

To:

Members of Scrutiny Committee

(Councillors P H Murphy (Chairman), N Thwaites (Vice Chairman), I Aldridge, R Clifford, G S Dowding, B Leaker, B Maitland-Walker, J Parbrook, and R Woods)

Members of Cabinet

(Councillor A Trollope-Bellew (Leader), M Chilcott (Deputy Leader), M Dewdney, K J Mills, C Morgan, S J Pugsley, K H Turner, D J Westcott)

Our Ref CS

Contact Emily McGuinness emcguinness@westsomerset.gov.uk

Date 05 October 2016

**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:

SCRUTINY COMMITTEE

Date: Thursday 13 October 2016

Time: 3.30 am

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 01643 703704.

Yours sincerely



BRUCE LANG
Proper Officer

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.

SCRUTINY COMMITTEE

Meeting to be held on Thursday 13 October 2016 at 3.30 pm

Council Chamber, Williton

AGENDA

1. Apologies for Absence

2. Minutes

Minutes of the Scrutiny Committee held on 16 August 2016, to be approved and signed as a correct record – **SEE ATTACHED.**

3. Declarations of Interest

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

4. Public Participation

The Chairman to advise the Committee 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. Notes of Key Cabinet Decisions/Action Points

To review the Key Cabinet Decisions/Action Points from the Cabinet Meeting held on 8 September, 2016. – **SEE ATTACHED.**

6. Cabinet Forward Plan

To review the latest Cabinet Forward Plan for the months of November onwards, published on 4 October 2016. – **SEE ATTACHED.**

7. Chairman's Announcements

An opportunity to update the Committee on any matters of interest or matters arising.

8. Review of Council Tax Rebate Scheme for 2017/2018

To consider Report No. WSC 110/16 to be presented by Councillor Chilcott– [SEE ATTACHED.](#)

The purpose of the report is for members to give consideration on whether to revise its local CTR scheme and to consult with interested parties if it wishes to change the scheme. Consultation on the agreed options and consideration must now be given to the scheme for the financial year 2017/18 that would require approval by Full Council by 31 January 2017.

9. Quarter 2 2016/2017 Performance Report

To consider Report No. WSC 111/16 to be presented by Councillor Anthony Trollope-Bellew– [SEE ATTACHED.](#)

The purpose of the report is to provide Members with key performance management data up to the end of month 5 Quarter 2 2016/17, to assist in monitoring the Council's performance.

10. Financial Monitoring 2016/17 as at 31st August 2016

To consider Report No. WSC 112/16 to be presented by Councillor Chilcott– [SEE ATTACHED.](#)

The purpose of the report is to provide an update on the projected "outturn" – end of year – financial position of the Council for the financial year 2016/17 (as at 31 August 2016).

11. Four Year Finance Settlement 2016/2017 to 2019/2020

To consider Report No. WSC 115/16 to be presented by Councillor Chilcott– [SEE ATTACHED.](#)

The purpose of the report is to present to Scrutiny Committee an update on the arrangements for a possible four year funding settlement from Government in relation to certain grants.

12. Housing Enforcement Policy

To consider Report No. WSC 113/16 to be presented by Councillor Turner – [SEE ATTACHED.](#)

The purpose of the report is to seek Member approval for the Somerset West Housing Standards Policy. The policy has been developed with the assistance of the Council's partners which include; Sedgemoor District Council, Taunton Deane Borough Council, private sector landlords, tenants, Taunton Association for the Homeless, Bridgwater YMCA, and Somerset Care and Repair. It is a three year policy detailing how the partnership will regulate standards in private sector housing in

Sedgemoor, Taunton Deane and West Somerset.

13. Amendment to the Private Sector Renewal Policy

To consider Report No. WSC 114/16 to be presented by Councillor Keith Turner. – **SEE ATTACHED.**

The purpose of the report is to The report seeks Member approval for an amendment to the Somerset West Private Sector Housing Renewal Policy to include new prevention grant and equipment provisions to assist applicants applying for disabled adaptations and to assist with essential modifications to housing or repairs for owner occupiers and tenants with repairing obligations in order to prevent accidents or ill-health.

14. Scrutiny Committee Work Plan

To receive items and review the Scrutiny Committee Work plan for 2016/17. - **SEE ATTACHED.**

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.

SCRUTINY COMMITTEE

Minutes of the Meeting held on 16th August 2016 at 10.30 am

Present:

Councillor P H MurphyChairman
Councillor R ThwaitesVice-Chairman

Councillor I Aldridge
Councillor B Leaker
Councillor R Woods

Councillor G S Dowding
Councillor J Parbrook

Members in Attendance:

Councillor M Chilcott
Councillor A Hadley
Councillor R Lillis

Councillor H Davies
Councillor B Heywood
Councillor A Trollope-Bellew

Officers in Attendance:

Assistant Chief Executive and Monitoring Officer – (B Lang)
Director of Operations and Deputy CEO (S Adam)
Assistant Director – Corporate Services (R Sealy)
Corporate Strategy and Performance Manager (P Harding)
Corporate Transformation Programme Manager (K Batchelor)
Media and Communications Officer (D Rundle)
Democratic Services Officer (M Prouse)
Democratic Services Officer (A Randell)

SC 21 Apologies for Absence

Apologies were received from Cllrs R Clifford and B Maitland-Walker.

Councillor B Heywood was substituting for Councillor B Maitland-Walker.

SC 22 Update on the Transformation Business Case

The update was introduced by the Director of Operations and Deputy CEO.

The purpose of this report was to provide an update to the committee on the progress of the JMASS Transformation Business Case – including the decision

made by Full Council of Taunton Deane Borough Council(TDBC) on 26th July 2016, and of Sedgemoor District Council(SDC) on 3rd August 2016:

During discussion, the following points were raised:

- The Chairman welcomed discussion from members but requested that points made previously at the Scrutiny meeting that considered the Transformation Business Case are not repeated, with discussion to take place regarding the update presented.
- Further interpretation was requested on the three options in the report, along with which options provided more serious concerns.
- Paragraph 10.25 was discussed and the implications of pursuing option 3 were considered by members.
- To deliver option 1 both authorities would need to agree this option, but TDBC had made the decision to progress option 2 and revert to option 3 should West Somerset Council(WSC) not agree to option 2.
- It was considered which authority would incur the financial liability in the event that option 3 was progressed and it was explained that the provisions of the Inter Authority Agreement of the two councils would need to be followed under which negotiations would need to take place between the two councils.
- Members voiced concerns that the decision had already been influenced from the WSC perspective, following the Full Council decision at TDBC.
- There were additional costs if the transformation project was undertaken by one council instead of two. TDBC had decided on progressing the transformation whichever option was progressed.
- There were additional costs of £1 Million with TDBC progressing the transformation project without a merger, resulting in the ongoing savings being £300,000 less.
- Work on the business case had been undertaken following a mandate from both authorities in March.
- A merged council would achieve ongoing savings of £3.1 million. This was £500,000 more than if transformation progressed without both authorities merging.
- It had been recognized that it would be difficult for WSC to have the ability to fund transformation under option 3.
- The merger option would not redraw the boundaries for both authorities – by combining the existing areas - and maximise the benefits for both councils and their communities.
- Reference was made to an exchange of letters between TDBC, WSC and SDC. SDC had not taken up the offer to provide figures to implement into the business case to assess what benefits could be attained, but instead had stated the preferred option for them would be to refer the matter to the Local Government Boundary Commission.
- There were financial implications with any delay in progressing any of the options, with time being important in the progressing the transformation project closing the budget gap.
- Flexibility would be built into the business case so that changes could take place if option 2 was pursued, which would allow for greater sharing of services with other authorities. Supplementary discussions relating to services could happen with the implementation of the business case.

- The creation of a new council would be implemented by a process determined by the Secretary of State that would include an electoral review which would determine the numbers of Councillors and the warding pattern of the new Council.
- Under the option of a merger, this would likely to be implemented by mid-2019. Although work relating to the transformation project could commence immediately following the decision.
- The funding plan detailed the resources to be used was set out in the report with both councils having to fund the project separately.
- Members considered the implications of all options. The offer to the community was considerably less with option 3. Members were made aware that future service delivery, sustainability, and protection of services would most probably be adversely effected if option 3 was pursued.
- Improvement or maintaining services could be achieved with option 2 which enabled both councils to maximize efficiencies.
- Reference was made to section 9.3 of the report by the Chairman which detailed conclusions made by the Bill Roots report.

RESOLVED that:- The Scrutiny Committee, acting independently, recommends to full Council that option 3 as set out in the Transformation Business Case, is not supported.

The meeting closed at 12.05pm.

MEETING: CABINET

DATE: 8 September 2016

NOTES OF KEY DECISIONS

Note: The details given below are for information and internal use only and are not the formal record of the meeting

AGENDA ITEM	DECISION	CONTACT LEAD OFFICER
Forward Plan (Agenda Item 5)	Agreed that the Forward Plan for the month of November 2016 be approved.	Assistant Chief Executive
HPC Planning Obligations Board – Allocations of CIM Funding (Agenda Item 7)	Agreed that it be recommended to Council to endorse the recommendations of the Hinkley Point C Planning Obligations Board for projects applying for over £25,000 as follows: <ul style="list-style-type: none">• To release £116,070 from the CIM Fund ring-fenced for Sedgemoor (and in particular Bridgwater) with the following conditions:<ul style="list-style-type: none">○ CIM Fund Manager and Sedgemoor District Council to review the budget and the allocation of funds towards each element of the project with the applicant after all tender processes have been completed to ensure the project remains affordable.○ Applicant to provide regular monitoring reports that provide details of spending against each element of the project.• To release £344,850 of CIM funding for the Southern Bridgwater and North Petherton Community Mitigation Scheme. £242,776 from the Sedgemoor (in particular Bridgwater) ring-fence and £102,074 from the 1st Annual Payment with the following conditions:<ul style="list-style-type: none">○ That funds are not released until full tender processes are completed and delivery plans have been agreed with SCC and a decision has been made on match funding bids.	CIM Fund Manager
Customer Access and Shared Assets (CASA) Project (Agenda Item 8)	Agreed (1) that the principle of leasing surplus space within West Somerset to the organisations specified and within the broad terms outlined in the report be approved. Agreed (2) that that authority be delegated to the Resources and Central Support Portfolio Holder and Director of Housing and Communities to conclude detailed design, commercial terms and undertake works to complete the project. Agreed (3) that the use of £31,500 from in-year underspends to fund the revenue costs and to approve the use of £83,000 of available capital resources to fund the capital element be approved. This would then be included in the capital programme.	Programme Manager

For a record of the reasons for the decision; details of any alternative options considered and rejected by the decision-making body at the meeting at which the decision was made; a record of any conflict of interest relating to the matter decided which is declared by any member of the decision-making body which made the decision; and in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service, please use the attached link below, to the Council's website where the minutes and relevant reports can be viewed:

<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Cabinet-Meetings/Cabinet---8-September-2016.aspx>

Date: 9 September 2016

Weekly version of Cabinet Forward Plan published on 4 October 2016

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/16/11/01 9/12/2015	2 November 2016 By Lead Member Resources & Central Support	Title: Allocation of Section 106 funds held – Quarter 2 Decision: to make proposals for the allocation of monies secured through planning obligations to individual schemes, and to update members with the current funding position.	No exempt / confidential information anticipated	Tim Burton, Assistant Director Planning and Environment 01823 358403
FP/16/11/02 6/01/2016	2 November 2016 By Lead Member Resources & Central Support	Title: Allocation of Hinkley Point C Community Impact Mitigation Funding Decision: to present the recommendations of the HPC Planning Obligations Board for the allocation of monies from the CIM Fund	No exempt / confidential information anticipated	Lisa Redston, CIM Fund Manager 01984 635218
FP/16/11/03 9/12/2015	2 November 2016 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
FP/16/11/04 05/04/2015	2 November 2016 By Lead Member for Community and Customer	Title: Review of Council Tax Rebate Scheme for 2017/18 Decision: to review the Council Tax Rebate Scheme 2017/18 for recommendation to Council	No exempt / confidential information anticipated	Heather Tiso, Revenues and Benefits Manager 01823 356541
FP/16/11/05 29/07/2016	2 November 2016 By Lead Member for Housing, Health and Wellbeing	Title: Private Sector Housing Grants Policy Decision: to approve the Grants Policy	No exempt / confidential information anticipated	Mark Leeman, Strategy and Partnerships Lead 01823 356411
FP/16/11/06 29/07/2016	2 November 2016 By Lead Member for	Title: Private Sector Housing – Housing Standards Enforcement	No exempt / confidential information anticipated	Mark Leeman, Strategy and Partnerships Lead 01823 356411

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
	Housing, Health and Wellbeing	Decision: to consider the Housing Standards Enforcement		
FP/16/11/07 02/08/2016	2 November 2016 By Lead Member Resources & Central Support	Title: Business Rates Write-Off Request Decision: to seek cabinet approval in accordance with the Financial Regulations to authorise individual write offs in excess of £5,000	Contains information that could release confidential information relating to the financial or business affairs of any particular person (including the authority holding that information)	Steve Perkins, Senior Debt Recovery Officer 01984 635247
FP/16/11/08 04/10/2016	2 November 2016 By Lead Member Resources & Central Support	Title: Financial Monitoring 2016/17 Mid-Year Report Decision: to provide Members with an update on the projected "outturn" – end of year – financial position of the Council for the financial year 2016/17 (as at 31 August 2016)	No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/16/11/09 04/10/2016	2 November 2016 By Leader of Council	Title: Quarter 2 (month 5) 2016/17 Performance Report Decision: to provide Members with key performance management data up to the end of month 5 Quarter 2 2016/17, to assist in monitoring the Council's performance	No exempt / confidential information anticipated	Paul Harding, Corporate Strategy and Performance Manager 01823 356309
FP/17/1/02 6/01/2016	4 January 2017 By Lead Member Resources & Central Support	Title: Budget Monitoring Report Quarter 2 Decision: to provide Members with details of the Council's expected financial outturn position in 2016/17 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/17/1/03 6/01/2016	4 January 2017 By Lead Member Resources & Central Support	Title: Allocation of Section 106 funds held – Quarter 3 Decision: to make proposals for the allocation of	No exempt / confidential information anticipated	Tim Burton, Assistant Director Planning and Environment 01823 358403

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
		monies secured through planning obligations to individual schemes, and to update members with the current funding position		
FP/17/1/04 6/01/2016	4 January 2017 By Lead Member Resources & Central Support	Title: Fees and Charges 2017/18 Decision: to propose levels of fees and charges for the period 1 April 2017 to 31 March 2018 (in some cases fee increases will be implemented earlier, this will be stated in the relevant sections of the report) for recommendation to Council	No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/17/1/05 6/01/2016	4 January 2017 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
FP/17/1/09 04/06/2015	4 January 2017 By Lead Member Resources & Central Support	Title: Review of Financial Regulations [FR2] Decision: to recommend to Council to approve updated Financial Regulations	No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/17/1/10 4/10/2016	4 January 2017 By Lead Member for Community and Customer	Title: West Somerset Lottery Decision: to recommend to Council to explore the possibility of setting up a West Somerset Lottery	No exempt / confidential information anticipated	Angela Summers Housing and Community Project Lead 01984 635318
FP/17/2/01 02/08/2016	1 February 2017 By Lead Member Resources & Central Support	Title: Annual Budget & Council Tax Setting 2017-18 Decision: to provide Members with all the information required for Council to approve the revenue budget and capital programme for 2017/18 for recommendation to Council.	No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680

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/17/2/02 02/08/2016	1 February 2017 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
FP/17/2/03 02/08/2016	1 February 2017 By Lead Member Resources & Central Support	Title: Draft Capital Programme 2017-18 Decision: to present the draft Capital Programme 2017/18 for recommendation to Council.	No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/17/3/02 02/08/2016	1 March 2017 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
FP/17/3/03 02/08/2016	1 March 2017 By Lead Member Resources & Central Support	Title: Allocation of Hinkley Point C Community Impact Mitigation Funding Decision: to present the recommendations of the HPC Planning Obligations Board for the allocation of monies from the CIM Fund	No exempt / confidential information anticipated	Lisa Redston, CIM Fund Manager 01984 635218
FP/17/3/04 02/08/2016	1 March 2017 By Lead Member Resources & Central Support	Title: Allocation of Section 106 funds held – Quarter 4 Decision: to make proposals for the allocation of monies secured through planning obligations to individual schemes, and to update members with the current funding position	No exempt / confidential information anticipated	Tim Burton, Assistant Director Planning and Environment 01823 358403
FP/17/5/01 02/08/2016	17 May 2017	Title: Cabinet Appointments on Outside Bodies Decision: to appoint representatives to serve on outside bodies for the period to the Annual Meeting in 2018 (except where specific periods are stated)	No exempt / confidential information anticipated	Bruce Lang, Assistant Chief Executive 01984 635200

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/17/5/02 02/08/2016	17 May 2016 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
FP/17/7/01 02/08/2016	July 2017 By Leader of Council	Title: Corporate Performance Report Quarter 4 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/17/7/02 02/08/2016	July 2017 By Lead Member Resources & Central Support	Title: Budget Monitoring Report Quarter 4 Decision: to provide Members with details of the Council's expected financial outturn position in 2016/17 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/17/7/01 02/08/2016	July 2017 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, N Thwaites, R Clifford, G S Dowding, B Leaker, B Maitland-Walker, J Parbrook, R Woods and I Aldridge.

Report Number: WSC 110/16

West Somerset Council

Scrutiny Committee 13 October 2016

Review of Council Tax Rebate scheme for 2017/18

This matter is the responsibility of Councillor Mandy Chilcott

Report Author: Heather Tiso, Revenues & Benefits Service Manager

1 Executive Summary

- 1.1 On 1 April 2013 Council Tax Benefit (CTB) was abolished and replaced with a locally designed "Council Tax Rebate (CTR) scheme. On 23 January 2013, the Council adopted the Local Council Tax Rebate scheme for 2013/14. While those of pension age receive support of up to 100% of their Council Tax liability, from 1 April 2013, the maximum support for those of working age has been set at 85%.
- 1.2 The Council is legally required to give annual consideration on whether to revise its local CTR scheme and to consult with interested parties if it wishes to change the scheme. Since 2013/14, we have amended our local CTR scheme to disregard maintenance received for children and on 15 December 2015, the Council decided to reduce support offered to working age applicants from 1 April 2016 by:
 - removing entitlement to applicants with capital over £6,000
 - applying a Minimum Income for Self-Employed applicants; and
 - paying CTR at a level that would be no more than for a Band C property
- 1.3 On 25 May 2016, the Corporate Policy Advisory Group agreed on the options to take to public consultation for our CTR scheme for 2017/18.
- 1.4 We have now undertaken consultation on the agreed options and consideration must now be given to the scheme for the financial year 2017/18 that will require approval by Full Council by 31 January 2017.

2 Recommendations

- 2.1 The Scrutiny Committee, having regard to the consultation response and the Equality Impact Assessment (EIA - see [Appendix 4](#)), recommends to the Cabinet that the Council
 - (a) Continues the current CTR scheme from 1 April 2017 (Option 1); **or**
 - (b) Adjusts the current CTR scheme to amend support offered to working age applicants through either a single option or a combination of options on which consultation has been carried out.
- 2.2 The 2017/18 Council Tax Rebate scheme is recommended for 2017/18 only.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
The increased complexity of financial planning that could result from growing pressure from the Council Tax Rebate scheme if funding reductions are not fully addressed	3	4	12
<i>Cautious assumptions on recovery rate and therefore yield from the scheme.</i>	2	4	8
Council incurs an unacceptably high-level of debt because of people's inability to make the payments particularly if the scheme is less generous. Lower Council Tax collection rate and bad debts. The impact of the scheme is that low incomes working age households are now paying more Council Tax. There will be a point if people are asked to pay more Council Tax where the liability is too high for them and they will not pay anything.	4	4	16
<i>Robust arrears management procedures to maximise collection rate and prudent assumptions on collection rates council increases bad debt provision with budget</i>	3	4	12
Higher administrative costs	3	3	9
<i>Maximisation of council tax collected</i>	2	3	6
Potential growth in the number of claimants.	4	4	16
<i>Realistic assumption on caseload growth based on trends in recent years</i>	3	4	12
If West Somerset's population increases, including an increase in the population segment that currently receives CTR, demand for CTR could increase against funding from the Government. This would increase the funding gap. Such population migration may occur if West Somerset's CTR scheme is more generous than those of neighbouring boroughs. Caseload increases (e.g. Major employer loss) and/or total value of awards exceeds estimates	3	4	12
<i>Demand and cost of scheme monitored regularly and material changes reflected in the Medium Term Financial Plan</i>	2	4	8
Wider welfare reforms (HB reductions, Universal Credit) cause additional hardship and/or migration of people claiming to West Somerset from more expensive areas and impact on Council Tax Collection	3	3	9
<i>Ensure adherence to robust recovery timetable. Maximise take-up of all available discounts/exemptions/ hardship relief. Strict adherence to monthly monitoring of performance against targets.</i>	3	2	6
Council fails to meet obligations under relevant equality legislation in adopting a scheme	3	4	12
<i>Carry out consultation on proposed scheme. Consider the results and findings as part of the approval of any scheme. Make reasonable adjustments through application of any agreed scheme.</i>	2	4	8

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
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Likelihood of risk occurring	Indicator	Description (chance of occurrence)
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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%

- 3.1 In addition to the principle risks outlined on the previous page, a number of other factors have been considered:

Fairness: There is also a risk that scheme may be perceived as being unfair. This risk will be studied in line with the Government's commitment to incentivise work, the recommended scheme requires a contribution. To mitigate this, all residents will have access to a discretionary fund.

Culture of non-payment: As we are mainly asking CTR recipients to make only a small contribution to their Council Tax bill, collection and recovery strategies may not be cost-effective, and small debts may be written off. This may over time develop into a culture of non-payment, where it becomes increasingly difficult and costly to recover small amounts of Council Tax from those who can least afford to pay it. We have mitigated this risk by minimising the level of contribution which is supported by robust arrears management procedures.

4 Background

- 4.1 Responsibility for Council Tax Rebate (CTR) passed to Local Authorities on 1 April 2013. Government also passed funding for CTR to Local Government through the annual Settlement Funding Assessment (SFA), but reduced the amount of funding available by 10% compared to the costs of the previous Council Tax Benefit (CTB) system. Previously, responsibility for CTB was held by central Government and funded by the Department for Work and Pensions (DWP).
- 4.2 Local Authorities therefore had to decide whether to absorb the funding reduction across other areas of their budget or pass it on to recipients of CTR by requiring them to make a contribution to their overall Council Tax bill.

- 4.3 Billing Authorities were tasked with designing a CTR scheme for people of working age, while rules for people of pension age are set in regulations prescribed by the Government. This means people of pension age continue to receive assistance at no less amount than had been available under the CTB scheme.
- 4.4 While we have some discretion on designing our CTR scheme for people of working age, the Government say we must protect vulnerable groups. There is no definition of which groups are counted as “vulnerable” as each authority has to make its own assessment. However, the Government have highlighted Local Authority statutory duties regarding:
- Children and duties under the 2010 Child Poverty Act to reduce and mitigate the effects of child poverty
 - Disabled people and duties under the Equality Act 2010
 - Homelessness Prevention and duties under the 1996 Housing Act to prevent homelessness with special regard to vulnerable groups.
- 4.5 Currently, our scheme considers disabled people’s needs and those responsible for children. It fully ignores income from a War Disablement or War Widows Pension. Also following the Government’s direction, our scheme strengthens work incentives and does not discourage people to move off benefits and into work or to stay in work.
- 4.6 Approaches to the design of local CTR schemes by individual Councils have varied greatly. In designing their local schemes, a few authorities have absorbed the funding reduction passed on by Government, without passing on the cut to residents eligible for CTR by requiring them to contribute to their Council Tax bill. Other Councils have asked households to make a contribution to their annual Council Tax bill for the first time, in some cases as much as 45% of their total bill. In 2015/16, 260 Local Authorities (80%) required everyone to pay at least some Council Tax regardless of income, 30 more than in 2013/14. From April 2016, just 41 Councils (13%) continue to provide support at the level paid under the former CTB scheme.
- 4.7 The Department for Communities and Local Government (DCLG) provides funding through the annual Settlement Funding Assessment (comprising Revenue Support Grant and Business Rates Baseline) to help meet the cost of localised CTR schemes. Each of the major precepting authorities in Somerset received the initial funding based on their share of Council Tax receipts. In West Somerset, the initial grant awarded to precepting authorities was £2,831,449, with West Somerset Council’s share of this grant being £265,741 (based on a 9.39% share). From 1 April 2014, funding for localised CTR was incorporated in the LGFS and is not separately identified.
- 4.8 It is now impossible to ascertain funding provided for CTR in the LGFS. Government grants to councils are being phased out and local government will move to 100% business rates retention by 2020. It has not been confirmed, but this may well be how councils will be expected to fund CTR schemes in future.
- 4.9 Whilst it is not possible to identify the level of grant being received the approach taken by many authorities has been to assume the grant is being reduced at the same rate as the Settlement Funding Assessment. The Settlement Funding Assessment reduced by 25% in cash terms in the two years up to 2015/16 and by 14.5% from 2016/17. In applying this methodology, the funding available for Localised CTR has reduced by £1,015,782 to £1,815,667.

- 4.10 In 2015/16, we paid CTR of £1,601,174 for people of pensionable age. Based on the assumptions stated above, this would leave just £214k to spend on CTR for people of working age. As our expenditure for working age recipients in 2015/16 was £1,024,271, this leaves a funding shortfall of £809,778. Based on our precepting share of Council Tax for 2016/17 of 9.48%, the share of this shortfall in funding for West Somerset Council equates to £76,767.
- 4.11 If there are no changes to Single Person Discounts or protection provided to pensioners, CTR is going to become an additional cost pressure to local government. The Council has effectively maximised discounts and exemptions to close the funding gap (see paragraphs 6.2 - 6.5) and the only significant variable is to adjust the taper (minimum payment), however this needs to be managed carefully so as not to have an adverse impact on collection rates. For example, the review of CTR schemes carried out by Eric Ollerenshaw OBE in December 2015, noted that every Council that set their minimum payment to above 20% saw collection rates drop.
- 4.12 Therefore, we need to consider the affordability of our current CTR scheme, and consider the cost of the financial support provided against other service priorities and alternative options to address the overall budget gap.

5 West Somerset Council's Council Tax Rebate Scheme

- 5.1 People of pension age are able to claim support at up to 100% of their Council Tax liability. If a person claims Pension Credit (guarantee element) there is no limit on the savings they can have and they will normally not pay Council Tax at all. Pensioners with higher incomes can also qualify, even if they do not get Pension Credit. Depending on their circumstances they can qualify for some help with their Council Tax with an income of £400 a week or more.
- 5.2 In designing our CTR scheme, we considered customers' ability to pay and the collectability of the resultant Council Tax liability. For people of working age, our scheme has the following key elements:
- Maximum support is 85% of Council Tax - everyone of working age has to pay something;
 - Increased non-dependant deductions;
 - No Second adult rebate;
 - Earned income disregards are at increased levels than those offered under CTB;
 - Hardship fund of £22.5k for short-term help (this is a Collection Fund commitment and not fully funded by WSC).
- 5.3 In annual billing for 2016/17, West Somerset Council sent Council Tax bills that after the award of CTR, totalled more than £21.6 million. Approximately 18% of residents receive financial support through CTR, with under 8% of those liable to pay some Council Tax, being CTR recipients of working age.

- 5.4 There were 3,531 people who moved from the Council Tax Benefit scheme to the localised CTR scheme. At 31 March 2016, this had reduced to 3,143. Key information on CTR caseload, spending and budgets is shown below:

Claimant type	% of total claims	Caseload at 31 March 2016	% of total spend	CTR Expenditure
Working Age	43%	1,357	39%	£1,024,271
Pension Age	57%	1,786	61%	£1,601,174
Total	100%	3,143	100%	£2,625,445

Table 5.4.1

Authority	*Notional CTR Budget
West Somerset Council (9.46%)	£256,845
Parishes (4.37%)	£118,610
Somerset County Council (69.13%)	£1,877,185
Avon and Somerset Police (11.76%)	£319,375
Devon and Somerset Fire and Rescue Authority (5.28%)	£143,297
Total *Notional Budget	£2,715,313

Table 5.4.2

Comparative data	
Council Tax Benefit awarded 2012/13	£3,105,112
Council Tax Rebate awarded 2015/16	£2,625,445
Reduction in Council Tax Rebate expenditure in comparison to Council Tax Benefit (15%)	£479,667
Council Tax Benefit claims @ 31 March 2013	3,531
Council Tax Rebate claims @ 31 March 2016	3,143
Reduction in Council Tax Rebate caseload in comparison to CTB (11%)	388
Council Tax Rebate Budget 2015/16	£2,715,313
Council Tax Rebate awarded 2015/16	£2,625,445
Saving in CTR for 2015/16 in comparison to *notional budget	£89,868

Table 5.4.3

**Notional budget calculated in accordance with CTR funding distribution in 2013/14*

- 5.5 Members will see from the tables above that the cost of our CTR scheme has reduced considerably, both through the implementation of our local policy and the trend in demand / eligibility for financial assistance. The changes to our CTR scheme to reduce support offered to working age applicants in 2016/17 were estimated to reduce expenditure. At 30 June 2016 we estimated that the CTR we award this year will be £183k less than our budget. However, there are a number of factors potentially affecting the ongoing reduction in costs and CTR recipients, namely:

- A downturn in the economy generally (as experienced in 2008 until 2013); or
- A downturn in the local economy such as a local business going into liquidation or a reducing labour force; or
- An increase in Council Tax above the increase in allowances available under the scheme.

- 5.6 The administration of the current scheme is both cost effective and efficient as for the majority of claims we can use information supplied by claimants for a Housing Benefit. The administration of the current scheme is both cost effective and efficient as for the claim or direct from the Department for Work and Pensions (DWP).

6 Collection Activity and Debt Profile for 2015/16

- 6.1 From 1 April 2013 the Council decided to take advantage of new flexibilities related to second home discounts and short and long term empty properties to generate additional income through Council Tax in 2013/14.
- 6.2 For unoccupied and unfurnished properties the changes meant Council Tax would be payable at 100% of the liability after 1 month. For those remaining unoccupied and unfurnished after 2 years, the Council decided to charge Council Tax at 150% to encourage owners to put those properties back into use. Previously, there was no Council Tax payable for unoccupied and unfurnished properties for the first 6 months and after this, Council Tax was due at 90% of the liability.
- 6.3 For unoccupied furnished properties (“second homes”) Council Tax from 1 April 2013 was payable at 100% instead of 90% that previously applied.
- 6.4 The households liable for Council Tax increased from 17,595 in 2012/13 to 17,912 by 31 March 2016. While bringing additional income from Council Tax, this growth has increased the demand for services.
- 6.5 The net collectable amount for Council Tax in 2015/16 increased by over £1.6m in comparison to 2012/13. The collection of Council Tax in year, while at a rate slightly less than achieved in 2012/13, has resulted in additional income for West Somerset of £147k based on its preceptor share of 9.46%. Since 2012/13, approximately 30% of the increased income from Council Tax has been derived from growth, with 70% being the consequence of other factors, such as the new flexibilities on second home discounts and short and long term empty properties (technical reform).

	2012/13	2015/16	Difference since 2012/13	% change since 2012/13
Council Tax due	£18,716,143	£20,321,395	£1,602,252	8.6% ↑
Council Tax Collected (in year)	£18,252,909 (97.52%)	£19,802,043 (97.44%)	£1,549,134	8.5% ↑

Table 6.5.1

- 6.6 Despite our best endeavours, it has not been possible to maintain in-year Council Tax collection at the rate it was before the introduction of CTR. For many customers, having to pay Council Tax has caused them budgeting issues, not least because many have also been affected by other welfare reform, such as the removal of the spare room subsidy.
- 6.7 Overall, the Council Tax outstanding for 2015/16 was £519,352. Council Tax outstanding for working age CTR recipients was £100,004. Therefore, while working age CTR recipients represent just 8% of households, the value of their debt equates to 19% of Council Tax outstanding at 31 March 2016.
- 6.8 In some instances, significant effort is required to collect relatively small sums of money and that effort may not be economical when balanced against the value of the debt owed. Furthermore the impact of passing enforcement costs on to residents will only increase the level of the debt further.

7 Council Tax Rebate Scheme 2017/18

- 7.1 The Local Government Finance Act 2012 states that before making a scheme we must consult with any major precepting authorities, publish a draft scheme and then consult with other such persons who are likely to have an interest in the operation of such a scheme. We must set a realistic timeframe for consultation to ensure we can seek feedback from all appropriate individuals and groups in the community.
- 7.2 Consultation with precepting authorities (Somerset County Council, Avon and Somerset Police, and Devon and Somerset Fire and Rescue Authority took place on 24 June 2016. Public consultation started on 4 July 2016 and ended on 11 September 2016. At the closing date, we had received 108 responses. Full details of the consultation are shown in [Appendix 2](#). Information below shows a summary of the 4 options on which we consulted, as well as the response received.

7.2.1 Option 1 - No Change

Consultation Response: 40% in favour

Under this option we would work out CTR in the same way as we do now. Any shortfall in the funding we get and the CTR we pay in 2017/18 would need to be met from other Council budgets.

7.2.2 Option 2 - Reduce maximum CTR offered to working age recipients from 85%

Consultation Response: 47% in favour

This means working age CTR recipients would need to pay more and the Council could reduce the funding required to support the scheme in 2017/18 to assist in off-setting cuts in the Local Government Finance Settlement. Under our current CTR scheme the minimum contribution is 15%. If we were to reduce the maximum CTR offered to working age recipients to 80%, it would result in a potential saving as shown below:

Financial effect in reducing maximum CTR to 80% in isolation	
Current CTR spend based on 85% maximum support	£2,560,474
Revised spend on CTR based on 80% maximum support	<u>£2,493,603</u>
Potential saving	£66,871
<i>WSC's share (9.48 %) of the saving</i>	<i>£6,339</i>

Increasing the contribution rate to 20% adds an additional Council Tax burden of £164.07 a year for a working age couple on CTR living in a band D property. It is important to consider the impact of increasing the Council Tax burden for those residents who are also likely to be impacted by wider Welfare Reform. Alternative reductions in the maximum CTR offered could be considered, for example, the maximum support provided through CTR could be any value less than 85% of the liability. Nationally, the highest contribution required in 2016/17 is 45%.

Any reduction in the support offered to working age CTR recipients is likely to negatively impact on in-year collection of Council Tax and lead to a potential increase in administration costs to recover the Council Tax owed.

7.2.3 Option 3 - Increase maximum CTR offered to working age recipients from 85%

Consultation Response: 22% in favour

Option 3 would mean all working age CTR recipients could pay less Council Tax, but there would be an additional cost to the Council and precepting authorities. Increasing the level of support carries a high level of risk to the Council in protecting front line services as resources would be diverted to support the CTR policy. This risk is increased in future years as the Council continues to see the funding available for services reducing. If we were to increase the maximum CTR offered to recipients of working age to 90%, it would result in potential increased costs as shown below:

Financial effect in increasing maximum CTR to 90% in isolation	
Current CTR spend based on 85% maximum support	£2,560,474
Revised spend on CTR based on 90% maximum support	<u>£2,619,809</u>
Potential increased cost	£59,335
<i>WSC's share (9.48 %) of the cost</i>	<i>£5,625</i>

7.2.4 Option 4 - Technical changes

Consultation Response: 18% in favour

Option 4 would mean the Council could chose to align the CTR scheme for 2017/18 with some or all of the changes the Government make to other welfare benefits. The changes known or expected to be implemented by the Government would have the following effect:

- The maximum period for which we will backdate CTR for working age recipients would reduce from 6 months to 1 month. This reduction in backdating has applied to working age Housing Benefit recipients since April 2016.
- From 1 April 2017, we would not include a Family Premium within in the applicable amount for new working age CTR applicants, or existing recipients who would otherwise have had a new entitlement to the premium. The Family Premium has not been included for the same category of Housing Benefit recipients since May 2016.
- When working out CTR, we would not include the Work Related Activity component in the applicable amount for new claimants of Employment and Support Allowance (ESA). New claimants for ESA in the Work-Related Activity Group (WRAG) will receive the same rate of CTR as those claiming Jobseeker's Allowance. The Work Related Activity component will not be included in Universal Credit from April 2017.
- Under our current scheme, we include £66.90 in the applicable amount for every child up to the age of 20. From 1 April 2017, we would remove this amount for third and any subsequent children born after that date to align with revised rules for Housing Benefit, Tax Credits and Universal Credit that are expected to apply in 2017/18. We would continue to include the amount for first and second children. There will be protection for multiple births or women who have a third child as the result of rape or other exceptional circumstances.

- From April 2017, 18-21 year olds who are not in work may no longer be eligible for help through our CTR scheme. We would implement this change to align with new rules expected to apply to Universal Credit applicants. Under Universal Credit, 18-21 year olds will be required to participate in an “intensive regime of support from day one of their benefit claim”, and after six months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement. There will be a range of exemptions for vulnerable young people, including those in danger of suffering abuse and those receiving disability benefits. People who have been in work for 6 months before making a claim, will continue to be eligible for CTR for up to 6 months while they look for work. Applicants who have previously been in care will not be affected.
- From 1 April 2017 we would align our CTR scheme with changes made to the temporary absence rules in Housing Benefit and Pension Credit on 28 July 2016. This would reduce the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks. Northern Ireland, the Channel Islands and the Isle of Man are not part of Great Britain for Housing Benefit purposes. There are exceptions to the general temporary absence rule that we would similarly apply to CTR recipients, for example absences related to the death of a close relative

All the changes outlined above would mean that some working age CTR recipients would need to pay more and the Council could reduce the funding required to support the scheme in 2017/18 to assist in off-setting cuts in the Local Government Finance Settlement. Making such changes would mean the scheme for Housing Benefit recipients would be less complicated as rules would be aligned as well as easing administration. The potential saving by implementing all the changes outlined above is shown below.

Financial effect in amending the CTR scheme to align with welfare benefit changes	
Current CTR spend based on 85% maximum support	£2,560,474
Revised spend on CTR based on alignment with other welfare benefit changes	<u>£2,546,287</u>
Potential saving	£14,186
<i>WSC's share (9.48 %) of the saving</i>	<i>£1,345</i>

8 Key considerations applicable to all options

- 8.1 Any of the options to reduce or increase the level of support we offer through CTR will have an adverse or positive impact on certain applicants or groups of applicants. If we need to cut the support offered through our CTR scheme, we need to consider a careful selection of options for our particular demographic unless additional funding can be raised through other Council initiatives or by cuts in services generally. The reality is that any revised scheme that has less funding, needs to establish which applicants are more able to pay an increased level of Council Tax with the reduction in their CTR.
- 8.2 There is no single option or change to the CTR scheme that can deliver sufficient savings to meet the predicted budget gap from the reduced LGFS in 2017/18. The decision will be to choose what options are acceptable to the Council bearing in mind the overall level of finance available.
- 8.3 Although the Council is not legally required to include transitional protection for claimants moving from one CTR scheme to a replacement scheme, the legislation does state that Members must consider if transitional arrangements may be needed and if protection should apply to all groups or just certain groups. Such protection could limit our ability to realise savings.

