planning Policy – Local Plan	-74,750
2014/15 In Year Budget Savings	95,158
Transfer of Uncommitted Earmarked Reserve Balances	107,581
2014/15 Outturn Overspend	-228,348
Balance Carried Forward 31 March 2015	529,899

- 6.7 As a result of the reported overspend in the year, the year-end balance is now only very marginally above the current recommended minimum balance within the Council's financial strategy. The financial challenge is well reported and this balance provides very little resilience to cover any additional costs or funding reductions arising in 2015/16.

Supplementary Budget Approvals – Allocations from Reserves

- 6.8 There are emerging essential asset maintenance costs totalling £40,000 that are not sufficiently covered within the existing approved budget for 2015/16. It is proposed that a supplementary budget is approved to cover these costs to enable the works to be completed, however there is insufficient capacity within general reserves for these to be affordable from general balances therefore – as the costs are identified as essential – the funding is withdrawn from the Sustainability earmarked reserve. The funding is needed for:

a) Quayside Road Minehead £5,000

West Somerset has previously carried out slope management works along the rear of properties at Minehead harbour to prevent any soil or rock slippage, including the introduction of high tensile nets and fixings. However a Quayside resident property owner has raised concerns about the trees and banking at the rear of their property and officers from both Property Services and Open spaces have visited to assess the situation. There are some accessibility issues and in order to complete a full assessment a large tree at the rear of the property will require cutting back and a full survey of the area and holding nets undertaken, with an estimated cost of £5000. It is anticipated the survey will identify further works required of a maintenance/replacement nature which may be extensive and costly.

b) Minehead Harbour £10,000

During 2015 we have carried out a large amount of maintenance works at Minehead harbour in order for it to continue as a working harbour, including removing a large amount of stone/pebbles from the harbour entrance, removing sand along the edge of the slipway, and renewing the majority of the boundary tubular fencing. However we have identified additional works required including: replace timber harbour uprights which protect the boats when either being launched or berthed; recasting/re-fixing access steps leading to the moorings in order to prevent slips or accidents; replacing a number of the signs in use on the harbour that have corroded and become sharp. We estimate costs of up to £10,000 for these works.

c) Compliance Works £25,000

Following approval to allocate £40,000 in 2014/15 to fund essential compliance reviews for council assets, the council's Property Service is on track to complete the initial compliance surveys. The Council has a large number of commercial premises, some of which are covered by lease agreements or party to alternative contractual arrangements. All will need to comply with the various aspects of legislation which will relate to their individual occupation. Most if not all premises will need an asbestos survey, an electrical test, legionella testing and require a fire risk assessment. If occupied by West Somerset staff they will also require PAT testing. This also includes all public conveniences, shelters, band stands, light houses and marinas. We are working through the survey stages and it is expected this will identify compliance associated works that will need to be completed to bring the properties in line with legal requirements. A budget increase of £25,000 is requested based on existing demands, and a further request may be needed depending on the findings of the compliance reports.

Earmarked Reserves

- 6.9 Earmarked Reserves are amounts that have been set aside for specific purposes from existing resources, where the expenditure is expected to be incurred in future years. The table below provides a summary of the movement in earmarked reserve balances during 2014/15 financial year, highlighting that earmarked reserve balances have increased by £2,525,407 to a total of £3,861,246 at 31 March 2015.

Table 4 – Earmarked Reserves Balance 31 March 2015

	Actual £
Balance Brought Forward 1 April 2014	1,375,939
Transfers to Revenue Account	-605,711
Transfers from Revenue Account	3,131,118
Balance Carried Forward 31 March 2015	3,901,346

- 6.10 The following paragraphs 6.11-6.20 provide explanation for the larger items included within the earmarked reserves balances. Further detail for all earmarked reserves is provided in **Appendix B**.

- 6.11 **Area Based Grant:** Was a general grant allocated directly to local authorities as additional revenue funding. It is allocated according to specific policy criteria rather than general formulae. Local authorities are free to use all of this non-ringfenced funding as they see fit to support the delivery of local, regional and national priorities in their areas. Members have previously earmarked the balance remaining to fund the employment costs of the Economic Regeneration Manager.
- 6.12 **Sustainability Reserve:** Earmarked for initiatives that have a positive impact upon the long term sustainability of the Authority.
- 6.13 **Joint Management and Shared Services:** During 2014/15 Members will be aware that as a result of bringing the entire officer teams of Taunton Deane Borough Council and West Somerset Council together during 2014/15 it has resulted in savings of £121,647 being achieved. This represents delivery of savings in year earlier than prudently allowed for within the business case, and as agreed through the Joint Partnership Advisory Group (JPAG), this sum has been transferred to the JMASS Earmarked Reserve to provide essential funding to support the transformation of services in the future. The JMASS Reserve balance is currently £275,714.
- 6.14 **Business Rates Smoothing Reserve:** With regards to net Business Rates Retention funding and the outstanding Hinkley Point appeal during 2014/15, it was recommended and approved throughout the year that any predicted retained growth would be transferred to the Business Rates Smoothing Reserve on top of the amount agreed as part of the 2014/15 original budget setting process. This was to assist with mitigating any potential impact of a successful appeal. Now that the appeal has been settled, this has proven to be a wise strategy however the accrued reserve balance is not sufficient to cover the full impact of the Collection Fund loss now being reported in 2014/15 and the predicted loss to be incurred in 2015/16. Therefore an additional £2,183,984 has been transferred to the Smoothing Reserve at the year-end leaving the balance in March 2015 as £2,930,156. Whilst this may appear 'large' it is forecast that this balance will be needed in full to mitigate the Collection Fund deficit over the next two years. This leaves no contingency for additional losses.
- 6.15 **Land Charges:** Government grant specifically earmarked for providing refunds of personal searches following the introduction of Environmental Information Regulations (EIR).
- 6.16 **Discretionary Housing Payments Reserve:** Government grant specifically ring-fenced for discretionary housing payments.
- 6.17 **Homelessness Prevention:** Homelessness prevention grant received as part of Revenue Support Grant, therefore appropriate sum has been earmarked in 2014/15 along with the remainder of the Mortgage Rescue Grant.
- 6.18 **Assets of Community Value:** Government Grant set aside to support the administration of applications under regulations.
- 6.19 **Planning Policy Reserve:** As recognised in Member reports in 2014/15, monies have been set aside to be drawn down in 2015/16 to cover additional costs arising and relating to the West Somerset Local Plan preparation through to examination and beyond to adoption.
- 6.20 **General Budget Carry Forwards:** Funds have been transferred to earmarked reserves in respect of requests to carry forward budget underspends to support service costs in 2015/16. These total £278,452 and are set out in detail in Appendix B.