- 8.4 Should there be any shift in proportions between working age and pension age or an economic downturn resulting in more people relying on some form of state financial support, there would be greater pressure on remaining Council Taxpayers to meet potentially higher outlay.
- 8.5 A decision to reduce CTR for people of working age will mean that Council Tax Collection will be a much harder task. This will result in more pressure on Revenues staff and may require additional capacity to maintain tax collection rates.
- 8.6 Detailed modelling on the options, is shown in [Appendix 3](#). Financial modelling for Option 4 is based on data derived from customers affected by Housing Benefit changes from 1 April 2016 to 15 September 2016. Modelling illustrates the effect on applicants and potential savings.

9 Links to Corporate Aims / Priorities

- 9.1 Council Tax Rebate is closely linked with the financial performance of the Council, underpinning the delivery of corporate priorities and therefore all Corporate Aims.

10 Finance / Resource Implications

- 10.1 As reported earlier in this report, funding for CTR was reduced by 10% in 2013/14. Subsequently the Settlement Funding Assessment reduced by 39% in cash terms by 2016/17. The Medium Term Financial Plan (MTFP) for the Council, as reported to the Scrutiny Committee on 16 June 2016 reported that we have a projected annual budget gap rising from £119,619 in 2017/18 to £1,226,705 by 2021/22 based on current projections for costs and funding. The plans for transformation will reduce but not fully close the gap and as recognised in the business case, further options will need to be explored to address the residual gap.
- 10.2 The Council has been required to make significant financial savings in recent years, and faces further cuts in funding and increasing financial risks over the coming years. It is becoming increasingly difficult to preserve core services to local residents. Reducing Council Tax income will increase the Council's budget gap (and increase budget pressures for major preceptors) increasing the challenge for Members in identifying savings required to balance the budget overall.
- 10.3 The financing risk of the scheme is shared with other precepting Authorities through the tax base calculation. The financial impact of the CTR scheme is on the Collection Fund that is used to manage all Council Tax income, before that funding is shared between the various local precepting bodies. Given WSC's share of the Collection Fund is only 9.48%, the major element of the risk falls on the other precepting local authorities.
- 10.4 The maximum saving that may be achieved is through implementing Options 2 & 4 combined ([Model 10](#)). By reducing the maximum CTR available to working age recipients to 80% and aligning our scheme for 2017/18 with all changes to other welfare benefits, there is an estimated saving of £80,839.12 in comparison with expenditure of £2,560,474 in 2016/17. West Somerset Council's share of that saving would be £7,664.

11 Legal Implications

- 11.1 Section 33 of the Welfare Reform Act 2012 abolished Council Tax Benefit and any replacement scheme is excluded from the scope of the Universal Credit system set up by Section 1 of that Act. The Local Government Finance Act 2012 (“the 2012 Act”) amends the Local Government Finance Act 1992 (“the 1992 Act”) to make provision for the localisation of Council Tax Rebate.
- 11.2 The 2012 Act amends the 1992 Act by adding a new section 13A to state that Council Tax will be reduced to the extent set out in an authority’s Council Tax reduction scheme and to such further extent as the authority sees fit (new s13A(1)(c) replicating the existing provision for authorities to adopt specified additional classes).
- 11.3 Local authorities must make a Council Tax Reduction Scheme setting out the reductions which are to apply in its area by persons or persons in classes consisting of persons whom the authority considers to be in financial need.
- 11.4 Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as inserted by Schedule 4 to the Local Government Finance Act 2012, requires the authority to consider whether, for each financial year, the CTR scheme is to be revised or replaced. Where the scheme is to be revised or replaced the procedural requirements in paragraph 3 of that schedule apply. Any revision/replacement must be determined by 31st of January in the preceding year to the year which the changes are to apply.
- 11.5 The council must therefore consider whether the scheme requires revision or replacement and if so, consult with precepting authorities (Somerset County Council, Avon and Somerset Police, and Devon and Somerset Fire and Rescue Authority), publish a draft scheme and then consult with such persons as are likely to have an interest in the operation of that scheme prior to determining the scheme before 31st January. If any proposed revision is to reduce or remove a reduction to which a class of person is entitled, the revision must include such transitional provision as the Council sees fit.
- 11.6 Case law has confirmed that consultation must
- be undertaken when proposals are at a formative stage;
 - include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response;
 - give consultees sufficient time to make a response; and
 - be conscientiously taken into account when the ultimate decision is taken.

12 Environmental Impact Implications

- 12.1 There are no environmental implications associated with this report.

13 Safeguarding and/or Community Safety Implications

- 13.1 Safeguarding and community safety implications have been considered, and there are not expected to be any specific implications relating to this report.

14 Equality and Diversity Implications

- 14.1 Members need to demonstrate 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
- 14.2 The public sector equality duty, as set out in section 149 of the 2010 Equality Act, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic.
- 14.3 The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.
- 14.4 The Council must pay due regard to any obvious risk of such discrimination arising from the decision before them. There is no prescribed manner in how the equality duty must be exercised, though producing an EIA is the most usual method. For this reason these matters are examined in the EIA at [Appendix 4](#). In addition, debt levels are broken down by claim profile in [Appendix 5](#).
- 14.5 Councillors must consider the effect that implementing any changes to the CTR scheme will have on equality before making a decision. The EIA will assist with this. Where it is apparent the CTR policy would have an adverse effect on equality, then adjustments should be made to seek to reduce that effect and this is known as “mitigation”.
- 14.6 Implementing Option 4 to remove CTR entitlement from people aged 18 to 21 will have a disproportionate effect on younger applicants. Under the Public Sector Equality Duty, we have a responsibility to foster good relationships between people who share a protected characteristic and those who do not. There is a risk of harming the relationship between young people and those aged 22 or over, as applicants aged 18 to 21 will receive no support, while older applicants will see no reduction in their CTR through this amendment. In considering to implement this measure, based on current recipients, 15 individuals aged 18-21 would no longer receive any CTR.
- 14.7 The Council has a duty to prevent child poverty under provisions within the Child Poverty Act 2010, but inevitably in aligning our CTR scheme to some of the changes made by the Government to other welfare benefits, there could be a disproportionate effect on applicants with responsibility for children. There are 861 working age CTR recipients with children, accounting for 50% of all working age CTR recipients.

- 14.8 In not including a Family Premium this would result in a “notional” weekly loss of CTR of £3.49. As this measure only applies to new claims to CTR, or those who have a first child while claiming CTR, this alignment measure will not result in a reduction in actual support paid. However, this provision has applied to Housing Benefit since 1 May 2016 and so we have undertaken modelling to ascertain the likely effect should we apply this measure from 1 April 2017. This modelling shows there would be only one CTR recipient who would see the support we provide reduce by an average of £3.50 a week.
- 14.9 In limiting dependants’ additions to a maximum of two, households who have a third or subsequent child on or after 1 April 2017 will see a “notional” weekly loss of CTR of £13.38 (20% of £66.90). Modelling on the likely effects of implementing this measure shows there would be 5 CTR recipients who would no longer receive CTR, while 2 further applicants would continue to receive CTR, but the support provided would reduce by an average of £11.85 a week.
- 14.10 In mitigating the effects of any reduction to CTR for working age applicants, officers could apply a discretionary reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our policy
- 14.11 Budgetary pressures and economic and practical factors will also be relevant. The amount of weight to be placed on the same countervailing factors in the decision making process will be for Members to decide.

15 Social Value Implications

- 15.1 There are no social value implications associated with this report.

16 Partnership Implications

- 16.1 CTR costs will increase if any of the precepting Authorities increase their Council Tax.

17 Health and Wellbeing Implications

- 17.1 There are no Health and Wellbeing implications associated with this report.

18 Asset Management Implications

- 18.1 There are no asset management implications associated with this report.

19 Consultation Implications

- 19.1 Before implementing any change to the CTR scheme for 2017/18 we must consult with the public. It is important not just to consider the options to reduce funding for CTR, but also to give the public options on how we can keep our CTR scheme at the same level by making funding available from other sources or by reducing other services. Responses to consultation are shown in [Appendix 2](#). A copy of our consultation document is available on request

20 Scrutiny Comments / Recommendation(s)

- 20.1 Not applicable

Democratic Path:

- **Scrutiny Committee - Yes**
- **Cabinet - Yes**
- **Full Council - Yes**

Reporting Frequency: **Annually**

List of Appendices (delete if not applicable)

Appendix 1	West Somerset's Council Tax Rebate Scheme
Appendix 2	Public Consultation
Appendix 3	Modelling of impact of options for CTR applicants and financial effect
Appendix 4	Equality Impact Assessment
Appendix 5	Council Tax debt profile @ 31 March 2016

Contact Officers

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West Somerset Council

Council Tax Reduction Scheme

S13A and Schedule 1a of the Local Government Finance Act 1992

The existing policy document is a large file of 144 pages.

A hard copy is available on request.

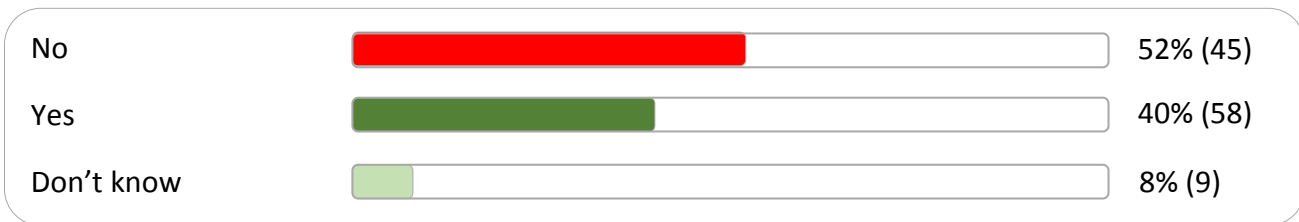
The policy is available on-line through the following web address:

<http://www.westsomersetonline.gov.uk/getattachment/Council-Tax---Benefits/Council-Tax/WSC-Council-Tax-Reduction-scheme-2016-17.pdf.aspx>

Council Tax Rebate – Consultation for changes in 2017/18

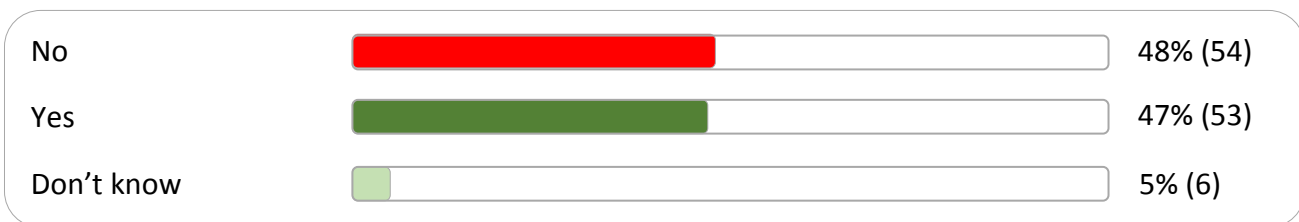
Option 1

Do you agree with the principal that the current CTR scheme is unchanged for 2017/18?



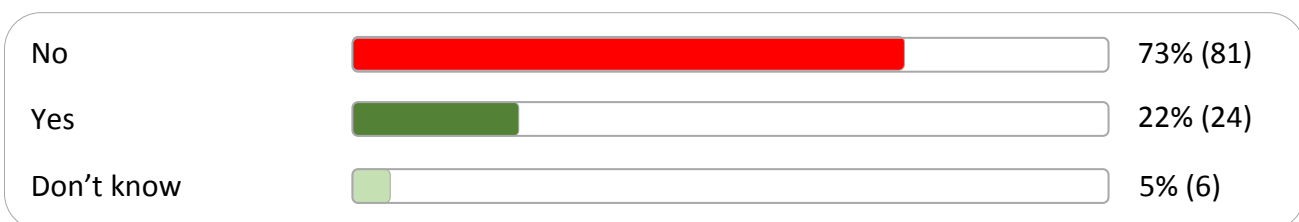
Option 2

Do you agree with the principle that the Council reduces the maximum support a working age person can receive for 2017/18?



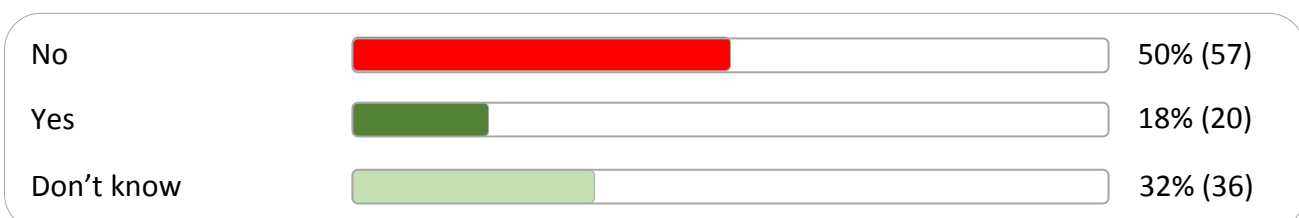
Option 3

Do you agree with the principle that the Council increases the maximum support a working age person can receive for 2017/18?

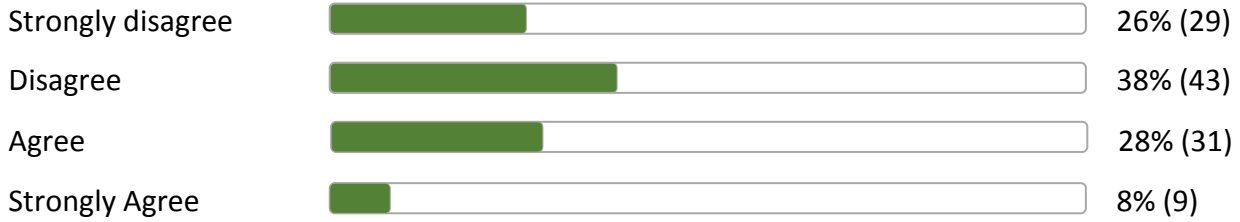


Option 4

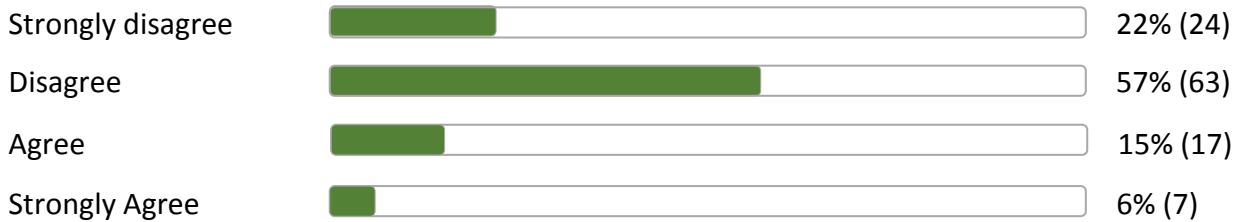
Do you agree with the principle that the Council may change the Council Tax Rebate scheme to reflect changes made by the Government to welfare benefits?



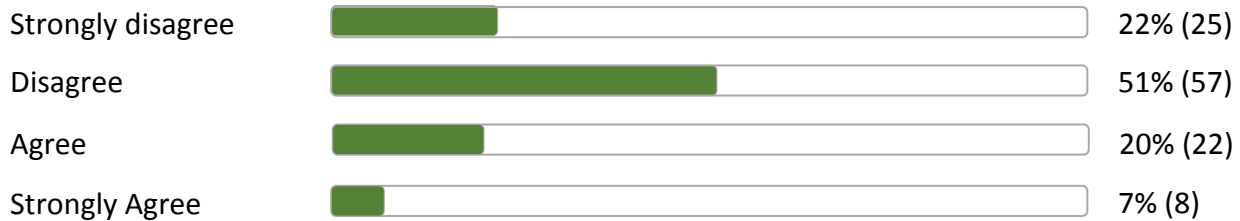
Should the Council increase Council Tax to help pay for the scheme?



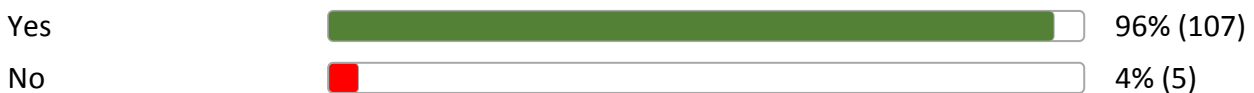
Should the Council reduce funding to other services to help pay for the scheme?



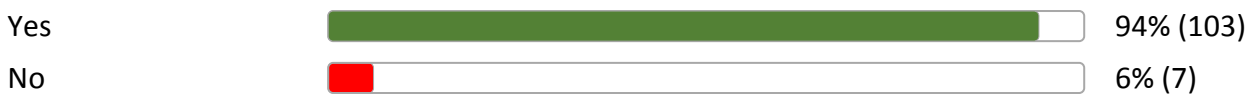
Should the Council use its reserves to help pay for the scheme?



Are you a resident of West Somerset?



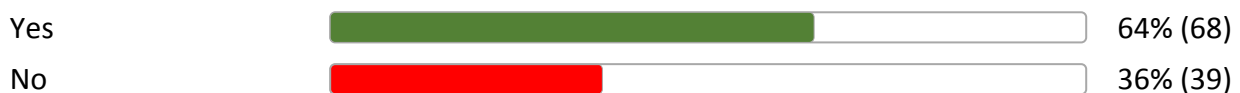
Do you pay Council Tax?



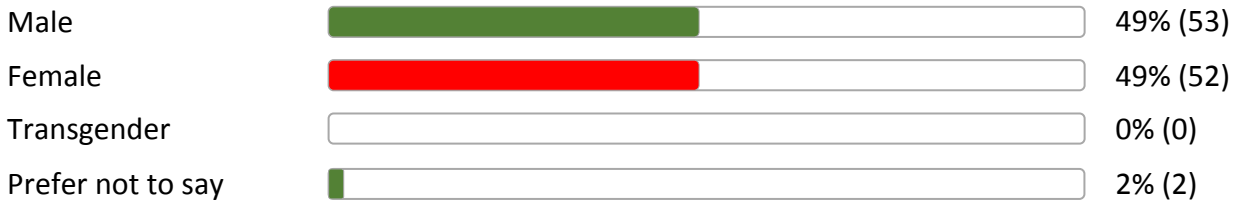
Do you currently receive Council Tax Rebate?



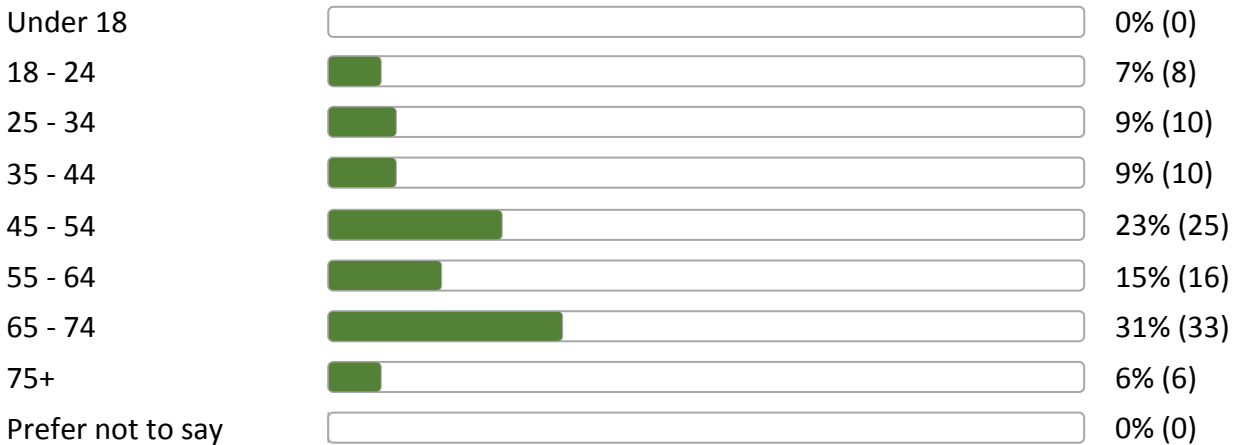
Do you work, either full or part time?



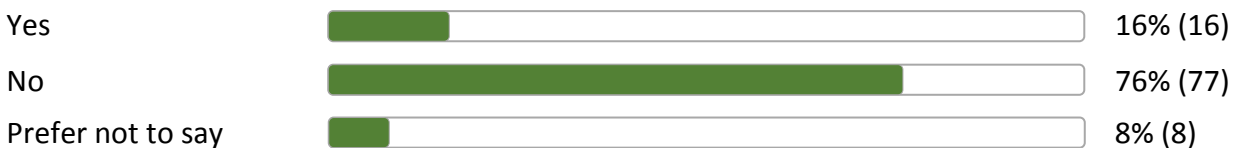
What is your gender?



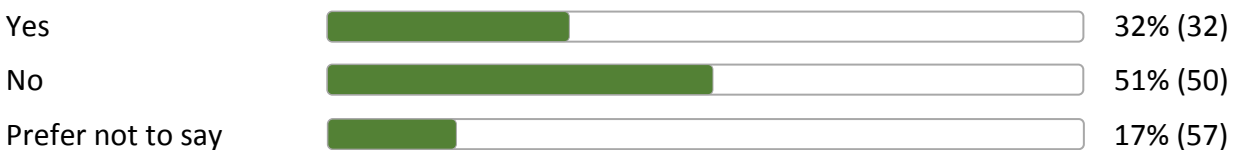
What is your age group?



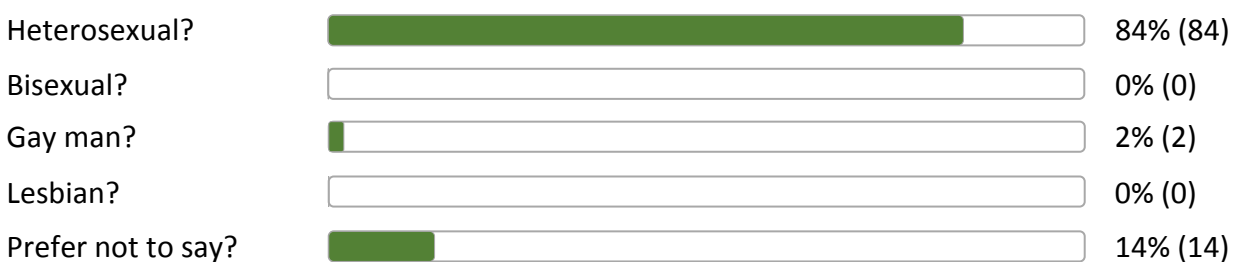
Do you consider yourself as having a disability or long-term physical or mental health condition?



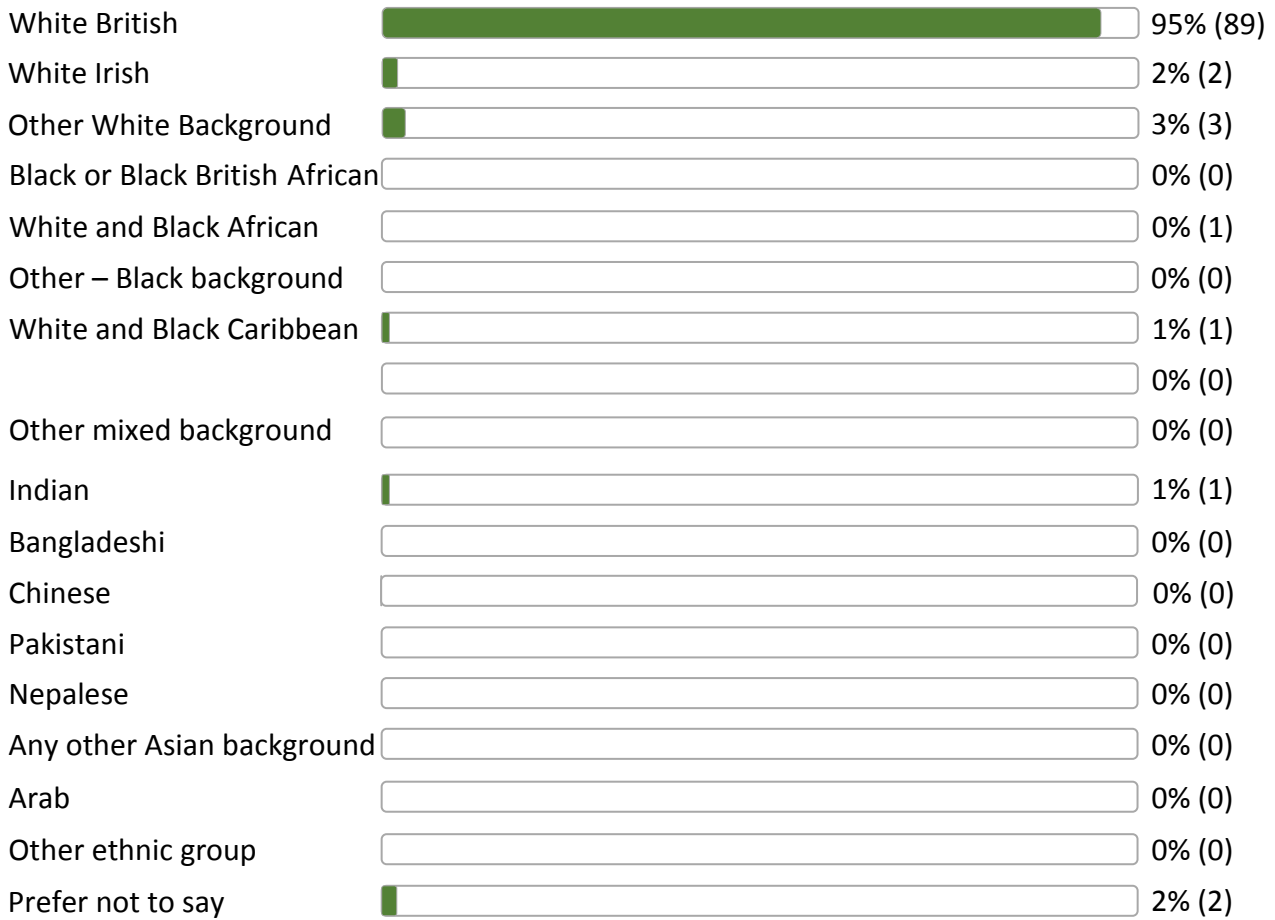
Do you consider yourself to have a religion or belief?



Do you consider your sexual orientation to be



Which of these ethnic groups do you feel you belong to?



Part A**Please use the space below to make any other comments you have about the Council's preferred options:**

Merging with 2 other councils, say Taunton and Sedgemoor would find savings.

The more expensive it is to live here, it drives young people away. It will become a retirement town!

Money is wasted and the council doesn't listen to the public or their needs and what they think is important.

Landlord could be made responsible for the rates and the amount of rent payable was assessed by the rateable value of the property but an agreed amount was decided so the landlord couldn't pass on the extra charge to the tenant then this would solve a lot of financial problems. If you have extra properties to rent surely you can pay the rates.

This is necessary and useful.

If you can get more from second home owners - please do so. In many cases this is a pernicious practice which has reduced housing for local people.

Get a job and pay it yourself!

Should only increase if central government fully funds it.

Get the unemployed and those on probation picking up litter and sweeping up sand on the seafront

STOP IT NOW!

WSC seems to be the poor relative with regards to only retaining a small %. why do we receive so little...?

Part C**If you have any further comments or suggestions to make on the Council Tax Rebate Scheme please use the space below:**

Leaving the scheme as it is, will cost West Somerset more because of changes in other benefits. The no change option is NOT a no cost option.

Reduction in benefits will increase poverty for those least able to cope.

I do not agree with using council reserves. These should be kept for emergency contingencies

Money wasted where it doesn't need to be. Councillors need to be more friendly and get to know local people

One advantage of keeping the status quo - changes are not needed for IT systems and re printing 'paper work' which cost us money.

The system needs to be made fairer for all.

More money needs to go to other services, too much benefit paid already

I think working people should pay less - rewarded for working too much goes to the police - for nothing in return

I would like to pay less as a working age council tax payer

I agree that the CTR scheme should be changed to reflect changes in the welfare benefit - although it would be very unpopular I feel that in the long term it is better to link them together.

Reducing CTR maximum is my 2nd choice

Holiday home owners should have to pay full amount

Rebate should be limited to 2 children

Model 1

No change to current Council Tax Rebate Scheme

	Pension Age	Working age	Total
Number of claims	1,769	1,366	3,135
Total weekly awards	£30,982.11	£18,122.86	£49,104.98
Average weekly award	£17.51	£13.27	£15.66
Estimated 2017/18 awards	£1,615,495.98	£944,977.77	£2,560,473.75
Estimated expenditure 2016/17			£2,560,473.75
Saving			£0.00
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£192,500.25

Working age customers	Number	Average Award
Single, no children	604	£10.62
Couple no children	110	£14.20
Couple with children	245	£6.07
Lone parent with children	407	£8.16
	1,366	£13.27
Employed & self employed	378	£10.51
Applicants with a disability	109	£13.83
Applicants with caring responsibilities	33	£14.22

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 2

Reduce maximum support through CTR to 80% for all working age recipients

	Pension Age	Working age	Total
Number of claims	1,769	1,356	3,125
Total weekly awards	£30,982.11	£16,840.40	£47,822.52
Average weekly award	£17.51	£12.42	£15.30
Estimated 2017/18 awards	£1,615,495.98	£878,106.65	£2,493,602.63
Estimated expenditure 2016/17			£2,560,473.75
Saving			£66,871.12
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£259,371.37

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	604	£0.89	0
Couple no children	108	£1.12	2
Couple with children	238	£1.64	7
Lone parent with children	406	£1.07	1
	1,356	£0.95	10
Employed & self employed	369	£1.36	9
Applicants with a disability	109	£1.42	1
Applicants with caring responsibilities	33	£1.97	1

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 3

Increase maximum support through CTR to 90% for all working age recipients

	Pension Age	Working age	Total
Number of claims	1,769	1,372	3,141
Total weekly awards	£30,982.11	£19,260.80	£50,242.91
Average weekly award	£17.51	£14.04	£16.00
Estimated 2017/18 awards	£1,615,495.98	£1,004,312.94	£2,619,808.92
Estimated expenditure 2016/17			£2,560,473.75
Additional Expenditure			£59,335.17
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£133,165.08

Working age customers	Number increased	Average weekly increase	<u>Additional</u> applicants that would qualify
Single, no children	604	£0.85	3
Couple no children	110	£1.13	0
Couple with children	245	£1.16	2
Lone parent with children	407	£0.98	1
	1,366	£0.83	6
Employed & self employed	378	£1.07	4
Applicants with a disability	109	£1.00	0
Applicants with caring responsibilities	33	£0.97	0

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 4

Current scheme modelled to show CTR payable if backing for working age applicants is reduced to one month

	Pension Age	Working age	Total
Number of claims	1,769	1,366	3,135
Total weekly awards	£30,982.11	£18,122.52	£49,104.64
Average weekly award	£17.51	£13.27	£15.66
Estimated 2017/18 awards	£1,615,495.98	£944,960.12	£2,560,456.10
Estimated expenditure 2016/17			£2,560,473.75
Saving			£17.65
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£192,517.90

Working age customers	Number	Average weekly decrease
Single, no children	3	£0.11
Couple no children	0	£0.00
Couple with children	0	£0.00
Lone parent with children	0	£0.00
	3	£0.11
Employed & self employed	0	£0.00
Applicants with a disability	3	£0.11
Applicants with caring responsibilities	0	£0.00

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 5

Current scheme modelled to show CTR payable if Family Premium is withdrawn for new working age CTR applicants, or existing recipients who would otherwise have had a new entitlement to the premium

	Pension Age	Working age	Total
Number of claims	1,769	1,366	3,135
Total weekly awards	£30,982.11	£18,119.36	£49,101.47
Average weekly award	£17.51	£13.26	£15.66
Estimated 2017/18 awards	£1,615,495.98	£944,795.17	£2,560,291.15
Estimated expenditure 2016/17			£2,560,473.75
Saving			£182.60
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£192,682.85

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	0	£0.00	0
Couple no children	0	£0.00	0
Couple with children	1	£3.50	0
Lone parent with children	0	£0.00	0
	1	£3.50	0
Employed & self employed	0	£3.50	0
Applicants with a disability	0	£0.00	0
Applicants with caring responsibilities	0	£0.00	0

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 6

Current scheme modelled to show CTR payable if Work Related Activity Component is withdrawn

	Pension Age	Working age	Total
Number of claims	1,769	1,366	3,135
Total weekly awards	£30,982.11	£18,122.86	£49,104.98
Average weekly award	£17.51	£13.27	£15.66
Estimated 2017/18 awards	£1,615,495.98	£944,977.77	£2,560,473.75
Estimated expenditure 2016/17			£2,560,473.75
Saving			£0.00
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£192,500.25

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	0	£0.00	0
Couple no children	0	£0.00	0
Couple with children	0	£0.00	0
Lone parent with children	0	£0.00	0
	0	£0.00	0
Employed & self employed	0	£0.00	0
Applicants with a disability	0	£0.00	0
Applicants with caring responsibilities	0	£0.00	0

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 7

Current scheme modelled to show CTR payable additional allowance for children included in the applicable amount is capped to 2 children

	Pension Age	Working age	Total
Number of claims	1,769	1,361	3,130
Total weekly awards	£30,982.11	£18,065.07	£49,047.18
Average weekly award	£17.51	£13.27	£15.67
Estimated 2017/18 awards	£1,615,495.98	£941,964.12	£2,557,460.10
Estimated expenditure 2016/17			£2,560,473.75
Saving			£3,013.65
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£195,513.90

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	0	£0.00	0
Couple no children	0	£0.00	0
Couple with children	2	£11.85	5
Lone parent with children	0	£0.00	0
	2	£11.85	5
Employed & self employed	2	£11.85	5
Applicants with a disability	0	£0.00	0
Applicants with caring responsibilities	0	£0.00	0

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 8

Current scheme modelled to show CTR payable if there is no assistance is available to unemployed 18-21 year olds

	Pension Age	Working age	Total
Number of claims	1,769	1,341	3,120
Total weekly awards	£30,982.11	£17,912.43	£48,894.55
Average weekly award	£17.51	£13.26	£15.67
Estimated 2017/18 awards	£1,615,495.98	£934,005.35	£2,549,501.33
Estimated expenditure 2016/17			£2,560,473.75
Saving			£10,972.42
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£203,472.67

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	0	£14.03	15
Couple no children	0	£0.00	0
Couple with children	0	£0.00	0
Lone parent with children	0	£0.00	0
	0	£14.03	15
Employed & self employed	0	£0.00	0
Applicants with a disability	0	£0.00	0
Applicants with caring responsibilities	0	£0.00	0

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 9

Current scheme modelled to show CTR payable if all Government changes to other Welfare Benefits are implemented for working age CTR recipients

	Pension Age	Working age	Total
Number of claims	1,769	1,346	3,115
Total weekly awards	£30,982.11	£17,850.79	£48,832.90
Average weekly award	£17.51	£13.26	£15.68
Estimated 2017/18 awards	£1,615,495.98	£930,791.45	£2,546,287.43
Estimated expenditure 2016/17			£2,560,473.75
Saving			£14,186.32
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£206,686.57

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	3	£0.11	15
Couple no children	0	£0.00	0
Couple with children	3	£9.07	5
Lone parent with children	0	£0.00	0
	6	£4.59	20
Employed & self employed	3	£9.07	5
Applicants with a disability	3	£0.11	0
Applicants with caring responsibilities	0	£0.00	0

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Model 10

Current scheme modelled to show CTR payable if maximum support through CTR is reduced to 80% and all Government changes to other Welfare Benefits are implemented for working age CTR recipients

	Pension Age	Working age	Total
Number of claims	1,769	1,336	3,105
Total weekly awards	£30,982.11	£16,577.23	£47,559.34
Average weekly award	£17.51	£12.41	£15.32
Estimated 2017/18 awards	£1,615,495.98	£864,384.27	£2,479,880.25
Estimated expenditure 2016/17			£2,560,473.75
Saving			£80,839.12
* Notional Budget 2016/17			£2,752,974.00
Estimated underspend in 2017/18 compared to budget for 2016/17			£273,339.37

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	589	£0.91	15
Couple no children	108	£1.12	2
Couple with children	233	£1.79	12
Lone parent with children	406	£1.07	1
	1,336	£1.13	30
Employed & self employed	373	£1.45	14
Applicants with a disability	109	£1.42	1
Applicants with caring responsibilities	33	£1.97	1

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Summary of the impact of models for working age customers

Number of claims with reduced or no entitlement

	Model									
	1	2	3	4	5	6	7	8	9	10
Single, no children	0	604	0	3	0	0	0	15	18	604
Couple, no children	0	110	0	0	0	0	0	0	0	110
Couple with children	0	245	0	0	1	0	7	0	8	245
Lone parent with children	0	407	0	0	0	0	0	0	0	407
Total claims reduced	0	1,366	0	3	1	0	7	15	26	1,366
Employed & self employed	0	369	0	0	1	0	7	0	8	369
Applicants with a disability	0	108	0	3	0	0	0	0	3	108
Applicants with caring responsibilities	0	32	0	0	0	0	0	0	0	32

Average weekly decrease in entitlement

	Model									
	1	2	3	4	5	6	7	8	9	10
Single, no children	£0.00	£0.89	£0.00	£0.34	£0.00	£0.00	£0.00	£14.03	£0.11	£0.91
Couple, no children	£0.00	£1.12	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1.12
Couple with children	£0.00	£1.64	£0.00	£0.00	£3.50	£0.00	£11.85	£0.00	£9.07	£1.79
Lone parent with children	£0.00	£1.07	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1.07
Total claims reduced	£0.00	£0.95	£0.00	£0.34	£3.50	£0.00	£11.85	£14.03	£4.59	£1.13
Employed & self employed	£0.00	£1.36	£0.00	£0.00	£3.50	£0.00	£11.85	£0.00	£9.07	£1.45
Applicants with a disability	£0.00	£1.42	£0.00	£0.34	£0.00	£0.00	£0.00	£0.00	£0.11	£1.42
Applicants with caring responsibilities	£0.00	£1.97	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1.97

Summary of potential savings for CTR expenditure

	Estimated 2017/18 awards	Saving against estimated spend 2016/17	Estimated saving against notional* budget 2016/17	Net shortfall for WSC (see para. 4.10)	Estimated saving for WSC
Model 1. No change to current CTR Scheme	£2,560,473.75	£0.00	£192,500.25	£76,766.95	£0.00
Model 2. Reduce maximum support through CTR to 80% for all working age recipients	£2,493,602.63	£66,871.12	£259,371.37	£70,427.57	£6,339.38
Model 3. Increase maximum support through CTR to 90% for all working age recipients	£2,619,808.92	-£59,335.17	£133,165.08	£82,391.93	-£5,624.98
Model 4. Limit backdating for working age CTR recipients to no more than one month	£2,560,456.10	£17.65	£192,517.90	£76,765.28	£1.67
Model 5. Withdraw Family Premium for new working age CTR applicants, or existing recipients who would otherwise have had a new entitlement to the premium	£2,560,291.15	£182.60	£192,682.85	£76,749.64	£17.31
Model 6. CTR Scheme amended for working age recipients to withdraw Work Related Activity Component from the applicable amount	£2,560,473.75	£0.00	£192,500.25	£76,766.95	£0.00
Model 7. CTR Scheme amended to limit additional allowance for children to 2 children for working age recipients	£2,557,460.10	£3,013.65	£195,513.90	£76,481.26	£285.69
Model 8. No CTR payable to unemployed people aged 18-21	£2,549,501.33	£10,972.42	£203,472.67	£75,726.77	£1,040.18
Model 9. CTR Scheme aligned with all changes made by Government to other Welfare Benefits for working age recipients	£2,546,287.43	£14,186.32	£206,686.57	£75,422.09	£1,344.86
Model 10. Reduce maximum support through CTR to 80% for all working age recipients and align CTR Scheme with all changes made by Government to other Welfare Benefits for working age recipients	£2,479,634.63	£80,839.12	£273,339.37	£69,103.41	£7,663.54

* Notional budget calculated in accordance with initial distribution of funding for CTR in 2013/14

Equality Impact Assessment Form and Action Plan

Officer completing EIA Form	Job Title	Team/Service	
Heather Tiso	Revenues & Benefits Service Manager	Revenues & Benefits Service	
Why are you completing the Equality Impact Assessment? Please ✓ as appropriate			
Proposed new policy or service	Change to policy or service	New or change to budget	Service review
	✓		
1 Description of policy, service or decision being impact assessed:			
<p>Background</p> <p>From 2013/14 district councils have operated localised Council Tax Rebate (CTR) schemes to provide assistance to people on low income. CTR replaced the previous Council Tax Benefit scheme that was administered by the council on behalf of the Department for Work and Pensions (DWP). Councils are responsible for the design and implementation of these schemes and need to consider if they are to be revised or replaced on an annual basis. The subsidy reimbursement for CTR reduced nationally by 10% in 2013/14 with councils having the option of funding the shortfall or designing a CTR scheme that is cost neutral. The Government state any CTR scheme must protect pensioners at the existing level of support. That decision means the burden falls disproportionately upon those of Working Age.</p> <p>From 1 April 2014, funding for localised CTR is incorporated in Settlement Funding Assessment (SFA) and not separately identified. The SFA has reduced by 25% in cash terms in the two years up to 2015/16 and by 14.4% from 2016/17. In applying this methodology, the funding available for Localised CTR has reduced by £1,015,782 to £1,815,667. In 2015/16 we paid CTR of £2,625,445, meaning that if there is no change to the existing CTR scheme, we estimate we will have a funding shortfall of £807,778, with WSC's share of that shortfall being £76,767. The financing risk of the scheme is shared with other precepting Authorities through the tax base calculation. West Somerset's share of the collection fund in 2016/17 is 9.48%.</p> <p>West Somerset's Council Tax Rebate Scheme</p> <p>On 11 December 2012, the Council adopted the Local Council Tax Rebate scheme for 2013/14. While those of pension age receive support of up to 100% of their Council Tax liability, from 1 April 2013, the maximum support for those of working age was set at 85%.</p> <p>On 23rd January 2013 Full Council approved a scheme with the following key principles:</p> <ul style="list-style-type: none"> • Maximum Liability - Maximum award for working age claimants is 85% of the council tax liability. • Child Maintenance - Maintenance received for a child or children, paid by a former partner is treated as income in the means test assessment. • Non-dependant deductions - Increased non-dependant deductions • Second Adult Rebate - Abolish Second Adult Rebate for working age claimants. • Increased Earnings Disregard - Part of earned income is not included in the means test to calculate CTR, so incentivising work. • Exceptional Financial Hardship fund of £22.5k, through Discretionary Reduction in Council Tax Liability for short-term help (this is a Collection Fund commitment and not fully funded by WSC). • Sub-Tenant/Boarder Income - Disregards abolished for sub-tenant and boarder income. <p>West Somerset Council's Local Council Tax Rebate scheme is designed to retain the majority of features of the CTB scheme. The CTB scheme recognised the additional financial burden of disability through a system of additional allowances/premiums within the means test. The authority's scheme continues to include the allowances/premiums that featured in the CTB scheme and, as such, the scheme positively recognises disability.</p> <p>The CTB scheme recognised the additional financial burden those with children have, through a system of additional allowances that recognise each child, child care costs and enhanced premiums for Lone parents in the means test. WSC's CTR scheme continues to include the allowances/premiums that featured in the CTB scheme and, as such, the scheme positively recognises those with caring responsibilities.</p> <p>On 20 November 2013 Full Council agreed to maintain the same scheme for 2014/15 with the same principles as detailed above. On 19 November 2014, Full Council agreed to maintain the same scheme for 2015/16 with the same principles as detailed above.</p>			

In developing options for our CTR scheme for 2016/17, we worked in collaboration with the County Council (as the major preceptor) and the other Somerset District billing authorities of Taunton Deane, Sedgemoor, Mendip and South Somerset. On 20 January 2016 Full Council, having regard to the consultation response and the Equality Impact Assessment, agreed to revise support for working age applicants in 2016/17 by:

- disregarding maintenance received for children
- removing entitlement to applicants with capital over £6,000;
- applying a Minimum Income for Self-Employed applicants; and
- paying CTR at a level that would be no more than for a Band C property

As a result of the continuing reductions to the Settlement Funding Assessment, continuing to allow the same level of CTR in 2017/18 for working age recipients could impact negatively upon WSC's budget and the budget of those that levy a precept to it (County Council, Fire, Police Authorities and Parish Councils). An adverse effect on service provision might result in us, and the other major preceptors, having to stop, reduce or seek additional charges for services with a disproportionate effect on the most vulnerable. Therefore, on 25 May 2016, the Corporate Policy Advisory Group agreed on options to take to public consultation for our CTR scheme for 2017/18.