7. **BUSINESS RATES RETENTION**

- 7.1 The Business Rates Retention (BRR) funding system is proving to be both challenging and volatile, with the Council facing significant risks particularly in respect of appeals against rateable values by rate payers. The required accounting arrangements also result in some 'timing differences' which can skew the funding position across financial years.

General Fund Retained Business Rates Funding

- 7.2 The council's share of business rates funding is directly linked to the total amount of business rates due and collected in the area. The amounts credited to the General Fund Revenue Budget in 2014/15 are based on business rates yield and BRR figures from different sources – a combination of the 2014/15 NNDR1 (Original Budget Estimate) and the 2014/15 NNDR3 (End of Year position):

Business Rates Funding Timing Differences

In Year Funding based on NNDR1 Original Budget Estimates (fixed amount for the year based on budget):
<ul style="list-style-type: none"> • 40% Standard Share of BR Income • Tariff to Government • Share of Previous Year's Collection Fund Surplus/Deficit
In Year Funding based on NNDR3 actual amounts due for the year (variable amount for the year based on actuals):
<ul style="list-style-type: none"> • Section 31 Grant (Government-funded Reliefs/ Discounts) • Levy Payment to Government • Safety Net Receipt from Government

- 7.3 At the end of the financial year there will be a Surplus or Deficit on the Business Rates Collection Fund, and this sum will be distributed in future years based on Standard Shares – so 40% for West Somerset Council.
- 7.4 The following table summarises the gain/loss for the council under the retention scheme by comparing the retained business rates income with the Funding Baseline set by Government. This will determine business rates income growth, which directly relates to the calculation of the Levy or Safety Net Payment due to/from central Government.

Table 5 – West Somerset Council Gain/Loss under the Retention Scheme

	Collection Fund	General Fund
Non Domestic Rating Income (Yield)	6,003,490	
Add back ½ Small Business Rates Relief plus Other Reliefs– funded by S31 Grant	853,047	
Adjusted Non Domestic Rating Income (Yield)	6,856,537	
40% Standard Share for WSC		2,742,615
Tariff to Government (fixed amount)		-2,979,434
Total Retained Income (negative = cost)		-236,819
WSC Business Rates Baseline		1,071,130
Safety Net Threshold		990,795
Safety Net Entitlement from Government		1,227,614

- 7.5 As the Table reports, our retained income amount is a 'cost' or 'loss' of £236,819. Under the Retention scheme our funding is protected so that it cannot fall below the Safety Net. As a result we will receive a safety net payment from government estimated at £1,227,614, to bring our actual retained funding from business rates back up to £990,795.

- 7.6 The following table summarises the net position in respect of retained business rates funding for the Council in 2014/15 based on required accounting entries.

Table 6 – Business Rates Funding Outturn for West Somerset Council

	Forecast Sept 2014 £	Forecast Dec 2014 £	Actual For 2014/15 £
40% Share of Business Rates Income	4,720,092	4,720,092	4,720,092
Tariff to Government (fixed amount)	-2,979,434	-2,979,434	-2,979,434
Section 31 Grant Funding for enhanced Small Business Rates Relief / Flooding Relief	323,461	354,616	353,192
50% Levy Payment to Government	-415,895	-432,694	0
Safety Net Entitlement from Government	0	0	1,227,614
Subtotal	1,648,224	1,662,580	3,321,464
Previous Year's Collection Fund Surplus	119,823	119,823	119,823
Total Retained Business Rates Funding 2014/15	1,768,047	1,782,403	3,441,287

- 7.7 As has been previously reported, the introduction of the Business Rates Retention system has introduced new financial risks for the Council. The council's share of business rates funding is directly linked to the total amount of business rates due and collected in the area. Although the total retained funding accounted in 2014/15 is above previous forecast, this is skewed by the timing differences in the required accounting and the fact that West Somerset has now accounted for a safety net payment from Government within its funding of £1,227,614. In reality the actual amount due for the year is below the reported amount, with the cost of appeals (see below) resulting in a very large deficit in the business rates Collection Fund.
- 7.8 As formally published by the Valuation Office Agency (VOA) on 6 May, the outcome of the Hinkley B appeal results in their Gross Rateable Value reducing to £8,000,000 (as at 1 April 2010) – a reduction of £3,180,000 in the 2010 Valuation. There has also been a spike in other appeals at the end of the final months of the financial year, it is assumed driven in part by a change in regulations introduced from April 2015. We have increased the provision for cost of appeals as part of the 2014/15 outturn to reflect these factors. The total provision on 31 March 2015 for estimated appeals and refunds for appeals is £7,946,041. The Council's share of this provision is £3,178,416 (40%).
- 7.9 The Council will need to pay additional funds into the Collection Fund in 2015/16 and 2016/17 to bring the Fund back into balance, and has set aside funds during the year into the Business Rates Smoothing earmarked reserve. As part of the outturn, the increase of £2,183,984 in the final quarter of the year has been transferred to the BR Smoothing Reserve, subject to formal approval by Cabinet and Council. The year-end balance on the Reserve is £2,930,156 (see 6.14 above; Appendix B). The Council's 40% share of the Collection Fund Deficit as at 31 March 2015 is £2,405,130. It is also projected there will be a further deficit in 2015/16 due to ongoing impact of appeals on annual business rates income, which together with the 2014/15 deficit will use up the majority of the Smoothing Reserve balance.
- 7.10 In summary our income in 2014/15 appears to be is higher due to the accounting for the safety net payment, but in reality this is not the real position and members need to take note of collection fund deficit.

8. **CAPITAL BUDGET OUTTURN 2014/15**

- 8.1 The final Capital Programme budget for 2014/15 for General Schemes was £1,043,935, with actual spend incurred during the year of £505,420 on these schemes, funded through a combination of capital receipts plus grant funding received for disabled facilities grants. Budget carry forward is requested to complete approved schemes in the Programme totalling £577,719, with an actual overspend reported of £39,204 (3.8%).
- 8.2 The key areas of spend included: Watchet CCTV installation; disabled facilities grants; asset disposal costs; IT hardware and upgrades; and various other schemes. The main area of overspend related to the costs associated with the completion of the disposal of land at Townsend Farm, Carhampton.
- 8.3 During 2014/15 a number of Capital Budget allocations were approved for schemes funded through Hinkley S106 contributions, totalling £1,374,288. The costs for these schemes is expected to be incurred over more than one year, with £348,114 actually spent during 2014/15 and £1,026,174 carried forward to complete the approved schemes in subsequent years.
- 8.4 The following table summarises the position for both general schemes and Hinkley-funded programmes:

Table 7 – Summary Capital Programme Outturn 2014/15

	General Schemes £	Hinkley Funded Schemes £	Total £
Original Capital Budget 2014/15	672,618	0	672,618
Supplementary Budget Approvals	371,317	1,374,288	1,745,605
Revised Capital Budget 2014/15	1,043,935	1,374,288	2,418,223
Actual Spend in 2014/15	505,420	348,114	853,534
Carry Forward Requests	577,719	1,026,174	1,603,893
Actual Plus Carry Forward Commitment	1,083,139	1,374,288	2,457,427
Net Overspend	39,204	0	39,204

- 8.5 A scheme by scheme analysis summary of the 2014/15 Outturn by Scheme is set out in **Appendix C**.
- 8.6 There has been no increase in the underlying capital borrowing requirement during the year.
- 8.7 The overall General Fund capital funding position remains very limited for the Council, and it needs to be borne in mind that the approved capital programme for 2015/16 requires funding of £472,637 from the Useable Capital Receipts Reserve. Below is a table showing the latest forecast of the reserve, and shows that there is only a small uncommitted balance on the reserve (not including new receipts in 2015/16). The Council has allocated £1.8m of capital receipts during 2014/15 to reduce capital debt, as part of the agreed strategy to reduce debt by a total of £3.5m using receipts from asset sales.

Table 8 – Useable Capital Receipts Reserve Balance 31 March 2015

	Actual £
Balance Brought Forward 1 April 2014	786,566
Capital Receipts Received in 2014/15	2,051,488
Capital Receipts Used in 2014/15	-141,473
Repayment of capital borrowing	-1,800,000
Schemes carried over from 2014/15	-421,182
Balance Carried Forward 31 March 2015	475,399

2015/16 Approved Capital Programme (Appendix D)	-472,367
Uncommitted Balance	2,762

- 8.8 For information, details of the approved 2015/16 Capital Programme are set out in **Appendix D** of this report.

9. FINANCIAL/RESOURCE IMPLICATIONS

- 9.1 Contained within the body of the report.

10. COMMENTS ON BEHALF OF SECTION 151 OFFICER

- 10.1 Business Rates Retention and the settlement of the Hinkley Point appeal has been hugely significant to West Somerset Council and retained funding has been drastically affected as a result of this.
- 10.2 Accounting for this has resulted in an over spend of £228,348 being reported on the General Fund, which is not good news and means general reserves are now effectively at the minimum acceptable level.
- 10.3 The Business Rates Smoothing Reserve addresses the currently identified Collection Fund loss as a result of this appeal settlement, however it does not provide any contingency for further losses in the future.
- 10.4 It should also be noted that we are continuing to see unfunded costs emerging such as additional £40,000 requested for asset issues within this report.
- 10.5 The Capital Programme has reported a relatively small overspend, mainly related to the costs of disposing of identified surplus assets reflecting the complex nature of the particular disposal. Capital reserves have effectively all been committed to fund current approved schemes in 2014/15 and 2015/16 capital programmes. This presents an ongoing risk in terms of limited funds to meet planned debt repayment and respond to urgent/reactive capital spending requirements.
- 10.6 The Council is now facing a very serious financial challenge. The significant savings achieved in Phase 1 of the JMASS project has been eliminated (and more) by the impact of this one Business Rates appeal, which of course is completely out of the Councils control . Had this not happened, then the Council would have been looking at an underspend against budget (due to strong financial management), and would have been in a stronger position for the years ahead. The report later on this agenda on the MTFP shows the scale of the challenge and the Council must now focus on this as a priority. Phase 2 of the JMASS project is now underway and will report back to Councils on the way forward re transformation in the autumn.

11. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

11.1 None directly in this report.

12. CRIME AND DISORDER IMPLICATIONS

12.1 None directly in this report.

13. CONSULTATION IMPLICATIONS

13.1 None directly in this report.

14. ASSET MANAGEMENT IMPLICATIONS

14.1 None directly in this report.

15. ENVIRONMENTAL IMPACT IMPLICATIONS

15.1 None directly in this report.

16. HEALTH & WELLBEING

16.1 None directly in this report.

17. LEGAL IMPLICATIONS

17.1 None directly in this report.

SUMMARY OF REVENUE VARIANCES TO REVISED BUDGET 2014/15

Group and Detail	Q3 Forecast Variance £	Q4 Actual Variance £	Comments
Corporate			
Legal	-13,104	-29,401	Underspend in relation to the Mendip District Council legal contract.
Other minor variances	-6,045	25,300	
Group Total	-19,149	-4,101	
Operations			
Corporate and Democratic Core		-21,230	Lower than budgeted audit fees
West Somerset House		-11,872	Lower than budgeted running costs
Building Control	58,679	58,893	Reduction in predicted application fees being received. This is due to the demand for the service being below levels including in the budget estimates. The service operates in competition with other providers and is also affected by the volatility within the construction market.
Public Conveniences	12,656	27,384	Approved savings budget not achieved
Open Spaces	11,987	-11,968	General Underspends against budget
Street Cleansing	20,309	10,251	Approved savings budget not achieved
Waste		64,594	Change in accounting treatment, moving of garden waste collection income to receipts in advance as relates to the 2015/16 financial year.
Council Tax Benefit	10,000	10,000	Correction to original budget / assumption in this area as reported through budget monitoring during the year.
Housing Benefits	-81,500	-42,328	Ongoing Benefit Adjustments – Payments held to clear debits with the Housing Benefits system and therefore not actually paid to the claimant.
Finance	-12,190	-15,444	Underspend in respect of bailiff fees and past service pension costs.
Salaries / shared service costs		-67,545	
Other minor variances	-25,977	-56,071	
Group Total	-6,036	-55,336	

Housing and Communities				
Estates – Assets	-11,039	24,570		Generally income received higher than budgeted however this has been offset by the setting aside monies for essential works on general asset compliance and Dulverton Mill Leat which members approved to be funded from in-year underspends.
Homelessness Administration		-16,349		Underspend in relation to homelessness prevention fund (demand led).
Private Sector Renewal	37,500	33,298		Sedgemoor contract for 2013/14 not paid or accrued therefore both 2013/14 and 2014/15 to be paid in the current financial year.
Other minor variances	-21,948	7,931		
Group Total	4,513	49,450		
Growth and Development				
Development Control	-37,273	-92,401		Increased application fees received compared to prediction and budget.
Other variances	-2,888	10,201		
Group Total	-40,161	-82,200		
Other Variances				
Interest and other income		-4,659		Under spend on predicted external loan interest costs together with increased investment returns.
Revenue Contribution For Capital Outlay		-25,000		Supplementary Estimate requested in year with regard to the Blue Anchor Coastal Protection Scheme however the scheme was abandoned therefore budget not required.
Transfers To / From Earmarked Reserves		1,859,892		Additional transfers required at year-end in light of the settled Hinkley Point Business Rates Appeal.
Funding Variances		-1,509,698		Credit for previous year's Council Tax Collection Fund Surplus (not included in budget), extra New Homes Bonus Funding and New Burdens Grant received. Also includes a safety net payment to be received from Central Government as a result of the Hinkley Point Business Rates appeal.
Total Underspend (-) / Overspend for the Year	-60,833	228,348		

SUMMARY OF EARMARKED RESERVES 2014/15

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Area Based Grant	113,634		-29,250		84,384	Approved that £9,004 was returned to general fund balances with balance committed to fund 40% of the employment costs of the Economic Regeneration Manager.
Sustainability Reserve	57,698				57,698	Earmarked for initiatives that have a positive impact upon the long term sustainability of the Council
JMASS Reserve	374,983	121,647	-241,116	20,200	275,714	£150,000 in respect of Central Government (Transformation Challenge Grant) received. The other £224,983 is the remainder of the £358,000 allocated as part of the Business Case report following the payment of redundancy costs. It was also decided to amalgamate JMASS reserves and therefore the £20,200 set aside as part of the Business Case approval has been moved to this reserve (see below). Transfers in of £121,647 during 2014/15 were as a result of salary savings achieved from the restructure of Tiers 4, 5 and 6. Transfers out of -£241,116 during 2014/15 were as a result of the funding of severance payments as part of the restructure.
JMASS Project Reserve	20,200			-20,200	0	£20,200 set aside as part of the Business Case approval. Moved to the JMASS reserve above.
Business Rates Retention Smoothing Account	269,663	2,660,493			2,930,156	£219,823 transferred as part of the setting of the 2014/15 budget. As part of Q1 forecast, a surplus of £192,345 for retained BR is currently projected. As at Q2 a further surplus of £49,985 for retained BR is predicted. As at Q3 a further surplus of £14,356 for retained BR is predicted. It is again proposed to earmark these funds at this stage. At outturn a further £2,183,984 is to be earmarked following the outcome of the Hinkley Point appeal to set aside funds to mitigate the effect of 14/15 actual deficit and the projected 15-16 deficit figure on the Collection Fund.).

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Community Safety	4,455		-922		3,533	External funding specifically earmarked for community safety initiatives
Land Charges	28,530		-3,019		25,511	Government grant specifically earmarked for providing refunds when due
Tourism	15,911		-3,804		12,107	Specifically earmarked for tourism and is topped up by ENPA
Seaside Towns	20,083		-22,273	2,190	0	Specifically earmarked for initiatives in Minehead
New Homes Bonus	113,850		-113,850		0	£51,820 to be used in 2014/15 for Rural Housing project and HIA contract. Approved that £62,030 was returned to general fund balances.
Minehead Events	9,651		-7,065	-2,190	396	Mary Portas grant – specifically earmarked
Housing Benefit Admin	11,782		-6,963	-4,819	0	Government Grant – specifically earmarked to provide support in times of recession
Council Tax Reform	49,308	59,659	-68,459	-40,508	0	Government Grant – specifically earmarked to support implementation of Council Tax Reforms
Benefits External Processing	1,657	10,621		-12,278	0	Underspend from Previous External Processing Benefit funded from Benefit Reform Grants
DHP Reserve	44,861				44,861	Government Grant – specifically ring-fenced for Discretionary Hardship Payments
Other Election Reserve	26,771		-3,108		23,663	Funds to meet the additional costs of IER.
Water Bathing Signs	1,266				1,266	Environmental grant specifically earmarked
Land Charges Surplus / Deficit	31,547		-31,547		0	Approved that £31,547 was returned to general fund balances.
Inspire	7,131				7,131	Earmarked for costs under the Inspire Directive
Transparency Code	2,588				2,588	Earmarked to meet the cost of complying with the transparency code
Exmoor at your Fingertips	1,780				1,780	LARC Fund to fund the “Exmoor at your Fingertip” project
Roughmoor Signage	1,011		-1,011		0	Contribution from business to fund sign for Roughmoor Enterprise centre. Works have been carried out.

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Minehead Town Centre Signage	885		-385		500	Contribution from Minehead Chamber of Trade and Morrison s106 to fund the signs
Our Place	2,500	8,434			10,934	Contribution for the Our Place project
Eat Exmoor	500		-400	-100	0	Contribution from SCC for the Eat Exmoor Project
National Grid PPA	16,911		-16,911		0	Earmarked to part fund the post of Nuclear Programme Manager. Monies have been utilised.
CCTV	4,000		-2,435		1,565	Underspend in 13-14 earmarked to fund the purchase of a new CCTV camera
Homelessness Prevention	66,120		-22,500		43,620	£50,000 Homeless Prevention Grant (part of RSG) plus remainder of Mortgage Rescue Grant
Section 31 - Flooding	13,486		-13,486		0	Funds to support businesses after the winter flooding. Monies have been used to support businesses.
Planning Staff Salary	6,000		-6,000		0	Part of the 13-14 planning application fees income earmarked to fund additional salary costs in the planning service in 14-15. Monies have been utilised.
Coast Protection	2,275		-2,275		0	Underspend in 13-14 earmarked to fund sand clearance costs in 14-15. Works have been carried out.
Morrison's Footpath	6,000				6,000	Earmarked to part fund the footpath upgrade
Council Tax Discount Scheme	5,000		-5,000		0	Approved that £5,000 was returned to general fund balances.
Community Right to Challenge	8,547		-3,547		5,000	Government Grant set aside to support the administration of applications under regulations.
Assets of Community Value	7,855	2,145			10,000	Government Grant set aside to support the administration of applications under regulations.
Planning Policy Reserve		61,725			61,725	Monies set aside and to be drawn down in 2015/16 to cover additional costs arising and relating to the West Somerset Local Plan preparation through to examination and beyond to adoption.
Sub Total	1,348,439	2,924,724	-605,326	-57,705	3,610,132	

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Budget Carry Forwards For Specific Services						
District Election Reserve	20,000	10,000			30,000	Earmarked for costs of 2015 elections
Watchet Harbour Dredging	7,500	5,700			13,200	Underspend in 13-14 earmarked to fund additional dredging in 14-15. Works have been carried out.
Customer Service Equipment Reserve		666			666	Specialised Chair Required (Health and Safety)
Car Parking Reserve		15,767			15,767	Monies set aside in respect of maintenance and signage required during 15-16
Environmental Health Reserve		3,718			3,718	Destitute Burial Reserve
Minehead Harbour Dredging Reserve		5,500			5,500	Earmarking of 14-15 unused budget carried forward to 15-16
Online DHP Reserve		5,375			5,375	Online Software Requirement
Compliance Works – Estates		27,121	-385		26,736	Carry forward of unused budget agreed as part of 14-15 financial monitoring reports
Strategic Housing Market Area Assessment Reserve		1,000			1,000	Contribution towards the Strategic Housing Market Area Assessment in 15-16
Business Development Reserve		3,095		100	3,195	Funding from various sources (Somerset Skills & Learning £500, Chairman Fund £1,500, Hinkley C S106 £1,000 plus £100 from Eat Exmoor ER) to fund initiatives to support small businesses
Planning Reserve		20,000			20,000	Carry forward of £20,000 from planning fee income to fund specialist technical advice for major planning applications. E.g. Landscape visual impact assessments, retail studies etc.