Public consultation on proposals to change the CTR scheme in 2017/18 started on 4 July 2016 and ended on 11 September 2016. Every Council Taxpayer had the opportunity to comment on the proposals. The options on which we consulted were as follows:

Option 1 - No change we would work out CTR in the same way as we do now. Any shortfall in the funding we get and the CTR we pay in 2017/18 would need to be met from other Council budgets.

Option 2 - Reduce maximum support offered under our CTR scheme from 85% for working age applicants.

Option 3 - Increase maximum support offered under our CTR scheme from 85% for working age applicants.

Option 4 - Align our CTR scheme for 2017/18 with some/all of changes made by the Government to other welfare benefits. The changes known or expected to be implemented by the Government would have the following effect:

- The maximum period for which we will backdate CTR for working age recipients would reduce from 6 months to 1 month. This reduction in backdating has applied to working age Housing Benefit recipients since April 2016.
- From 1 April 2017, we would not include a Family Premium within in the applicable amount for new working age CTR applicants, or existing recipients who would otherwise have had a new entitlement to the premium. The Family Premium has not been included for the same category of Housing Benefit recipients since May 2016.
- When working out CTR, we would not include the Work Related Activity component in the applicable amount for new claimants of Employment and Support Allowance (ESA). New claimants for ESA in the Work-Related Activity Group (WRAG) will receive the same rate of CTR as those claiming Jobseeker's Allowance. The Work Related Activity component will not be included in Universal Credit from April 2017.
- Under our current scheme, we include £66.90 in the applicable amount for every child up to the age of 20. From 1 April 2017, we would remove this amount for third and any subsequent children born after that date to align with revised rules for Housing Benefit, Tax Credits and Universal Credit that are expected to apply in 2017/18. We would continue to include the amount for first and second children. There will be protection for multiple births or women who have a third child as the result of rape or other exceptional circumstances.
- From April 2017, 18-21 year olds who are not in work may no longer be eligible for help through our CTR scheme. We would implement this change to align with new rules expected to apply to Universal Credit applicants. Under Universal Credit, 18-21 year olds will be required to participate in an "*intensive regime of support from day one of their benefit claim*", and after six months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement. There will be a range of exemptions for vulnerable young people, including those in danger of suffering abuse and those receiving disability benefits. People who have been in work for 6 months before making a claim, will continue to be eligible for CTR for up to 6 months while they look for work. Applicants who have previously been in care will not be affected.
- From 1 April 2017 we would align our CTR scheme with changes made to the temporary absence rules in Housing Benefit and Pension Credit on 28 July 2016. This would reduce the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks. Northern Ireland, the Channel Islands and the Isle of Man are not part of Great Britain for Housing Benefit purposes. There are exceptions to the general temporary absence rule that we would similarly apply to CTR recipients, for example absences related to the death of a close relative.

2 People who could be affected, with particular regard to the legally defined protected characteristics¹:

Our localised CTR scheme affects all claimants who are of working age (and those of working age currently not in receipt of CTR but who may apply in the future). Limited equality data is held within WSC's CTR computer system (as the collection of such information has not been necessary for administering CTR) given the caseload can come from all sections of the community it is likely there will be claimants (and their household members) that contain the full range of protected characteristics¹ as defined within the Equalities Act 2010 and include:

- Age
- Disability
- Gender
- Gender Reassignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race
- Religion and belief
- Sexual orientation

The Government expects local authorities to establish schemes that minimise the impact on vulnerable groups. The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012 include provisions for those of working age but none of those prescribed requirements set out the level of support to be given.

3 People and Service Area who are delivering the policy/service/decision:

Council Staff in the Revenues & Benefits Service

4 Evidence used to assess impact: Please attached documents where appropriate.

We have obtained data relating to people affected from our Council Tax Rebate processing system. The data available has allowed us to analyse impact on people according to their age, disability, family circumstances and level of income. We have modelled options on scenarios with "live" data based on actual entitlements and CTR recipients at that point in time. We asked general diversity questions as part of the consultation exercise.

In addition, we have undertaken debt profiling against the Council Tax Rebate (CTR) customer base ([Appendix 5](#)) and also against those customer groups impacted most by the key elements of our localised scheme.

We have also considered the following assessments undertaken by the DWP:

- [Equality Analysis](#) to remove the Family Premium and limit backdating for Housing Benefit to one month;
- [Impact Assessment](#) to remove the ESA Work-Related Activity Component
- [Equality Analysis](#) for Housing Benefit (Temporary Absence)(Amendment) Regulations 2015

To raise awareness of our proposals and to encourage participation in the consultation process we requested that every WSC Members obtain views on the options from constituents within their Wards. We distributed a minimum of 10 consultation questionnaires to each of our 28 Members. Consequently, if every Member obtained the views of one of their constituent each week of the consultation period (4 July 2016 to 11 September 2016 - 10 weeks) we would obtain views of 280 residents across the entirety of the WSC area. This would provide a confidence level of 95% with a 5% margin of error. Obtaining 108 responses increases the margin of error to 9.4%.

In supplementing Member involvement, we also created a dedicated web page with an online survey, as well as promoting consultation and encouraging participation from customers, staff and external partners.

Should Members decide to align our Council Tax Rebate Scheme with changes made to the temporary absence rules in Housing Benefit and Pension Credit on 28 July 2016, this would apply to all customers equally from April 2017 and so will not affect customers differently because of any protected characteristic.

The impact of implementing other changes to our local Council Tax Rebate Scheme for each of the protected groups, is considered on the following pages.

¹ For protected characteristics, please visit:

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/guidance-all/protected-characteristics>

Equality Impact Assessment (by protected characteristic)

Age

The proposed scheme for 2017/18 is subject to some national prescription relating to protecting pensioners' entitlements. Therefore we have no discretion about whether or not to follow this principle. The Government is committed to protecting pensioners on low incomes and therefore have prescribed a scheme for pensioners through legislation. This means that pensioners will not see any reduction in their CTR in comparison with their former levels of Council Tax Benefit.

Pensioners are still entitled to claim up to 100% of their Council Tax liability through CTR. West Somerset has a high pensioner population therefore, there will be a disproportionate effect on working age people with this policy. The Council's general equality duty is lessened to an extent with regard to older people as Government has prescribed that pensioners are not to be affected by CTR. However, we have a responsibility to foster good relationships between people who share a protected characteristic and those who do not. There is a risk of harming the relationship between pensioners and working age claimants of CTR as pension age claimants are not affected and working age claimants have a greater reduction to their CTR to cover the shortfall in funding.

Our CTR scheme's premiums and personal allowance are linked to the rates set by the DWP. The main rates of working age benefits and tax credits are frozen in cash terms for 4 years from April 2016. Pensioner benefits are excluded from the benefit freeze and will be protected by the 'triple lock'. This means that for pensioners, premiums and personal allowance will rise by the higher of price inflation, earnings growth or 2.5%.

Table 1	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Pension Age	1,928	28	1%	£211.68	£5,927
Working Age Employed	477	155	32%	£389.93	£60,439
Working Age Other	1,255	228	18%	£173.53	£39,565
Total for CTR recipients	3,660	411	11%	£257.74	£105,931
Working age	1,732	383	22%	£261.11	£100,004

The CTR scheme retains the majority of the former Council Tax Benefit assessment rules, including the use of applicable amount and personal allowances. The personal allowances and applicable amounts used to calculate CTR are the amounts deemed necessary to provide for basic needs based on household composition and disability. These allowances and applicable amounts take the claimant's circumstances into account and mean they are awarded more support if they have children or dependents under the age of 18.

The CTR scheme for 2017/18 will continue to disregard Child Benefit in income calculations meaning that the added income this provides will not reduce the CTR that an applicant receives.

In conducting consultation for our CTR scheme for 2017/18, Option 4 proposes to align our scheme with some or all of the changes the Government make to other welfare benefits. Under Option 4, from April 2017, 18-21 year olds who are not in work would no longer be eligible for help through our CTR scheme. There will be a range of exemptions for vulnerable young people, including those in danger of suffering abuse and those receiving disability benefits. People who have been in work for 6 months before making a claim, will continue to be eligible for CTR for up to 6 months while they look for work. Applicants who have previously been in care will not be affected. Analysis of our current caseload identified 15 CTR recipients for the period April - August 2016 that were not working and aged 18-21. In considering to implement this measure, based on current recipients, 15 individuals aged 18-21 would no longer receive any CTR.

In mitigating any of the effects under Option 4, officers could apply a discretionary reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our policy.

Disability

Disabled people have a limited ability to work and are likely to have higher level disability related living expenses. This group in particular find it difficult to access and sustain employment and therefore improve on their current financial situation. This group of people is less resilient to the impact of recession and unemployment and are often living in poverty. These further impacts on the individual's mental health.

The personal allowances and applicable amounts currently used to calculate CTR, are the amounts deemed necessary to provide for basic needs based on household composition and disability. These allowances and applicable amounts already take the claimant's circumstances into account and mean that they are awarded more support if they or anyone in their household has a disability than if the household had the same income but contained no-one with a disability.

Disability benefits, the disability-related elements of tax credits and statutory payments including Personal Independence Payment, Attendance Allowance, Disability Living Allowance, Employment and Support Allowance (Support Group only), Maternity Allowance, Statutory Maternity/Paternity Pay and Statutory Sick Pay, are uprated in line with the Consumer Prices Index (CPI). The CPI fell in the year to September 2015 so it meant the benefits mentioned above were not increased from April 2016.

In common with other working age recipients, people with disabilities will receive less CTR under the localised scheme than they did under CTB. However, the limited changes between CTB and our local CTR scheme are not such as to introduce disproportionately adverse effects on people based on disabled people as a specific group. Outside of CTR, the Council Tax scheme itself recognises disability by exempting those with a severe mental impairment, the CTR scheme will not impact upon that exemption and it will continue to apply where appropriate. Additionally, the Council Tax scheme also recognises disability where a dwelling occupied by a disabled person has a room that is adapted or additional to meet the needs of that resident. In those cases the band attributable to that dwelling for the purposes of Council Tax is reduced in advance of any further reduction under CTR.

In consultation for our CTR scheme for 2017/18, Option 4 proposes that new claimants for Employment and Support Allowance in the Work Related Activity Group will receive the same rate of CTR as those claiming Jobseeker's Allowance. Analysis of our current CTR caseload has not identified any applicants where we include the Work Related Activity Component within the Applicable Amount and so implementing this measure is unlikely to have a disproportionate negative impact for working age customers with disabilities.

The average level of debt for working age CTR recipients in 2015/16 receiving the disability premium was £164.80 - lower than the scheme average of £261.11 for working age claims, with only 10% of CTR recipients with a disability premium were in arrears with their Council Tax – significantly less than the scheme average of 22%.

Table 2

CTR recipients with disabilities	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Working Age Employed	57	6	11%	£228.33	£1,370
Working Age Other	98	9	9%	£122.44	£1,102
Total	155	15	10%	£164.80	£2,472

Gender

There are a greater number of female recipients of CTR within our caseload (either single, lone parents or part of a couple) than male recipients. Consequently more females will be impacted by changes made to our CTR scheme than males. This is not deliberate but is simply a product of the makeup of our caseload. However, gender will not be a direct factor in any part of the assessment of CTR as it is not considered to be a characteristic that requires a higher applicable amount when assessing support.

The majority of lone parents in receipt of CTR are female. Under Option 4, aligning the backdating period from six months to one month means the potential entitlement period changes, but there is no actual reduction in CTR to the applicant. This measure would apply to all CTR applicants regardless of any protected characteristic. There is no evidence that reducing the period for which CTR can be backdated for working age applicants would change the gender profile of the caseload.

In reducing the period for which a person can be absent from Great Britain and still receive CTR to 4 weeks, the DWP consider there will be small cases of claimants impacted (mainly women) who leave their homes through fear of violence in that dwelling. Currently those fleeing domestic violence are allowed CTR during a period of temporary absence for up to 52 weeks. Under the changes if they decide to flee to a place of safety outside Great Britain, for example to Northern Ireland, then their CTR will be stopped after 4 weeks. Due to the relatively low numbers likely to be affected officers could apply a discretionary reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our policy.

The average level of debt for working age lone parents in 2015/16 was £277.05 - greater than the scheme average of £261.11 for working age claims. See table 3 detailing debt levels for this group.

Table 3

Lone Parents	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Working Age Employed	209	46	22%	£293.22	£13,488
Working Age Other	253	54	21%	£249.95	£14,217
Total	462	100	22%	£277.05	£27,705

Gender Reassignment

We hold no data on our Council Tax system to identifying the names or numbers of current CTR applicants who share this protected characteristic. Gender reassignment is not a factor in any part of the assessment of CTR and it is not considered to be a characteristic which requires a higher applicable amount when assessing support. In common with other working age CTR applicants, transgendered people may receive less CTR under the proposals for change in 2017/18. However, these are not such as to introduce disproportionately adverse effects on transgendered people as a specific group.

Marriage and Civil Partnership

Marital or civil partnership status is not currently a factor in determining CTR as it is not considered to be a characteristic that requires a higher applicable amount. Our CTR scheme will continue to recognise and retain the treatment rules for those in Polygamous marriages. Options for changing our CTR scheme for 2017/18 do not introduce disproportionately adverse effects on people based on their marriage or civil partnership status.

Religion and Belief

We do not gather data on religion or belief as part of the CTR application process; we do not hold full data specific to religion or belief within our caseload. Religion and belief is not a factor in any part of the assessment of Council Tax Rebate as it is not considered to be a characteristic which requires a higher applicable amount.

Some working age CTR applicants, people of all or no religion or belief, may receive less CTR under the proposals for change in 2017/18. However, these are not such as to introduce disproportionately adverse effects on people based on their religion or belief status.

Race

West Somerset historically has a low BME (Black & Minority Ethnic) population compared to the rest of Somerset. Race is not a factor in the assessment of CTR and it is not considered to be a characteristic that requires a higher applicable amount. Some people of all races, may receive less CTR under the proposals for change in 2017/18. However, these are not such as to introduce disproportionately adverse effects on people based on their race status.

Pregnancy and Maternity

For the purposes of CTR, pregnancy and maternity must be considered as two separate characteristics as while the applicant is pregnant, her applicable amounts and personal allowances are lower (as for a person without children). Once a child is born, it becomes part of the household composition and increased allowances are applied. Pregnancy alone is not a factor in the current assessment of CTR as it is not considered to be a characteristic that requires a higher applicable amount. Providing that the child (or children) forms part of the mother's household composition once it is born, the application for CTR will then include the child (or children) as part of the household and the applicable amount will increase which, once other income changes have been taken into account may provide for a more generous assessment of CTR and reduced Council Tax payments. The CTR scheme will retain the current disregard of Child Benefit in income calculations, meaning the income that Child Benefit provides will not reduce the amount of CTR that a recipient receives as a result of having a baby.

In considering our CTR scheme for 2017/18, Option 4 proposes that we will not include a Family Premium within in the applicable amount for new working age CTR applicants, or existing recipients who would otherwise have had a new entitlement to the premium. This would result in a "notional" weekly loss of CTR of £3.49 (20% of the current Family Premium of £17.45). As this measure only applies to new claims to CTR, or those who have a first child while claiming CTR, this alignment measure does not result in a reduction in actual support paid.

Sexual Orientation

Sexual orientation is not be a factor in any part of the assessment of CTR as it is not considered to be a characteristic which requires a higher applicable amount when assessing support. Some working age CTR applicants will receive less CTR under the proposals for change in 2017/18. However, these are not such as to introduce disproportionately adverse effects on people based on their sexual orientation.

Children and duties under the 2010 Child Poverty Act

The minimum age for receiving CTR is 18 and so people under the age of 18 will not be impacted directly by the CTR scheme. Indirect impact has been considered as people under the age of 18 are included as part of a claimant's household and the Council has a duty to prevent child poverty as outlined in the Child Poverty Act 2010. There are 861 working age CTR recipients with children, accounting for 50% of all working age CTR recipients. Of those with children, 25% (217) have debt totalling £61,712 with these arrears making up 62% of all Council Tax debt for those of working age getting CTR.

In conducting consultation for our CTR scheme for 2017/18, Option 4 proposes to align our scheme with some or all of the changes the Government make to other welfare benefits. In not including a Family Premium within in the applicable amount for new working age CTR applicants, or existing recipients who would otherwise have had a new entitlement to the premium, this would result in a "notional" weekly loss of CTR of £3.49 (20% of the current Family Premium of £17.45). As this measure only applies to new claims to CTR, or those who have a first child while claiming CTR, this alignment measure does not result in a reduction in actual support paid.

Within the current scheme, applicants who have children are awarded a dependants addition of £66.90 for each child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependants' additions that can be awarded. From April 2017 the Government will limit dependants' additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1 April 2017. This measure only applies to new claims for CTR, or those who have a third child on or after 1 April 2017 and so does not result in a reduction in actual support paid. However, it would result in a "notional" weekly loss of CTR of at least £13.38 (20% of £66.90). We would continue to include the amount for first and second children. There will be protection for multiple births or women who have a third child as the result of rape or other exceptional circumstances.

In mitigating any of the effects under Option 4, officers could apply a discretionary reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our policy. Analysis of debt levels for existing working age applicants with children is shown in Table 4 below.

Table 4

Working age claims with children	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Working Age Employed	502	115	23%	£353.48	£40,650
Working Age Other	359	102	28%	£206.49	£21,062
Total	861	217	25%	£284.39	£61,712

Other Groups (non-statutory)

Employment

West Somerset has the second lowest wage levels amongst neighbouring authorities and is significantly below county, regional and national averages. This may be a factor in the levels of debt for working claims. The number of working age CTR recipients in employment is 477, accounting for 28% of all working age recipients. Those CTR recipients without employment are 14% more likely to have Council Tax arrears, although the average value of their debt (£173.53) is less than for those with employment (£389.93) - see Table 5.

Table 5

	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Working Age Employed	477	155	32%	£389.93	£60,439
Working Age Other	1,255	228	18%	£173.53	£39,565
Total for working age	1,732	383	22%	£261.11	£100,004

Couples in employment without responsibility for children, have the greatest average debt at £492.64, while non-working applicants with disabilities, have the lowest average debt of £122.44 - see Table 6.

Table 6

Average debt for those in arrears	Couples with children	Couples, no children	Single, no children	Lone parent	Disabled
Working Age Employed	£393.65	£492.64	£279.17	£293.22	£228.33
Working Age Other	£142.60	£425.79	£301.06	£263.28	£122.44
Total for working age	£290.66	£464.20	£294.49	£277.05	£164.80

The National Living Wage is currently £7.20 an hour for those 25 or over from April 2016 and will increase to £9.00 an hour by 2020. For people of working age that are not in employment, the benefit cap restricts the amount in certain benefits that a household can receive. Any household receiving more than the cap will have their Housing Benefit reduced to bring them back within the limit. The Benefit Cap will be cut from £26,000 to £20,000 for households living in the West Somerset area and will be phased-in gradually from November 2016. We estimate up to 50 households will be affected. This reduction in income may mean Council Tax is more difficult to collect from those households.

Rural Isolation

Because of the rural location of West Somerset access to suitable employment, training and public services is an issue for many. The rural nature of West Somerset sees many residents trapped in low paid work with little opportunity to improve on their situation. Increasing transport costs and limited public transport makes it difficult for residents to commute to better paid jobs in other parts of the County.

Carers

Larger families or people with disabilities may be in larger properties to cater for disability needs and so carers are able to stay overnight.

Armed Forces

Veteran Benefits continue to be fully disregarded in the means test for CTR. Our scheme does not appear to have a differential impact but we are aware some ex veterans experience mental health issues and have physical disabilities.

Other

Many of our customers have low numeracy and literacy skills and will have been unable to engage with the consultation on this policy. Skills and qualification levels are particularly poor in the district and therefore limit people's opportunities.

5 Conclusions on impact of proposed decision or new policy/service change:

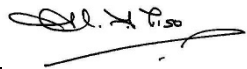
In considering options to change our CTR scheme we have tried hard to balance the reality of a significant cut in Central Government funding to protecting the most vulnerable members of our community as far as practicable.

In mitigating any disproportionate effect through implementing any of the proposed options to change our CTR scheme, officers could apply a reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our discretionary policy.

6 Recommendation based on findings. These need to be outlined in the attached action plan.

Adjust the policy.

Equality Impact Assessment Action Plan					
Group Affected	Action required	Expected outcome of action	Person to undertake action	Service Plan - for monitoring	Expected Completion date
Age	Young people aged 18 to 21 that are not working will receive no help with either their housing costs (rent) or with paying Council Tax. It will be important to work closely with DWP colleagues in ensuring such people receive the “intensive regime of support” stipulated by the Government to increase their skills and confidence in gaining for employment.	Flagging affected individuals as “vulnerable” with Revenue IT systems to ensure collection of debt is appropriately managed	DHP/Welfare Reform Officer	Revenues & Benefits	On-going
Disability	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable
Marriage and Civil Partnership	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable
Pregnancy and Maternity	In not including a Family Premium within in the applicable amount for new working age CTR applicants, or existing recipients who would otherwise have had a new entitlement to the premium, there will be less CTR available to those affected. In addition, limiting dependant additions to a maximum of two children is similarly likely to reduce support.	Provide short-term help for instances of hardship.	DHP/Welfare Reform Officer	Revenues & Benefits	On-going
Race	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable

Gender Re-assignment	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable		
Religion and Belief	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable		
Sex	There are a greater number of female CTR recipients within our caseload (either single, lone parents or part of a couple) than male recipients. Consequently more females will be impacted by changes made to our scheme. However, gender is not a direct factor in any part of the assessment of CTR as it is not considered to be a characteristic that requires a higher applicable amount when assessing support.	Provide short-term help for instances of hardship.	DHP/Welfare Reform Officer	Revenues & Benefits	On-going		
Sexual Orientation	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable		
Rurality	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable		
Author's Signature:		Report Title	Review of CTR scheme for 2017/18	Date	13/10/2016	EIA Version	1.1
Contact Details:		Tel:	01823 356541	Email:	h.tiso@tauntondeane.gov.uk		

CTR Tax Rebate - Debt Profile @ 31 March 2016

Table 1 – Profile of claims with arrears

	Number of cases	Cases with debt	Percentage of cases with debt	Average arrears cases	Average arrears across scheme	Total arrears
Pension Age	1,928	28	1.45%	£211.68	£3.07	£5,927.00
Working Age Employed	477	155	32.49%	£389.93	£126.71	£60,439.00
Working Age Other	1,255	228	18.17%	£173.53	£31.53	£39,565.00
Total	3,660	411	11.23%	£257.74	£28.94	£105,931.00
Total for working age	1,732	383	22.11%	£261.11	£57.74	£100,004.00

Table 2 – Profile of claims – Claim numbers

	Total claims	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	1,928	1,167	24	15	454	2	98
Working Age Employed	477	0	502	336	122	209	57
Working Age Other	1,255	957	359	286	294	253	98
Total	3,660	2,124	885	637	870	464	253
Total for working age	1,732	957	861	622	416	462	155

Table 3 – Total arrears

	Total arrears	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	£5,927.00	£2,011.00	£0.00	£37.00	£759.00	£0.00	£79.00
Working Age Employed	£60,439.00	£0.00	£40,650.00	£37,933.00	£8,375.00	£13,488.00	£1,370.00
Working Age Other	£39,565.00	£36,719.00	£21,062.00	£24,270.00	£21,074.00	£14,217.00	£1,102.00
Total	£105,931.00	£38,730.00	£61,712.00	£62,240.00	£30,208.00	£27,705.00	£2,551.00
Total for working age	£100,004.00	£36,719.00	£61,712.00	£62,203.00	£29,449.00	£27,705.00	£2,472.00

Table 4 – Number of claims with arrears

	Total claims with arrears	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	28	8	0	1	11	0	1
Working Age Employed	155	0	115	77	30	46	6
Working Age Other	228	205	102	57	70	54	9
Total	411	213	217	135	111	100	15
Total for working age	383	205	217	134	100	100	15

Table 5 –Percentage of claims with arrears

	Total claims	Total with arrears	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	53%	1%	1%	0%	7%	2%	0%	1%
Working Age Employed	13%	32%	0%	23%	23%	25%	22%	11%
Working Age Other	34%	18%	21%	28%	20%	24%	21%	9%
Total	100%	11%	10%	25%	21%	13%	22%	6%
Total for working age	47%	22%	21%	25%	22%	24%	22%	10%

Table 6 – Average arrears per case

	Total	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	£211.68	£251.38	£0.00	£37.00	£69.00	#DIV/0!	£79.00
Working Age Employed	£389.93	£0.00	£353.48	£492.64	£279.17	£293.22	£228.33
Working Age Other	£173.53	£179.12	£206.49	£425.79	£301.06	£263.28	£122.44
Total	£257.74	£181.83	£284.39	£461.04	£272.14	£277.05	£170.07
Total for working age	£261.11	£179.12	£284.39	£464.20	£294.49	£277.05	£164.80

Table 7– Average arrears across scheme

	Total	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	£3.07	£1.72	£0.00	£2.47	£1.67	£0.00	£0.81
Working Age Employed	£126.71	£0.00	£80.98	£112.90	£68.65	£64.54	£24.04
Working Age Other	£31.53	£38.37	£58.67	£84.86	£71.68	£56.19	£11.24
Total	£28.94	£18.23	£69.73	£97.71	£34.72	£59.71	£10.08
Total for working age	£57.74	£38.37	£71.67	£100.00	£70.79	£59.97	£15.95

Table 8 – Total Arrears by Council Tax Band

	A	B	C	D	E	F	G
Pension Age	£1,906.00	£1,965.00	£329.00	£1,307.00	£0.00	£0.00	£420.00
Working Age Employed	£8,646.00	£27,250.00	£13,052.00	£4,640.00	£2,033.00	£4,818.00	£0.00
Working Age Other	£21,584.00	£12,185.00	£4,687.00	£818.00	£493.00	£0.00	£359.00
Total	£32,136.00	£41,400.00	£18,068.00	£6,765.00	£2,526.00	£4,818.00	£779.00
Total for working age	£30,230.00	£39,435.00	£17,739.00	£5,458.00	£2,526.00	£4,818.00	£359.00

Table 9 Number of cases with arrears by Council Tax Band

	A	B	C	D	E	F	G
Pension Age	8	10	2	4	0	0	1
Working Age Employed	15	47	19	8	2	2	0
Working Age Other	83	58	19	6	0	1	1
Total	106	115	40	18	2	3	2
Total for working age	98	105	38	14	2	3	1

Table 10 – Average Arrears by Council Tax Band

	A	B	C	D	E	F	G
Pension Age	£238.25	£196.50	£164.50	£326.75	£0.00	£0.00	£420.00
Working Age Employed	£576.40	£579.79	£686.95	£580.00	£1,016.50	£2,409.00	£0.00
Working Age Other	£260.05	£210.09	£246.68	£136.33	£0.00	£0.00	£359.00
Average	£303.17	£360.00	£451.70	£375.83	£1,263.00	£1,606.00	£389.50
Average for working age	£308.47	£375.57	£466.82	£389.86	£1,263.00	£1,606.00	£359.00

Table 11 – Claims with Children – Arrears Analysis

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	24	0	#DIV/0!	£0.00	£0.00
Working Age Employed	502	115	£353.48	£80.98	£40,650.00
Working Age Other	359	102	£206.49	£58.67	£21,062.00
Total	885	217	£284.39	£69.73	£61,712.00
Total for working age	861	217	£284.39	£71.67	£61,712.00

Table 12 – Lone Parent Claims – Arrears Analysis

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	2	0	#DIV/0!	£0.00	£0.00
Working Age Employed	209	46	£293.22	£64.54	£13,488.00
Working Age Other	253	54	£263.28	£56.19	£14,217.00
Total	464	100	£277.05	£59.71	£27,705.00
Total for working age	462	100	£277.05	£59.97	£27,705.00

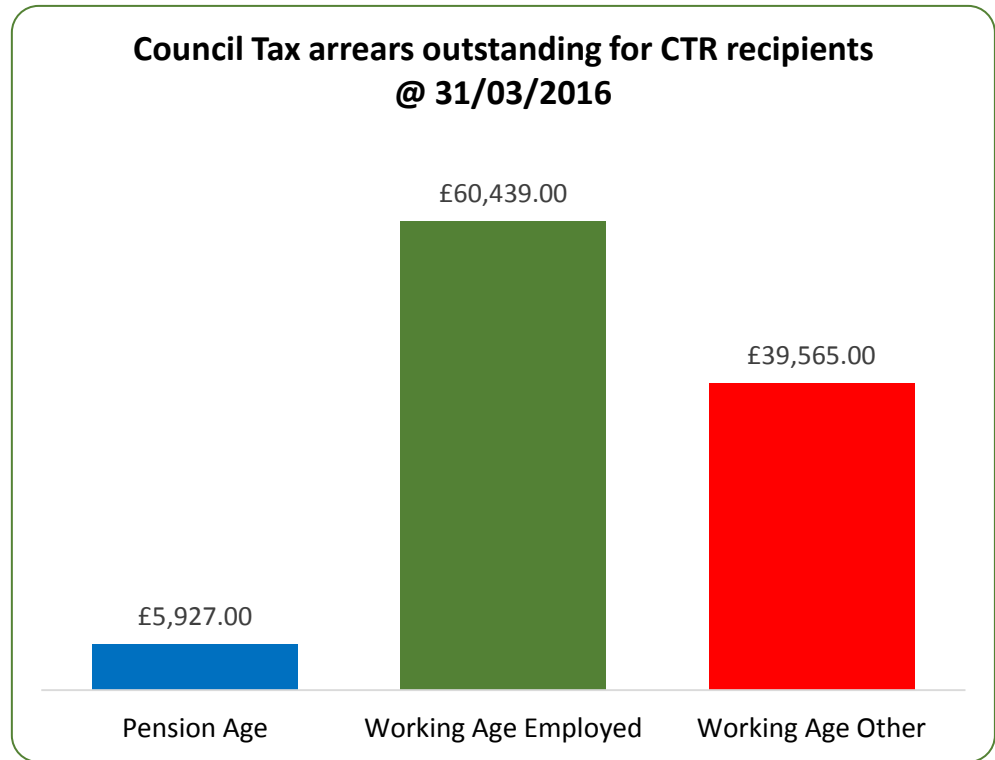
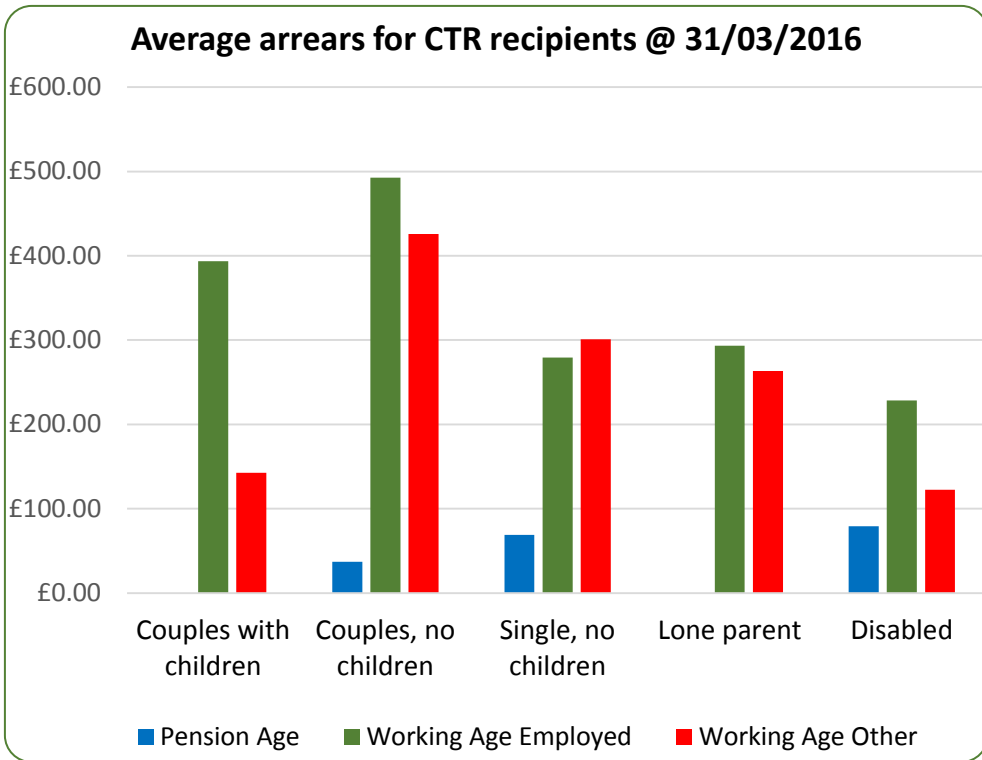
Table 13 – Claims with a Disability Premium – Arrears Analysis					
	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	98	1	£79.00	£0.81	£79.00
Working Age Employed	57	6	£228.33	£24.04	£1,370.00
Working Age Other	98	9	£122.44	£11.24	£1,102.00
Total	253	16	£159.44	£10.08	£2,551.00
Total for working age	155	15	£164.80	£15.95	£2,472.00

Table 14 – Passported Claims – Arrears Analysis					
	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	1,167	8	£251.38	£1.72	£2,011.00
Working Age	957	205	£179.12	£38.37	£36,719.00
Total	2,124	213	£181.83	£18.23	£38,730.00

Table 15 – Couples (no children) claiming CTR – Arrears Analysis					
	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	15	1	£37.00	£2.47	£37.00
Working Age Employed	336	77	£492.64	£112.90	£37,933.00
Working Age Other	286	57	£425.79	£84.86	£24,270.00
Total	637	135	£461.04	£97.71	£62,240.00
Total for working age	622	134	£464.20	£100.00	£62,203.00

Table 16 – Single People Claiming CTR – Arrears Analysis					
	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	454	11	£69.00	£1.67	£759.00
Working Age Employed	122	30	£279.17	£68.65	£8,375.00
Working Age Other	294	70	£301.06	£71.68	£21,074.00
Total	870	111	£272.14	£34.72	£30,208.00
Total for working age	416	100	£294.49	£70.79	£29,449.00

Table 17 – Comparison of Working Age cases – Arrears Analysis					
	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Working age (working)	327	74	£469.47	£106.24	£34,740.55
Working age (not working)	1,120	323	£327.78	£94.53	£105,873.23
Total for working age	1,447	397	£354.19	£97.18	£140,613.78



West Somerset District Council

Scrutiny – 13 October 2016

Quarter 2 (month 5) 2016/17 Performance Report

This matter is the responsibility of The Leader of the Council, Cllr Anthony Trollope-Bellew

Report Author: Paul Harding, Corporate Strategy & Performance Manager

1 Purpose of the Report

1.1 This report provides Members with key performance management data up to the end of month 5 Quarter 2 2016/17, to assist in monitoring the Council's performance.

2 Recommendations

2.1 It is recommended that:-

- Scrutiny review the Council's performance and highlight any areas of particular concern;

3 Risk Assessment

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)
The mitigation for this will be the continued strong leadership from Lead Members and JMT to ensure that performance management remains a priority.	Unlikely (2)	Major (4)	Medium (8)




4 Background and Full details of the Report

4.1 Regularly monitoring our performance is a key element of the Council's Performance Management Framework.




4.2 There are **29** individual measures which are reported within the Corporate Scorecard.

- 4.3 The WSC Corporate Scorecard at Appendix A contains details of the Quarter 2 (month 5) 2016/17 position against the Council's key corporate indicators. It should be stressed that this information is at **30th August 2016** (this is one month earlier than usual but is designed to allow performance information to be produced and available to the committee earlier in the financial year than previously).
- 4.4 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.
- 4.5 The key used is provided below:

KEY:

	Planned actions are on course or achieved		Some uncertainty in meeting planned actions		Planned actions are significantly off course
	Performance Indicators are on target		Some concern that performance indicators may not achieve target. <15% variance		Significant concern that Performance indicators may not achieve target. > 15% variance

- 4.6 The table below provides an overview of the reported indicators within the Corporate Scorecard.

GREEN 	AMBER 	RED 	NOT DUE	NOT AVAILABLE	TOTAL
11	4	4	7	3	29

Please refer to **Appendix A** for full details of each of the reported measures.

4.7 Further detail is provided concerning the red measures below:

Reference	Description	Measure	Comments
KPI 5	Average processing times for new Housing Benefit claims	22 days or lower	<p>End of Q1 = 41.9 days</p> <p>End of August = 36.81 days</p> <p>Quarter 1 was exceptionally busy at the start of the new financial year with many customers querying entitlement following changes made to our CTR scheme for 2016/17. This resulted in officers being deployed to respond to customer enquiries. Combined with training for new staff, as well as officers adjusting to new ways of working and gaining familiarity with the new IT system, it resulted in a backlog of work. Good progress has been made with the average for August being less than 30 days. However, meeting the annual target for 2016/17 is looking increasingly unlikely, although the revenues and benefits services is hopeful on improving on the performance for 2015/16 (28.51 days).</p>
KPI 123	Customer Complaints	95% of complaints responded to with 20 working days	<p>Q1 = 66.66%</p> <p>Q2 (Jul/Aug only) = 53.85% 13 complaints received (7 answered in time, 6 not answered in time).</p> <p><u>Total 13 Q2 Jul/Aug complaints:</u></p> <p>1 x Parking of council vehicle blocking access 3 x Environmental Health 5x Public toilets 2 x Council Tax 2 x Car Parks</p> <p><u>The complaints answered out of time were:</u></p> <p>1 x Parking of Council vehicle blocking access 1 x Environmental Health 4 x Public Toilets</p>
KPI 6	Average processing times for changes in circumstances	9 days or lower	<p>End of Q1 = 13.48 days</p> <p>End of August = 14.37 days</p> <p>The failure to meet the target so far is for the same reasons as outlined for KPI5. However,</p>

	(lower is better).		the revenues and benefits service is hopeful they will achieve the annual performance target for 2016/17 by the end of Q4.
TH14a	Timeliness of draft minutes of committee meetings being provided to committee chair.	100% within 7 days	<p>Q1 = 9 out of 12 minutes completed on time = 75%</p> <p>Q2 = 4 out of 6 minutes completed on time = 67%</p> <p>This is a new measure introduced this year which supports democracy and transparency and has been introduced in order to drive up performance.</p>

5 Links to Corporate Aims / Priorities

- 5.1 This KPIs within this report support progress against the Council's key priorities in relation to place, people and an being an efficient and modern Council.

6 Finance / Resource Implications

- 6.1 The scorecard references some financial performance measures, a separate more detailed financial performance report for the quarter is listed as a separate item on this agenda.

7 Legal Implications

- 7.1 There are no legal implications associated with this report.

8 Environmental Impact Implications

- 8.1 There are no direct environmental impact implications associated with this report although the scorecard includes measures relating to fly-tipping.

9 Safeguarding and/or Community Safety Implications

- 9.1 There are no safeguarding and /or community safety implications associated with this report.

10 Equality and Diversity Implications

- 10.1 There are no equality and diversity implications associated with this report.

11 Social Value Implications

11.1 There are no Social Value implications associated with this report.

12 Partnership Implications

12.1 A number of corporate aims and objectives reported within the corporate scorecard are delivered in partnership with other organisations, in particular through shared services arrangements with Taunton Deane Borough Council. .

13 Health and Wellbeing Implications

13.1 There are no direct health and wellbeing implications associated with this report although the corporate scorecard includes measures relating to disabled facilities grants which enable residents to live independently, for example.

14 Asset Management Implications

14.1 There are no direct asset management implications associated with this report.

15 Consultation Implications

15.1 The performance scorecard has been reviewed by JMT at the performance review day held on **30th September 2016**. This performance report will be published on the Council's website for public scrutiny and information.

Democratic Path:

- **Scrutiny - Yes**
- **Cabinet – Yes**
- **Full Council – No**

Reporting Frequency: 6 Monthly.

List of Appendices (delete if not applicable)

Appendix A	Corporate Scorecard
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Contact Officers

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Email	p.harding@tauntondeane.gov.uk

Appendix A

Reference	Directorate	AD	Council	Corporate Aim/Priority	Description	Measure	Previous Year Performance	Q1 (RAG)	Q2 (RAG)	Comments
HC4.13	Director Housing & Community	Simon Lewis	WSC	Key Theme 1 - Our Communities (wsc)	Number of Households making a homeless application and percent accepted where we have a duty (lower is better). KPI 45	Target = 65 or fewer for the year	63 applications	GREEN	GREEN	Q1 - Homeless Applications = 12 Homeless acceptances = 5 (42%) Q2 - Homeless Applications = 9 Homeless Acceptances = 0 (0%)
HC4.5	Director Housing & Community	Simon Lewis	WSC	Key Theme 1 - Our Communities (wsc)	Disabled facilities grants - Average time to complete DFG process once allocated by SWPSHP Measures the time from allocating the case until the work has been completed. KPI 52	Target - 24 Weeks (as per the Home Improvement Agency's target)	New measure introduced from Q3 Q3 - 23 weeks Q4 - 22 weeks	RED	AMBER	Q1 - 41 weeks (4 cases) Q2 34 weeks (10 cases) - The picture continues to improve as the 2015 cases are falling out of the system.
HC4.7	Director Housing & Community	Simon Lewis	WSC	Key Theme 1 - Our Communities (wsc)	Average overall waiting time for high priority DFGs (once recommendation made by OT) KPI 52a (The priority is determined by the Occupational Therapist and the assessment is determined on the combined risk and functional independence score. The score puts them into High, Medium or Low. Low = 0 - 8 points, Medium = 9 - 14, High = 15+ points).	Measure Only - no target	New Measure introduced from Q3 Q3 - 2 cases with average completion of 70 weeks Q4 - 1 case with average completion of 24 weeks	RED	AMBER	Q1 - 12 months Allocated to the HIA 5 months after receipt of recommendation. Further delays whilst the agency restructured. Q2 - 33 weeks (8 months) which is an improvement of 1 month on the projected average for Q2. Q1 was 12 months which makes the overall improvement over the two Quarters, 4 months. The results reflect the poor case management under the old contract which resulted in a waiting list and unnecessary delays in processing clients applications at the agency. This picture will continue to improve as the old contract is replaced by the new one. New cases are now allocated to the
HC4.20	Director of Growth	Tim Burton	WSC	Key Theme 1 - Our Communities (wsc)	Total net increase in the number of homes within the district	Target (WSC Local Plan) additional 2,900 by 2032 (West Somerset Planning Area)	Completions for 2015-16: 99 dwellings (78 market/private housing, 21 affordable housing)	Not Due	Not Due	Figures monitored annually Report Q4
HC4.17	Director Housing & Community	Terry May	WSC	Key Theme 1 - Our Communities (wsc)	Facilitate the delivery of the affordable housing pipeline to achieve 34 new affordable homes in 2016/17	Target = 34 affordable homes (102 homes over 3 years) (Based on 35% of the emerging Local Housing Plan annualised new build housing figure of minus 30% to take account of small sites.)	21 homes for 2015/16	GREEN	AMBER	Q1 - 4 homes Q2 - No completions anticipated in this quarter. 3 schemes due to start handovers Dec 2016 onwards - total 44 anticipated, however contractor issues may delay 20 units.
TH9	Director Operations	Paul Fitzgerald	WSC	Key Theme 2 - Business & Enterprise (TDBC)	Number of NDR hereditaments and rateable value	New Measure	Total Rateable Value as at 31/3/16 = £28,469,656 Total number of hereditaments = 1905	GREEN	GREEN	Q1 Total Rateable Value = £28,445,716 Total Hereditaments = 1895 Q2 Total Rateable Value = £28,465,666 Total Hereditaments = 1899
TH1	Director of Growth	Ian Timms	WSC	Key Theme 2 - Business & Enterprise (wsc)	Births of new enterprises Business 'birth' rates as a % of business stock	target - Increase (> Somerset average) (& business 'births' to exceed deaths')		Not Due	Not Due	Figures monitored annually Report Q4
TH2	Director of Growth	Ian Timms	WSC	Key Theme 2 - Business & Enterprise (wsc)	Skill level within the workforce (NVQ Level 2, 3 & 4)	TD target - Levels 3 & 4 better than national average		Not Due	Not Due	Figures monitored annually Report Q4
TH3	Director of Growth	Ian Timms	WSC	Key Theme 2 - Business & Enterprise (wsc)	New jobs (NB links to employment rate, ref KPI 38 above)	TDBC target = 12,000 by 2028 (= 63,000 economically active)		Not Due	Not Due	Figures monitored annually Report Q4

TH4	Director of Growth	Ian Timms	WSC	Key Theme 2 - Business & Enterprise (wsc)	Wage levels	Increase to equal national average		Not Due	Not Due	Figures monitored annually. Report Q4
TH6	Director of Growth	Ian Timms	WSC	Key Theme 2 - Business & Enterprise (wsc)	Employment land New Office space and new industrial land – 100% requirements as per Core Strategy	Increase (to meet Core Strategy targets by 2028): • Total 49,500 sq.m. new office space • Total 36.5ha new industrial land		Not Due	Not Due	Figures monitored annually Report Q4
TH5	Director of Growth	Ian Timms	WSC	Key Theme 2 - Business & Enterprise (wsc)	Business Survival rate (5 year survival %)	Target - 5 year survival = min 50% (ie Better than national average)		Not Due	Not Due	Figures monitored annually. Report Q4
KPI 103	Director Operations	Chris Hall	WSC	Key Theme 3 - Our Place & Infrastructure (wsc)	Street Cleansing % service requests actioned within 5 working days	85% target	Q1 = 88% Q2 = 100% Q3 = 100% Q4 = N/A	GREEN	Not Available	Q1 = 100% completed
KPI 88	Director Operations	Chris Hall	WSC	Key Theme 3 - Our Place & Infrastructure (wsc)	Waste & Recycling Fly-tipping: % removed within 48 hrs	75%	Q1 = 95% Q2 = 94% Q3 = 95% Q4 = 98%	GREEN	Not Available	Q1 = 100% completed
KPI 5	Director Operations	Paul Fitzgerald	WSC	Key Theme 4 - An Efficient & Modern Council (TDBC)	Average processing times for new Housing Benefit claims	22 days or lower	28.51 days	RED	RED	End of Q1 = 41.9 days End of August = 36.81 days
KPI 123	Director Operations	Richard Sealy	WSC	Key Theme 4 - An Efficient & Modern Council (TDBC)	Customer Complaints	95% of complaints responded to with 20 working days	Q1 = 100% Q2 = 65% Q3 = 66% Q4 = 82%	RED	RED	Q1 = 66.66% 15 complaints received in Q1. 10 responded to within time and closed. 1 responded to out of time and closed. 4 complaints received in Q1 which are still open and over 20 days. Q2 (Jul/Aug only) = 53.85% 13 complaints received in Q2 7 responded to within time and closed. 6 complaints received in Q2 which are still open and over 20 days.
KPI 90A	Director of Growth	Tim Burton	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	% major planning applications determined within 13 weeks (or within agreed extension of time)	60%	Q1 – 66.7% Q2 – 100% Q3 – 33.3% Q4 – 67.7% Year – 67.7%	GREEN	GREEN	Q1 = 100% 1 application determined, 0 of which were within 13 weeks and 1 within an agreed extension of time. Q2 (as of end of August) = 100% 2 applications determined, 0 of which were within 13 weeks and 2 within an agreed extension of time.
KPI 90B	Director of Growth	Tim Burton	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	% minor planning applications determined within 8 weeks or an agreed extension of time.	65%	Q1 – 48.0% Q2 – 85.2% Q3 – 48.2% Q4 – 72.2% Year – 64.0%	GREEN	AMBER	Q1 = 95.5% 22 applications determined, 18 of which were within 8 weeks and 3 within an agreed extension of time Q2 (as of end of August) = 57.1% 7 applications determined, 0 of which were within 8 weeks and 4 within an agreed extension of time. Measures have been put in place to bring this back within target.

KPI 90C	Director of Growth	Tim Burton	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	% of other planning applications determined within 8 weeks or an agreed extension of time.	80%	Q1 – 95.0% Q2 – 93.8% Q3 – 97.9% Q4 – 91.5% Year – 94.5%	GREEN	GREEN	Q1 = 100% 46 applications determined, 41 of which were within 8 weeks and 5 within an agreed extension of time. Q2 (as of end of August) = 85.7% 28 applications determined, 21 of which were within 8 weeks and 3 within an agreed extension of time.
KPI 160	Director Operations	Richard Sealy	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	Number of days sickness per FTE	Average of 8 days or lower per FTE	8.86 days	AMBER	Not Available	Q1 = 2.09 days per FTE/ predicted 8.4 days per annum
KPI 6	Director Operations	Paul Fitzgerald	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	Average processing times for changes in circumstances (lower is better).	9 days or lower	8.15 days	RED	RED	End of Q1 = 13.48 days End of August = 14.37 days
KPI 10	Director Operations	Paul Fitzgerald	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	% Council Tax collected	97.5% by 31st March	97.44%	GREEN	GREEN	End of Q1 = 35.21% End of Aug 16 = 53.07%
KPI 12	Director Operations	Paul Fitzgerald	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	% Business Rates collected	98% or more by 31st March	98.99%	GREEN	GREEN	End of Q1 = 33.43% End of Aug 16 = 50.23%
KPI 25	Director Operations	Richard Sealy	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	Customer Access Abandoned in queue call rate %	Target - <8%	Q1 = 7.24% Q2 = 8.83% Q3 = 5.22% Q4 = 11.01% 8.07% average for year.	AMBER	GREEN	Abandoned rate is 10.08% average for 1st Quarter. Abandoned rate is 8.32% average for 2nd Quarter (8.19% July and 8.44% August).
KPI 124	Director Operations	Richard Sealy	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	FOI requests provided with substantive response within 20 days.	Measure: - Number of FOI enquiries received. Target 75% answered within 20 working days.	742 requests received in 2015/16. Q1 = 89% Q2 = 90% Q3 = 97% Q4 = 87%	GREEN	GREEN	Q1 = 83.16% Total of 69 FOI requests received in Q1. 158 responded to within 20 days. 17 responded to outside 20 days. 15 requests received in Q1 which are still open and over 20 days. Q2 = 79.07% 129 FOI requests received in Q2 102 responded to within 20 days. 1 responded to outside 20 days. 26 requests received in Q1 are still open. 13 over 20 days.
KPI 56a	Director Operations	Chris Hall	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	Environmental Health % of requests completed within stated service standard (60 days)	75% or higher	Q1 = 93% Q2 = 83% Q3 = 73% Q4 = 62.5% 78% requests completed for year	GREEN	GREEN	Q1 = 77% Total of 69 EH complaints, 77% completed within 60 days, 23% not completed. Q2 - 85% of Eh complaints were completed within 60 days, 15 % not completed date to 31st August 2016.
KPI 59	Director Operations	Chris Hall	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	Licensing % of licenses issued on time.	90%	Q1 = Not available Q2 = 96% Q3 = 100% Q4 = 98%	GREEN	GREEN	Q1 = 99%

TH12	Director Operations	Richard Sealy	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	Number of Complaints investigated by the Ombudsman requiring a remedy (excludes minor injustices)	0	0	GREEN	GREEN	No complaints requiring a remedy
TH14a	Assistant Chief Executive	Bruce Lang	WSC	Key Theme 4 - An Efficient & Modern Council (wsc)	Timeliness of draft minutes of committee meetings being provided to committee chair.	100% within 7 days	New Measure for 2016/17	RED	RED	Q1 = 9 out of 12 minutes completed on time = 75% Q2 = 4 out of 6 minutes completed on time = 66.66%

West Somerset Council

Scrutiny Committee – 13 October

Financial Monitoring – 2016/17 as at 31 August 2016

This matter is the responsibility of Councillor Mandy Chilcott, Lead Member for Resources and Central Support

Report Author: Jo Nacey, Finance Manager

1 Executive Summary

- 1.1 This report provides an update on the projected “outturn” – end of year – financial position of the Council for the financial year 2016/17 (as at 31 August 2016).
- 1.2 The current forecast outturn for the Revenue Budget for 2016/17 is a net underspend of £117,280.
- 1.3 The current General Reserves balance is £596,886 which is marginally below the recommended minimum. If the mid-year forecast for 2016/17 proves to be accurate the projected balance at the end of the year is £714,166, which would be £114,166 above the recommended minimum. In view of the Council’s financial position, increasing the reserves balance is strongly advised therefore the forecast underspend is welcome from a financial resilience perspective.
- 1.4 The Earmarked Reserves projected balance is £1,781,820. The majority of these reserves are allocated to business rates funding volatility (£799,682) and JMASS transformation (£486,364).
- 1.5 The current forecast position for the General Fund Capital Programme in 2016/17 is a net underspend of £21,300 against total approved budget, with forecast spend of 1,718,930 during the year plus a residual £170,000 projected to be spent in the following year. Spend to date is only £77,667 therefore a significant proportion of the costs are projected to be incurred in the second half of the year.

2 Recommendations

- 2.1 That Scrutiny note the Council’s forecast financial performance as at 31 August 2016 with the estimated position at the end of the financial year.

3 Risk Assessment (if appropriate)

Risk Matrix

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

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%

4 Background and Full details of the Report

- 4.1 This report provides the Council's forecast end of year financial position for 2016/17 revenue and capital budgets, based on forecasts as at 31 August 2016.
- 4.2 The regular monitoring of financial information is a key element in the Council's Performance Management Framework. Crucially it enables remedial action to be

taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's the Medium Term Financial Plan.

- 4.3 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led services. The budget monitoring process involves a detailed review of all budgets. However it should be noted that the frequency of formal reporting has reduced from this year as business processes are streamlined to reflect reductions in the overall capacity within the Council.
- 4.4 Budget Holders, with support and advice from their accountants, regularly review the position and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year end, and a number of risks and uncertainties are highlighted within this report. However, the following forecast is considered to be reasonable based on current information.

General Fund Revenue Account – 2016/17 Forecast Outturn

- 4.5 This report provides an indication of the forecast outturn (end of year position) for the year and any significant anticipated variances to budget. There are risks and uncertainties within the forecast, and Officers will continue to monitor the position through the remainder of the year and will provide updates as appropriate.
- 4.6 The current forecast outturn for the 2016/17 Revenue Budget shows a projected underspend of £100,011. This represents 2.4% of the Net Costs. Table 1 below provides a summary revenue budget and outturn for the year.

Table 1 – Summary Predicted Revenue Outturn 2016/17

	Original Budget £	Predicted Outturn £	Variance £
Corporate	513,090	513,090	0
Operations	3,132,972	3,026,849	-106,123
Housing and Communities	577,510	562,510	-15,000
Growth and Development	408,688	430,531	21,843
Somerset Rivers Authority	23,728	23,728	0
Subtotal - Net Service Costs	4,655,988	4,556,708	-99,280
Interest costs and income	-2000	-20,000	-18,000
Subtotal – Net Costs	4,653,988	4,536,708	-117,280
Transfers to Earmarked Reserves	-2,266,879	-2,266,879	0
Transfers to/from General Reserves	-216,456	-216,456	0
NET BUDGET AND EXPENDITURE	2,170,653	2,053,373	-117,280
Business Rates Funding	-1,420,937	-1,420,937	0
Revenue Support Grant	-550,320	-550,320	0
New Homes Bonus	-716,060	-716,060	0

	Original Budget £	Predicted Outturn £	Variance £
Rural Services Delivery Grant	-212,433	-212,433	0
Council Tax	-1,986,166	-1,986,166	0
Collection Fund Deficit - Business Rates	2,729,063	2,729,063	0
Collection Fund Surplus - Council Tax	-13,800	-13,800	0
TOTAL FUNDING	-2,170,653	-2,170,653	0
NET UNDER(-)/OVERSPEND FOR THE YEAR	0	-117,280	-117,280

- 4.7 Only significant variations to budget are included in this report, with the following overspends and underspends highlighted for this mid-year review.

Overspends

- a) The projected Housing Support overspend is £16,000 and relates to major maintenance needed in two temporary accommodation units.
- b) The reduction in Development Control income of £21,843 is due to reduced demand and the need for resources to be concentrated on mandatory functions and not on pre-application advice

Underspends

- c) There is additional income of £60,088 in Housing Benefits arising from additional funding totalling £23,235 provided for Benefits by Government for various welfare reforms, additional Housing Benefit administration grant of £23,854, and £13,000 estimated savings through staff vacancies.
- d) There is a predicted excess of income over budget of £46,035 in car park pay and display income, another demand led service. This is susceptible to change therefore forecasts will be reviewed and updated throughout the year.
- e) Supported Accommodation: The Council included a contingency budget of £31k for anticipated housing benefit costs as rental costs for supported accommodation was being reviewed under 'Pathway for Adults' (P4A). This matter appears to have been resolved through provision of P4A support through social housing – with TDBC and Knightstone Housing – meaning full HB costs can be recovered through Subsidy. This situation may be reviewed again in 2018 therefore the contingency will be retained within the Council's MTFP but it is assumed this will not be needed in this year or next.
- f) Interest Costs and Income: There is an underspend of £13,000 on interest payable as current cash flow forecasts indicated there will be no need to take on external loan borrowing during 2016/17, plus £5,000 additional investment interest income due to improved returns compared to budget assumptions.

General Fund Reserves

- 4.8 The following table shows that the current General Reserves balance is £596,886, and the current forecast underspend could increase this balance to £714,166 at the year end. .

Table 2 – General Reserves Balance 31 March 2017

	£
Balance Brought Forward 1 April 2016	1,073,242
2016/17 Budget: Transfer to JMASS Reserve	-166,456
2016/17 Budget: Transfer to Planning Service Reserve	-50,000
Supplementary Budget – North Hill Maintenance	-150,000
Supplementary Budget – Transformation Business Case	-106,000
Supplementary Budget – Street Cleaning Contract	-3,900
Current Budgeted Balance	596,886
2016/17 Projected Outturn Variance – Mid-Year Forecast	117,280
Projected Balance 31 March 2017	714,166
Recommended Minimum Balance	600,000
Projected Balance above recommended minimum	114,166

- 4.9 The recommended minimum balance is £600,000 – the projected balance at 31 March 2017 of £714,166 would be £114,166 above the recommended minimum balance. In view of the Council's future financial pressures the prudent advice is to maintain reserves above the recommended minimum, to provide limited resilience for emerging costs and to provide some flexibility to support measures to address ongoing financial sustainability. The current approved balance is just below the recommended minimum before adding in the forecast outturn surplus. Therefore it would be prudent to be cautious and not assume that there is 'surplus' available at this stage.

Earmarked Reserves

- 4.10 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 2016/17 financial year to date.

Table 3 – Estimated Earmarked Reserves Balance 31 August 2016

	£
Balance Brought Forward 1 April 2016	4,281,461
Transfers From Earmarked Reserves in 2016/17	-2,961,825
Transfers To Earmarked Reserves in 2016/17	462,184
Current Balance	1,781,820

- 4.11 The table above shows that the current reserves balance is £1,781,820. Full details of earmarked reserves can be found in Appendix A to this report. A significant proportion of the balance (£799,682) relates to the Business Rates Smoothing Reserve which is committed to provide a contingency for business rates funding

volatility and £486,364 which is committed to support Transformation.

Capital Budget Predicted Outturn 2016/17

- 4.12 The following table summarises the position for both general schemes and Hinkley-funded schemes. Actual spend up to 31 August 2016 totals £442,808, and at this stage only a small variance against budget has been reported.

Table 4 – Summary Capital Programme Forecast as at 31 August 2016

	General Schemes £	Hinkley Funded Schemes £	Total £
Original Capital Budget 2016/17	374,996	400,450	775,446
Supplementary Budget Approvals	0	665,000	665,000
Carry Forwards from 2015/16	1,535,234	882,180	2,417,414
Revised Capital Budget 2016/17	1,910,230	1,947,630	3,857,860
Forecast Spend in 2016/17	1,718,930	1,947,630	3,666,560
Forecast Spend in Later Years	170,000	0	170,000
Total Forecast Capital Spend	1,888,930	1,947,630	3,836,560
Net Underspend (-) / Overspend	-21,300	0	-21,300

- 4.13 A scheme by scheme analysis of the 2016/17 Programme at 31 August 2016 is set out in Appendix B.
- 4.14 The Harbours capital budgets totalling £30,300 will not be required, however Members are asked to note that a budget virement of £9,000 has been approved under delegated powers to complete the East Wharf demolition.

Capital Receipts Reserve

- 4.15 The overall General Fund capital funding position remains limited, and it needs to be borne in mind that the carry forward Capital Programme requires funding of £626,128 from the Useable Capital Receipts Reserve and the 2016/17 Capital Programme requires funding of £17,500. The Council has also previously agreed to use uncommitted capital receipts to fund capital debt repayment – in lieu of Minimum Revenue Provision (MRP) for a period of three years from 2015/16 to 2017/18 (£143,100 x 3 years). In September Council agreed to use unallocated capital resources of £110,000 to fund Transformation Implementation.

Table 5 – Useable Capital Receipts Reserve Balance 31 March 2017

	Actual £
Balance Brought Forward 1 April 2016	2,229,637
Actual Capital Receipts to date	0
Current Balance of Capital Receipts Available	2,229,637
2016/17 Original Budget (Council 24 February 2016)	-17,500
2015/16 Carry Forwards (Council 20 July 2016)	-626,128
Fund Transformation Implementation Cost	-110,000

	Actual £
Current Capital Receipts Funding Required for Approved Schemes	1,476,009
Ring-fence to fund capital debt repayment (in lieu of MRP) in 2016/17 & 2017/18	-286,200
Uncommitted Capital Receipts Balance	1,189,809

4.16 Currently the approved Capital Programme has not required an increase in the underlying capital borrowing requirement.

5 Links to Corporate Aims / Priorities

5.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

6 Finance / Resource Implications

6.1 Contained within the body of the report.

7 Legal Implications

7.1 There are no legal implications associated with this report.

8 Environmental Impact Implications

8.1 None for the purpose of this report.

9 Safeguarding and/or Community Safety Implications

9.1 None for the purpose of this report.

10 Equality and Diversity Implications

10.1 None for the purpose of this report.

11 Social Value Implications

11.1 None for the purpose of this report.

12 Partnership Implications

12.1 None for the purpose of this report.

13 Health and Wellbeing Implications

13.1 None for the purpose of this report.

14 Asset Management Implications

14.1 None for the purpose of this report.

15 Consultation Implications

15.1 None for the purpose of this report.

16 Scrutiny Comments / Recommendation(s)

16.1 Scrutiny comments and recommendations are invited at this meeting.

Democratic Path:

- **Scrutiny – Yes 13 October 2016**
- **Cabinet – Yes 2 November 2016**
- **Full Council – No**

Reporting Frequency: Twice-yearly

List of Appendices

Appendix A	Summary of Proposed Earmarked Reserves
Appendix B	Capital Programme Outturn 2016/17

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APPENDIX A

SUMMARY OF PREDICTED EARMARKED RESERVES AS AT 31 AUGUST 2016

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March (Projected Balance) £	Comments
Community Safety	15,260				15,260	External funding specifically earmarked for community safety initiatives
Sustainability Reserve	67,698	22,302			90,000	Earmarked for initiatives that have a positive impact upon the long term sustainability of the Council, used for essential asset maintenance and health and safety works
Minehead Events	396				396	Mary Portas grant – specifically earmarked
District Election Reserve	10,000				10,000	Earmarked for costs of 2016 elections
Water Bathing Signs	1,266				1,266	Environmental grant specifically earmarked
Other Election Reserve	19,436				19,436	Funds to meet the additional costs of Individual Electoral Registration
Inspire	3,391				3,391	Earmarked for costs under the Inspire Directive
Transparency Code	8,100		-8,100		0	Earmarked to meet the cost of complying with the Transparency Code.
Cuckoo Meadow	10,010		-10,010		0	Fund the project
Minehead Town Centre Signage	115				115	Contribution from Minehead Chamber of Trade and Morrison s106 to fund the signs
Our Place	10,934				10,934	Contribution for the Our Place project
CCTV	1,565				1,565	Underspend in 2013/14 earmarked to fund the purchase of a new CCTV camera
Homelessness Prevention	46,660		-3,040		43,620	Balance of Homeless Prevention funding plus remainder of Mortgage Rescue Grant
Morrison's Footpath	6,000				6,000	Earmarked to part fund the footpath upgrade
JMASS Reserve	302,324	250000	-65,960		486,364	Funding to support transformation costs

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March (Projected Balance) £	Comments
Watchet Harbour Dredging	7,000				7,000	Earmarked to fund additional dredging.
Customer Service Equipment Reserve	666				666	Unused budget in 2015/16
Car Parking Reserve	10,000				10,000	Monies set aside in respect of maintenance and signage required during 2016/17.
Environmental Health Reserve	4,081				4,081	Destitute Burial Reserve
Minehead Harbour Dredging Reserve	5,500				5,500	2015/16 unused budget carried forward to 2016/17
Online DHP Reserve	5,375				5,375	Online Software Requirement for Revenues and Benefits
Asset Maint & Compliance	148,436		-121,700		26,736	Asset maintenance compliance works to be completed in 2016/17
Strategic Housing Market Area Assessment Reserve	1,000				1,000	Contribution towards the Strategic Housing Market Area Assessment
Business Support Grant	14,287				14,287	Funding from various sources 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.
Somerset Growth Board	957				957	Growth Board core costs for 2016/17
Revenues and Benefits Reserve	89,565		-17,370		72,195	Transfer to earmarked reserve to mitigate reduction in New Burdens grant.

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March (Projected Balance) £	Comments
Training Reserve	14,560		-4,560		10,000	Underspend carried forward to 2016/17
Licensing Staff Reserve	8,091				8,091	To fund extra resource within West Somerset Council.
Finance Reserve	24,000				24,000	Underspend to provide resilience / maternity cover cost share
Community Right to Challenge	5,000				5,000	Government Grant set aside to support the administration of applications under regulations.
Assets of Community Value	10,000				10,000	Government Grant set aside to support the administration of applications under regulations.
Business Rates Retention Smoothing Account	3,388,863	139,882	-2,729,063		799,682	The £2,930,156 is required to fund the Council's 40% share of the Business Rates Collection Fund Deficit reported for 2014/15 and forecast for 2015/16. This reflects the impact of total £7.18m refund for Hinkley B.
Planning Policy Reserve	20,925	50,000	-2022		68,903	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.
Totals	4,281,461	462,184	-2,961,825	0	1,781,820	

APPENDIX B
2016/17 CAPITAL PROGRAMME AS AT 31st August 2016

	A	B	C	D (= A+B+C)	E	F	G	H (= F+G)	I (= H-D)
Scheme	Original Budget 2016/17 £	Carry Forward From 2015/16 £	Transfers and Supplementary Estimates 2016/17 £	Total Current Budget 2016/17 £	Actual Spend to Month 5 2016/17 £	Forecast Total Spend In 2016/17 £	Forecast Total Spend In Later Years £	Forecast Total Capital Spend £	Variance Against Current Budget £
General Schemes									
Exford Public Conveniences	0	9,000	0	9,000	9,000	9,000	0	9,000	0
Wheddon Cross Public Conveniences	0	12,000	0	12,000	0	12,000	0	12,000	0
Superfast Broadband	0	240,000	0	240,000	0	70,000	170,000	240,000	0
JMASS ICT Transformation	0	267,710	0	267,710	0	267,710	0	267,710	0
Single IT Platform Revenues	0	6,870	0	6,870	0	6,870	0	6,870	0
Offsite Backup Facility	15,000	0	0	15,000	0	15,000	0	15,000	0
IS Annual Projects	0	20,270	0	20,270	0	20,270	0	20,270	0
Annual Hardware Replacement	2,500	0	0	2,500	0	2,500	0	2,500	0
Disabled Facilities Grants	357,496	153,134	0	510,630	34,462	510,630	0	510,630	0
Decent Homes	0	15,910	0	15,910	0	15,910	0	15,910	0
Stair Lift Recycling	0	760	0	760	0	760	0	760	0
7 The Esplanade, Watchet	0	15,000	0	15,000	0	15,000	0	15,000	0
East Wharf Contingent Disposal Costs	0	64,680	0	64,680	-449	64,680	0	64,680	0
East Wharf Demolition Costs	0	0	9,000	9,000	0	9,000	0	9,000	0
Harbours - Pre Cast Concrete Columns (Watchet)	0	18,870	-9,000	9,870	0	0	0	0	-9,870
Harbours - Pile Bracket Fixings (Watchet)	0	8,430	0	8,430	0	0	0	0	-8,430
Harbours - Replacement Ladder (Watchet)	0	3,000	0	3,000	0	0	0	0	-3,000
Steam Cost Trail	0	502,820	0	502,820	10,825	502,820	0	502,820	0
Cuckoo Meadow	0	2,950	0	2,950	2,123	2,950	0	2,950	0
Seaward Way Housing Land	0	26,500	0	26,500	6,200	26,500	0	26,500	0
Sub-total - General Schemes	374,996	1,367,904	0	1,742,900	62,161	1,551,600	170,000	1,721,600	-21,300
S106-Funded General Schemes									
Williton Pavilion	0	149,500	0	149,500	15,506	149,500	0	149,500	0
Huish Champflower Village Hall	0	10,000	0	10,000	0	10,000	0	10,000	0
Land Upgrade - Marshfield Road	0	7,830	0	7,830	0	7,830	0	7,830	0
Sub-total - S106 Schemes	0	167,330	0	167,330	15,506	167,330	0	167,330	0
General Fund Programme Total	374,996	1,535,234	0	1,910,230	77,667	1,718,930	170,000	1,888,930	-21,300

APPENDIX B

2016/17 CAPITAL PROGRAMME AS AT 31st August 2016

	A	B	C	D (= A+B+C)	E	F	G	H (= F+G)	I (= H-D)
Scheme	Original Budget 2016/17 £	Carry Forward From 2015/16 £	Transfers and Supplementary Estimates 2016/17 £	Total Current Budget 2016/17 £	Actual Spend to Month 5 2016/17 £	Forecast Total Spend In 2016/17 £	Forecast Total Spend In Later Years £	Forecast Total Capital Spend £	Variance Against Current Budget £

Hinkley-Funded Schemes									
Burgage Road Play Area, Stogursey (CMF)	450	0	0	450	0	450	0	450	0
Kilve Cricket Club	0	22,000	0	22,000	20,286	22,000	0	22,000	0
Williton Pavilion	0	250,000	0	250,000	0	250,000	0	250,000	0
Westfield United Church (CMF)	0	110,000	0	110,000	0	110,000	0	110,000	0
Onion Collective	0	191,240	0	191,240	151,337	191,240	0	191,240	0
Coronation Park Enhancement	0	11,500	0	11,500	0	11,500	0	11,500	0
Cannington Village Hall	0	179,620	0	179,620	162,178	179,620	0	179,620	0
Former Withycutter	0	80,000	0	80,000	0	80,000	0	80,000	0
Stogursey Victory Hall	400,000	0	600,000	1,000,000	0	1,000,000	0	1,000,000	0
Otterhampton Play Area	0	37,820	0	37,820	31,340	37,820	0	37,820	0
Brean Down Way Project			65,000	65,000	0	65,000	0	65,000	0
Hinkley Fund Programme Total	400,450	882,180	665,000	1,947,630	365,141	1,947,630	0	1,947,630	0
TOTAL CAPITAL PROGRAMME ALL SCHEMES	775,446	2,417,414	665,000	3,857,860	442,808	3,666,560	170,000	3,836,560	-21,300

Report Number: WSC 115/16

West Somerset Council

Scrutiny Committee – 13 October 2016

Four Year Finance Settlement 2016/17 to 2019/20

This matter is the responsibility of Councillor Chilcott, Lead Member Resources and Central Services

Report Author: Paul Fitzgerald, Assistant Director Resources

1 Executive Summary / Purpose of the Report

- 1.1 The purpose of this report is to present to Scrutiny Committee an update on the arrangements for a possible four year funding settlement from Government in relation to certain grants.
- 1.2 The principle of a four year settlement was announced by Government in the Autumn Statement 2015, however the detail of the proposal was not available by the time the Council set its budget in February 2016.
- 1.3 When Full Council approved the 2016/17 Budget on 24 February 2016 it resolved:
“...that a decision be delegated to the Leader, Lead Member for Resources and the S151 Officer, subject to appropriate scrutiny, regarding acceptance of a four year settlement provided it is in the Council’s interests to do so.”
- 1.4 The matter was considered at Corporate PAG on 28 September together with a draft Efficiency Plan. To enable greater transparency regarding this decision, the matter is also presented to Scrutiny Committee to consider any comments it wishes to make to those delegated to make the decision.
- 1.5 The Council must apply to the Secretary of State by **14 October 2016** if it wishes to request the option of the four year settlement. Based on the information available at this point in time, the Leader, Lead Member for Resources and the S151 Officer propose to apply for a four year settlement.

2 Recommendations

- 2.1 Based on the information available at this point in time, Scrutiny Committee supports the proposal of the Leader, Lead Member for Resources and the S151 Officer to apply for a four year funding settlement in respect of grants identified in this report for the period 2016/17 to 2019/20, and Members are subsequently

informed of the Secretary of State's decision.

2.2 Scrutiny Committee notes and comments on the draft Efficiency Plan.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
Obtaining a four year settlement provides certainty regarding the grants within scope of the offer. Continuing with annual funding settlement maintains the risk that the settlement will change compared to provisional information provided by Government, increasing uncertainty in the Council's financial plans.	Likely 4	Major 4	High 16
<i>Accepting a four year settlement provides certainty regarding the grants within scope of the offer.</i>	Rare 1	Major 4	Low 4

Risk Scoring Matrix

Likelihood	5	Very Likely	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	Feasible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Slight	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Very Unlikely	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%

4 The Four Year Settlement Offer and Draft Efficiency Plan

4.1 As notified to Members through the budget setting reports for 2016/17, Government have set out an opportunity to local authorities to accept an offer of a 4-Year funding settlement from Government. At the time of Full Council on 24 February 2016 the details of the offer remained unconfirmed, however Council resolved:

“...that a decision be delegated to the Leader, Lead Member for Resources and the S151 Officer, subject to appropriate scrutiny, regarding acceptance of a four year settlement provided it is in the Council’s interests to do so.”