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Somerset Growth Board		957			957	Growth Board core costs for 2015/16.
Dulverton Mill Leat		12,195			12,195	Carry forward of unused budget agreed as part of 14-15 financial monitoring reports
Hinkley Corporate Cost Reserve		50,000			50,000	To Earmark Hinkley Contribution to the Corporate Core (Full Cost as we are still under the SPW Agreement at 31st March) to cover salary cost in the event that the transition to the DCO is significantly delayed or does not happen.
Revenues and Benefits Reserve		10,300		57,605	67,905	Transfer to earmarked reserve to mitigate reduction in New Burdens grant.
Training Reserve		10,000			10,000	Underspend carried forward to 2015/16
Licensing Staff Reserve		10,000			10,000	To fund extra resource within West Somerset Council.
Finance Reserve		15,000			15,000	Underspend to provide resilience / maternity cover cost share
Total - Budget Carry Forwards For Specific Services	27,500	206,394	-385	57,705	291,214	
GRAND TOTAL	1,375,939	3,131,118	-605,711	0	3,901,346	

CAPITAL PROGRAMME OUTTURN 2014/15**General Schemes**

Capital Scheme	Original Budget £	Revised Budget £	Actual Spend £	Variance Against Revised Budget £	Proposed Carry Forward £	Proposed Funding Of Carry Forward Requests		
						Capital Receipts £	Grants £	S106 £
General Funded Schemes								
Dulverton Weir		20,000	17,809	(2,191)	2,191	2,191		
IT Hardware Replacement Programme and Microsoft Licence	44,636	44,636	43,996	(640)				
Seaward Way (Housing Land) Disposal Costs	20,000	20,000	(1,500)	(21,500)	21,500	21,500		
Seaward Way (Leisure Land) Disposal Costs	16,000	16,000	8,792	(7,208)	7,208	7,208		
Watchet Harbour Impounding Wall	19,100	19,100	770	(18,330)	18,330	18,330		
Watchet Harbour Concrete Columns	27,000	27,000	3,426	(23,574)	23,574	23,574		
Watchet Harbour Ladder	3,000	3,000		(3,000)	3,000	3,000		
Street Cleaning Vehicles	138,000	138,000		(138,000)	138,000	138,000		
Former Aquasplash Site Disposal Costs	13,900	13,900		(13,900)	13,900	13,900		
Former Visitor Information Centre Disposal Costs	4,200	4,200		(4,200)	4,200	4,200		
Townsend Farm Disposal Costs	3,000	3,000	35,482	32,482				
Watchet CCTV Installation	65,000	65,000	66,807	1,807				
Disabled Facilities Grants	183,782	183,782	111,502	(72,280)	72,280		72,280	
Shared Service Costs With TDBC (JMASS IT)	135,000	135,000	10,405	(124,595)	124,595	124,595		
East Wharf Scheme		70,000	5,316	(64,684)	64,684	64,684		
Decent Homes			1,542	1,542				
Clanville Housing			1,250	1,250				
Fuel Poverty / Energy Efficiency			1,424	1,424				
Stair Lift Recycling			1,339	1,339				
Sub Total General Fund	672,618	762,618	308,360	(454,258)	493,462	421,182	72,280	0
General S106 Funded Schemes								
Minehead Heritage Trail		48,053	29,310	(18,743)	18,743			18,743
Burgage Road Play Area		2,000		(2,000)	2,000			2,000
Culvercliffe Play Area		6,250	6,250					

Capital Scheme	Original Budget £	Revised Budget £	Actual Spend £	Variance Against Revised Budget £	Proposed Carry Forward £	Proposed Funding Of Carry Forward Requests		
						Capital Receipts £	Grants £	S106 £
Watchet Outdoor Gym Project		24,995		(24,995)	24,995			24,995
Beechfield Affordable Housing Project		161,500	161,500					
Illuminations Project		38,519		(38,519)	38,519			38,519
Sub Total General S106		281,317	197,060	(84,257)	84,257			84,257
Total General Schemes	672,618	1,043,935	505,420	(538,515)	577,719	421,182	72,280	84,257

Hinkley S106 Funded Schemes

Capital Scheme	Original Budget £	Revised Budget £	Actual Spend £	Variance Against Revised Budget £	Proposed Carry Forward £	Proposed Funding Of Carry Forward Requests		
						Capital Receipts £	Grants £	S106 £
Tropiquaria		40,000	40,000					
Old Croft House		56,000	56,000					
SYCSA		9,600	9,600					
SDC – 3 Crowns Scheme		183,390	183,390					
Tropiquaria Play Equipment		37,350	19,879	(17,471)	17,471			17,471
Burgage Road		90,373	39,245	(51,128)	51,128			51,128
Steam Coast Trail		4,000		(4,000)	4,000			4,000
HTAP Action Plan		125,385		(125,385)	125,385			125,385
YMCA Somerset Coast		37,800		(37,800)	37,800			37,800
SHAL Housing Association		80,000		(80,000)	80,000			80,000
Williton Bowling Club		13,000		(13,000)	13,000			13,000
Stogursey Parish Council		2,640		(2,640)	2,640			2,640
Westfield United Church		110,000		(110,000)	110,000			110,000
Roadwater Village Trust		25,000		(25,000)	25,000			25,000
Living Over The Shop		204,750		(204,750)	204,750			204,750
First Time Buyers		105,000		(105,000)	105,000			105,000
Wembdon Village Hall		250,000		(250,000)	250,000			250,000
Total Hinkley S106	0	1,374,288	348,114	(1,026,174)	1,026,174	0	0	1,026,174