4.2 A briefing note and draft Efficiency Plan were discussed at Corporate PAG on 28 September, and this matter is included on the agenda today to enable further scrutiny by this Committee.

What Is Included in the Four Year Offer?

4.3 In March 2016, the Secretary of State set out a number of conditions related to the offer and clarified that authorities needed to complete an Efficiency Plan to be submitted with any submission to take up the offer of the 4-year settlement. He also advised the deadline for a submission is 14 October 2016.

4.4 The scope of the offer was also clarified in March, where it was stated that grants included in the four year settlement offer are:

- Revenue Support Grant
- Rural Services Delivery Grant
- Transitional Grant

4.5 In addition, tariffs and top-ups in 2017-18, 2018-19 and 2019-20 will not be altered for reasons related to the relative needs of local authorities, and in the final year may be subject to the implementation of 100% business rates retention.

4.6 For West Somerset, the amounts of grant that are included within the offer are therefore as follows:

	Period of the 4 Year Settlement				
	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Revenue Support Grant	880,491	550,320	316,885	170,193	6,340
Rural Services Delivery Grant	Included in RSG above	212,433	171,530	131,946	171,530
Transitional Grant	0	0	0	0	0
Total Minimum Funding Certainty for above grants	880,491	762,753	488,415	302,139	177,870

4.7 The offer does not include New Homes Bonus, which is subject to review by Government following there consultation which closed in March 2016.

- 4.8 Considering acceptance of the offer is largely down to managing financial risk and building in greater certainty into our budget plans. In March, the Secretary of State stated:
- accepting the offer is voluntary and entirely optional
 - authorities can continue working on a year-by-year basis, but with no guarantee of future levels of funding for those who prefer not to have a four year settlement

4.9 It is unknown whether future funding settlements will differ from the amounts set out in the table above. However, as has been seen over many years, central government funding has reduced year on year and it is considered very unlikely that the funding settlement would improve on the figures provided, with a greater risk that funding would reduce further in future settlements.

4.10 When considering this decision, Members should consider the Council's Medium Term Financial Plan (MTFP). As reported to Scrutiny Committee in June 2016, the latest MTFP forecasts the annual budget gap increasing to £1.2m by 2021/22, taking into account the cumulative costs pressures such as inflation, pay awards etc, and cumulative reductions in funding. The MTFP forecasts and budget gap are summarised as follows:

MTFP 2017/18 to 2021/22 (as at June 2016)

	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
Net Costs	4,480,796	4,943,822	5,135,206	5,264,341	5,397,089
Net Funding	-4,361,177	-4,325,363	-4,190,697	-4,160,217	-4,170,384
Budget Gap	119,619	618,459	944,509	1,104,124	1,226,705

- 4.11 Note, the above summary does not take into account transformation savings that were included in the Transformation Business Case approved by Council on 7 September.
- 4.12 Government has very recently issued the Technical Consultation on 2017/18 Local Government Finance Settlement. Finance Officers will review this in the coming days and share key points with Members. A couple of key points highlighted through this consultation are:
- Government intends to confirm the constituent elements of the offer for qualifying councils, soon after the 14 October deadline;
 - Government are considering expanding the multi-year offer to include more grants. No specific additional grants are suggested in the consultation, but is inviting suggestions from authorities.

Efficiency Plan

4.13 Council's wishing to take up the four year settlement must prepare an Efficiency Plan. In preparation for a submission to Government, a draft Efficiency Plan has

been prepared for West Somerset.

- 4.14 The cornerstone of the Efficiency Plan is the Medium Term Financial Plan (MTFP) for the four years of the offer, together with the Transformation Business Case that has been approved by the Council in September 2016.
- 4.15 The Efficiency Plan consolidates the key actions planned by the council to secure greater efficiency for the benefit of the local community. It also incorporates the proposal to use capital receipts flexibility to fund revenue costs of transformation, as set out in the Business Case.
- 4.16 The Draft Efficiency Plan is included with this report.

5 Links to Corporate Aims / Priorities

- 5.1 The decision links to the Council's financial strategy and Medium Term Financial Plans.

6 Finance / Resource Implications

- 6.1 The Council's financial position is set out above within the body of this report.
- 6.2 The Director of Operations (S151 Officer) recommends that the Council should apply to take up the four year settlement. Whilst recognising this is a difficult decision, and unpalatable in terms of funding reductions, it is advisable to take up the four year settlement:
 - To avoid risk of steeper cuts in funding than already projected
 - Build greater certainty in our financial plans

7 Other Implications

- 7.1 For the purposes of this report there are no implications in respect of:
 - Legal
 - Environmental Impact
 - Safeguarding and/or Community Safety
 - Equality and Diversity
 - Social Value
 - Partnerships
 - Health and Wellbeing
 - Asset Management
 - Consultation

Democratic Path:

- **Scrutiny Committee – Yes (13 October 2016)**

- Cabinet – No
- Full Council – The matter was considered by Full Council on 24 February 2016

Reporting Frequency: Ad hoc

Contact Officers

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DRAFT



West Somerset District Council **Efficiency Plan** 2016/17 – 2019/2020

Our Communities



Business & Enterprise



Our Place & Infrastructure

An Efficient & Modern Council

**“To enable people to live, work and prosper
and for business to thrive in West Somerset”**

Introduction

Local authorities have borne the greatest impact in terms of central government cuts since 2010. The scale of reduction, along with a degree of volatility around the phasing/timing of these cuts can make it very difficult for authorities to plan their spending priorities strategically rather than making tactical decisions year by year. The need for effective medium term planning has never been stronger.

The government's response to these concerns has been an offer of a guaranteed minimum grant envelope, paid to councils for a 4-year period from April 2016 covering Revenue Support Grant, transitional funding and Rural Services Delivery Grant. This, the Secretary of State has said, should increase local authority certainty and confidence and would be a key step towards supporting councils to strengthen financial management and work collaboratively with local partners when considering the way local services are provided in future.

To take advantage of this offer authorities need to approve, publish and submit an **Efficiency Plan**. This Efficiency Plan has been developed in order to take-up this opportunity.

This Efficiency Plan sets out the projected financial position within the Council's Medium Term Financial Plan, which is based on the guaranteed minimum funding for the three funding streams included in the offer. Building in certainty in our financial projections for part of our funding helps to ensure the size of the challenge is understood. We can therefore make plans and take decisions to progress with efficiency and improvement projects with greater confidence that the benefits will be long-lasting and not undermined by further funding reductions. The transformation and other plans set out in this document describe how our community will benefit from the changes proposed.

The Secretary of State has not been prescriptive about what an Efficiency Plan should contain. We believe however, the cornerstone of the Efficiency Plan is the Medium Term Financial Plan (MTFP) for the four years of the offer, together with the Transformation Business Case that has been approved by the Council in September 2016. Not just the numbers in a table but also a short narrative that sets out what a council intends to do to address the challenge of financial sustainability and where it hopes to be at the end of the period.

The Financial Picture

West Somerset has viability challenges. In order to become financial sustainable, the Council needs to reduce its net budget position (by reducing costs and/ or increasing income). The latest Medium Term Financial Plan (MTFP) predicts a budget gap of around **£1.2m by 2021/22** should no action be taken as is illustrated by in the table below:

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Forecast Budget Gap	119,619	618,459	944,509	1,104,124	1,226,705

To provide some context, the Council's 2016/17 revenue budget is only £4.63m.

The MTFP will continue to be refined over the coming months as budget estimates and assumptions are updated, and to ensure we share the latest position on key areas of uncertainty (for example the impact of Welfare Reform Bill and the 100% Localisation of Business Rates). Within the context of all these uncertainties, we are comfortable that the overall position and forecast is unlikely to change significantly in scale.

Supporting information:

[2016/17 Budget Report \(link\)](#)

[Medium Term Financial Plan /Strategy \(link\)](#)

What is included in the guaranteed minimum funding?

The forecast Budget Gap reflects the funding information included within the final Settlement Funding Assessment issued by Government on 8 February 2016. The relevant extracts of the funding that will be subject to the guaranteed minimum are set out in the following table, which includes the 2015/16 position for comparative purposes:

	Period of the 4 Year Settlement				
	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Revenue Support Grant	880,491	550,320	316,885	170,193	6,340
Rural Services Delivery Grant	Included in RSG above	212,433	171,530	131,946	171,530
Transitional Grant	0	0	0	0	0
Total Minimum Grant Funding	880,491	762,753	488,415	302,139	177,870

In addition, tariffs and top-ups in 2017/18, 2018/19 and 2019/20 will not be altered for reasons related to relative needs of local authorities, and in 2019/20 may be subject to the implementation of 100% business rates retention.

The guarantee does not incorporate retained business rates or New Homes Bonus Grant, or Council Tax income, which contribute the majority of funding for our services.

Addressing the Funding Gap – What have we done?

Joint management and shared services

West Somerset District Council has a proven track record of delivering savings and efficiencies.

In 2013, West Somerset District Council and Taunton Deane Borough Council took the momentous decision to become the first Somerset Councils to share a single Chief Executive, management team and team of officers.

This initiative has delivered a total of **£1.8m** per year to share between the two Councils, largely through reducing duplication of roles.

Supporting information:

Joint Management and Shared Services Business Case – Approved by the Council
[xx/xx/xx \(link\)](#)

Partnerships

The Council is always open to working with others where it is to the benefit of our communities delivering cost reductions, improved service quality and greater resilience.

West Somerset has been an active and enthusiastic partner in a number of partnerships and will continue to look for and progress working with others where appropriate. Some examples are show below:

Southwest Audit Partnership (SWAP) – provision of internal audit services across Somerset and beyond.

Somerset Waste Partnership – waste collection and recycling services – involving all of the Somerset Districts and Somerset County Council.

Somerset West Private Sector Housing Partnership – involving West Somerset, Taunton Deane and Sedgemoor District Councils -delivering grants (principally repair grants and low interest loans), Disabled Facilities Grants, enforcing housing standards, voluntary Landlord Accreditation Scheme, bringing empty properties back into use and addressing energy efficiency/fuel poverty.

SHAPE Legal Services Partnership – a three-way partnership between West Somerset, Taunton Deane and Mendip District Councils

Building Control – a four-way partnership between West Somerset, Taunton Deane, Mendip and Sedgemoor District Councils.

Tactical Savings

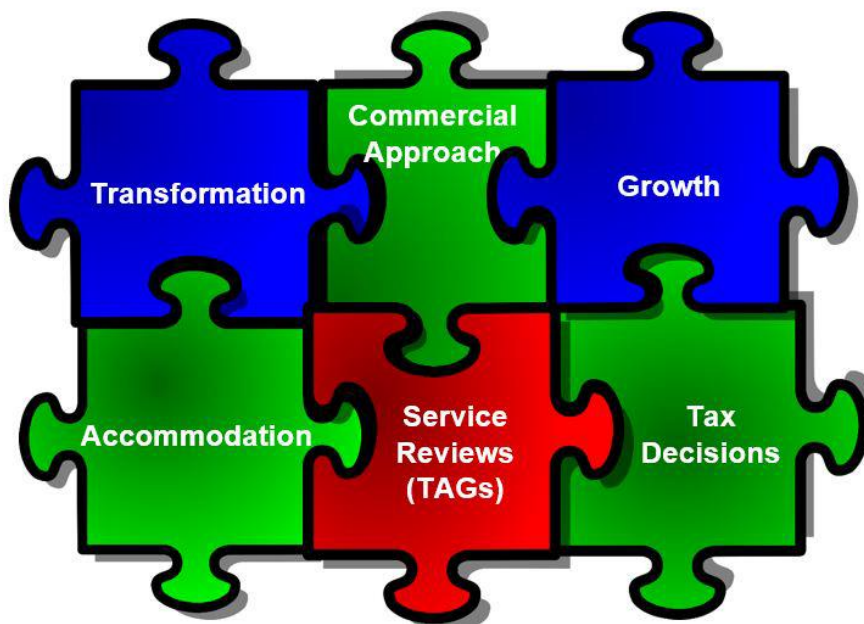
In the face of ongoing funding reductions, budget savings have been made through cuts and efficiencies across a number of services.

We have also looked at our arrangements for capital and debt financing, reducing our annual provision for debt repayment and utilising capital receipts from asset sales to reduce the overall level of debt.

Joint Management and Shared Services – Phase 2

Having delivered on our earlier commitment to join up our officer structures, (and saving over £1.8m per annum for our taxpayers) we now need to look at the next stage of our joint working. We cannot afford to simply stop at driving out efficiency savings by joining up our management and services, we must go on to challenge how we deliver services in the future as well. We need to change and we need to save money.

The Council will need to look at a range of measures to close the budget gap.



For some of these measures we have a high degree of certainty about the level of savings that will be delivered and the timing of delivery. For others, whilst we are confident there are significant savings to be made, we have not yet quantified these or planned a timescale for their delivery. Further work will be undertaken to develop the detail in these over the coming months before the impact will be factored in to the medium term financial plan.

Transformation

The degree of change both required and proposed far exceeds that for phase 1, which involved delivering the ONE Team of officers to support both councils (West Somerset and Taunton Deane) but did little to change attitudes, behaviours, technology, processes,

systems, customer access channels nor the traditional service silo structures to which our officers are allocated.

Although the natural progression from Phase 1, Transformation goes **far beyond** this and proposes **radical** changes to the way in which services are delivered, the councils are staffed and organised and the technology, systems and processes required to support these. It also has direct implications to democratic representation and governance. In short, every aspect of our operation will be encompassed by this programme of change.

We believe Transformation will deliver a further **£0.4m** per year of savings for West Somerset DC.

It will be essential to our Transformation ambitions to develop solutions to reduce the demand coming in to the council (by addressing the root cause regards people needing to contact the council in person, by telephone or in writing) and to reduce the cost of the remaining service demand by shifting customer to their most appropriate channel (often referred to as 'channel shift').

Implementing this change will require significant business process re-engineering (BPR) where we will challenge existing end-to-end processes in order that we do not preserve current inefficiencies but instead design out inefficiencies and failure demand at the outset and provide accurate, relevant and readily financed.

We will ensure that the focus is on delivering outcomes for customers and not adherence to our existing internal policies or ways of working i.e. we need to put the customer first, not the process.

The aim is for the customer experience to be as streamlined and simple as possible so the customer will use that channel again.

Simplification and standardisation of all customer management processes to support self-service or customer contact led service provision and a focus on 'end to end' process resolution will be key in driving out savings.

New process will be designed to make best use of the capabilities of the supporting technology, processes which are complex or impossible to implement using the technology platform will be avoided.

Where the customer is unable or unwilling to self-serve call scripts and processes to enable most requests to be dealt with there and then by generic officers will be introduced. This ensures a consistent approach to similar types of enquiries and an efficient service for the customer, where customers can resolve issues at the first point of contact with informed and structured processes, without the need for either party having to make a repeat call for additional clarification/information. Scripts can also kick off automated processes to improve the customer experience and improve call processing times.

Regardless of the customer access channel, workflows will be built in to end-to-end processes which automatically trigger actions in other systems in order to minimise processing times and enable a single customer contact (such as to report a change of name or change of address) to be used across the Council, reducing demand on officers and

importantly allowing the customer to tell us just the once rather than having to separately provide the same information to several different services.

Integration will be built between the contact centre/portal to enable processes automation to further enhance the transaction by passing key data into in-house and third party back office systems or creating a workflow process to ensure actions are picked by particular officers allocated to a specialist role.

The transformation savings make a significant contribution towards the predicted budget gaps, but does not resolve the financial challenge. More will need to be done to achieve financial sustainability.

There are other key areas on which we will focus our attention during the lifetime of this Efficiency Plan and these are highlighted briefly below:

We are confident that these areas can and will deliver savings, but we don't yet have confidence on the amount or timing of these to formalise them into our financial plans.

Impact on Medium Term Financial Plan

The latest Medium Term Financial Plan was presented to Scrutiny Committee on 16 June 2016. This showed the projected annual budget gap rising to £1.2m by 2021 on current projections for costs and funding. The plans for transformation will reduce but not fully close the gap, as summarised in the table below. Further options will need to be explored to address the residual gap.

WSC MTFP	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000
Budget Gap	120	618	945	1,104	1,227
Transformation Savings	-48	-229	-432	-436	-441
Residual Gap	72	389	513	668	786

Operating More Commercially

Councils have a range of powers that allow them to act more commercially and trade without setting up a company. These include:-

- Local Authorities (Goods and Services) Act 1970;
- Collection of commercial waste under Section 45 Environmental Protection Act 1980;
- Wide powers to acquire, dispose of and develop land under the Local Government Act 1972, Housing Act 1985, Town and Country Planning Act 1990 and Local Authorities (Land) Act 1963;
- Local authorities may also invest in land and property as part of the CIPFA Prudential Regime under Section 12 Local Government Act 2003.

Certain functions will only be limited to cost recovery, such as licensing and other regulatory services. In other circumstances the Councils may need to set up a trading company under Section 95 Local Government Act 2003 or Sections 1 and 4 Localism Act 2016.

We will explore opportunities to operate more commercially in order to generate additional income which will help us continue to deliver services valued by our community.

Securing greater external funding

There still exists a number of routes for communities to seek and receive external funding for projects and activities. The team at West Somerset have been particularly adept in securing external funding for key projects, such as Coastal Communities Funding, and this approach will continue.

We need to be fleet of foot with “oven ready” relationships and projects to be able to secure further opportunities when they arise.

Accommodation and other Property Assets

The approach to future Accommodation needs for the organisation will need to reflect the transformation vision for change and support the approach and findings from the work we have done on Customer Access and the organisational development and ways of working as summarised below.

Our transformation plans set out a significant change in the way we will work in future and our accommodation plans will need to reflect this as far as possible. Reshaping demand will lead to a significant reduction in the numbers of face to face enquiries, with some face to face demand that remains taking place in the community. Likewise the staff accommodation requirement will change with many staff working in an agile and remote way, either in the community or from home. The scale of “head office” accommodation will simply not be necessary in future and create an expensive overhead. Consequently work is underway to review our accommodation requirements. In Williton a live project to share West Somerset House with multiple public sector partners in order to derive income and offset premises running costs is well advanced. This project also present opportunities for greater collaborative working with partners.

In our communities, a review of customer contact provision in Minehead is underway with the aim to reduce running costs.

These activities and projects provide us with some flexibility and options to adjust our accommodation needs and cost as our transformation plans progress and as our methods of service delivery and staff ways of working change over the coming years.

In conclusion, more effective and flexible use of our accommodation can both generate greater income to offset against our running costs and be an enabler for customer channel shift, delivery of services in our communities and support new more agile ways of working for our staff.

For remaining property assets there needs to be an aggressive asset divestment strategy. Like many other authorities West Somerset Council do not hold any housing stock. The Council's remaining land and property assets are held for both operational and non-

operational purposes. Those held as operational assets are used for the delivery of services such as civic buildings, car parks, public conveniences and depots. Non-operational assets include infrastructure, assets that are surplus, vacant or awaiting disposal, assets held for investment and assets held for community use.

The Council holds numerous operational buildings, operational land assets and other land and property assets. This is a combination of owned and leased assets.

The income on these assets is insignificant and the council should adopt a 'nil asset' approach. Where possible assets should be sold and where not a rigorous simple community asset transfer policy should be pursued. Many assets will have their value locked in to a particular use or a particular group of people. The council should recognise that changing ownership or management opportunities offers opportunities to extend the use of a building or piece of land, increasing its value in relation to the numbers of people that benefit and the range of opportunities it offers.

This will deliver efficiency savings for Council tax payers, by using asset transfer as one of the options for dealing with under-utilised or surplus property assets. Additionally it may secure more investment for the area, by recognising that with Asset Transfer there can be more opportunities to lever in additional resources which would be unavailable to the Council acting independently. This approach will include all office space and council chamber. The council should consider working in a more agile way, leasing space for the occasions it needs it.

Service Reviews

Councils have choices about the range of services they deliver, how they are delivered and to what standard.

These choices have direct implications for any additional savings, over and above those achieved through structural or technological improvements that can be achieved.

Starting in the autumn of 2016 it is proposed to create a number of Transformation Action Groups (TAGS) to focus on service delivery.

TAGs will be led by members but involve officers and will collaboratively explore options, examine best practice and develop new ideas to inform the design of services going forwards rather than be a platform for officers to present recommendations for approval, as would have traditionally been the case.

TAGs will be used to develop new ways of working, which both enhance the effectiveness of delivering those priorities within the financial framework that has been established. Outcome focussed, TAGs should develop service priorities and standards delivering reductions in cost, increased income and or establish returns on investment to meet the financial challenges we face while meeting the agreed priorities of the Council.

To enable collaborative thinking the TAGs will not be service-area limited in their scope and are not designed around existing portfolios or directorates – there will deliberately be a number of overlaps since our customers themselves interact across the Council.

Council Tax

A financial planning assumption has been made of increases in West Somerset's element of the Council Tax of 1.99% in line with the Government's annual threshold. The threshold is the maximum amount by which the Council can increase its share of the Council Tax without triggering a referendum as this would be very costly and there is no evidence nationally of where such a referendum has gained the necessary support for an increase above the threshold. The threshold was increased to £5 (Band D property) for 2016/17, and Government may be minded to apply this higher threshold in subsequent years.

Investment

The Council has a strong position on our current treasury management activity, evidenced by benchmarking by our advisors Arlingclose. The agreed treasury policy is designed to ensure preservation of capital rather than maximising return on investments.

Additional returns could be achieved, but with this comes additional risk and with public funds this is a challenge that all Councils face. We currently achieve a return on our cash investments of around 0.5%, which is broadly in line with others nationally.

Capital Receipt Flexibility

As part of the local government settlement for 2016/17, Government announced greater flexibility for Council's in how they make use of capital receipts (the money received when an asset such as a building is sold). Councils currently were only allowed to spend such money on further capital projects, however the Government announced that Councils are to have greater flexibility as to how they spend this money. In 2016/17 we propose to use this flexibility to progress "assets for sale" to the target sum of £217k in order to help fund the costs of the Transformation programme. This is included in the funding plan for the Transformation Business Case that was approved by the Council on 7 September 2016.

Creating One Council for West Somerset and Taunton Deane

We know that even after undertaking transformation and exploiting these other areas for efficiencies there would remain significant financial viability challenges. The remaining budget gap will be a significant challenge for the Council. There are serious concerns on the Council's ability to deliver the level of savings required over the medium term.

With limited ability to benefit from additional income associated with business rate and housing growth, due to its geographical location (nearly two thirds of the western land area of the district forms part of Exmoor National Park, while on the eastern edge of the district are the Quantock Hills which is an Area of Outstanding Natural Beauty), on 7th September 2016 West Somerset District Council voted to pursue a voluntary merger with Taunton Deane Borough Council. At their meeting held on 26th July 2016 Taunton Deane BC also voted to pursue this course of action.

This will result in the two existing councils being stood down and replaced with a new single authority administering the areas formerly administered by the two Councils. We believe this would be the first occasion on which two district Councils in the UK have voluntarily merged.

Conversations will commence in the autumn 2016 with the Secretary of State and Local Government Boundary Commission for England concerning the merger, in order deliver a new Council for the existing areas of West Somerset and Taunton Deane.

We believe this will provide an opportunity to save a further **£0.5m** per annum in addition to the savings that transformation will deliver, and will be in the best interests of our combined communities, ensuring that we can continue delivery of our vital front-line services across the two current areas.

Supporting information:

- [High-Level Transformation Business Case – Full Council](#) (ctrl + click)
- [High-Level Transformation Business Case – Corporate Scrutiny](#) (ctrl + click)
- [Corporate Strategy 2016-2020 – *our priorities, vision and design principles for future ways of working.*](#) (ctrl + click)

Approval:

At its meeting on 24/02/2016 the Council approved delegated powers to the Leader, Lead Member for Resources and the S151 Officer to submit an application for a four-year settlement where they believe it was in the Council's interests to do so.

Having considered the offer, we are of the opinion that the Council should accept the four-year funding settlement.

Our understanding is the four year settlement applies to Revenue Support Grant, Rural Services Delivery Grant, and Transitional Grant (which is £nil for this council). Our assumption – and request – is that in the event of any additional funding being made available to local authorities through future local government finance settlements during the period of this agreement, a share of this additional funding will be allocated to those authorities that have accepted the four-year funding offer. It is also on the basis that any new burdens and extra responsibilities will be fully funded and not precluded on the basis of this agreement.

Signed:

.....

Cllr Anthony Trollope-Bellew

Leader of the Council

Signed:

.....

Cllr Mandy Chilcott

Lead Member, Resources and Central Support

Signed:

.....

Shirlene Adam

Section 151 Officer

Report Number: WSC 113/16

West Somerset Council

West Somerset Scrutiny – 13th October 2016

Housing Enforcement Policy

This matter is the responsibility of Executive Councillor Keith Turner

Report Author: Christian Trevelyan – Partnership Manager

1 Executive Summary / Purpose of the Report

- 1.1 The report seeks Member approval for the Somerset West Housing Standards Policy. The policy has been developed with the assistance of the Council's partners which include; Sedgemoor District Council, Taunton Deane Borough Council, private sector landlords, tenants, Taunton Association for the Homeless, Bridgwater YMCA, and Somerset Care and Repair. It is a three year policy detailing how the partnership will regulate standards in private sector housing in Sedgemoor, Taunton Deane and West Somerset.
- 1.2 The policy aims to raise standards in housing through working with owners, landlords, letting agents and tenants. It is however recognised that there are circumstances where enforcement action is necessary to protect tenants, owner occupiers, the public and the environment.

2 Recommendations

1. For Scrutiny to scrutinise the content of the proposed policy and suggest any changes.
2. To recommend to the Executive to approve the Housing Standards Policy and charges.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
Lack of resources to implement the Policy. The landlords ignore any informal advice/action given as they know there are not adequate staffing numbers to enforce.	2	4	8

Mitigation – Taunton Deane and West Somerset have agreed amendments to the team structure which will provide adequate cover for the two Councils and safeguard resources.	1	4	4
There is no revenue funding to initiate works in default. There may be situations where tenants are exposed to immediate health risks as a consequence of Category One hazards with a limited budget to act immediately to tackle the defect.	4	4	16
Mitigation - There is a limited budget which can be accessed subject to management approval. Expenditure can be reclaimed through the courts as a result of a successful prosecution. The LA has powers to prohibit properties if necessary.	1	4	4
Elements of the policy are not adopted by one or more of the partner Councils. Policy would need to be rewritten and dependent upon the percentage of changes required, may need further consultation, delaying adoption.	2	3	6
Mitigation - Consultation has already taken place with key Members and stakeholders ensuring the policy has the key ingredients that are required.	1	3	3
A landlord appeals against the formal action being taken by the Council. In some instances, the action required by the Council could be delayed subject to the decision by the Residential Property Tribunal.	4	4	16
Mitigation - Provision in place for appeals. All decisions to take formal action are decided through the Partnership Manager.	1	4	4

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%

4 Background and Full details of the Report

- 4.1 The Somerset West Private Sector Housing Partnership (partnership) is a partnership between Sedgemoor District Council, Taunton Deane Borough Council and West Somerset Council to deliver private sector housing services. The local authorities work closely together to ensure consistency across the three Districts and to deliver financial and other benefits to those who live and/or work in the Somerset West area.
- 4.2 A Housing Enforcement Policy provides details of how Council's regulate standards in housing. In the last three years the Council has remedied over 134 Category 1 hazards, improving conditions in 124 properties in the private rented sector through housing enforcement and accredited over 40 properties. This has included taking formal action against 21 landlords.
- 4.3 The national strategy for housing in England set out the government's key areas of action to ensure a thriving, active but stable housing market, that offers choice, flexibility and affordable housing given how critical this is to our economic and social wellbeing. The Strategy contains four priorities, one of which is to support choice and quality for tenants. The Strategy supports growth and investment in the private rented market as the key to increasing choice, access and standards. The document recognises that the sector will continue to grow in size and importance.
- 4.4 Most tenants have a good experience of renting. Recent English Housing Survey research shows that 85 per cent of tenants in the private rented sector are very or fairly satisfied with their accommodation (compared with 81 per cent of social housing tenants). Seventy per cent of private tenants are also satisfied with the way their landlord carried out repairs and maintenance (compared with 69 per cent of social housing tenants).
- 4.5 The Government is committed to supporting growth and innovation by avoiding unnecessary regulatory burdens on landlords but are also keen on measures to deal with rogue landlords and encouraging local authorities to make full use of the robust powers they already have to tackle dangerous and poorly maintained homes.
- 4.6 It is important that landlords and tenants understand their rights and responsibilities. We have recently published newsletters aimed at both, to help them understand the fundamentals. These highlight the extent to which the law protects tenants:

- Landlords must keep the property they are renting in a good state of repair, including carrying out an annual gas safety check.
- Other than in an emergency, landlords cannot enter the property without giving proper notice.
- Any deposits given in connection with the property must be protected with a government-approved scheme.
- Landlords must give proper notice before seeking possession.

4.7 **Current Position** - The Council's existing Housing Standards Policy was advisory: as a joint policy between the Councils could not be drafted until the Partnership Agreement was signed.

4.8 The Government, recognising the growth of the private rented sector, has illustrated its commitment to improving the sector with the introduction of new legislation to help tackle poor illegal practices by landlords and letting agents, whilst recognising that the majority of landlords and letting agents provide decent, well managed accommodation.

4.9 In terms of the local context, of a total of 15,623 private sector dwellings in West Somerset, approximately 16% are privately rented. There are 22 Houses in Multiple Occupation and 8 are licensable HMO's. The Council received 64 housing standards complaints in 2015/16 an increase of 12.5%. The Council served 4 formal notices and issued 2 mandatory HMO licenses with a fee income of £2,000.

4.10 There are pockets of deprivation in rural areas. In areas of high deprivation, there are also high concentrations of private rented accommodation. This sometimes encompasses other issues such as anti-social behaviour, drug problems and crime. The policy encourages an area approach to managing housing resources and partners such as the third sector by focusing efforts on an area and looking to improve significant health indicators such as respiratory illnesses attributed to mould growth, slips, trips and falls from poor layout in ageing properties and reducing incidences of fire. Agencies could look to jointly tackle issues by building out crime.

4.11 The Government has introduced the Redress Schemes for Letting Agency Work and Property Management Work (Requirement to belong to a scheme etc.)(England) Order 2014, The Smoke Alarms and Carbon Monoxide Alarm (England) Regulations 2015, the Deregulation Act 2015 – Retaliatory Eviction, and the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 made under the Energy Act 2011 and the Housing and Planning Bill.

4.12 Besides the policy, Members are being asked to consider the attached paper to the report which will give the Council the power to enforce and charge for failure to comply with certain provisions.

4.13 The partnership will continue to sustain tenancies and encourage good practice by working with the Somerset West Lettings and Tenancy service (SWeLT) a multi-agency approach to working with landlords and owners to manage their properties and support tenants. Agencies include the three Council's Housing Options teams, the partnership, YMCA, CAB, Somerset Care and Repair, Probation, and Taunton Association for the Homeless.

5. **Links to Corporate Aims / Priorities**

5.1 Key Theme 1: Helping our communities remain sustainable and vibrant is vital in keeping West Somerset a great place in which to live and work – The Policy is

designed to encourage a good standard of accommodation and management, providing choice.

- 5.2 The wellbeing of older people – The policy is instrumental in improving the current stock to the minimum legal standard and to the decent homes standard and improving the life chances for the most vulnerable in society through healthy housing.

6. Finance / Resource Implications

- 6.1 Within current revenue budget for staffing costs.

7. Legal Implications (if any)

- 7.1 The purpose of the policy is to detail how the Partnership will enforce legislation in a proper, fair and consistent manner. It sets out what owners, landlords, agents and occupiers of private sector properties can expect from the Partnership.

8. Environmental Impact Implications (if any)

- 8.1 Improvements to the private sector stock can lead to energy efficiency improvements such as loft insulation, more efficient heating systems and boilers both of which can lead to a reduction in the impact on the environment from carbon emissions and greenhouse gases. Properties can be brought into use which encourage more sustainable transport by discouraging car use.

9. Safeguarding and/or Community Safety Implications (if any)

- 9.1 Badly managed and neglected private rented properties can be detrimental to the health of the tenants as well as being detrimental to the neighbourhood. Poorly maintained properties tend to attract lower rents which in turn result in occupancy by tenants on lower incomes or on benefits. There are patterns which demonstrate drug or alcohol dependencies associated with lower incomes and recorded incidences of anti-social behaviour. There are also a considerable number of families with young children in the private rented sector. Damp and mould spores resulting from penetrating dampness and poor heating can lead to respiratory illness and hospitalisation.
- 9.2 The team may come across families where there are reported suspected safeguarding issues.

10. Equality and Diversity Implications (if any)

- 10.1 Summary. Main Equalities Impact Assessment is contained in the Appendix.

Analysis undertaken for:	<i>Housing Enforcement Policy</i>	Date undertaken: 30th November 2015
Scope	The policy aims to raise standards in housing through working with owners, landlords, letting agents and tenants. It is however recognised that there are circumstances where enforcement action is necessary to protect tenants, owner occupiers, the public and the environment.	

Evidence used	<p>Evidence and Data used for assessment</p> <ul style="list-style-type: none"> • Private Sector housing staff performance data • Joint Strategic Needs Assessment 2013/14 • ONS data 2014. • Six week consultation to key stakeholders.
Key findings and impacts	<p>The policy is primarily aimed at landlords. A landlord could be anyone of the protected groups defined by : Age; Disability. Gender Reassignment; Pregnancy and Maternity; Race; Religion or belief; Sex; Sexual Orientation; Marriage and civil partnership. In the main a positive impact. The policy has to be delivered in a transparent and consistent way. To some extent, the policy is also guided and supported by the Enforcement Concordat which also sets out the framework for consistency, transparency and fairness.</p>
Conclusion drawn	<p>The EIA was drafted prior to the policy being put together. The conclusions of the EIA have been incorporated into the policy with checks and balances put in place to mitigate any potential discrimination.</p>
Actions	<p>Steps to ensure consistency and transparency when making decisions as to informal and formal action. Ensure appropriate guidance is up to date and decisions are monitored, staff trained and appraised of developments.</p>

11. Social Value Implications (if any)

- 11.1 None (there is no commissioning / procurement involved with the implementation of this policy)

12. Partnership Implications (if any)

- 12.1 Collaborative working between the three districts that comprise SWPSHP enable the efficient and effective use of limited resources, and ensure there is equity throughout the districts avoiding a postcode lottery.
- 12.2 The NHS within Somerset (and nationally) is current facing a crisis with significant numbers of patients not being able to be released from hospital due to the conditions at home (cold, poor accessibility etc.). The implementation of the policy will help (see also Section 13 below).

13. Health and Wellbeing Implications (if any)

- 13.1 Improvements to housing standards assists with health and wellbeing. Accordingly, it is a national / local priority to regulate/eradicate Category One hazards in the stock i.e. damp and mould, serious disrepair and tackle cold homes which lead to winter deaths

and cold related illnesses. This helps to reduce numbers going into hospital. It also prevents 'bed blocking' due to tenants not being able to go home as a result of unsuitable/dangerous conditions at home. Better health also leads to employment opportunities.]

13.2 The Health and Wellbeing Strategy currently has five priority work-streams, one of which states:

To identify and address the impacts of housing on health and wellbeing

13.3 A supporting 'action' is to *'drive improvements between health providers and the district housing function where housing standards are affecting health'*

13.4 The amended policy (by raising standards in housing through working with owners, landlords, letting agents, tenants and a range of partners) will directly support such ambitions.

14. Asset Management Implications (if any)

14.1 None

15. Consultation Implications (if any)

15.1 The policy consultation was undertaken through various stakeholder partners who were representative of all of the stakeholders who will access the service. All of the partners responded and their feedback used to influence the draft and final version.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes**
- **Cabinet/Executive – Yes**
- **Full Council – No**

Reporting Frequency : Once only

List of Appendices (delete if not applicable)

Appendix A	Housing Enforcement Policy
Appendix B	Appendix 1
Appendix C	Equality Impact Assessment

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Housing Enforcement Policy

Summary of Housing Enforcement Policy

The Somerset West Private Sector Housing Partnership (partnership) is a partnership between Sedgemoor District Council, Taunton Deane Borough Council and West Somerset Council to deliver private sector housing services. The local authorities work closely together to ensure consistency across the three Districts and to deliver financial and other benefits to those who live and/or work in the Somerset West area. Partnership throughout the document refers to the statutory duties of each of the partner Councils as the local housing authorities.

The Private Sector Housing Enforcement Policy details how the partnership will regulate standards in private sector housing in Sedgemoor, Taunton Deane and West Somerset.

The policy aims to raise standards in housing through working with owners, landlords, letting agents and tenants. It is however recognised that there are circumstances where enforcement action is necessary to protect tenants, owner occupiers, the public and the environment.

Equalities Statement

Enforcement decisions will be fair, independent and objective and will not be influenced by issues such as ethnicity or national origin, gender, religious beliefs, political views or sexual orientation of the suspect, victim witness or offender. Such decisions will not be affected by improper or undue pressure from any source.

Data Protection

The Partnership will comply with the Data Protection Act 1998. Any personal data will only be disclosed in accordance with the provisions of the act. All information gathered during the course of carrying out duties under this policy will be treated confidentially. Confidential information will only be divulged if required by law or by some other significant reason that is in the public interest.

What to expect from the partnership:

Landlords/Owners

- When requested, Housing Standards Officers will advise landlords of the legislation and help them understand how they can comply with it.
- Housing Standards officers will advise landlords as to the action required to comply with the legislation within a specified time period.
- If the landlord agrees to undertake this action, the Housing Standards Officer will monitor the progression of the works to ensure it is carried out within the agreed timescale.
- If the landlord fails to agree to undertake the work to an agreed satisfactory standard, the Housing Standards Officer will initiate formal action by the service of a Notice, and/or by carrying out Works in Default. Failure to comply may result in the partnership recommending prosecution.

In making the decision to prosecute, the partnership will have due regard to the Code for Crown Prosecutors and whether some other action would be more appropriate.

Where specified, a charge will be made for the service of the Notice.

Emergency enforcement action will be taken if the partnership considers there is an imminent risk to a person's life.

Tenants

- The Housing Standards Officer will inform tenants about the action they can take and the timescales that they think it will take.
- The Housing Standards Officer will keep tenants informed at all key stages of the case.

What the partnership expects from tenants and owners or letting agents

Tenants

- Tenants must inform their landlord either in writing, email or a text about issues within their property before contacting the partnership. The partnership will provide template letters to assist tenants to inform their landlord.
- Tenants must cooperate with their landlord at all times to get the works carried out and tell the partnership of any action taken by the landlord.
- If the tenant fails to cooperate with their landlord, the partnership may consider withdrawing their assistance.

Owners/letting agents

- The partnership expects owners to maintain the properties they own and let. The partnership expects owners to cooperate and carry out any works required within a specified time period.

Owners of Empty Homes

- The partnership will expect owners of empty homes to maintain them and bring them back into use within a specified timescale.
- Enforcement action (Compulsory Purchase Order, Empty Dwelling Management Order, and Enforced Sale) will be considered if an owner does not co-operate, and the empty home has an impact on their neighbourhood. Please refer to the Somerset West Private Sector Housing partnership – Empty Homes Strategy 2016 – 2019.

1. Background

The Private Sector Housing Enforcement Policy details how the partnership will regulate standards in private sector housing in Sedgemoor, Taunton Deane and West Somerset. It also provides a background to the legislation and guidance on which it is based.

The principal legislation that governs the condition of housing is the Housing Act 2004. However other legislation seeks to regulate the condition of housing detailed later in this policy.

It is important that the partnership have a comprehensive and effective enforcement policy. Such a policy will ensure consistency of approach among Housing Standards Officers and allow members of the public to know exactly what to expect from the service. It will also aid clarity if any of the Council's takes legal proceedings, or if enforcement action is appealed against.

The partnership will follow the principles of 'Better Enforcement and Regulation' which commits to good enforcement policies and procedures to protect both tenants and landlords, at the same time carrying out enforcement functions in an equitable, practical and consistent manner.

This policy will deal with housing enforcement in;

- All residential dwellings
- Houses in Multiple Occupation
- Empty dwellings

2. All residential dwellings

2.1 Housing Health and Safety Rating System

The Housing Act 2004 introduced the Housing Health & Safety Rating System (HHSRS). It is a calculation of the effect of 29 possible hazards on the health of occupiers and potential visitors.

The legislation provides a range of actions for addressing identified hazards. It is a two stage calculation combining the likelihood of an occurrence and the range of probable harm outcomes to give a numerical rating for each hazard identified. The assessment will be based on the potential occupant who is the most vulnerable to that risk. The two stages are combined to give a numerical rating in respect of each hazard.

Hazard ratings are banded A-J. Bands A to C (scores of 1,000 and over) are the most severe, and are known as **Category 1 hazards**. Bands D to J, the less severe (scores of less than 1,000) are known as **Category 2 hazards**. HHSRS provides a combined score for each hazard identified and does not provide a single score for the dwelling as a whole. It is applied to all residential premises, whether owner-occupied or rented.

The partnership has a duty to inspect premises where the existence of a hazard is suspected.

This Policy takes account of guidance provided by the Government and sets out how the Council's will use their powers and reach their decisions in relation to the Housing Health & Safety Rating System (Part 1 of the Housing Act 2004).

2.2 Hazard Categories

Local Authorities have a **duty** to take action in response to a **Category 1 hazard**. (When a Category 1 hazard is identified, the partnership must decide which of the available enforcement options it is most appropriate to use. These are explained in more detail below). The partnership has a **power** to take action in response to **Category 2 hazards**. The partnership will take action in the following circumstances:

- Where a Category 2 hazard falling within Band D or E exists in addition to one or more Category 1 hazards.
- Cases involving a member of the vulnerable age group, as defined within the specific hazard of the HHSRS, who would derive specific benefit from having Category 2 hazards (falling within Band D or E) addressed;
- Cases in which multiple Category 2 hazards which when identified, when considered together, create a more serious cumulative situation.
- Where a local house condition survey highlights specific local hazards e.g. excessive cold and dampness.
- Any other exceptional case determined by the Strategic Housing Manager for Sedgemoor in the case of enforcement action in Sedgemoor or the Assistant Director for Housing and Communities in Taunton Deane and West Somerset for enforcement action in Taunton or West Somerset in consultation with the respective Council Housing Portfolio Holder.

2.3 Choice of Appropriate Enforcement Action

Unless there is an imminent risk to the health and safety of the occupant or visitors to the property, the partnership will attempt to secure the required improvements informally, and within a reasonable timescale.

The partnership will require the landlord to advise, within 14 days, of their intention with regard to the works and their proposed time scales to reduce the hazard.

It is expected that the landlord will commence works within 28 days of being notified by the partnership of the issues identified.

If not satisfied with their intention or proposed timescales or the work is not carried out within this timescale the partnership **will** move to a formal approach and it will determine which of the specific enforcement options it will use, taking into account the facts and circumstances in each individual case.

A statement of reasons will be provided with any Notice served, explaining why the partnership decided to take a particular course of action.

The enforcement options available to the partnership are as follows:

- Improvement Notices (including Suspended Improvement Notice)
- Prohibition Orders (including Suspended Prohibition Notice)
- Hazard Awareness Notices
- Emergency Remedial Action or Emergency Prohibition Notices
- Demolition Orders
- Clearance Areas
- Service of Statutory Nuisance Notice under the Environmental Protection Act 1990.

a) Improvement Notices

It is anticipated that Improvement Notices will be an appropriate and practical remedy for most hazards.

Where the partnership determines that an Improvement Notice should be served in respect of a Category 1 Hazard, it will require works that will either remove the hazard entirely or will reduce its effect so that it ceases to be a Category 1 hazard, and will take whichever of these two options it considers appropriate, having considered the circumstances of the case.

If the partnership determines that the hazard can only be reduced to a Category 2 hazard rather than removed, it intends to require works to be carried out as far as is reasonably practical to reduce the likelihood of harm.

Where the partnership determines that an Improvement Notice should be served in respect of a Category 2 hazard, it will require works it judges sufficient either to remove the hazard or reduce it to an appropriate degree, and will make these decisions having considered the circumstances of the case.

b) Suspended Improvement Notice

The partnership has the power to suspend an Improvement Notice and will consider this course of action where it is reasonable, in all circumstances, to do so. The following are situations in which it may be appropriate to suspend an Improvement Notice:

- The need to obtain planning permission (or other appropriate consent) that is required before repairs and/or improvements can be undertaken.
- Works which cannot properly be undertaken whilst the premises are occupied and which can be deferred until such time as the premises falls vacant or temporary alternative accommodation can be provided.
- Personal circumstances of the occupants, for example, temporary ill-health, which suggests the case should be deferred.

When deciding whether it is appropriate to suspend an Improvement Notice the partnership will consider:

- The level of risk presented by the hazard(s);
- The turnover of tenants at the property;
- The response or otherwise of the landlord or owner;
- Any other relevant circumstances (e.g. whether the vulnerable age group, as defined within the specific hazard of the HHSRS, is present).

Suspended Improvement Notices will be reviewed after a maximum of 12 months and then at intervals of not more than 12 months, but suspension will not normally exceed 6 months.

Any variation to the approach described above in relation to Improvement Notices of all types will be determined by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset in consultation with the Council's Housing Portfolio Holder.

c) Prohibition Orders

Prohibition Orders can be used in respect of both Category 1 and Category 2 hazards for all or part of a dwelling and are likely to be used:

- If repair and/or improvement appear inappropriate on grounds of practicality or excessive cost (i.e. the cost is unrealistic in terms of the benefit to be derived.) An example might include a dwelling or part of a dwelling where adequate natural lighting or adequate fire escape cannot be realistically provided, or
- In a house in Multiple Occupation (HMO) to prohibit the use of specified dwelling units or of common parts. This might for example, be used if there are inadequate fire safety measures or
- To specify the maximum number of persons who can occupy a dwelling where it is too small for the household's needs, in particular, in relation to the number of bedrooms or
- In relation to premises lacking certain facilities but which are nonetheless suitable for a reduced number of occupants.

In addition to prohibiting all uses in relation to the whole or part of the premises in question (other than uses specifically approved by the Council), Prohibition Orders can prohibit specific uses (section 22 (4)(b) Housing Act 2004); this option may be employed to prevent occupation by particular descriptions of persons. Use of this power may be appropriate in situations such as the following:

- Premises with steep staircases or uneven floors which make them particularly hazardous to elderly occupants
- Premises with open staircase risers or widely spaced balustrades that make them particularly unsuitable for infants.

2.4 Suspended Prohibition Order

The partnership has the power to suspend a Prohibition Order and will consider this course of action where it is reasonable to do so if the facts of a particular case appear to justify it.

Suspended Prohibition Orders will be reviewed after a maximum of 12 months and then at intervals of not more than 12 months, but suspension will not normally exceed 6 months.

Any variation to the approach described above in relation to Prohibition Orders of all types will be determined by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset in consultation with the Council's Housing Portfolio Holder.

The partnership will consider any written requests made for alternative uses of premises or part-premises which are subject to a Prohibition Order, and will not withhold its consent unreasonably. The partnership will reply, in writing to any request stating reasons why the partnership has approved or refused the proposed alternative uses.

2.5 Hazard Awareness Notices

Hazard Awareness Notices may be served to notify owner-occupiers or landlords of the existence of hazards (for example where the risk from the hazard is mitigated by the longstanding nature of the occupancy). It might also be applicable where:

- It is judged appropriate to draw a landlord's attention to the desirability of remedial action;
- To notify a landlord about a hazard as part of a measured enforcement response;
- An occupant has expressed a particular view that this course of action is desirable (e.g. a tenant who, because of persistent ill-health, might not be able to tolerate the works).

In all cases where the decision to serve a Hazard Awareness Notice has been determined by occupancy, the partnership will review the Notice annually to ensure that any change does not put a more vulnerable occupant at risk.

2.6 Emergency Remedial and Prohibition Action

The situations in which Emergency Remedial Action and Emergency Prohibition Orders may be used are specified by Sections 40 to 45 of the Housing Act 2004. Before considering such action, the partnership must be satisfied that:

- a) A Category 1 hazard exists, and that;
- b) The hazard poses an imminent risk of serious harm to health and safety, and that immediate action is necessary.

If these conditions are met, the partnership will take appropriate emergency action.

Situations in which emergency action may be appropriate include:

- Residential accommodation located above commercial premises and which lack a safe means of escape in the event of fire because there is no independent access;
- Risk of electrocution, fire, gassing, explosion or collapse.

2.7 Demolition Orders

The Housing Act 2004 has retained the power to make Demolition Orders but has amended Section 265 of the Housing Act 1985 to align it with the new method of hazard assessment and enforcement provisions.

Demolition Orders are a possible response to a Category 1 hazard (where they are judged to be the most appropriate course of action). In determining whether to issue a Demolition Order the partnership will take account of Government guidance and will consider all of the circumstances of the case.

2.8 Clearance Areas

The partnership can declare a Clearance Area if it is satisfied that each of the premises in the area is affected by one or more Category 1 hazards (or that they are dangerous or harmful to the health and safety of the inhabitants as a result of bad arrangement or narrowness of streets).

In determining whether to declare a Clearance Area, the partnership will act only in accordance with Section 289 of the Housing Act 1985 (as amended) and having regard to relevant Government guidance on Clearance Areas and all the circumstances of the case.

2.9 Statutory Nuisance Notices Served Under The Environmental Protection Act 1990

It is anticipated that the vast majority of statutory nuisance will be eliminated using the enforcement provisions of the Housing Health and Safety Rating System under the Housing Act 2004. Where this is not possible, or the powers are not applicable, such as dealing with privately rented mobile homes, consideration will be given to the enforcement powers under Section 80 of the Environmental Protection Act 1990 or such other legislation as may be appropriate

2.10 Tenure

The HHSRS applies equally to all tenures. Furthermore, it does not specify that particular approaches or solutions should be used on the basis of ownership or the occupier's status. All of the enforcement options are available to the Council regardless of whether the premises in question are owner-occupied, privately rented or belong to a Registered Provider (RP). However, the partnership considers that owner-occupiers are usually in a position to take informed decisions concerning maintenance and improvement issues that might affect their welfare and are then able to set their financial priorities accordingly; whereas tenants, and particularly non-RP tenants, are not usually able to do so. For this reason the partnership judges that it is appropriate for its powers to be used differently according to tenure, as follows:

a) Owner-Occupiers

The partnership anticipates that Hazard Awareness Notices will frequently be the most appropriate course of action and intends to only use Improvement Notices, Prohibition Notices and emergency provisions in cases involving:

- Vulnerable elderly people who are judged not-capable of making informed decisions about their own welfare,
- Vulnerable individuals who require the intervention of the partnership to ensure their welfare is best protected,
- Hazards that might reasonably affect persons other than the occupants,
- Serious risk of life-threatening harm such as electrocution or fire,
- Any other exceptional case determined by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset in consultation with the Council's Housing Portfolio Holder

Unless an identified hazard is judged to pose an imminent risk of serious harm, the partnership will contact the owner to confirm its involvement, explain the nature of the hazard and confirm the action it is intending to take.

The partnership will take account of any proposals or representations made by, or on behalf of the owner. The partnership will ask and take account of the opinion of the relevant Welfare Authority in considering both the vulnerability and capability of such persons as well as in determining what action it will then take.

Any exceptions to this approach will be determined by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset in consultation with the Council's Housing Portfolio Holder.

b) Social Landlords

Registered Providers (RPs) exist to provide suitable and properly maintained accommodation for their tenants. They are managed by Boards (which typically include tenant-representatives) and their performance is scrutinised by the Homes and Community Agency. RPs normally employ staff to both manage and maintain their properties and will usually have written arrangements for reporting problems, setting out the response times they aim to achieve, and also for registering any complaints about service-failure.

On this basis the partnership will not normally take formal action against an RP unless:

- It is satisfied that the problem in question has been properly reported to the RP and,
- The RP has failed to take appropriate action within a reasonable timescale given the severity of the hazard.

If the partnership determines that it is appropriate to take action (in accordance with protocol) it will notify the RP that a complaint has been received and/or a hazard identified and seek the RPs comments and proposals within 14 days. Only in cases where it judges that an unsatisfactory response has been received will the partnership take further action, and will then determine which of the available enforcement options is the most appropriate, taking into account the facts of the case.

Any exceptions to this approach will be determined by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset in consultation with the Council's Housing Portfolio Holder.

c) Private Landlords

The partnership will proceed having regard to the principles of the three partners, Council's Enforcement Concordats and will initially aim to informally resolve the identified issues. Formal action will be initiated immediately if a hazard in question is judged by the Council:

- To pose an imminent risk of serious harm to any person (whether or not immediate action is required, and whether the hazard(s) in question is likely to affect an employee or a member of the public), or
- The landlord in question is known to have failed, on a previous occasion, to take appropriate action in response to an informal approach.

Where the informal approach is judged appropriate the partnership will contact the landlord, (or managing agent) stating the nature of the hazard and request proposals for reducing the hazard(s) identified to an acceptable level. A joint inspection with the landlord may also be required and a Requisition for Information Notice is likely to be served at this point. The landlord/agent will be expected to provide the partnership within 14 days, with a proposed timescale for completing the works. It is expected that the works will commence within 28 days of being notified by the partnership. If this proposal is deemed acceptable, and the work proceeds in accordance with the agreed timetable, the partnership will not normally need to take any further action.

Landlords are expected either to provide any agent acting for them with sufficient authority to act on their behalf in the event that they are contacted by the partnership, or to ensure that they maintain appropriate communication with their agent in order that appropriate decisions and responses can be provided to the partnership. The failure of an agent to respond to communication from the partnership within an agreed timescale or any failure to take appropriate action may be treated as a failure by the landlord. The agreed timescale will depend on the severity of the hazard.

If the partnership receives:

- No response from the landlord/agent or,
- An inadequate response or,
- Proposals that were judged acceptable but which are not then followed through (for example if works fail to start when agreed, fail to make proper progress or are completed to an inadequate standard),

the partnership will proceed with **formal action** by taking whichever of the various available enforcement actions it judges to be the most appropriate in accordance with this Policy.

d) Tenants

i) What is expected of tenants

Before considering taking any action in respect of a tenanted property the tenant(s) will normally be required to contact their landlord about the problems first. Legislation covering landlord and tenant issues require that tenants notify their landlords of any problems with the property. This is because it is more difficult for landlords to meet their legal duty, if unless they have not been made aware of the problem.

Where a hazard presents an imminent risk to the health and safety of the occupants, it is expected that tenants will still try to contact their landlord, even if this is after they have contacted the partnership. It is also expected that the tenant will provide the partnership with details of any written or oral communication that they have had with the landlord regarding the hazard.

In certain situations tenants will not be required to write to their landlord first, for example:

- Where there is an established history of harassment, threatened eviction or poor management practice;
- Where the tenant appears to be vulnerable or where there are vulnerable members of the household;
- Where the tenant could not for some other reason be expected to contact their landlord and/or managing agent;
- Where the property is a House in Multiple Occupation which appears to fall within mandatory HMO licensing.

Tenants are responsible for keeping the partnership informed of any contact they have had with their landlord (or the landlord's agent or builder, etc.), which may affect the action the partnership is taking or considering taking. Tenants should also consider seeking independent legal advice about any legal powers they may be able to use to resolve any dispute with their landlord.

Residential Providers (RPs) tenants have standard complaints procedures to follow if their landlord does not carry out repairs in a satisfactory manner, including a final right of appeal to the Housing Ombudsman Service. However if the RP has not taken appropriate action within a reasonable timescale given the alleged severity of the hazard, the partnership will investigate and take appropriate action to ensure that the hazard is reduced to an acceptable level.

ii) Situation where a service may not be provided

Where any of the following situations arise, consideration will be given to either not providing or ceasing to provide a service:

- Where the tenant(s) of their own free will shortly move out of the property

- Where the tenant(s) unreasonably refuses access to the landlord, managing agent or landlords building contractor to arrange or carry out works
- Where the tenant(s) has in the opinion of the partnership clearly caused damage to the property they are complaining about, and there are no other items of disrepair
- Where the tenants only intention for contacting the Housing Standards team, in the opinion of the partnership, is to get rehoused and does not wish their rented property to be brought up to standard
- Where the tenant(s) has requested a service and then failed to keep an appointment and not responded to a follow up letter or appointment card
- Where the tenant(s) has been aggressive, threatening, verbally or physically abusive towards staff
- Where there is found to be no justification for the complaint on visiting the property
- Where the tenant refuses to provide the partnership with relevant documentation
- Where the hazard has been created by the actions of the tenant and the landlord can prove that this is the case.

In these circumstances the partnership will notify the tenant in writing of the decision not to take action and reasons why.

2.11 Powers of Entry and Power to Require Information

The partnership has the power of entry to properties at any reasonable time to carry out its duties under the Housing Act 2004 provided that:

- Each Housing Standards Officer in the partnership has written authority from the 'Proper Officer' of Sedgemoor District Council, Taunton Deane Borough Council and West Somerset Council as defined in the Local Government Act 1972 stating the particular purpose for which entry is authorised
- The Officer has given a minimum of 24 hours written notice to the owner (if known) and the occupier (if any) of the premises they intend to enter. No notice is required where entry is to ascertain whether an offence has been committed under Section 72 (offences relating to Selective HMO licensing) or 234(3) (Management of HMO's).

If admission is refused, premises are unoccupied or prior warning of entry is likely to defeat the purpose of the entry then a warrant may be granted by a Justice of the Peace on written application. A warrant under this section includes power to enter by force, if necessary.

The partnership also has power under Section 235 of the Housing Act 2004 to require documentation to be produced in connection with:

- Any purpose connected with the exercise of its functions under Parts 1-4 of the Housing Act 2004
- Investigating whether any offence has been committed under Parts 1-4 of the Housing Act 2004.

The partnership also has powers under Section 237 of the Housing Act 2004 to use the information obtained above and Housing Benefit and Council Tax information obtained by the authority to carry out its functions in relation to these parts of the Act.

2.12 Power to Charge for Enforcement

The local authority has the power under Section 49 of the Housing Act 2004 to make a reasonable charge as a means of recovering certain administrative and other expenses incurred in serving an Improvement Notice, Hazard Awareness Notice, making a Prohibition, Emergency Prohibition or Demolition Order or taking Emergency Remedial Action.

The partnership will recover a reasonable amount for expenses incurred in connection with time spent gaining entry, visiting and inspecting the premises to determine the most appropriate action, and the administration costs for the production of a Notice, Order or Remedial Action.

2.13 Charges for Notices and Orders

If the partnership receives:

- No response from the landlord, agent or,
- An inadequate response or,
- Proposals that were judged acceptable but which are not then followed through (for example if works fail to start when agreed, fail to make proper progress or are completed to an inadequate standard),

...and the partnership proceeds with **formal action** a charge will be made in all cases for the service of the notice. The current charge is £150 as at the 1st January 2016. This is annually reviewed.

Hazard awareness notices will not be subject to a charge. Suspended improvement notices and suspended prohibition orders are not subject to charging if:

- There is an owner occupier currently at a property, or
- The landlord is willing to undertake works but the occupant does not wish for the works to be undertaken
- A crowding and space hazard exists and the partnership does not wish to make the current household homeless but however wishes to limit the number of future occupants.

Costs incurred carrying out Work in Default or Remedial Action will be charged separately.

When the charge demand is made the sum recoverable will be a local land charge, which will be removed on receipt of the monies due.

2.14 Failure to Comply

If a Notice is complied with, no further action will be taken. However if the Notice is not complied with the partnership will consider the following options:

- Prosecution
- Carrying out the works in default
- Carrying out the works in default and prosecution
- Where a formal caution is appropriate.

Wherever possible the partnership will prosecute before carrying out works in default.

Failure to comply with an Improvement Notice or a Prohibition Order is an offence punishable by an unlimited fine following conviction; it is an offence to carry on using the premises in breach of the Prohibition Order, attracting a daily fine.

The partnership will take action to recover its costs in connection with work in default. The partnership will also take action to recover the costs incurred in carrying out works associated with Emergency Remedial Action.

As a charge on the property, the costs give the authority the same powers and remedies as a Mortgagee under the Law of Property Act 1925. (Enforced Sale).

2.15 Revocation and Variation of Notices

The partnership must revoke an Improvement Notice once the notice has been complied with. However where a Category 1 hazard exists that has not been complied with the partnership may revoke the Notice if “special circumstances” exist. If a request is made to revoke a notice in these circumstances then a decision will be made by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset in consultation with the Council’s Housing Portfolio Holder.

If part of the work required within the notice is carried out then the notice can be varied.

2.16 Works in Default

In determining if work in default is appropriate, the partnership will consider:

- The effects of not carrying out the work on the health and safety of the occupant of the property concerned
- The wishes of the tenant where the Notice has been served in respect of a rented property
- The reason for the work not being carried out in the first place
- Any other factors that is specific to individual properties.

The Council will seek to recover all of the costs associated with undertaking work in default (including time spent by its officers, administrative costs, contractors costs, the cost of any specialist reports, and supervisory costs.)

In the case of officer time, the Council will calculate costs as follows:

- The actual time spent by partnership officers on the chargeable activities and recorded using file notes and database.
- Time spent will be converted into a monetary figure using the appropriate hourly rate set for the Housing Standards Officer(s) concerned.

The expenses are to be recovered from the person(s) on whom the Notice or Order is/are served (“the relevant person”). Where the relevant person receives the rent on behalf of another, the expenses are also to be recovered from that other person. The expenses will carry interest from the date of service until payment of all sums due under the demand at a rate of 1% over Bank of England Base Rate. The recoverable expenses, together with interest accrued on them, are a charge on the premises.

In addition, as a means of recovering the costs, the Council may also serve Recovery Notices to recover, receive and give a discharge for any rent or sums in the nature of rent.

Any exceptions to this approach will be made by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset in consultation with the Council’s Housing Portfolio Holder.

2.17 Authority to Serve Notice

This policy delegates authority to serve all Notices and Orders specified under the Housing Act 2004 and statutory nuisance Notices under Sections 79-82 of the Environmental Protection Act 1990 to the posts of Strategic Housing Manager, Sedgemoor District Council, Partnership Manager (SWPSHP), and the Housing Standards Officers in the partnership.

3.0 Houses in Multiple Occupation

The Housing Act 2004 introduced a new mandatory licensing system for certain types of Houses in Multiple Occupation (HMO). The aim of licensing is to ensure that every licensable HMO is safe for the occupants and visitors, and is properly managed.

From April 2006 owners of certain types of HMOs must apply to the Local Authority to have their properties licensed. The responsibility for applying for a licence rests with the person having control of, or the person managing the property.

3.1 Definition of a House in Multiple Occupation

The definition of an HMO under the Housing Act 2004 is summarised below:

Any house or flat that is occupied by more than one household which shares (or lacks) kitchen, bathroom or toilet facilities. An HMO may comprise of bedsits, certain shared houses, hostels and houses converted into flats. A single household is made up of persons who are members of the same family.

The requirement for an HMO to be licensed arises when:

- A dwelling is three or more storeys high and
- It has five or more people in more than one household and
- The occupants share amenities such as bathrooms, toilets or cooking facilities

Properties exempt from the licensing regime include:

- Properties consisting entirely of self-contained flats
- Where the basement is in commercial use and there are only two residential storeys above
- Where the property is owned or managed by a RP, a Local Authority, an education, Police, Fire or Health Authority
- Where the building is occupied only by the owner and members of their household
- Where the building is occupied by only two persons.

3.2 Licensing Fees

The current licensing fee is £380 per licence for an HMO occupied by 5 persons. An additional £30 is charged per additional household in HMO's where the number of persons exceeds 5. This fee is charged to cover the set up cost of the licensing regime, inspections and general administration. To ensure that it reflects the true cost of licensing, the fee will be reviewed annually. The completed application form must be accompanied by the appropriate fee. Further details can be found on the partnership website at www.swpsHP.org

3.3 Licensing Conditions

All licences must possess the following mandatory conditions:

- A requirement for gas safety certificates to be provided annually
- All oil fired and solid fuel systems to be appropriately serviced & maintained and any chimneys in use are similarly maintained & swept
- That electrical appliances and furniture supplied by the landlord meets the appropriate safety standard
- That any fire warning system is properly maintained (proven by documentation)
- That licence holders provide occupiers of the property with an appropriate written tenancy agreement.

The partnership may apply additional discretionary conditions which can be found in the partnership HMO handbook.

Licences will be valid for 5 years from the date of issue and will specify the maximum number of occupiers and/or households. The occupancy number will depend on the number and size of the rooms, kitchens and bathrooms. When determining the maximum number, reference will be had to all relevant legislation and the amenity standards as detailed below.

3.4 HMO Categories explained

The provision of amenities and health and safety standards that are appropriate for a particular HMO are related to the way the property is occupied and the differing needs of the occupiers. The following adopted standards take this into account and suggest standards for different categories of HMOs as described below:

a) Category A

The essential feature of this type of HMO is that the occupiers tend to live completely independently of each other. Commonly, these HMOs comprise parts that are rented as individual lettings with exclusive use of certain rooms. Occupiers may share washing, WC and kitchen facilities, but do not usually have a communal living or dining room. Individuals or households may have a letting agreement that specifies the part(s) of the accommodation that they may occupy.

Typical examples are:

1. Single room bedsits – may have exclusive use of, or may share, personal washing, WC and kitchen facilities
2. Flatlets – multi-room lettings sharing some personal washing, WC and kitchen facilities.
3. Non – self-contained conversions.
4. Buildings converted into 2 or more self-contained flats where the conversion did not comply with Part B of the Building Regulations 1991 (Fire protection facilities and means of escape)

Category A HMOs may or may not need to be licensed depending on the number of storeys, occupants and whether facilities are shared.

b) Category B

The essential feature of these types of HMO is that the occupiers tend not to live completely independently of each other and there is some element of communal occupancy. Occupiers will share personal washing, WC and kitchen/dining facilities and will often have a communal living room. Each occupier may have a separate tenancy, or may be on a group/joint contract, commonly students or young professional adults. Larger Category B HMOs may require to be licensed.

c) Hostels

These are HMOs that are generally referred to as hostels, guest houses, or bed & breakfast accommodation which provide accommodation for people with no other permanent place of residence.

The category includes hostel and bed and breakfast establishments used by local authorities for housing homeless people, or similar establishments which provide accommodation for single people whose only financial support is state benefit and who would otherwise be homeless, or foreign language students and migrant workers living in this type of accommodation for 3 months or more.

3.5 Standards in HMO's

General notes to be read in conjunction with the HMO handbook.

No kitchen facility should be more than one floor distant from the users of that facility. This will not apply if a communal living space or dining space is available on the same floor, or is not more than one floor away from the kitchen.

No personal washing or WC facility should be more than one floor distant in the case of a category A HMO, or two floors distant in the case of a category B HMO, from the users of those facilities.

A small household is one that consists of no more than 2 persons.

These standards apply to all properties specified. In exceptional circumstances a variation to these standards may be agreed at the discretion of the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset in consultation with the Council's Housing Portfolio Holder.

3.6 Granting of the Licence

A licence is to be granted if the following criteria are met:

- The house is reasonably suitable for occupation having regard to amenity levels, available living space and general health and safety considerations
- Management arrangements are satisfactory
- The licensee, manager and others involved in the running of the property are 'fit and proper persons'. This is defined in the 2004 Housing Act. The partnership will rely on self-certification to determine whether a person is deemed 'fit and proper'. The partnership however reserves the right to carry out a full criminal records bureau check. In deciding whether a person is a fit and proper person, the partnership will have regard to amongst others; the severity and number of breaches, time elapsed since breach and its relevance, training received since breach etc.

3.7 Licensing Standards

Where a licensable HMO does not comply with the appropriate amenity or space standard at the time of application for a licence, the partnership may reject the application. Alternatively, the partnership may use its discretion to issue a licence subject to a condition that the property will comply with the appropriate standards within an agreed period of time from the granting of the licence.

3.8 Appeals

The partnership will enable license applicants to make representation to the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset and the Council's Housing Portfolio Holder if they are aggrieved with an officer's decision to set particular conditions or to refuse, revoke or vary a licence. They will also be able to make representations against an intention to serve an Interim Management Order

A landlord may also appeal formally to a Residential Property Tribunal if the partnership makes a decision to;

- Refuse a licence
- Grant a licence with conditions
- Revoke a licence
- Vary a licence or refuse to vary a licence.

3.9 HMO Register

In accordance with the requirement of the Housing Act 2004, the partnership will hold a public register of licensable HMOs. This is available on the partnership website at www.swpshp.org

3.10 Licensing Offences

The Housing Act lays down a number of licensing related offences including:

- Operating an un-licensed HMO or allowing an HMO to be occupied by more persons than a licence allows: fine up to £20,000
- Breach of licence condition: fine up to level 5
- Supplying incorrect information in a licence application: fine up to level 5.

In addition to the above, a landlord who operates an un-licensed HMO can be subject to a Rent Repayment Order (RRO) by a Residential Property Tribunal. An RRO requires repayment of rent received by the landlord over a period of up to 12 months. The partnership will consider applying for such a measure if the landlord has received rent that has been paid by Housing Benefit.

Where an unlicensed HMO is identified by the partnership, the partnership will assess whether there are good reasons why an application has not been received. If there are no good reasons, the partnership will look to take formal proceedings with a view to prosecution in the courts.

If a landlord of an unlicensed HMO approaches the partnership for licensing, and the landlord fully co-operates with the partnership, including addressing any management, safety or amenity issue within an agreed timescale, the partnership would not normally take enforcement action.

Generally any breach of licence condition will be dealt with informally initially. However if the breach is serious and affects the safety of the occupants or the responsible person does not carry out necessary works within an agreed time scale, the partnership will pursue legal proceedings.

3.11 Enforcement Options for houses in multiple occupation

As well as the options discussed in Sections 2.3 the Council have specific powers in relation to houses in multiple occupation.

a) Interim and Final Management Orders

Where there is no prospect of an HMO being licensed, the partnership is required to apply to the Residential Property Tribunal to grant an Interim Management Order. This will allow the partnership to take over the management of an HMO, become responsible for running the property and collecting the rent. This normally lasts up to a year.

In exceptional circumstances the partnership can also apply for a Final Management Order. This lasts up to 5 years. Such powers will only be used in exceptional circumstances and will be agreed by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities Taunton Deane and West Somerset and the Council's Housing Portfolio Holder

As management of any HMO will be resource intensive, the partnership will look to develop a procedure with partner Registered Social Landlords and Managing agents so that they can manage such properties on behalf of the partnership.

b) Temporary Exemption Notices

Where a landlord is, or shortly will be taking steps to make an HMO non-licensable, the partnership may serve a Temporary Exemption Notice (TEN). A TEN can only be granted for a maximum period of three months. In exceptional circumstances a second TEN can be served for a further 3 month period. A TEN will be served where the owner of the HMO states in writing that steps are being taken to make the HMO non licensable within 3 months.

3.12 HMO Inspection Policy

Whilst there is no requirement to inspect the property prior to issuing a licence, Housing Standards Officers will carry out an inspection to assess compliance with licensing requirements, amenity standards and to assess whether any Category 1 or high scoring Category 2 hazards identified by the Housing Health and Safety Rating System (HHSRS) need to be addressed.

3.13 Discretionary licensing

The partnership has powers to apply to extend licensing to:

- A group of HMO's closely located together where there is a significant problem with antisocial behaviour
- An area of private housing which is subject to low demand or antisocial behaviour.

3.14 Raising Standards in HMOs

Many HMOs will not require a licence. These include houses containing self-contained flats and smaller HMOs. Many of these still pose a significant degree of risk to occupants and/or have a history of being poorly managed.

The partnership will continue to regulate such HMOs through enforcement of the HMO Management Regulations and by the use of the Housing Health and Safety Rating system. All HMOs will however be subject to a risk assessment which will allow the prioritisation of proactive inspections to secure appropriate improvement work.

The Local Authority will work closely with Devon and Somerset Fire and Rescue Service through consultation and joint inspections to ensure that Fire Safety in HMOs is adequate and appropriate.

3.15 Fire Safety in HMOs

Statistically HMOs have one of the highest incidences of deaths caused by fire in any type of housing. It is therefore essential that HMOs possess an adequate means of escape in event of a fire and adequate fire precautions.

The actual level of fire protection and detection required will be determined by a risk assessment. Guidance on risk assessments and the level of fire protection works required in HMOs can be found in the document 'Housing – Fire Safety' produced by the Local Authorities Co-ordination of Regulatory Services. A downloadable copy can be obtained from the partnership website at www.swpshp.org

The partnership is generally the lead enforcing authority for fire safety in HMOs, however there are circumstances where Devon and Somerset Fire and Rescue Service will be the lead authority. A protocol between the partnership and Devon and Somerset Fire and Rescue Authority identifies discrete areas of responsibility for inspection and enforcement of fire safety in HMOs

3.16 General Management of HMOs

'The Management of Houses in Multiple Occupation (England) Regulations 2006' and 'The Licensing and Management of Houses in Multiple Occupation (Additional Provisions) (England) Regulations 2007 (as amended)' require the person having control of the house to ensure that:-

- All services, furnishings, fixtures and fittings are maintained in good, sound and clean condition
- The structure is kept in good order
- All communal areas of the interior are regularly cleaned and redecorated as necessary
- All yards, boundary walls, fences, gardens and outbuildings are maintained in a safe and tidy condition
- Satisfactory arrangements for the disposal of refuse and litter have been made
- At the commencement of all tenancies the lettings are clean, in a satisfactory state of repair and decoration, and comply in all respects with these standards
- All staircases and multiple steps should be provided with suitable handrails
- All tenants should fulfil their tenancy obligations.

4.0 Empty Homes

Empty homes can be a blight on the community as well as a wasted housing resource. The partnerships approach will be to work with empty homeowners, to support and encourage voluntary action, but the partnership is committed to take appropriate enforcement action where reasonable negotiations fail, subject to appropriate funding being available to do so.

In deciding the most appropriate course of action regard shall be had to the risk assessment of the empty property, including its impact on the neighbourhood and the housing need in the area.

The partnership has published an Empty Homes Strategy www.swpshp.org which sets out how the partnership intends to tackle empty homes and engage with the owners.

5.0 Complaints procedure

Any complaints will be dealt with in accordance with each partner Council's Corporate Complaints Procedure. The relevant procedure will depend upon which council area the property is residing.

6.0 Monitoring and review

In accordance with the Regulators' Compliance Code, the Service will keep its regulatory activities and interventions under review, with a view to considering the extent to which it would be appropriate to remove or reduce the regulatory burdens they impose.

The Service will set up a monitoring system to examine a sample of enforcement cases. The quality system will aim to promote consistency in the enforcement procedures. Feedback and the results from the monitoring will be discussed as part of regular one to one with staff and team meetings. The results will also be reported regularly at the partnership management meetings and Housing Management Team meetings.

This document will be subject to regular review with additional reviews as and when required. Changes will be introduced to accommodate new legislation, guidance and local needs. The Partnership Manager will consult with the Strategic Housing Manager for Sedgemoor and the Assistant Director for Housing and Communities at Taunton Deane Council and the relevant Portfolio Holder for Housing before any such changes are implemented.

7.0 Application of the Policy

All officers will refer to this policy and the appended documents when making enforcement decisions. Any departure from this policy must be exceptional, capable of justification and be fully considered by the Partnership Manager before a final decision is taken. This provision shall not apply where a risk of injury or to health is likely to occur due to a delay in any decision being made.

Appendix 1

The following legislation has been introduced:

1.0 The Redress Schemes for Letting Agency Work and Property Management Work (Requirement to belong to a scheme etc.) (England) Order 2014

This Order came into effect on the 1st October 2014 and requires letting agents and managing agents to be enrolled in an approved redress scheme of which there are three;

- Ombudsman Services Property (www.ombudsman-services.org/property.html)
- Property Redress Scheme (www.theprs.co.uk)
- The Property Ombudsman (www.tpos.co.uk)

1.1 Memberships of these schemes are subject to annual renewal. The details of the legislation are complex; it phrases the requirements in terms of those who carry out “lettings agency work” and “property management work”. There are a number of exclusions, the most significant of which are:

- Where the work is not being carried out as a business
- Where the work is being carried out by the owner of the property.

1.2 Generally letting agency work means acting on instructions from a landlord wishing to rent a home or the instructions of a prospective tenant wishing to find a home.

1.3 Generally property management work means repairs, maintenance, improvement or insurance carried out by a person acting on the instructions of (i) a landlord or (ii) a resident management company (of a block of leasehold flats).

1.4 The Order identifies two specific breaches in relation to letting agency work and property management work with a maximum fine of £5,000. However it is unclear whether it can be applied to both breaches individually (potentially a £10,000 fine) or whether the £5,000 is a cumulative fine when two breaches occur.

1.5 The guidance indicates that the maximum fine should be levied other than in exceptional circumstances:

- Lack of awareness
- Level of fine disproportionate for the business.

1.6 The Order specifies a specific procedure for levying the fine using Penalty Charge Notices, a new approach to enforcing standards in housing legislation. Before the fine is finalised the business may make representations to the Council. Afterwards the business may make a legal appeal to the First Tier Property Tribunal. The fine is payable to the authority and can be used for any

purpose it sees fit. However it is not possible to predict the value of fines collected.

1.7 **Recommendation**

That the level of fine for offences under the Redress Schemes for Letting Agency Work and Property Management Work (Requirement to belong to a Scheme etc.) (England) Order 2014, is set at £5,000.

That any fines payable to the Authority will be used to support housing enforcement work including training of landlords, promoting the awareness of the scheme to potential agents and to provide additional resources for housing enforcement work, where necessary.

2.0 **The Smoke Alarms and Carbon Monoxide Alarm (England) Regulations 2015**

2.1 These Regulations came into force on the 1st October 2015 and require landlords to:

- Provide a smoke alarm on every level where there is a room which is used as living accommodation
- A carbon monoxide alarm in every room where there is a solid fuel burning combustion appliance (not a gas boiler)
- Checks are made by or on behalf of the landlord that each alarm is in proper working order on the day the tenancy begins if it is a new tenancy.

2.2 The Regulations specifies a specific procedure for levying the fine using Penalty Charge Notices with a fine of up to £5,000. Again, the funding can be used by the Authority for any purpose that it sees fit.

2.3 The legislation requires the Local Authority to produce a Statement of Principles in relation to the level of fines levied which is attached as Appendix 2. The level of fine being proposed is a maximum fine of £5,000 with a reduction of 50% for landlords who pay within 14 days.