Approved Capital Programme 2015/16

Capital Scheme	Draft Budget £	Proposed Funding		
		Capital Receipts £	Grants £	Revenue Funding £
Superfast Broadband Previously approved contribution to enhanced coverage (includes £109,000 expected carry forward from 2014/15)	240,000	240,000	0	0
Shared Services ICT Projects JMASS ICT Business Case £356k less £135k in 2014/15	221,000	221,000	0	0
Disabled Facilities Grants To enable the adaption of homes for the disabled	241,000	0	241,000	0
7 The Esplanade, Watchet To prevent further water ingress and to make the building watertight	15,000	0	0	15,000
Microsoft License Fee Annual license fee for use of Microsoft Office software	12,000	0	0	12,000
IS Annual Projects To replace applications which will be unsupported by Microsoft from July 2015	61,000	11,367	0	49,633
TOTAL	790,000	472,367	241,000	76,633

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Report Number: WSC 120/15
Presented by: Cllr Chilcott, Lead Member for Resources and Central Services
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Report to a Meeting of: Cabinet
To be Held on: 5th AUGUST 2015
Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: 10/2/15

MEDIUM TERM FINANCIAL PLAN

1. PURPOSE OF REPORT

- 1.1 To share the latest Medium Term Financial Plan (MTFP) forecasts for the Council's net spending and funding and highlighting the projected budget gap to be addressed over the immediate and short to medium term.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The development of a realistic and deliverable MTFP is key to the future sustainability of the Council and the valuable services it delivers to the community of West Somerset.

3. RECOMMENDATIONS

- 3.1 Cabinet are requested to note the updated MTFP position and key messages in respect of achieving ongoing financial sustainability.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
The Authority fails to develop a sustainable financial plan for 2016/17 and beyond.			
<i>Mitigation: Members support and approve delivery of key actions to produce a balanced budget</i>	2	4	8

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1 The financial history of West Somerset Council has been well documented and is widely understood. The Council has made good progress over recent years and this was recognised in the external auditors (Grant Thornton) report in 2013. Importantly, Councillors recognise and understand that more has to be done as the financial challenges ahead are considerable.
- 5.2 The Council's partnership with Taunton Deane Borough Council has contributed to the delivery of savings, through "joining up" the Officer structures of the two Councils. Alongside other key decisions to address the budget gap for 2015/16, the savings enabled the Council to set a balanced budget for 2015/16.
- 5.3 When the current budget was approved in February 2015, Members were advised of a projected budget gap in future years of £297,000 in 2016 rising to an estimated £1.24m by 2019.
- 5.4 Since February a significant update to our funding has been confirmed through the settlement of a business rates appeal on the Hinkley B power station. It is also sensible to review the key assumptions used in preparing our financial forecasts and to reflect any new information since the previous update.
- 5.5 This report therefore sets out to provide Members with updated financial projections to underpin the budget setting process, reflecting as much as possible what is "known", and providing "best estimates" on areas of uncertainty. The Medium Term Financial Plan (MTFP) will continue to be updated as new information emerges and further updates shared with Members at key points in the budget process.
- 5.6 On 8 July 2015 the Chancellor issued a Budget Statement which set out the direction of travel in terms of government policy and measures to address the national economic deficit. The budget reinforced our expectations that austerity measures will continue through this parliamentary period, as they had in the previous one, and we can expect a further squeeze on public spending.
- 5.7 Locally, the JMASS Business Case explained that further opportunities for driving out savings – by looking at service redesign and transformation - would be explored after the joining up of the workforce. This work will be undertaken in the coming months, and importantly will seek to align with the future priorities of the Councils. It will be important for our financial sustainability that savings can be delivered in the near term as well as over the longer term.

6. MEDIUM TERM FINANCIAL PLAN (MTFP)

- 6.1 The following table sets out a summary of the council's latest forecasts of costs and funding. The latest estimated Budget Gap for 2016/17 is £566,000, rising to approximately £1.5m by 2020. This gap of £1.5m is equivalent (in cash terms) to 31% of the current 2015/16 Net Expenditure Budget.

Table 1: Medium Term Financial Plan Forecast

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Forecast Net Expenditure	4,962,066	5,220,306	5,332,436	5,517,694	5,705,104	5,832,729
Earmarked Reserve Transfers	-149,928	-2,780,202	0	0	0	0
General Reserve Transfers	0	0	0	0	0	0
WSC NET BUDGET	4,812,138	2,440,104	5,332,436	5,517,694	5,705,104	5,832,729
Parish precepts	870,603	870,603	870,603	870,603	870,603	870,603
TOTAL NET BUDGET	5,682,741	3,310,707	6,203,039	6,388,297	6,575,707	6,703,332
Retained Business Rates	-1,554,776	-1,437,620	-1,469,181	-1,500,299	-1,533,172	-1,565,843
Collection Fund Surplus(-) / Deficit – Business Rates	149,928	2,780,202	0	0	0	0
Revenue Support Grant	-880,491	-572,319	-286,159	-143,079	0	0
New Homes Bonus	-571,015	-710,068	-774,086	-690,310	-594,909	-585,221
Council Tax Freeze Grant	0	0	0	0	0	0
Council Tax – WSC	-1,885,584	-1,934,551	-1,984,855	-2,036,378	-2,089,259	-2,143,531
Collection Fund Surplus(-) / Deficit – Council Tax	-70,200	0	0	0	0	0
WSC NET FUNDING	-4,812,138	-1,874,356	-4,514,281	-4,370,066	-4,217,340	-4,294,595
Council Tax – Parishes	-870,603	-870,603	-870,603	-870,603	-870,603	-870,603
TOTAL FUNDING	-5,682,741	-2,744,959	-5,384,884	-5,240,669	-5,087,943	-5,165,198
Budget Gap – In Year	0	565,748	252,407	329,473	340,136	50,371
Budget Gap – Cumulative	0	565,748	818,155	1,147,628	1,487,764	1,538,134

6.2 A major item within the MTFP as shown in the table above relates to a projected deficit on the Business Rates Collection Fund. This is explained later in this report, and relates to the reduction in business rates payable due to appeals, and extensively due to the appeal and refund in respect of Hinkley B power station.

7. KEY EXPENDITURE ASSUMPTIONS

7.1 The following key assumptions have been used in refreshing our financial forecasts in respect of net expenditure:

- a) Staff Pay award estimated at 1% in 2016, then rising to 2% each year thereafter. [Note - it is acknowledged the July 2015 Budget limited public sector pay to 1%, however it is important to be clear that the Budget statement relates to pay levels set by Government and that local government pay is settled through negotiation.]
- b) Contract price inflation estimate re included
- c) Inflation based on RPI applied to business rates settlement funding. Business rates yield reduced by 11.4% reflecting ongoing impact of appeals and other reductions in rateable values in the area.
- d) General price increases are projected to be absorbed within existing budgets
- e) Pension Deficit Recovery lump sum payments projected to increase by £50k each year based on latest actuarial valuation (total bill in 2019/20 £460k = 8.1% of forecast Net Expenditure Budget).
- f) National Insurance: “Contracting Out” reduction in NI costs of 3.4% ends in March 2016; this is projected to increase costs by c£55k in 2016/17.