2.4 **Recommendation**

To approve the Statement of Principles (Appendix 2) The Smoke Alarms and Carbon Monoxide Alarm (England) Regulations 2015 detailing the level of fines at £5,000 with a 50% reduction for landlords who pay within 14 days.

That any fines payable to the Authority will be used to support housing enforcement work including training of landlords promoting the awareness of the scheme to potential tenants and to provide additional resources for housing enforcement work, where necessary.

3.0 Deregulation Act 2015 – Retaliatory Eviction

3.1 This Act came into force on the 1st October 2015 and was brought in to prevent landlords from evicting tenants who make a complaint regarding the condition of the property directly to the landlord or to the Local Authority.

3.2 Under this legislation a court can refuse to evict a tenant if:

- They complained to their landlord or letting agent in writing
- Their landlord issued a Section 21 (eviction notice) after they made the complaint
- They complained to the Council because the landlord didn't take steps to remedy the problem
- The Local Authority sent the landlord a formal notice telling them to make improvements or that the Council will carry out emergency work
- Once the Council serves an Improvement Notice or Notice requiring remedial action on the landlord, the Section 21 notice becomes invalid
- If the Local Authority serves a notice and the landlord later serves an eviction notice, it will be invalid if it is served within 6 months.

3.3 The partnership's Housing Enforcement Policy initially adopts an informal approach before moving to a formal approach (service of notice). The Policy provides clear guidelines when the Local Authority will move to formal action, ensuring that tenants are protected from retaliatory eviction as well as advice and guidance to tenants on their responsibility to make their landlord aware of disrepair issues.

3.4 Recommendation

Members note the changes in legislation with regard to Retaliatory Eviction and continue to support an initial informal approach with tighter controls to ensure a notice is served within an appropriate timescale.

4. The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 made under the Energy Act 2011

4.1 From April 2016, residential private landlords will not be able to unreasonably refuse consent to a tenant's request for energy efficiency improvements where subsidies are available to pay them.

4.2 From April 2018, private domestic and non-domestic landlords will need to ensure that their properties reach at least an E EPC rating before granting a tenancy to new or existing tenants.

4.3 There are certain exemptions to this legislation, for example where a building is listed.

4.4 Approximately 25% (4,998) of the private rented properties in Sedgemoor are currently let which are below energy rating E. This represents 10% of the total

housing stock of 49,989 properties. Much of this is attributed to solid walls and an ageing housing stock. Promotion of existing funding streams to improve the energy efficiency of the private rented sector such as landlord Accreditation grants and loans will help ensure that the energy efficiencies of these properties are improved.

4.5 Recommendations

Members note the changes in legislation in relation to energy efficiency of the private rented sector and continue to help to promote funding streams with landlords, as appropriate.

5.0 Housing and Planning Bill

5.1 The Housing and Planning Bill (published 13th October 2015) details further proposed legislation to regulate rogue landlords and letting agents in England. It particularly makes reference to Banning Orders, where a Local Authority can apply for this order where certain offences have been committed (to be prescribed regulations) preventing the offender (or associates) from letting properties. It also refers to the setting up of a database for rogue landlords and letting agents as well as changes to how rent repayment orders can be implemented.

5.2 Recommendation

Members note the proposed changes in legislation.

6.0 Area approach to Housing Enforcement Work

6.1 Traditionally Local Authorities respond to complaints from private tenants about the condition of their private rented property. This may lead to an investigation and informal or formal action. Formal action may be the serving of a statutory notice by the Council. The Council also has a duty to inspect Houses in Multiple Occupation (HMO's). The Council organise the HMO inspections using a risk based approach, scoring the HMO's based upon size, management, numbers of occupants etc.

6.2 This approach is not necessarily the best use of staff resource as they are reacting to complaints which could occur anywhere on the district and inspecting HMO's which could likewise be anywhere. With the increase in public demand for Local Authority intervention there is a need to refocus how staff are directed towards tackling the private rented sector.

6.3 One solution is an area based approach, whereby officers focus their attention on a particular area. The area is chosen due to a number of factors which can include a poor private rented sector (identified through the historical number of complaints and age of the stock), large concentration of HMO's, anti-social behaviour, poor health, deprivation and fuel poverty. Efforts would be on inspecting HMO's and private rented properties. Encouraging landlords to become accredited (accreditation recognising good management), identify and sign post people to appropriate agencies to resolve health and health related issues such as fuel poverty. There are many advantages to this

approach including encouraging an improvement in general health and wellbeing of the community, enhancement of the community environment, resolving anti-social behaviour, encouraging Disabled Facilities Grant take up for vulnerable clients who would otherwise have been hospitalised without an early intervention. There are a number of areas which the principles could be applied such as the Celebration Mile, St Johns Street, Bath Road in Bridgwater, other market towns such as Burnham on Sea, or the rural areas such as the levels.

6.4 Recommendation

Members agree to an area based approach to Housing Standards which compliments the priorities of the Councils Health and Wellbeing Strategy and Somerset County Councils future approach to health intervention.

Appendix 2

Statement of Principles

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015

Introduction

As of the 1st October 2015, a “relevant landlord” of a “specified tenancy” of residential premises must ensure during any period on or after 1 October 2015 when the premises are occupied under the tenancy that:

1. A smoke alarm is equipped on each storey of the premises on which there is a room used wholly or partly as living accommodation.
2. A carbon monoxide alarm is equipped in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance; and
3. Checks are made by or on behalf of the landlord to ensure that each prescribed alarm is in proper working order on the day the tenancy begins if it is a new tenancy.

For the purposes of the legislation, living accommodation is a room that is used for the primary purposes of living, or is a room in which a person spends a significant amount of time, and a bathroom and lavatory would be classed within this definition.

Enforcement

Where the Local Housing Authority has reasonable grounds to believe that:

- There are no or insufficient number of smoke alarms or Carbon Monoxide Detectors in the property as required by the regulations or;
- The Smoke Alarms or Carbon Monoxide Detectors were not working at the start of a tenancy or licence.

Then the Authority must serve on the Landlord in a method prescribed by the Regulations a Remedial Action Notice (RAN) detailing the actions the landlord must take to comply with the Regulations. If after 28 days the Landlord has not complied with the Remedial Action Notice the Local Authority must issue a penalty charge levied through a Penalty Charge Notice (PCN).

The Local Authority **must** also undertake works in default in the manner specified in the Regulation.

Principles to be followed in determining the amount of a Penalty Charge

Any penalty charge levied will cover the cost of all works in default, officer time, recovery costs, administration fee and a penalty. The provision of smoke detectors and carbon monoxide alarms does not place an excessive burden on a landlord, and the lack of compliance directly impacts the safety and security of tenants, especially those that are vulnerable and those with families. It is understood that the imposition

of the maximum potential fine, being £5,000 under the regulations, can present an excessive financial burden but this is balanced against the risk and the fact that reasonable opportunity will have been given to comply prior to any penalty charge being levied. Therefore a penalty charge of £5,000 is set for any initial non-compliance of a Remedial Action Notice. The partnership considers that prompt payment of the penalty on the first occasion should attract a reduced penalty in recognition of early admission of liability.

In line with the legislation, a discount of 50% is offered on payment within 14 days of the charge being issued. This discount shall not apply when:

1. The person/company served on has obstructed the Authority in the carrying out of its duties; and/or
2. The person/company has previously received a penalty charge under this legislation;

The discount shall only apply to the first non-compliance of a notice, if a number of remedial notices have been served covering a number of premises under the same persons/company's control.

Recovery of Penalty Charge

The local housing authority may recover the penalty charge as laid out in the Regulations on the order of a Court, as if payable under a Court Order.

Appeals in relation to a penalty charge notice

The landlord can request in writing, in a period that must not be less than 28 days beginning with the day on which the penalty notice was served, that the local housing authority review the penalty charge notice. The Local Authority must consider any representation and decide whether to confirm, vary or withdraw the penalty charge notice. This decision will be made by the Strategic Housing Manager for Sedgemoor or the Assistant Director for Housing and Communities for Taunton Deane and West Somerset in consultation with the Council's Housing Portfolio Holder. A landlord who is served with a notice confirming or varying a penalty charge notice may appeal to the First Tier Tribunal against the Local Authority's decision.

Review of Statement

This Statement of Policy shall be reviewed and amended to reflect any change in legislation, corporate policy or official guidance. Any amendment shall be in line with meeting the requirements of the legislation.



Housing Enforcement Policy

Sedgemoor District Council, Taunton Deane Borough Council and West Somerset Council are in a partnership to deliver private sector housing services. This includes regulating housing standards.

The Policy aims to raise standards in housing throughout, working with owners, landlords, letting agents and tenants. It is however recognised that there are circumstances where enforcement action is necessary to protect tenants, owner occupiers, the public and the environment. The Housing Standards Policy, alongside the partner Council's Housing Strategies, demonstrates the partners commitment to providing sustainable and thriving communities across the districts.

Your views are therefore important to us and we would appreciate your help by completing this short questionnaire. The comments you provide will help us to improve the service we offer to you.

The questionnaire can be returned either by email to christian.Trevelyan@sedgemoor.gov.uk or completed and returned in the post to: Christian Trevelyan, Partnership Manager, Strategic Housing, Sedgemoor District Council, Bridgwater House, King Square, Bridgwater, Somerset TA6 3AR.

The deadline for all responses is the 4th June 2016

Thank you

1. Summary (Pg 1): The summary sets out what to expect from the partnership. Do you think this is the right balance between an informal approach, providing advice and support to landlords and formal action when noncompliance occurs?

Yes

No – If you have ticked ‘No’ please explain why in the box below:-

2. Summary (Pg 2): The Policy sets out what is expected from tenants, owners and letting agents. Are these expectations reasonable? Are there any other expectations which should be included?

Yes

No - Please explain why. Also use this section to provide any other expectations.

3. Background (Pg 3): The Policy aims to tackle conditions in all private housing regardless of tenure. Should the Council become involved in enforcing standards in properties occupied by owner occupiers and tenants in Registered providers?

Yes

No – Then please explain why. Answers should be considered in the context of the following questions.

4. Tenure – Owner occupiers (Pg 8): The Policy provides the justification for when the partnership will become involved with owner occupiers. Are these reasons fair justification to intervene? Are there any others which should be included?

Yes

No – Please state why? Use this section to provide any other justifications.

5. Tenure – Owner Occupier (Pg 8): Are there sufficient safeguards in the Policy for vulnerable people to ensure that the partnership is not acting unjustly by intervening and in determining what action it will take?

Yes

No – What safeguards would you suggest or modifications to be made to the existing safeguards?

6. Tenure – Social landlords: (Pg 8): The partnership will intervene in situations where tenants in social housing are not satisfied with their landlords response in tackling their housing conditions. Are the reasons set out in the Policy justifiable?

Yes

No - If not, please explain. Are there any additional justifications? If so, please supply.

7. Tenure – Private landlords (Pg 9): The partnership will take formal action on landlords where there is an imminent risk of serious harm to any person or the landlord has failed to comply. Are there any other reasons not listed here?

Yes – Please supply.

No

8. Tenure – Tenants (Pg 10): It is expected that tenants contact their landlords prior to contacting the partnership to resolve issues of disrepair to the property. There are certain situations where this will not be required. Are the situations in the Policy reasonable? Are there any other reasons for intervention?

Yes – Please use the section below to provide any other reasons for intervention.

No – Please state why.

9. Tenure – Tenants (Pg 10): There are certain situations when the partnership will no longer provide a service. These are listed in the Policy. Are the grounds for refusing the service reasonable? Should other reasons also be included?

Yes

No – Please explain why. Please use this section to provide any other grounds.

10. Choice of appropriate enforcement action (Pg4): The Policy states the proposed steps for choosing the most appropriate enforcement action. Is the pathway balanced and safeguards sufficient for landlords to prevent overzealous use of powers by the partnership?

Yes

No – Please explain why not

11. Suspended Improvement Notice (Pg 5): There are certain circumstances when the partnership will suspend an Improvement Notice. Are the situations appropriate? Are the considerations justifiable?

Yes

No – Please state why for either or both situation and consideration. Use this section to add any additional situations or considerations.

12. Prohibition Orders (Pg 6): There are certain times when a Prohibition Order is used. Are the reasons appropriate? Are there any other circumstances?

Yes

No - Please explain why. Use this section to add any additional circumstances.

13. Hazard Awareness Notices (Pg 6): The Policy provides reasons for when a Hazard Awareness Notice will be served. Are the reasons justifiable? Are there any other reasons?

Yes

No – Please explain why. Use this section to add any additional reasons.

14. Power to charge for enforcement (Pg 12): Should the partnership charge for enforcement action? 2.13; Are the grounds justifiable for when a charge will be made?

Yes

No – Please state your reasons and why you think the grounds are not justifiable.

15. Works in default (Pg13): The considerations given for determining works in default, are they justifiable considerations?

Yes

No – Please state your reasons. Use this section to add any additional reasons.

16. Works in default (Pg13): Calculating costs, the partnership will base the recharge for works in default on actual time spent by officers and then calculated by the hourly rate. Apply 1% interest over Bank of England Base Rate. Is this a reasonable charge in order to recover expenses incurred? Should the partnership recover costs?

Yes

No – Please state why not. Use this section to provide an alternative method for charging.

17. Any other comments:

Thank you for taking the time to complete the questionnaire. Your views are important to us in developing an effective policy.

The conditions in this document apply to every Mandatory Licence issued by the Somerset West Private Sector Housing Partnership (SWPSHP) consisting of the following three councils:

- Taunton Deane Borough Council
- West Somerset District Council
- Sedgemoor District Council

It is the licence holder's responsibility to ensure that the licensed property complies with all the regulations and conditions set out in this document. Schedule 4 of the Housing Act 2004 provides mandatory licence conditions. An **(M)** indicates a specific condition which is mandatory under Schedule 4, Part 2 of the Housing Act 2004. The local housing Authority has powers to set special conditions relating to specific HMO's to ensure the dwelling is safe and satisfactory.

Failure to comply with any condition on a HMO Licence may lead to prosecution for a breach of the licence conditions, a loss of the licence and fines of up to £5,000 per offence.

If the licence holder is not the manager of the property it is their responsibility to ensure that the Manager complies with all the conditions of the licence.

The HMO Licence must be displayed within a communal area of the property and a copy of the conditions should be readily available to all the tenants.

The issuing authority may at any reasonable time visit and inspect the licensed premises to check for compliance with the conditions of the licence and the Management Regulations contained herein.

CONDITIONS OF THE LICENCE

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DRAFT

Permitted Occupation

1. Number of occupiers and households

The licence holder must ensure that the number of persons occupying the property does not exceed the maximum numbers stated on the licence.

2. Overcrowding

If the number of persons occupying the property exceeds the specified maximum levels at the time the licence is issued, the licence holder must ensure that these numbers are reduced at the earliest opportunity.

3. Amenity and space (size of rooms) standards

The number of occupiers and households allowed to occupy the property will relate to the amenities that are provided within the property and the size and layout of the rooms available. The licence holder must ensure that the house is compliant with both the partnerships adopted standards for Space and those for Amenity.

[For further information on Somerset West Private Sector Housing Partnerships amenity and Space Standards see Appendix 1].

Management of the Tenancy

4. Terms of occupation (M)

The occupiers of the property must be given a written statement of the terms (this is usually a tenancy agreement) on which they occupy the property, at the start of the tenancy. The licence holder must declare at the point of application that they provide these terms to the occupiers and provide a copy to the Council within 14 days on demand. An inventory and statement of the condition of the let must be provided to the tenant at the start of the tenancy.

5. Rent payments

All occupiers should be given a rent book or similar receipt for payments made, such as a rent statement, this should be provided to the occupiers at minimum of quarterly (3 months) intervals. The licence holder must also ensure that they record all rent payments that they receive. This must be declared at the point of application and evidence provided to the Council within 14 days on demand.

6. Deposits

The licence holder must protect any deposits taken from the occupiers by placing them in a statutory tenancy deposit scheme. Information about the scheme being used must be given to the occupier at the time the deposit is taken. When requested this information must be provided to the Council within 14 days on demand. For more information on statutory deposits, please go to www.swpshp.org

7. Complaints

All tenants should be given a suitable written complaints procedure at the start of their tenancy. Private Landlords should consider membership of the Independent Housing Ombudsman scheme, and Accredited Landlords are required to have their own complaints procedure in place.

8. Anti-social behaviour (ASB)

The licence holder must take reasonable and practical action to prevent or stop anti-social behaviour by the occupiers of the property or their visitors. The licence holder must ensure that the occupiers of the property receive written confirmation detailing the procedure in place to deal with anti-social behaviour at the start of their tenancy. Please refer to 8a and 8b below.

The licence holder must cooperate with the Council, the Police Service and any other agencies in resolving complaints of anti-social behaviour.

The licence holder should address problems of anti-social behaviour resulting from the occupiers or their visitors by following the procedure set out below.

Where the licence holder or his agent has reason to believe that any anti-social behaviour involves criminal activity, the licence holder shall inform the appropriate authorities.

8a. Prevention Good Practice

To help prevent anti-social behaviour from occurring the licence holder should:

- I. Obtain tenant references as to their previous conduct prior to granting a tenancy. Use the reference as part of the evidence to satisfy yourself that they are not likely to cause any antisocial behaviour.
- II. Ask anyone wishing to occupy the property to disclose any unspent criminal convictions. If there is evidence of unspent criminal convictions the licence holder must consider if there is a risk that the person is likely to commit acts of anti-social behaviour, before granting a tenancy.
- III. Respond in writing within 21 days to any reference requests from a licence holder received for a current or former tenant.
- IV. When giving a reference state whether or not you are aware of any allegations of anti-social behaviour made against the tenant. If allegations have been made they must give details, to the best of their knowledge, of whether the allegations have been admitted or have been found proven in any court or tribunal.
- V. Make, a minimum of quarterly inspections of the property to ensure that it is in a decent state of repair and that the occupiers are not in breach of tenancy terms and conditions.
- VI. Ensure that all tenants are aware that if they or their visitors act in such a way that the licence holder, manager or Council considers it to be antisocial behaviour, they may face eviction.

8b. Recommended Action

This is a good practice procedure to be followed if or when a landlord has been made aware of the occurrence of anti-social behaviour. For the purpose of transparency, this process should be made available to all tenants at the start of their tenancy agreement.

I. If a complaint is received, or anti-social behaviour is discovered, the licence holder shall contact the tenant within 14 days. The tenant shall be informed in writing of the allegations made against them and of the consequences of its continuation.

II. The licence holder shall monitor any allegations of anti-social behaviour for a period of 28 days, from the date the complaint was received.

III. If after 28 days it is found that the anti-social behaviour is still continuing, the licence holder shall visit the premises within 7 days and provide the tenant with a warning letter advising them of the possibility of eviction if their behaviour continues.

IV. If after 14 days of giving a warning letter the tenant has not taken steps to address the anti-social behaviour and it is still continuing, the licence holder shall take action which may include legal eviction proceedings.

V. The licence holder must ensure that written notes are kept of any meetings, telephone conversations or investigations regarding anti-social behaviour for 3 years and if requested by the Council, provide this information within 28 days on demand.

VI. Any letters, relating to antisocial behaviour sent or received by the licence holder, shall be kept for 3 years by the licence holder and if requested by the Council, provide copies of them within 28 days on demand.

MANAGEMENT OF THE PROPERTY

There are specific management Regulations which apply to all types of HMO's and are listed under Item 36.

9. Gas (M)

If gas is supplied to the property, the licence holder shall ensure that the gas installation and appliances are tested annually by an approved Gas Safe engineer. The licence holder shall provide to the Council, a current Gas Safe Certificate at the point of application. Within 14 days of the licence holder being notified by the Council of any safety risk, a new Gas Safe certificate shall be submitted to the Council

10. Electrical Appliances (M)

The licence holder is responsible for the maintenance and safety of all supplied electrical appliances and shall ensure:

- a) Electrical appliances are safe and in good working order. A declaration as to their condition shall be provided at the point of application.

- b) Test reports on the condition of the electrical appliances in the property shall be provided to the Council within 14 days on demand.
- c) All oil fired and solid fuel systems to be appropriately serviced & maintained and any chimneys in use are similarly maintained & swept.

11. Furniture and Furnishings (M)

The Licence Holder shall ensure that furniture and furnishings supplied by them are safe and comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988. They shall provide a declaration as to their safety at the point of application and if requested by the Council within 14 days on demand.

12. Heating and Insulation

The Licence holder shall provide a form of adequate and efficient fixed heating with adjustable controls, which is capable of maintaining an indoor temperature of at least 21° C in habitable rooms. Full consideration of affordability must be considered when deciding on the appropriate system for the building.

13. Security

The licence holder is responsible for the security of the building and shall ensure:

- a. The access to the property such as locks, latches and entry systems are maintained and in good working order at all times
- b. The front door of the property is fitted with a mortice lock (thumb turn) or equivalent, to a five lever security level
- c. Where window locks are fitted, the keys are provided to the relevant occupants
- d. Where an intruder alarm is fitted to the property, the occupiers are informed in writing about the circumstances under which the code for the alarm can be changed, and are given details on how this can be arranged.
- e. Where previous occupants have not returned their keys, the relevant locks will be changed prior to new occupants moving in.

14. Common Parts (shared areas)

The licence holder should ensure that:

- a. The common parts in the premises are kept free from obstruction, in a clean condition and in good order and repair.
- b. Common areas, including shared living rooms, kitchens and hallways are not used for sleeping by tenants or their guests
- c. Smoking is not permitted in any common area and "No Smoking" signs are clearly displayed (Health Act 2006)

15. External Areas

The licence holder should ensure that:

- a. The exterior of the property is maintained in a reasonable decorative order and state of repair.
- b. Gardens fencing and other external elements are kept clear, in a clean, and /or sound condition. Spaces kept clear of rubbish and debris.

16. Refuse and Waste

The Licence holder should provide sufficient numbers of external dustbins for the occupiers to dispose of waste. The Licence holder is also responsible for ensuring that any kind of refuse that the Council will not collect e.g. large items of furniture or hazardous waste, is disposed of responsibly and appropriately.

17. Repairs

The Licence holder must ensure that :-

- a. All occupiers of the property receive written confirmation detailing arrangements in place to deal with repairs. If requested by the Council this information must be immediately made available.
- b. Disrepair and/or defects brought to the attention of the landlord is investigated and adequately addressed in the timescales specified by the Council.
- c. All repairs to the property or any installations, facilities or equipment within it are carried out by competent and reputable persons.
- d. The responsible person responds positively and within the time limits detailed on any housing enforcement notices, issued by the Council.
- e. During any necessary maintenance or repair works , the safety of all occupiers remaining in, or visiting the building must be risk assessed and appropriate safety measures put in place
- f. On the completion of any works the property is left in a clean and tidy condition.

18. Compliance Works

The licence holder must ensure that any works found to be necessary by the Council to ensure that the property complies with the Councils standards for HMO's, are carried out and completed in the timescales provided.

19. Pest Control

The licence holder is responsible for ensuring that the premises, which includes all areas within its curtilage, are free from pests and vermin. Any reported pest infestations shall be managed effectively to eradicate the problem without delay.

FIRE SAFETY

20. Smoke Alarms (M)

The licence holder shall ensure that smoke alarms are installed in the property and are kept in proper working order. The licence application form requires a signed declaration as to the condition and positioning of the alarms. Plans detailing their position and type will be required for all new HMO applications.

The Council will require satisfactory and current completion/new test certificates to be submitted as part of the HMO licence application.

21. Fire Precautions

The licence holder shall ensure that all fire precautions provided to property e.g. fire doors, automatic fire detection and emergency lighting systems are maintained in full working order at all times

The Council will require satisfactory and current completion/new test certificates to be submitted as part of the HMO licence application.

22. Servicing and testing of systems and equipment

The licence holder shall ensure that all fire detection systems, means of escape and fire fighting equipment installed in the property must be annually serviced by a registered qualified person and be maintained and tested in accordance with the manufacturer's instructions.

The Council will require satisfactory and current completion/new test certificates to be submitted as part of the HMO licence application or within 7 days of being notified by the local council of damage or disrepair.

23. Electricity and Fire Safety

The licence holder shall ensure that the electricity supply to fire detection and emergency lighting systems are not disconnected , or threatened with disconnection, due to non-payment of money owed to the relevant energy provider.

24. Doors

The licence holder shall ensure that the main entrance/exit doors and all property doors leading to common areas are operable from the inside without the use of a key.

25. In Case of Fire procedures

The licence holder shall ensure that all residents are fully aware of the procedures to be followed in the event of a fire.

The licence holder shall ensure that full fire safety instructions is clearly worded and displayed in the common area of the property where all residents can read it e.g. near the main entrance /exits.

26. Fire Blankets

The licence holder shall ensure that a fire blanket conforming to the current British Standard is provided in each area with cooking provision.

27. Means of Escape

The licence holder shall ensure that all means of escape from fire are free from obstruction and fire precautions are maintained.

28. Fire Safety Standards Guidance

The housing partnership has recognised that the LACORS Guidance document is an appropriate standard to be used to work towards fire safety compliance. All inspections will be based on the standard set within the document. Any fire safety provisions that are found below the LACORS standard will be consulted with Devon & Somerset Fire and Rescue.

<https://www.gov.uk/government/publications/fire-safety-risk-assessment-sleeping-accommodation>

29. Electrical Installations

The licence holder shall supply a satisfactory and current (5 years or less) Electrical Installation Condition Report. The report shall include all parts of the installation and must be available on demand within 7 days. All recommendations listed under C1 and C2 shall be carried out within 21 days of the report.

The Council will require satisfactory and current completion/new test certificates to be submitted as part of the HMO licence application.

GENERAL RESPONSIBILITY

30. Consultation on any Changes

The licence holder must consult with the council before making any changes to the layout of the property, amenity provisions (such as adding or removing bathroom or kitchen facilities, fire precautions or occupation of the accommodation).

31. Notification

The licence holder shall inform the council of:

- a) Details of any unspent convictions not previously disclosed to the Council involving fraud or dishonesty, violence or drugs, any offence listed in Schedule 3 to the sexual offences Act 2003 or any other conviction relevant to the licence holder and/or the property managers fit and proper persons status.
- b) Details of any finding by a court or tribunal against the licence holder and/or the manager that they have practised unlawful discrimination on the grounds of sex, colour, race, ethnic or national origin or disability.
- c) Details of any civil or criminal proceedings against the licence holder or manager, relating to housing, public health, environmental health or landlord and tenant law, resulting in a judgement or finding being made against them.
- d) Information about any property the licence holder or manager owns or manages or has owned or managed in the past, that has been refused a licence by a local housing authority or has had a licence revoked due to the breaching of licence conditions.

- e) Information about any property the licence holder or manager owns or manages or has owned or managed that has been the subject of an interim or final management order under Housing Act 2004.
- f) The property becoming empty for more than 3 months.
- g) Notification of repossession/foreclosure.
- h) Successful claims against the licence holder for default of tenancy deposits.
- i) A change in managing agent or the instruction of a managing agent.
- j) The undertaking of substantial works to the property, including conversions and modernisations or emergency problems relating to fire, flood or disaster.

32. Absence

The licence holder is required to have in place suitable emergency management arrangements in the event of their absence such as holidays, sickness or any other temporary absence. These details must be given to the occupiers and displayed in a prominent place in a common area, preferably near the property entrance. For any absences over 21 days, the licence holder must ensure the Council is notified of this representative.

33. Compliance Inspections

The licence holder must arrange for access to be granted within 14 days when requested by the local council and must not obstruct Council Officers from carrying out statutory duties including the surveying of the property to ensure compliance with licence conditions and relevant legislation. Immediate unannounced visits may also be made by duly authorised Council Officers where deemed appropriate as a response to concerns and/or conditions at the property.

DOCUMENTATION

34. To be displayed within the property

The following documents shall be displayed in a prominent position in the common area, preferably near the entrance door:

- A copy of the licence including access to copies of the conditions
- A copy of the current gas safety record
- The name, address and telephone number including an emergency contact number (if it is a different number) of the licensee and/or the manager of the premises.

35. Management Log book

The management logbook shall be kept and maintained at the property by the licence holder. The logbook shall contain up to date copies of the following information :

- Tenancy agreements (template without personal details)
- Furniture Safety documentation
- Tenants declarations in respect to fire precautions, refuse arrangements and anti-social behaviour
- Gas Safety Records where gas is supplied
- Electrical Installation Condition Reports (with minor works certificates, periodic reports and new installation certificates)
- PAT testing records
- Fire Alarm service records
- Fire Alarm Testing records in accordance with BS:5839 Part 1 (currently 2013)
- Fire extinguisher service records
- Emergency lighting test certificates
- Role and responsibilities of any manager
- Tenants advice about reporting repairs and who to contact details

36. Licensing and Management Regulations

All licensing conditions shall be read in conjunction with the relevant provisions of the:

- Management of Houses in Multiple Occupation (England) Regulations 2006
- Licensing and Management of Houses in Multiple Occupation and other houses (Miscellaneous Provisions) (England) Regulations 2006
- The Licensing and Management of Houses in Multiple Occupation (additional Provisions) (England) Regulations 2007.

37. Right To Rent

New law from February 1st 2016 – Right to Rent checks – anyone who rents out private property in England, including subletting or lodgers, must make Right to Rent checks.

All the information and enforcement is provided by the Home Office. See www.gov.uk for the latest guidance.

Useful Information

The Electrical Safety Council – An independent charity committed to reducing deaths and injuries caused by electrical accidents at home and at work. The website provides guidance and information on good practice.

Web: www.esc.org.uk

Gas Safety – The Health and Safety Executive publish good guidance on the legal responsibilities for landlords in relation to gas safety. By law you must:

- Repair and maintain gas pipework, flues and appliances in safe condition
- Ensure an annual gas safety check is done on each appliance and flue

- Keep a record of each safety check
-

Web: www.hse.gov.uk

Rent Deposits - If you rent out the property on an assured short hold tenancy that started after 6th April 2007, As a landlord by law you must put the tenants deposit in a government-backed tenancy deposit scheme (TDP) within 30 days of receipt of the deposit. In England and Wales your deposit can be registered with:

- Deposit Protection Service (Custodial and Insured)
- My Deposits - including deposits that were held by Capita
- Tenancy Deposit Scheme

LACORS (Local Authorities Coordinators of Regulatory Services) Fire Safety Guidance – Published guidance and examples of the best practice for risk assessments and fire protection. The guidance will be used as a bench mark for compliance inspections.

A copy is available free of charge on www.gov.uk on the following page:
<https://www.gov.uk/government/publications/fire-safety-risk-assessment-sleeping-accommodation>

Heating Provision - Under the Decent Homes guidance, heating in the home must provide a reasonable degree of thermal comfort and have an efficient heating system. It must be able to raise the temperature of the property to 21°C in the living room and 18°C in other occupied rooms when the outside temperature is -1°C. An efficient heating system is defined as any gas or oil programmable central heating or electric storage heaters or programmable LPG/solid fuel central heating if mains gas is unavailable.

Where Gas Central Heating delivered through radiators is provided the Council will expect to see TRV's installed. Full consideration of the cost of the energy supplied must be applied to avoid the tenant falling into fuel poverty, and unable to heat their accommodation. Portable heaters are not acceptable as they can pose a danger to occupants if used incorrectly. They may also not provide the adequate heat required.

Appendices

Appendix 1

Standard for bedroom sizes

- I. Single occupancy; minimum of 6.5m² where provided with separate shared kitchen facility, minimum of 10m² where a sleeping room contains kitchen facilities.
- II. Two persons occupancy; minimum of 10m² where provided with a separate shared kitchen, minimum of 14m² where a sleeping room contains kitchen facilities.
- III. The standard is to be applied irrespective of age of the occupants.
- IV. The floor area taken up by a solid chimney breast should be discounted
- V. All floor space taken up by en suite bathroom/shower facilities should be discounted
- VI. No account should be taken of entrance lobbies where the room door opens into a lobby/corridor which is less than 1200mm.
- VII. Single rooms should have a minimum width of 1.8m
- VIII. Rooms which are to accommodate two persons should have a minimum width of 2.3m
- IX. Sharing of rooms shall be avoided unless the individuals concerned consent to share the room
- X. No persons of the opposite sex who are aged 12 years or over, shall share a room unless they are living together as partners
- XI. Irrespective of the floor area, consideration shall be given to the shape and useable living space within the room to determine whether it is suitable for occupation and to what occupancy level.
- XII. All rooms must have a minimum floor to ceiling height of at least 2.3 metres for at least 75% of the room area.
- XIII. Any floor area where the ceiling height is under 1.53 metres shall be disregarded
- XIV. No staircase or landing nor any room which has been appointed as a kitchen or bathroom shall be deemed suitable for sleeping accommodation.

Room Sizes – Room type only

Room	Metric M ²	Imperial sq.ft
Single Bedroom - with other living space	6.5	70
Single Bedroom – No other living space	10	108
Double Bedroom – with other living space	10	108
Double Bedroom – No other living space	14	150
Dining Room (1 to 5 persons)	11	118
Dining Room (6 to 10 persons)	14	150
Living Room (1 to 5 persons)	11	118
Living Room (6 to 10 persons)	14	150
Bathroom	3.74	40

The minimum space standards above relate to available space, this being the floor area remaining after deductions are made for corridors, bath/shower rooms, WC compartments, chimney breasts and those areas covered by sloping ceilings where the floor to ceiling height is less than 1.5m.

Standard for Kitchen facilities

Shared Kitchens

The kitchen shall be no more than one floor distance from any individual letting unless a suitable dining area is also provided adjacent to the kitchen.

Where exclusive kitchen facilities is not practical or appropriate they may be provided on a ratio of one set of facilities to every three households or every five persons, normally whichever is the smaller and being irrespective of the age of the persons.

There shall be no more than two sets of facilities in any one room.

EACH SET of facilities for **1 to 5 persons** shall meet the minimum standards:

Cooking: Gas or electric cooker with four burners/hobs, oven and grill

Sink: Stainless steel sink and integral drainer (minimum size 1000mm x 600mm), set on a base unit.*

The sink to be provided with a constant supply of hot and (potable) cold water and properly connected to the drainage system via a suitable trap.

A tiled splash back (minimum 300mm high) shall be provided to the sink and drainer.

*Wash Hand basins will not be acceptable as alternatives to kitchen sinks.

Storage: Lockable storage cupboards, minimum capacity 0.3m³ e.g. 600mm wide x 720mm high x 600mm deep for each single letting room. For a two person let 0.4m³ which is 1000mm wide x 720mm high x 600mm deep.

All cupboard space under sinks, drainers must be discounted in the calculation above.

Preparation: A suitable worktop or table of smooth and impervious material of a minimum size 1000mm x 600mm.

Two double outlet 13 amp electrical power sockets to be situated above the work surface at a convenient height and in a safe position.

These are in addition to any power outlets serving major appliances.

In addition, a refrigerator of minimum capacity 0.15m³ should be provided within in each occupancy.

Other general requirements for kitchen facilities

All kitchens and kitchen areas are to be provided with adequate ventilation.

This should be obtained by ventilation directly to the external air by a window with an openable area of at least 1/20th of the floor area. However where additional ventilation/ extraction is needed mechanical ventilation should provide a minimum of one air change per hour.

A kitchen containing one set of facilities should be a minimum floor area of 5.5m² and a kitchen containing two sets of kitchen facilities should be a minimum of 11m².

Where two sets of cooking facilities are provided in a kitchen, the two sets of facilities (cooker, sink, worktops) shall be reasonably separate from each other to allow their safe and simultaneous use by more than two households.

Cookers should be located away from door openings, and there should be enough floor space for items to be retrieved from the oven and for the safe circulation of occupants generally.

Sinks, worktops and immediately adjacent walls and floors should be non-porous and reasonable smooth to allow easy cleaning and disinfection.

Kitchens must NOT be installed in any hallway, corridor or lobby and no bedroom should be accessed via a kitchen unless a suitable alternative means of escape in case of fire can be provided directly from that occupancy.

Persons	Room Sizes (as Sq. m)	Cooking Appliance	Sinks	Refrigerated Storage	Dry Goods Storage	Worktops	Electrics
1-5	1-3 persons 5.5msq 4-5 persons 7m sq.	One conventional cooker (oven, grill, & four hot plates)	One single bowl sink and integral drainer	One under counter refrigerator and a separate freezer or one equivalent combined fridge/freezer	Two 500mm base units and two 1000mm wall units with doors or equivalent	1-5 2000mm (L) x 500mm (D)	Two twin sockets, located at least 150mm above work surface
6-7	11	Two conventional cookers (a combination Microwave may be used in lieu of	One double bowl sink and integral drainer (a one and half bowl sink is acceptable where a	6+ Two under counter refrigerator and a separate freezer or Two equivalent combined	6-10 Four 500mm base units and two 1000mm wall units	6-9 2500mm (L) x 500mm (D)	6-10 Three twin sockets, located at least 150mm above the work surface

		second cooker)	dishwasher is provided)	fridge freezer	with doors or equivalent		
8-10	11	Two conventional cookers 9Irrespective of whether a combination Microwave is provided)	Two single bowl sinks and integral drainer	As Above	11+ Five 500mm base units and three 1000mm wall units with doors or equivalent	10+ 3000mm (L) x 500mm (D)	11 + Three twin socket, located at least 150 mm above the work surface,
11-12	15	Two conventional cooker and two combination Microwave ovens	10+ Two single bowl sinks and integral drainer and standard dishwasher	As Above	As Above	As Above	As Above
Notes		Properly connected to the electric or gas supplies, electric cookers must be on their own fused spur	Each sink shall be set on a suitable base unit and provided with adequate hot and cold water properly connected to the drainage system	Fridge 84cm(H) 60cm(W) 60cm (D) 100 litre capacity. Freezer: 84cm (H)60cm(W) 60cm (D) 85Litre capacity Upright fridge/freezer: 175cm (H) 60cm(W) 65cm (D) 150 litre fresh food storage, 85 litre frozen food storage	The space below any sink shall not be used for dry goods storage	This shall be provided in addition to any space required for cooking appliances	In addition to any sockets used for the connection of major appliances

Sanitary Facilities

One water closet shall be provided and maintained for (a maximum of) every five persons or lesser number irrespective of age.

Each such water closet shall be in a separate room within the building and when shared by two or more households, be entered from a common passageway or hallway and shall not be more than one floor distance from any individual letting.

Each W.C compartment shall be provided with a suitable wash hand basin supplied with a constant supply of hot and cold water and an impervious splash back. Any bathroom, shower room or compartment containing a W.C should be separated from any space used for the preparation of food.

An intervening lobby is not essential but no WC compartment should open directly onto an area of a kitchen immediately adjacent to where food is prepared.

Not less than fifty per cent of water closets shall be provided in separate compartments from the bath shower facilities. These compartments should have minimum dimensions of 1300mm x 800mm.

All bath/shower rooms are to be provided with an adequate provision for artificial lighting.

All bath/shower rooms are to be provided with adequate ventilation in accordance with current Building Regulations.. This may be obtained by being ventilated directly to the external air by a window with an openable area of at least 1/20th of the floor area.

Where there is a lack of window space to the above standard – mechanical ventilation shall be provided. Such an installation shall be fitted with an over run device for a minimum of 20 minutes and shall be connected to the lighting circuit of the room.

The surfaces of all materials and fittings used in any water closet compartment should be reasonably smooth, impervious and capable of being readily cleaned and disinfected.