- g) Reduction in Housing Benefit and Council Tax Rebate Admin Grant, due to transfer of fraud investigation to DWP and general reductions in funding.
- h) JMASS: Net savings per the Business Case have previously been included in financial forecasts. No assumptions included at this stage in respect of costs or savings for transformation of services.
- i) Interest costs: Projected to remain at £15,000 for foreseeable future, to prudently allow for potential need to maintain loan financing.
- j) Debt repayment: The Council plans to set aside £1.7m of new capital receipts to repay debt. The estimated timing of this projected repayment has been updated to take place in 2016/17, pending actual receipts from planned asset sales.

8. **KEY FUNDING ASSUMPTIONS**

8.1 The projected funding position is summarised in Table 1 above as part of the overall MTFP summary. It is evident that funding is expected to fall in cash terms by c11% in cash terms (or estimated 19% in real terms). This section of the report sets out further information in respect of our key funding streams.

Business Rates

8.2 The Business Rates Retention system was introduced in April 2013, and results in the Council sharing in the benefits and risks around business rates growth within the district. A significant risk within the system relates to appeals and refunds, and this has been proven to be a major factor for West Somerset Council through the reduction in yield – and significant refunds – in respect of Hinkley B power station and provisions in respect of appeals lodged by businesses but yet to be settled. Further information specifically in respect of the Hinkley appeal is included in the 2014/15 Financial Outturn Report.

8.3 It is projected that the main budget for net retained business rates funding will reduce in 2016/17 by 7.5% or £117,000. This is a net reduction comprising a number of different elements to the funding mechanism, as summarised in the table below.

Table: Rates Retention Funding Estimates

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
40% Standard Share of Business Rates Yield	4,607,581	4,149,520	4,226,200	4,302,880	4,388,080	4,473,280
Rates yield from renewable energy schemes	10,000	10,146	10,334	10,521	10,729	10,938
Tariff to Government	-3,036,366	-3,080,646	-3,137,578	-3,194,510	-3,257,768	-3,321,026
Levy Payment	-434,864	-178,578	-181,876	-185,174	-188,837	-192,501
S31 Grant	408,425	537,178	552,101	566,582	580,968	595,152
Net Retained Business Rates Funding	1,554,776	1,437,620	1,469,181	1,500,299	1,533,172	1,565,843

8.4 Of key importance is that the 2016/17 budget includes a requirement to pay some £2.8m to offset our 40% share of the projected Collection Fund Deficit, which arises substantially due to the provision for appeals refunds. The Council has set aside funds within its Business Rates Smoothing earmarked reserve in 2014/15 to mitigate the budget impact of the above payment in 2016/17.

Revenue Support Grant (RSG)

- 8.5 The MTFP assumption at Budget Setting in February 2015 was for RSG funding from Government to reduce by 35% in 2016/17 and then decline year on year to £zero in 2020/21. In view of the strong messages from the new Government about ongoing pressure on public funding it is prudent to revise our forecasts in respect of this general grant. It is now estimated that the RSG grant funding will end on 2018/19 and thus reduce to £zero in 2019/20. It is expected we will have greater certainty over this grant funding through the Spending Review in the autumn and annual Settlement Funding Assessment in December.

Table: Revenue Support Grant Forecast

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£	£
Estimated reduction		-35%	-50%	-50%	-100%	
Funding Base	1,224,738	880,491	572,319	286,159	143,079	0
Council Tax Freeze Grant rolled in	20,547					
Projected Reduction	-364,794	-308,172	-286,160	-143,080	-143,079	0
Forecast RSG	880,491	572,319	286,159	143,079	0	0

New Homes Bonus

- 8.6 New Homes Bonus (NHB) grant system started in April 2011, and provides funding linked to housing growth. It is unringfenced funding, and each year's award is paid in grant on a 6-year rolling basis. The current MTFP assumption is that NHB Grant is used in its entirety as general funding to support the annual budget for services. However, Members are reminded of the aspiration within the current budget strategy to seek to reduce reliance on NHB for day to day service costs, and provide some flexibility to support one costs such as projects and capital spending. The NHB forecast has not changed since February 2015, but will be reviewed again during the summer to inform the ongoing budget setting process.

Table: New Homes Bonus Grant Forecast

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£	£
Confirmed Grant:						
2011/12 Allocation	91,342	91,342	0	0	0	0
2012/13 Allocation	147,213	147,213	147,213	0	0	0
2013/14 Allocation	145,401	145,401	145,401	145,401	0	0
2014/15 Allocation	59,688	59,688	59,688	59,688	59,688	0
2015/16 Allocation	127,371	127,371	127,371	127,371	127,371	127,371
Estimates:						
2016/17 Allocation	0	139,053	139,053	139,053	139,053	139,053
2017/18 Allocation	0	0	155,360	155,360	155,360	155,360
2018/19 Allocation	0	0	0	63,437	63,437	63,437
2019/20 Allocation	0	0	0	0	50,000	50,000
2020/21 Allocation	0	0	0	0	0	50,000
Totals	571,015	710,068	774,086	690,310	594,909	585,221

- 8.7 It should be noted the risk in respect of this grant – if the grant, which should be confirmed in December, is different to the above estimates this will directly affect the overall estimated Budget Gap included currently in the MTFP.

Council Tax

- 8.8 Council tax income is affected by the movement in the Tax Base and the rate of tax that is set by this Council. The Council Tax Base comprises a count of the net chargeable properties, taking into account a forecast of entitlements to discounts and council tax rebate, net growth in housing numbers in the District, and estimated net non-collection rate (for bad debts and differences between assumptions and real outcomes). The current base budget information for 2015/16 includes the following:

2015/16 Council Tax Base, stated as “Band D Equivalents”	13,414.8
2015/16 Council Tax Band D Charge	£140.56
2015/16 Council Tax Income (Precept Demand on Collection Fund)	£1,885,584

- 8.9 Members will make decisions regarding the Council Tax rate for 2016/17 when the Council’s Budget is approved in February 2016. For financial planning purposes the MTFP includes *officer* assumptions:
- An annual Council Tax increase of 1.99% from 2016/17
 - An annual increase of 0.6% in the Tax Base (Band D Equivalents)
- 8.10 To help appreciate the impact of future tax decisions by the Council on the Council’s financial position, a 1% change in the Council Tax rate affects the Council’s income by £19,000 per year. Setting a rate below the forecast 1.99% within the MTFP would increase the Budget Gap for 2016/17 and beyond, and would need to be mitigated through other budgetary measures.