The water closet compartment shall be constructed so as to afford privacy to the user and be provided with an appropriate locking device to the door.

External water closets are not acceptable.

The dwelling shall be provided with an effective system, both above and below ground for the drainage of foul, waste and surface water.

Personal Washing Facilities

Each occupancy shall be provided where practicable with a separate bath or shower. Where this is not practicable one bath or shower shall be provided and maintained for (maximum of) every five persons or less irrespective of age.

Each washing facility shall be provided not more than one floor distance from any user.

Each bath shall be of minimum dimensions 1700mm x 700mm and each shower shall have the dimensions of 800mm x 800mm.

Each bath shall be situated in a separate bathroom of adequate size (min dimensions 1700mm x 1400mm).

Each shower shall be situated in a suitable shower room (min dimensions 1600mm x 900mm).

Each separate bath/shower room shall be provided with a suitable wash hand basin (min dimensions 500mm x 400mm, together with constant supplies of hot and cold

running water. A tiles splash back (minimum 300mm high) is to be provided to each wash hand basin.

Each bath and shower shall be provided with a constant, supply of hot and cold water. A tiled splash back min. 300mm high shall be provided to all baths.

Any shower cubicles should have fully tiled walls or be complete self-contained cubicles.

Showers shall be provided with a suitable water resistant shower curtain or door to the cubicle.

Hot and cold water supplies to all washing facilities shall be adequate, constantly available at all times.

The bath/shower facility shall be accessible at all times.

The surfaces of all materials and fittings used in any bathroom or shower compartment should be reasonably smooth, impervious and capable of being readily cleaned and disinfected. In addition flooring shall be non-slip.

Shared amenities are to be accessible from a common area.

All bath/shower rooms are to be provided with an adequate provision for artificial lighting.

All bath/shower rooms are to be provided with adequate ventilation in accordance with Current building Regulations. This may be obtained by being ventilated directly to the external air by a window with an openable area of at least 1/20th of the floor area.

Where there is a lack of window space to the above standard – mechanical ventilation shall be provided. Such an installation shall be fitted with an over run device for a minimum of 20 minutes and shall be connected to the lighting circuit of the room.

Amenity Schedule

Number of Persons	Requirements	Notes
1- 4	At least 1 bathroom, 1 water closet (WC) and 1 wash hand Basin (WHB)	The bathroom and WC may be combined
5	1 bathroom (inc. WHB) AND 1 separate WC with WHB	The WC and WHB must not be more than 1 floor away from any sleeping room. The WC can be contained within a second bathroom

6-10	2 bathrooms (inc. WHB) AND 2 separate WC's with WHBs	The WC and WHB must not be more than 1 floor away from any sleeping room. One of the WCs can be contained within one of the bathrooms
11-15	3 bathrooms (inc. WHB) AND 3 separate WC's with WHBs	The WC and WHB must not be more than 1 floor away from any sleeping room. One of the WCs can be contained within two of the bathrooms

DRAFT

Somerset West Private Sector Housing Partnership

All general enquiries 0300 303 7794
See our website at www.swpshp.org

Private Sector Housing Teams
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Report Number: WSC 114/16

West Somerset Council

West Somerset Scrutiny – 13th October 2016

Amendment to the Private Sector Renewal Policy – Disabled Facilities Grants and repairs assistance

This matter is the responsibility of Executive Councillor Keith Turner

Report Author: Christian Trevelyan – Partnership Manager

1 Executive Summary / Purpose of the Report

- 1.1 The report seeks Member approval for an amendment to the Somerset West Private Sector Housing Renewal Policy to include new prevention grant and equipment provisions to assist applicants applying for disabled adaptations and to assist with essential modifications to housing or repairs for owner occupiers and tenants with repairing obligations in order to prevent accidents or ill-health.
- 1.2 The Council will essentially be offering vulnerable owner occupiers of properties with Category One hazards up to £4,000 grant to make their properties safe. They have to be on a means tested benefit and not be eligible for a loan from the Councils preferred loans provider Wessex Resolutions.
- 1.3 The Council will also be offering discretionary grants for people with housing conditions likely to lead to a health impact to assist with minor adaptations or modifications to their home. The grant is up to £1,000 and is non means tested. A discretionary grant will also be available for applicants who have applied for a Disabled Facilities Grant and the cost of the works exceed the mandatory grant limit of £30,000. Access to the discretionary top up is subject to approval by the Strategic Housing Manager and Housing Portfolio Holder.
- 1.4 The funding for the above grants / loans is from the Better Care Fund from the Department of Health which is distributed via Somerset County Council
- 1.5 All grants and loans will be a land charge on the property so that the funding can be reclaimed in the event of sale of the property within 20 years and the funds recycled.
- 1.6 This is a joint document which covers Sedgemoor District Council, Taunton Deane Borough Council and West Somerset Council providing a consistent approach to grant delivery.

2 Recommendations

1. For Scrutiny to scrutinise the content of the proposed policy and suggest any changes
2. To recommend to the Executive to approve the amendments to the Somerset West Private Sector Housing Renewal Policy.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
Lack of take up of either the grant or loan products which leaves an increasing number of properties non-decent.	2	4	8
Mitigation - The grants have been developed to plug a gap for owner occupiers who cannot afford the loan. Loan take up may also increase with the additional grant subsidy to support the loan.	1	4	4
The Policy is not adopted by the one of the partner Councils which leads to a post code lottery of products.	2	4	8
Mitigation - The three Councils have sufficient Better Care Funding to offer all of the products. All three requested the type of assistance being offered.	1	4	4
Agencies such as GP's are not aware of the products and/or how to refer clients. Clients who are in need of the service would not be referred	3	4	12
Mitigation - Consultation has already taken place with key Members and stakeholders. Small working group to be set up to develop, support and encourage referral routes.	1	4	4
There is over demand for the funding and services. A Decision would need to be made as to which grants/products would need to be dropped	2	4	8
Mitigation - Careful monitoring of demand and expenditure so that commitment does not exceed demand.	1	4	4
There is the risk of fraud from applicants who do not declare the correct information on their application.	4	4	16
Mitigation – The applicants have to sign a fraud declaration. There is also an interdepartmental communication statement which the applicant has to sign which confirms they understand that there will verification to confirm applications. There are also credit checks by Wessex Resolutions.	1	4	4

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%

4 Background and Full details of the Report

- 4.1 The Somerset West Private Sector Housing Partnership (partnership) is a partnership between Sedgemoor District Council, Taunton Deane Borough Council and West Somerset Council to deliver private sector housing services. The local authorities work closely together to ensure consistency across the three Districts and to deliver financial and other benefits to those who live and/or work in the Somerset West area.
- 4.2 Having warm, decent and affordable housing is a major element of a person's wellbeing. As in most parts of the country, Somerset faces the challenge posed by an expanding population, particularly at the older end of the age spectrum. There are also an increasing number of households with at least one family member having some form of disability, sometimes with complex medical and health needs particularly in children and young adults.
- 4.3 The Somerset Strategic Housing Framework recognises the importance of ensuring that accommodation is of sufficient quality and comfort to enable safe and healthy independent living. Priority 2 is to make best use of the of sub-region's existing housing stock, and Priority 3 is to meet the housing and accommodation related support needs of Somerset's most vulnerable and least resilient residents.

- 4.4 The numbers of non-decent homes in the private sector continues to increase. There are several reasons for this;
- An ageing stock. A large percentage of the stock in the county is predominately pre 1945. For example the urban areas of Minehead and Watchet have a considerable number of Victorian terraces. The rural parishes have the largest concentration of listed and solid wall buildings.
 - The population is ageing. As owners age, they are less able to maintain their homes. Many of the older population and infirm live in older stock which is deteriorating at a faster rate. With low incomes, it becomes difficult to maintain the fabric.
- 4.5 According to the Census, the proportion of Somerset households with no central heating decreased from 9.1% in 2001 to 3.5% in 2011. However, almost 8,000 homes remain without central heating. 12.9% of households in West Somerset are in fuel poverty which is the highest in the County. The more rural areas are not only less likely to have central heating but also more likely to have oil rather than gas or electric heating.
- 4.6 The South West has the highest proportion of energy-inefficient dwellings in England. In Somerset, one in six properties has a Category 1 Excess Cold Hazard, below the regional average but above the national average of 12%. West Somerset having the lion's share of the properties.
- Private sector dwellings in Somerset are much more likely than the national average to have a low Energy Performance Rating (EPC) rating (F or G)
 - One in seven dwellings in Somerset has a Category 1 hazard, again above the England average.
- 4.7 Housing with poor energy efficiency can have a considerable negative impact on residents' health and wellbeing in various ways. For example, children living in cold homes are more than twice as likely as those living in warm homes to suffer from a variety of respiratory problems, including asthma. Mental health is also negatively affected by fuel poverty and cold housing for all age groups and existing conditions such as arthritis can be exacerbated.
- 4.8 The Chartered Institute of Environmental Health (CIEH) produced a paper '[Health Costs of Cold Dwellings](#)' (2011) outlining the link between poor energy efficiency and Excess Cold Hazard which in turn affects the health of residents. It also examines the potential costs to the NHS of not improving Energy Efficiency Ratings (EER) of homes with Standard Assessment Process (SAP) ratings F and G.
- 4.9 There is a clear link between poor energy efficiency, fuel poverty and poor health. This is explored in more detail by the Marmot Review team's 2011 paper '[The Health Impacts of Cold Homes and Fuel Poverty](#)'. A positive relationship between low thermal efficiency of housing and excess winter deaths exists. A considerable number of excess winter deaths are attributable to cardio-vascular disease and respiratory diseases. A series of maps indicating local levels of excess winter deaths within each Somerset district are available [here](#).
- 4.10 The aim of social care teams is to actively promote independence and choice. The service helps people to live in their own homes for as long as possible, and when this

is no longer possible, to choose a suitable care home. Disabled adaptations play a crucial part in assisting with independence.

- 4.11 **Current demands on provision of care** - During 2013/14 Somerset County Council received over 60,000 telephone calls during the year relating to Adult Social Care. Adult Social Care supported over 30,000 people with social care and housing issues and of these over 18,000 people received social care services at some point during the year, such as home care, residential care, day services or equipment. Over 9,000 people received support and services for a short time that supported them to maximise their independence so that they could stay in their homes for longer.
- 4.12 **Anticipated future demands on provision of care** - The following are anticipated demands due to changing population demographics, declining County Council budgets, and the requirements of the Care Act 2014:
- More demand for information and signposting to local sources of support.
 - Fewer people to choose residential care homes.
 - More people needing independent financial advice in the light of the cap on care costs from 2015.
 - More disabled / frail people wanting sustainable housing that is safe and free from hazards which could cause slips trips or falls, and supports their independence in their local community.
 - More people choosing to take up Direct Payments so that they have more choice and flexibility in how to get their needs met.
 - More people wanting flexible care and support at home services to live independently.
- 4.13 There is a strong correlation between unsatisfactory housing conditions and households in economic and social disadvantage. Elderly and vulnerable private sector households are over-represented in non-decent housing. There are limited resources available for private sector housing renewal but increasing dependency levels in the private rented sector and among vulnerable owner-occupiers who may be capital rich but revenue poor.
- 4.14. **Position** - The Somerset West Private Sector Housing Renewal Policy is the document 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 would need to be amended in order to be able to offer the types of grants and assistance which the Council would need in order to assist the most vulnerable in society.
- 4.15 The funding for the grants and loans would come from an increased capital allocation through the Better Care Fund. The programme is over two years. West Somerset have been awarded £358,389 for each of the financial years 2016/17 and 2017/18. It is the intention that through the increased funding, Councils can maximise the services they can offer through low level interventions which in turn reduces the prospect of a person being admitted to hospital and the costs which this incurs.
- 4.16 At the same time, it is an ideal opportunity to review and simplify the access points for people when they need the equipment services such as a ramp or stairlift. The grants and loan will be advertised through the local newspapers, partners such as Doctors surgery's and partnership newsletters.

- 4.17 The Partnership would look wherever possible for applicants to approach the Somerset Building Control Partnership should they require Building Regulations as part of their application.
- 4.18 Expenditure would be monitored through the Councils corporate financial systems, SAP and the mechanisms of Somerset County Council.

5. Links to Corporate Aims / Priorities

- 5.1 Key Theme 1: Helping our communities remain sustainable and vibrant is vital in keeping West Somerset a great place in which to live and work – The Policy is designed to assist owners of empty properties to bring them back into use using grants and loans, designing them to suit the type of housing which will accommodate the household type and composition nominated to the owner/landlord. In turn increasing the availability and affordability of homes for local people.
- 5.2 The wellbeing of older people – The policy is instrumental in improving the current stock to the decent homes standard and improving the life chances for the most vulnerable in society through essential adaptations and repairs.

6. Finance / Resource Implications

- 6.1 Disabled Facilities Grants (DFGs) are funded through the Better Care Fund, a Government grant which is distributed through Somerset County Council.
- 6.2 These proposals would continue to be funded only from the Better Care Fund monies and no additional funding from West Somerset is requested. As stated in the report the funding from the DFG element of the Better Care Fund has increased in 2016/17 and so it is not envisaged that anyone requiring an adaptation under the current guidelines would be unable to do so because of these changes.
- 6.3 The proposals would increase the number of people able to access the funding, and also include some elements which would be loaned rather than granted. Therefore when the funds are returned this can be recycled and given out as an additional loan or grant thereby further increasing the number of people helped by the scheme.

7. Legal Implications (if any)

- 7.1 The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness and has the necessary statutory powers to make the proposed grants.
- 7.2 It is imperative that the Council operates a fair and transparent procedure for applying for a grant. Requests for grants should ordinarily be assessed against a predetermined and published set of criteria which must themselves be fair, open and transparent so that applicants are aware of the criteria on which any application will be assessed and on which decisions will be based.

8. Environmental Impact Implications (if any)

8.1 Improvements to the private sector stock can lead to energy efficiency improvements such as loft insulation, more efficient heating systems and boilers both of which can lead to a reduction in the impact on the environment from carbon emissions and greenhouse gases. Properties can be brought into use which encourage more sustainable transport by discouraging car use.

9. Safeguarding and/or Community Safety Implications (if any)

9.1 A property in poor repair in a community can signify to a potential burglar that the property is occupied by a vulnerable person. Equally a non-decent home may contain serious Category One hazards which could be detrimental to the occupant's health. Lack of access to facilities in and around the home of a non-adapted property will cause potential safety, and care issues having a significant effect on a disabled person's health. Some of the most vulnerable households the Policy is designed to target are at an increased risk with safeguarding issues. SWPSHP staff have received Safeguarding training and understand how to identify and report safeguarding issues.

10. Equality and Diversity Implications (if any)

10.1 Summary. Main Equalities Impact Assessment is contained in the Appendix.

Analysis undertaken for:	<i>Private Sector Housing Renewal Policy</i>	Date undertaken: 19-05-2016
Scope	The policy aims to fulfil the Council's strategic and statutory housing role in providing and facilitating assistance to those most in need. The Policy sets out the various tools available to the Council to enable this to happen, such as informal advice, financial assistance in the form of grants and low interest loans.	
Evidence used	Evidence and Data used for assessment <ul style="list-style-type: none">• Private Sector housing staff performance data• Joint Strategic Needs Assessment 2013/14• ONS data 2015.• One month's consultation to key stakeholders.	
Key findings and impacts	The Policy is primarily aimed at those who are most vulnerable regardless of tenure. A potential applicant could be anyone of the protected groups defined by: Age; Disability. Gender Reassignment; Pregnancy and Maternity; Race; Religion or belief; Sex; Sexual Orientation; Marriage and civil partnership. Several of the proposed products remove some of the restrictions for eligibility and remove discriminatory elements of the original policy such as access to the installation of ramps and stairlifts. In the main a positive impact. The Policy has to be delivered in a transparent and consistent way.	
Conclusion drawn	The EIA was drafted prior to the Policy being put together. The conclusions of the EIA have been incorporated into the Policy changes with checks and balances put in place to mitigate any potential	

	discrimination.
Actions	Steps to ensure consistency and transparency when making decisions as to grant/loan eligibility. The financial assistance on offer through the partnership will be marketed through a press release and an online presence through the partnership website. Partners who represent various equalities groups will also promote the loans and assistance through their websites and their own leaflets and the partnerships. The information can be provided in various languages and formats on request.

11. Social Value Implications (if any)

- 11.1 The works will be carried out by Aster Living, who are the provider of the Home Improvement Agency (handyperson) service, responsible for installing works provided by (e.g.) Disabled Facilities Grants. This is a County Council led contract. Aster is required to introduce innovative ideas to promote social value over the term of the Contract which may be based on social, environmental or economic sustainability.
- 11.2 The social value priority areas for Somerset are:
- Developing employment, skills and training opportunities
 - Improving the health and wellbeing of local residents, employees and reducing health inequalities
 - Helping build community capacity and playing an active role in the local community
 - Creating opportunities for micro-providers / small and medium enterprises to be part of supply chains
- 11.3 Aster have agreed to undertake several measurable projects such as introducing the Fixed Price Quoting Framework which ensures the use of local contractors and builders merchants.
- 11.4 Other partners which also add social value include Wessex Resolutions who are the Councils preferred loan provider.

12. Partnership Implications (if any)

- 12.1 The NHS within Somerset (and nationally) is current facing a crisis with significant numbers of patients not being able to be released from hospital due to the conditions at home (cold, poor accessibility etc.). The implementation of the policy will help, and this (together with other initiatives) will be a matter of ongoing debate at the Health & Wellbeing Board between key partners such as district councils, the Clinical Commissioning Group, Adult Social Care and Public Health.
- 12.2 Collaborative working between the three districts that comprise SWPSHP enable the maximisation of limited resources, and ensure there is equity throughout the districts avoiding a postcode lottery.

13. Health and Wellbeing Implications (if any)

13.1 The Health and Wellbeing Strategy currently has five priority work-streams, one of which states:

To identify and address the impacts of housing on health and wellbeing

13.2 A supporting 'action' is to '*drive improvements between health providers and the district housing function where housing standards are affecting health*'

13.3 Our own Corporate Strategy contains similar priorities. The amended policy, facilitated by additional funding through the Better Care Fund, will directly support such ambitions.

14. Asset Management Implications (if any)

14.1 There will be asset implications to Magna properties and private sector/social dwellings as they will have modifications undertaken as part of the adaptation work or repairs. However, permission is sought and consultation takes place with the Asset Team and the owner of the property before any works proceed.

15. Consultation Implications (if any)

15.1 The policy consultation was undertaken through various stakeholder partners who were representative of all of the stakeholders who will access the service. All of the partners responded and their feedback used to influence the draft and final version.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes / No** (delete as appropriate)
- **Cabinet/Executive – Yes**
- **Full Council – No**

Reporting Frequency : Once only

List of Appendices (delete if not applicable)

Appendix A	Amendment v1 – Private Sector Renewal Policy
Appendix B	Equality Impact Assessment
Appendix C	

Contact Officers

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Amendments to the Private Sector Renewal Policy

The Private Sector Housing Renewal Policy aims to assist across all tenures within the partnership area. This includes services relating to Disabled Facilities Grants, essential repairs and modifications to the homes of vulnerable owner occupiers, empty properties, housing standards and the Voluntary Landlord Accreditation Scheme.

There is increasing demand for all housing types and tenures across the partnership area. Some of the pressure is being created by the proposed new Hinkley nuclear project as workers will be looking for accommodation in the private rented sector. Already there has been a marked increase in property purchases and enquiries to convert them into rented accommodation or Houses in Multiple Occupation.

Meanwhile the existing stock is ageing and a considerable percentage is owned by vulnerable and elderly households who do not have the ability to pay for essential repairs or the adjustments required to help them to continue to live in their home independently and safely. Increased pressure on hospital beds places demands on other statutory agencies and the local authority to assist with rapid discharge from hospital by providing minor aids, adaptations and repairs to their property so that they can return home. A considerable number cannot afford to undertake the repairs, adaptations or have the ability to arrange them.

With property prices remaining unaffordable for a number of households, it is becoming increasingly difficult for families with disabled children to move to properties more suitable to meet their growing needs; those needs sometimes becoming quite complex. This results in a need to build extensions to their existing properties. Most extensions cost more than the mandatory limit of £30,000. The family are then in the difficult position of trying to source additional funding to cover the excess. Without the funding, a child is left with less of a chance to develop independence and dignity.

For the majority of households, it is a complicated process to navigate through the various forms of support and help which can be provided for someone who is disabled. The policy proposes to simplify the process offering clearer, easier pathways, making assistance more readily available, and so reducing the burden on households so that they can focus on their family's needs, jobs and caring duties.

Besides simpler processes, the policy also addresses the need for some form of assistance to assist with repairs and modifications in the form of grants and mechanisms to improve loan take-up through the Council's preferred loan provider Wessex Resolutions.

a) Advice

The partnership will continue to provide support and advice to households on how to undertake essential repairs and where to seek assistance to finance the work. There is a section in the current policy which sufficiently covers this.

b) Disabled Adaptations – Discretionary Grants

- i) **Top up's** – The partnership will offer a discretionary top up of up to £10,000 where the cost of the eligible works exceed the mandatory grant award limit of £30,000 for a Disabled Facilities Grant. The decision to award the top up will be made by the appropriately appointed Manager in the District Council along with the Portfolio Holder for Housing. The decision will be based upon a recommendation by the Partnership Manager. Any further shortfall would have to be found by the applicant.
- ii) **Minor adaptations** – Up to £1,000, non means tested. Designed to assist a vulnerable person with minor adaptations and/or adjustments to their home to assist with hospital discharge or generally maintaining independent living. The grant is available to owner occupiers, tenants of social housing, Council properties, and private rented accommodation. The grant does not cover modifications or adaptations to common parts of rented accommodation such as shared stairs and access. Eligibility is based upon an assessment and Recommendation by an Occupational Therapist from Somerset County Council or from the hospital. The referral for assistance would be coordinated via a duly appointed officer at Somerset County Council.

c) Disabled equipment

- i) **Ramps** - It is no longer a policy of the partnership to automatically accept Recommendations from Occupational Therapists for concrete ramps. In the first instance modular ramping is the preferred method. All ramping requests have to be agreed by the duly appointed officer and Quality Assurance Officers at Somerset County Council. Concrete ramps will only be considered where it is not practicable to install modular ramps. The partnership have provided adequate funding to conjointly procure modular ramping with Somerset County Council as part of the Community Equipment Service. The partnership will fund up to £1,500 towards the ramp.
- ii) **Stairlifts** – It will be a policy of the partnership that any urgent request for a straight run stairlift via an Occupational Therapist will be sourced

from the recycled stock. Failing that, a new one will be subject to tenders from two stairlift companies. All stairlifts will be subject to a landcharge to ensure that the equipment is recovered when it is no longer required. The longer term plan is to simplify the stairlift process by procuring a stairlift company to offer a 'stairlift lending' service to clients. So removing the majority of stairlifts from the Disabled Facilities Grant process, ensuring that recycled stairlifts are regularly serviced and maintained.

d) **Repair Grants**

The partnership is able to offer grants to assist vulnerable owner occupiers or tenants with repairing obligations to undertake essential repairs. The grants are up to a maximum of £4,000 excluding any architectural/ancillary fees. In order to be eligible, the applicant has to be on a means tested benefit and not eligible for a loan from the Council's preferred loan provider Wessex Resolutions. The property has to have Category One hazards or a number of Category Two hazards which collectively pose a significant risk to the household (defined in the Housing Act 2004) or be significantly non-decent as identified by a qualified officer from the partnership. Examples of works which could be eligible are; a heating system to replace one which is beyond repair, or inefficient, overhaul of the electrical installation, roof and structural repairs. When making decisions on non-decency the Council will make reference to the Partnerships Decent Homes Policy. The applicant can seek the assistance of an architect or the partnerships preferred Home Improvement Agency Aster Living. Fees can be charged up to a maximum of 12% (exclusive of VAT) of the cost of the eligible works (ceiling cost of the eligible works being restricted to the maximum grant of £4,000).

e) **Discretionary funding to Wessex Resolutions**

The partnerships preferred provider Wessex Resolutions will receive a proportion of the Better Care Fund to increase the ability for some applicants to be able to afford repayments on loan packages who otherwise would not be eligible. There is a considerable proportion of recyclable capital with Wessex and the intention is to unlock the funding and assist more people.

f) **Land Charges**

All grants and loans will be placed as a land charge on the property. This is to ensure that the Council can recover the funds and/or equipment in the event that the property is sold. The recovered funds can be recycled to assist other applicants over a longer period should the Better Care Fund end. The funds will be recovered in the following proportions;

- i) Major Disabled Adaptations which include the discretionary top up; The Council will register a local land charge on properties in relation to applications for a Disabled Facilities Grant.
 - The charge will only apply to any home owner receiving a Disabled Facilities Grant of more than £5,000.
 - The charge will be the amount of grant received over £5,000 up to a maximum charge of £10,000.
 - The charge will be registered for 10 years.
 - Subject to particular exceptions the charge would have to be repaid if the property is disposed of within the 10 year period.
 - If the grant is less than £5,000 then there is no charge.
 - The Council will recover 100% of any top up grant awarded.
- ii) Equipment such as ramps, stairlifts and through floor lifts; Will be recovered by the Council
- iii) For all repair grants; 100% of the funding will be recovered including any ancillary fees/charges. This will be a 20 year land charge.
- iv) All loans through Wessex Resolutions are subject to a charge placed by them.
- v) Land charges - exceptional circumstances for Disabled Facilities Grants
 - When a property is disposed of, repayment of the land charge may be exempt in the following circumstances:
 - If a client moves to another property within the ten year period that does not require adaptations to be carried out; the new property is more appropriate to their needs (as confirmed by an occupational therapist) repayment will be waived.
 - If the client is moving into an enhanced or extra care accommodation.
 - If the client's death results in a child inheriting the whole of the property whose financial position is such that they could not raise a mortgage or a loan to repay the charge. This is intended to be a safeguard for children who have a mental impairment or who have acted as a carer for their parent.

Taunton Deane Borough Council and West Somerset Council
Equality Impact Assessment Form and Action Plan

Expand boxes as required. Guidance notes are stored - TDBC link:

<http://portal/sites/policyPerf/strategyandpartnerships/equality/Equality%20Impact%20Assessment%20GuidanceTemplate/Forms/AllItems.aspx> WSC 'W' drive: W:\Equalities\EIA TEMPLATE

<i>"I shall try to explain what "due regard" means and how the courts interpret it. The courts have made it clear that having due regard is more than having a cursory glance at a document before arriving at a preconceived conclusion. Due regard requires public authorities, in formulating a policy, to give equality considerations the weight which is proportionate in the circumstances, given the potential impact of the policy on equality. It is not a question of box-ticking; it requires the equality impact to be considered rigorously and with an open mind."</i> ¹			
Officer completing EIA form:	Job Title:	Team/Service:	
Christian Trevelyan	Partnership Manager	Somerset West Private Sector Housing Partnership	
Why are you completing the impact assessment? Please ✓ as appropriate			
Proposed new policy or service	Change to policy or service	New or Change to Budget	Service review
	✓		
1 Description of policy, service or decision being impact assessed:			
<i>The strategic objectives of private sector housing work are to: improve the health and wellbeing of vulnerable people; reduce fuel poverty; bring empty properties back into use; increase the supply and affordability of good quality private rented accommodation; reduce the number of households with preventable ill health and housing inequalities; improve housing conditions; deal with inadequate energy efficiency and carbon emissions ratings; and ensure local people have sufficient choices of housing to meet their needs, at a standard and price they can afford, where they want to live. The Private Sector Renewal Policy provides the framework for the types of financial assistance that the Council can offer owner occupiers, tenants of privately and socially rented accommodation and landlords to carry out essential repairs on their property, disabled adaptations and bringing empty properties back into use. The policy would need to be amended in order to be able to offer the types of grants and assistance which the Council would need in order to assist the most vulnerable in society.</i>			
2 People who could be affected, with particular regard to the legally defined protected characteristics ² :			

¹ Baroness Thornton, March 2010

² For protected characteristics, please visit:

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/guidance-all/protected-characteristics>

Taunton Deane Borough Council and West Somerset Council

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The 2016/17 private sector housing capital budget is designed to support and meet the needs of a wide customer base, and is targeted at all the protected groups including: Age; Disability. Gender Reassignment; Pregnancy and Maternity; Race; Religion or belief; Sex; Sexual Orientation; Marriage and civil partnership.

3 People and Service Area who are delivering the policy/service/decision:

Private Sector Housing Team

Taunton Deane Borough Council and West Somerset Council
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4 Evidence used to assess impact: *Please attached documents where appropriate.*

Evidence and Data used for assessment

- *Private Sector housing staff performance data*
- *Joint Strategic Needs Assessment 2013/14*
- *Older Persons Evidence 2012 ongoing*
- *Housing Market Assessment 2009*
- *ONS data 2014.*

The Joint Strategic Needs Assessment (JSNA) was updated for Somerset in 2014. The JSNA sets out the needs of disabled persons and an aging population.

Data suggests that there are approximately 111,660 people aged over 65 resident in Somerset. This is 21% of the County's population. 29.1% are in the West Somerset area and 20% in Taunton Deane, larger than the regional and national average for both districts. 47.3% of residents living in Minehead are over 65 and 34.6% of the population in Taunton are aged over 65. The number of older people in the Housing Market Area is expected to increase by 41.1% in the next 20 years in Taunton and by 36% in West Somerset. The Sustainable Community Strategy underlines the housing and support needs of Taunton's older population. It states that Taunton Deane has a higher than average dependency ratio due to there being proportionately more pensioners, and fewer 15 - 44 year olds. The dependency ratio is a measure of the proportion of a population who are too young or too old to work. A rising dependency ratio is a concern in Taunton Deane and West Somerset both facing an ageing population, since it becomes difficult for pension and social security systems to provide for a significantly older, non-working population. In West Somerset the ratio of older people to younger persons is proportionally higher than the national average.

Estimates suggest that, by 2030, the number of people over 65 with mobility problems and a limiting long term illness will also increase by over 40% across the County. More than a quarter of these older households in 2010 reported a 'support need', most commonly for a physical disability. For households who would prefer to stay in their homes, 40% of those who needed adaptations did not have them. It is important to promote the service as inequalities are generated in pockets of rural outposts. The most commonly required adaptations are a downstairs toilet and handrails. Many older person households with support needs required further adaptations such as a low level shower and stair lift. This all points to a need to support adaptations funding in 2016/17 through the Better Care Fund, in response to these changing demographics and demands

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5 Conclusions on impact of proposed decision or new policy/service change:

All Groups:

If resources were limited for private sector housing activities then this would mean some groups or communities could be disadvantaged: not being able to respond to requests for adaptations will long term result in a marked deterioration of people's health, an increase in hospital admissions, and bed-blocking. An inability to tackle one of the key determinants of health and wellbeing, namely improving people's health. Inability to adapt people's homes will increase applications from the older population for social housing and potentially towards expensive accommodation based supported housing services. This is at a time when relevant partner organisations are also facing extensive cuts and may not be able to provide the more costly housing support that would otherwise have been met through a simple low cost low level intervention such as a disabled adaptation.

The proposed changes to the policy are designed to achieve positive outcomes for more vulnerable people in this sector who rely on us to help them improve their living conditions, and bring their homes up to an adapted standard which allows the resident to access facilities in and around their home. If we do not do this it will leave us with a legacy of people with deteriorating health conditions for the future which will have the potential to outstrip the health budgets. This will also have major and costly implications by increasing the demand for social housing.

People who apply for housing, if they are unable to remain in their current homes, may be forced to seek homelessness assistance from the Council. If found vulnerable under the terms of the Homelessness Act, the Council will have a duty to house applicants if the property in which they live is not suitable.

The previous Home Finder Lettings Review has seen that priority awarded to those with medical conditions has increased, resulting in more people being able to qualify for a 'gold band' status, alongside other vulnerable applicants who are unable to remain in their homes. The Localism Act 2011 also allows the council to house vulnerable people (such as homeless applicants) into the private rented sector with one offer of accommodation. If adequate funding is not provided to improve private sector housing standards to meet at least decent homes levels, legal challenges to the council on homelessness housing suitability grounds will almost certainly increase. Cuts elsewhere to housing support funding will also significantly affect vulnerable adults via reductions in floating support services. Combined with housing and benefit changes, financial hardship in this sector is likely to increase the number of vulnerable applicants applying to the council for housing assistance and advice.

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User groups have been consulted such as tenants in social housing and through customer surveys and agencies who access the service on behalf of their clients. The anticipated main impacts on specific groups are:

Age:

Central Government recognise that a reduction in capital funding to help vulnerable private sector housing residents would have an adverse impact on the independence, health and well-being of older people which would, in turn, increase their need for care and support services. Improvements to private sector housing properties to facilitate independent living, energy efficiency, better housing conditions, and housing functionality, will allow older people to live more meaningful lives in their own homes for longer – and thus for housing standards in this sector to move closer to those in the social housing sector, leading to a more balanced housing market.

Understanding older people's position in the housing market is important: around 75% of older people in both districts live in private sector housing and more than 25% of these reported a "support need," most commonly for a physical disability, yet 40% of older person households did not already have an existing adaptation in their home. Health and social care policy encourages older people to remain living at home, but their living costs are under extreme pressure from fuel and food price inflation, and declining pension values in real terms.

Central Government are mindful of these factors and with an increasingly elderly population, Central Government have increased the funding for DFG's.

Disability:

Disabled households benefit greatly in increased mobility and independence from disabled facilities grants. Increasing the capital budget will reduce customer waiting times for adaptations and therefore reduce discomfort and distress to disabled people, fulfilling the LA's duty to assist disadvantages faced by this group. It is an ideal opportunity for promoting equality and more equal outcomes for disabled people in all tenures. The work of the County Council Independent Living Teams in assessing needs earlier and putting in place early measures has resulted in a reduction in demand for DFGs, however there is a fear that these measures provide temporary alleviation and simply delay the need for more permanent measures paid for from disabled facilities grants.

We estimate that West Somerset Council receives between 30 and 40 and in Taunton Deane 60 – 70 DFG recommendations a year from Somerset County Council Occupational therapists. This takes into account historical data and the trends toward an aging population. The future budget required to address this annual demand is estimated at £280k for West Somerset and £650k for

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Taunton Deane including the fee payable to Aster Home Living. (This is regardless of tenure) The Better Care Fund with uplift should meet the estimated demand. The current legislation around DFGs requires the District Council to provide a DFG where the need has been identified by an Occupational Therapist. There is no requirement about the length of time before an application process is commenced by the Local Authority, however once started then it has to be completed within 12 months unless there are mitigating factors that complicate the process. In practice unreasonable delays can be challenged through an ombudsman and there is case history of councils being challenged about unreasonable delays and losing under the Humans Right Act. If the Council found that unacceptable waiting lists were accruing then it could revisit the capital allocation to DFGs in future years.

Race:

It is important to be culturally sensitive when providing private sector housing services, and statutory and/or enforcement interventions are not always the not appropriate in achieving equitable equality outcomes, particularly for households living in this sector for whom English is not their first language. For example, our statutory responsibility to inspect houses occupied by multiple households could inadvertently discriminate against monitory ethnic groups in private rented sector housing where Black and Minority Ethnic (BME) households have a much higher proportionate presence than in other housing sector and tenures in the two districts.

Sex:

No obvious direct impact identified although it is recognised that women generally have longer life expectancy than men and may therefore be a group which benefit most from the interventions outlined above and any reduction in funding for these interventions could disproportionately impact more female than males.

6 Recommendation based on findings. These need to be outlined in the attached action plan.

The Policy has the relevant amendments which provide additional financial assistance options for clients and additional safeguards have been put in place to enhance the protection to all groups through transparency and consistency.

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Equality Impact Assessment Action Plan					
Group Affected	Action required	Expected outcome of action	Person to undertake action	Service Plan - for monitoring	Expected Completion date
Age	<i>Raise awareness of characteristics of all these protected groups in relation to local housing market. Close monitoring of waiting lists for DFGs and impact and ensure councillors are kept apprised of any impact</i>	<i>Easily understood and accessible data and information on protected groups and specific characteristics in private housing</i>	<i>Joint Housing Group</i>	<i>Scrutiny and information reports, staff briefings and housing briefings</i>	<i>September 2016</i>
Disability					
Gender Re-assignment					
Marriage and Civil Partnership					
Pregnancy and Maternity	<i>Induction process for all new staff (including any temporary/agency staff); clear written procedures; effective staff supervision; and regularly reviewing all customer satisfaction returns and comments</i>	<i>Private sector housing residents receive the same level and quality of advice and assistance, irrespective of who they are, where they live, and who they deal with</i>	<i>Partnership Manager</i>	<i>Quarterly Housing Partnership Board reports</i>	<i>April 2016 and ongoing from then</i>
Race ³					
Religion and Belief					
Sex					
Sexual Orientation	<i>Critically assessing affordability, choices of housing, the varied housing needs of local residents, and housing conditions, in</i>	<i>A greater understanding and shaping of the local housing market .</i>	<i>Joint Housing Group</i>	<i>Executive, Scrutiny and Partnership Board reports</i>	<i>April 2016 and ongoing from then</i>
Rurality					

³ Including ethnicity, national origin, colour, nationality, gypsies and travellers.

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Equality Impact Assessment Action Plan					
Group Affected	Action required	Expected outcome of action	Person to undertake action	Service Plan - for monitoring	Expected Completion date
	<p><i>the context of changing housing market conditions, public funding, and national housing policy</i></p> <p><i>Regular meetings with relevant partner organisations; a common understanding of priorities and pressures; initiatives to utilise complimentary work skills and experience; joint awareness and information exchange sessions</i></p> <p><i>Evaluation of housing needs and choices for older people beyond the traditional adaptations and small repairs at home approach</i></p>	<p><i>More effective joint working and focus on priorities, better use of limited resources and consensual, co-operative approach to challenges in private sector housing</i></p> <p><i>Explore measures and potential housing options for older home owners who are equity rich but struggling with limited income and poorer quality of life</i></p>	<p><i>Partnership Manager</i></p> <p><i>Strategic Housing Officer's Group</i></p>	<p><i>Partnership Board</i></p> <p><i>Executive, Scrutiny and Partnership Board reports</i></p>	<p><i>June 2016 and ongoing from then</i></p> <p><i>August 2016</i></p>

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Equality Impact Assessment Action Plan							
Group Affected	Action required		Expected outcome of action		Person to undertake action	Service Plan - for monitoring	Expected Completion date
Author's Signature:			Ref/Report Title:	<i>Amendment to the Private Sector Renewal Policy</i>	Date:	<i>Reviewed 19/05/16</i>	EIA Version: V1
Contact Details:	Tel:	01278 435746	Extn:	5746	Email:	Christian.Trevelyan@sedgemoor.gov.uk	

Scrutiny Committee – Work Programme 2016/17

13 th October	November 24 th	December	February	April	TBC
Notes of any Key Cabinet Decisions / Action Points.	Notes of any Key Cabinet Decisions / Action Points.	Notes of any Key Cabinet Decisions / Action Points.			
Review of Council Tax Rebate Scheme 2017/18 – Heather Tiso	Budget Update – Paul Fitzgerald	Education Update Report – Ec. Development			
Q2 Performance Report – Paul Harding	Minehead Events Group – Corinne Matthews	Williton Hospital Stroke Unit Business Case Consultation –			
Q2 Financial Monitoring Report – Jo Nacey		Council Lottery – Angela Summers			
Grants Policy – Mark Leeman					
Housing Standards – Mark Leeman					

Four Year Settlement – Paul Fitzgerald					
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