Table: Council Tax Income Forecast

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Impact of Tax Base increase £		11,315	11,612	11,915	12,211	12,530
Assumed 1.99% Band D increase £		37,652	38,692	39,608	40,670	41,742
Forecast Council Tax	1,885,584	1,934,551	1,984,855	2,036,378	2,089,259	2,143,531

- 8.11 Indications from Government are that council tax increases will remain low through the next Parliament. We therefore assume there will continue to be a tax increase limit above which a local referendum would be required. At this stage it is not known whether a future tax freeze grant incentive will be available for 2016/17 or later years.

9. RESERVES

General Reserves

- 9.1 General Reserves are “usable reserves” i.e. real funds that the Council can use to support one-off spending. The **recommended minimum reserves balance is £500k** – to provide protection for unforeseen costs/losses and fluctuations in income and expenditure in any given year.

- 9.2 The Reserves balance as at 1 April 2015 stands at £530,000 (subject to confirmation through the completion of the audit of the 2014/15 Accounts). This provides minimal flexibility to deal with any financial issues arising in the current financial year, and Members **cannot rely on using reserves to address the Budget Gap** in future years.
- 9.3 The 2015/16 Budget does not include any planned transfers to or from the General Reserve balance, and this also applies in future years in the current MTFP forecasts. However, as the balance has reduced to very close to the recommended minimum, and the Council continues to face ongoing financial risks it would be sensible to be able to plan to increase the reserves balance if affordable – this will be considered through the development of an updated Budget Strategy.

Earmarked Reserves

- 9.4 Earmarked Reserves are funds set aside for specific purposes or specified contingencies. As with General Reserves, it is advisable to use Earmarked Reserves for one-off spending.
- 9.5 As detailed in the 2014/15 Financial Outturn Report, the earmarked reserves balance as at 1 April 2015 is £3,901,000. This includes £2,930,000 held in the Business Rates Smoothing Reserve which is required to be used in 2015/16 and 2016/17 to offset the deficit in the Collection Fund. In addition, the balance includes £291,000 in respect of funding for Budget Carry Forwards from 2014/15, which will be drawn down and added to the 2015/16 budget once formally approved by Members.
- 9.6 The intention is to review the earmarked reserves again over the summer as part of the annual budget process, where it is expected current balances will be challenged to ensure they continue to be required for the purpose intended, and that this reflects the key priorities and affordability of such planned spending.

10. CAPITAL FINANCING

- 10.1 The underlying capital borrowing position – known as the Capital Financing Requirement” – as at 1 April 2015 is £5,632,700. Borrowing can be supported by physical loan(s) – “External Borrowing” – and/or by using cash balances from reserves and working capital “Internal Borrowing”.
- 10.2 Capital borrowing is usually repaid in two ways:
- Charges to the Revenue Budget for debt repayment (known as Minimum Revenue Provision – “MRP”)
 - Using capital receipts – “set aside to repay debt” – rather than used to fund new capital expenditure.
- 10.3 The following table summarises the projected capital borrowing and charges to revenue assumed in the MTFP. This has been updated to take a more prudent approach in terms of potential timing of capital receipts from planned asset sales during 2015/16 and 2016/17, and shows the projected underlying borrowing potentially reducing to c£3m by 2020/21 on current projections.

Table: Capital Financing Requirement (CFR)

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
CFR Brought Forward	5,632,700	5,407,400	3,491,100	3,351,500	3,217,400	3,088,700
Annual MRP	-225,300	-216,300	-139,600	-134,100	-128,700	-123,500
Repaid using capital receipts	0	-1,700,000	0	0	0	0
CFR Carried Forward	5,407,400	3,491,100	3,351,500	3,217,400	3,088,700	2,965,200

10.4 The minimum revenue provision (MRP) is generally calculated based on 4% of the reducing balance. The use of capital receipts to offset part of the CFR balance has the effect therefore of reducing the annual MRP cost – which helps to reduce the projected budget gap. The current MRP projection assumes £1.7m of capital receipts will be set aside in 2016/17. Any changes in terms of amount or timing of capital receipts available to repay debt would mean the MRP forecast will need to be updated. This is a risk area for our financial planning.

Table: Minimum Revenue Provision Estimates

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
MRP Base Budget		225,300	216,300	139,600	134,100	128,700
Impact of additional borrowing		0	0	0	0	0
Impact of reducing balance		-9,000	-8,700	-5,500	-5,400	-5,200
Savings by using Capital Receipts to reduce debt		0	-68,000	0	0	0
Budget Estimate	225,300	216,300	139,600	134,100	128,700	123,500

11. FINANCIAL/RESOURCE IMPLICATIONS

11.1 Included within main body of the report above.

12. COMMENTS ON BEHALF OF SECTION 151 OFFICER

12.1 Members will continue to face some tough decisions around priorities in order for our services to be affordable. It is clear we cannot afford to deliver services in the same way and/or at the same level as now. Despite balancing the budget for 2015/16 and the work undertaken already to reduce costs, the financial position remains very serious for the authority. The long standing priority of achieving financial sustainability remains key, and this will be harder to achieve as funding continues to fall and pressure on service costs increases. The excellent progress in achieving this over the last year has been somewhat negated by the impact of the business rates appeal on Hinkley B. The Council is facing a serious financial challenge and Members will need to take some difficult decisions over the coming weeks and months. A reduction in the Councils net budget position is essential to the future sustainability of the Council.

12.2 Proposals in terms of an updated budget strategy will be considered in the coming weeks, with officers working with the new Council to bring forward a clear strategy to Members in September.

- 12.3 The work being progress in the second phase of JMASS will clarify the potential for transformation and will bring further choices to Members. Transformation will bring benefits and further savings, but may not be enough to balance the budget and deliver resources to fund all the Councils ambitions.
13. **EQUALITIES & DIVERSITY IMPLICATIONS, CRIME AND DISORDER IMPLICATIONS, CONSULTATION IMPLICATIONS, ASSET MANAGEMENT IMPLICATIONS, ENVIRONMENTAL IMPACT IMPLICATIONS, HEALTH & WELLBEING, LEGAL IMPLICATIONS**
- 13.1 There are no implications directly as a result of this report. It will be important for Members to assess the impact for such factors through the corporate/service and financial planning and decision process.