

# Taunton Deane Borough Council

## Council Meeting – 6 October 2009

### Part I

To deal with written questions to and receive recommendations to the Council from the Executive.

#### (i) Councillor Slattery

### Implementation of Sort It Plus Recycling Collections

At its meeting on 15 July 2009, the Executive made a number of decisions relating to the extension of the recycling service in Taunton Deane to enable the kerbside collection of plastic and cardboard.

The purchase of extra recycling bins in connection with this extended service would be necessary at an estimated capital cost of £163,400.

Somerset County Council was in receipt of Waste Infrastructure Grant and had agreed, as a Member of the Somerset Waste Partnership, to assist the District Councils in the purchase of the additional bins by offering 75% of the cost.

This meant the cost to Taunton Deane would be reduced to £40,900.

It is **recommended** that an increase to the capital programme of £40,900 for the estimated shortfall in capital funding needed to purchase additional recycling bins be approved, to be funded from uncommitted Waste Services Reserves.

#### (ii) Councillor Mrs Wilson

### (a) Non-Domestic Rates – Section 49 Hardship Relief Policy

At its last meeting, the Executive agreed to support a proposal to introduce a procedure which would give the Council discretion to reduce or remit the payment of rates under Section 49 of The Local Government Finance Act 1988.

As a billing authority, Taunton Deane had to be satisfied that the ratepayer would suffer hardship if it did not agree to reduce the payment of rates. Additionally it had to be reasonable for the Council to do so, having regard to the interest of its Council Tax payers.

Central Government had provided guidance to help billing authorities decide whether to grant relief. From this it was clear that the reduction or remission of rates on grounds of hardship should be the exception rather than the rule.

75% of the cost of any reduction or remittance of rates could be offset against the Council's payment into the National Non-Domestic Rate pool. The other 25% would be borne locally by Council Tax payers and met from the authority's General Fund.

Historically the Council had received very few applications for hardship from ratepayers. However, it was expected the number of hardship applications would rise significantly as the economic downturn started to bite.

The recommended policy for the Revenues and Benefits service to deal with applications in a proper and consistent way is attached at Appendix 1.

It is **recommended** that the proposed policy for considering applications for Section 49 Reductions (as set out in the Appendix) be formally adopted.

## **(b) Full or Partial Flexible Retirement Policy**

The Executive has also recently considered proposals to introduce a new policy for full or partial retirement to meet the requirements under the Local Government Pension Scheme (LGPS).

Since 2006, Her Majesty's Revenues and Customs had allowed pension schemes to facilitate flexible retirement. As a result, flexible retirement provisions had been written into the LGPS.

This flexibility had been introduced to assist Local Government in managing the impacts of the ageing population which would see a greatly increased retired population being dependant on a reduced active workforce. This would be achieved by creating conditions where gradual or phased retirement would be possible and would allow for paid work during retirement without financial penalty.

There were a number of discretions within the LGPS which allowed for a scheme member who had attained the age of 55 (or in certain circumstances 50) to draw all or part of their retirement benefits (both pension and lump sum) even though they had not retired providing that:-

- the employer consented, and
- there had been a reduction in hours or a reduction in grade.

Taunton Deane was undergoing significant changes to meet both the financial and service delivery pressures that needed to be faced. In undertaking restructuring it was important that the Council had a range of options that could be used to satisfy these pressures.

The ability to provide full or partial flexible retirement would allow the Council to work with staff to provide an alternative to 'cliff edge' retirements which could see the retention of key skills at the same time as securing cost reductions. This would facilitate succession planning and business continuity.

The proposed policy, which is set out in Appendix 2 attached, requires the proving of a business case which is based on the need for the proposals to demonstrate a saving over a three year period although the requirements of the service and other non financial benefits have also to be taken into account.

If the payment of benefits occurs before age 65 the benefits would be reduced in accordance with guidance issued by the Government Actuary. The Council would have the power, on

compassionate grounds, to waive any actuarial reduction that the employee might incur and this provision has been included within the proposed policy.

Consultations had taken place with the Taunton Deane UNISON Branch who were supportive of the proposals.

It is therefore **recommended** that the proposed policy on Full or Partial Flexible Retirement (as set out in the Appendix) is formally adopted.

# Appendix 1

## Non-Domestic Rates – Section 49 Hardship Relief Policy

### The Recommended Procedure

- 1.1. All applications for Hardship relief must be made in writing using a prepared forms designed by Revenues and Benefits service to ensure that all the information which is considered important to the decision making process is captured.
- 1.2. All applications must be accompanied by a copy of the last two years audited accounts, a projected income and cash flow for the next 12 months and any other information in support of the application.
- 1.3. The process detailed below should ensure that proper and consistent consideration is given to all applications, the financial implications are considered and members have the final say in deciding on, and financing, any awards.
- 1.4. Applications will initially be received within the Revenues and Benefits unit where they will be examined for completeness.
- 1.5. Where the application is not complete the Revenues and Benefits unit will contact the ratepayer to seek any missing information or seek clarification where it is necessary. The application will not be considered further until it is complete.
- 1.6. The Revenues and Benefits unit will consider each complete application on its merits and the Head of Revenues and Benefits Service make a written recommendation to the Section 151 Officer whether to reject the application or whether to make an award.
- 1.7. In making either recommendation, the Head of Revenues and Benefits Service will consider the following
  - The goods or services provided by the applicant and the closeness of alternative suppliers;
  - Whether the goods or services are mostly provided to customers within the Borough;
  - Any social benefits provided by the applicant;
  - Local employment provided by the applicant;
  - The causes of the hardship;
  - The applicant's attempts to mitigate the hardship;

- The impact of Rates as a % of overall business expenses;
  - Whether the business is viable; and
  - Whether it is in the interests of the Council Tax payers within the Borough to provide the 25% cost of any hardship relief awarded.
- 1.8. Where a recommendation to reject the application is made adequate reasons should be put forward.
- 1.9. Where a recommendation to approve the application is made, the recommendation should detail
- The period to be covered by the award
  - The social benefit to the Council Tax payers in the award being made
  - The amount of the award
  - The sum to be met by the general fund and the Non-Domestic rating pool respectively.
- 1.10. The authority to **decline** applications for hardship relief should be delegated to the Section 151 Officer.
- 1.11. Where the Section 151 Officer decides there is sufficient merit in awarding hardship relief a recommendation will be made to the Executive. The Executive should have the delegated power to decline or award hardship relief following referral of an application by the Section 151 Officer. **Where it supports the recommendation, The Executive will also need to the make the necessary budget arrangements to meet the commitment.**

## Appendix 2

### Full or Partial Flexible Retirement Policy

1. Employees aged 55 (aged 50 up to 31 March 2010) who are members of the Local Government Pension Scheme are able to request payment of early retirement benefits whilst remaining in the Council's employment on reduced hours or a lower grade.
2. This right does not apply to employees who are in receipt of a redundancy payment and early pension benefits or who have taken early retirement in the interests of the efficiency of the service.
3. As a guide, a business case for flexible retirement where any reduction is minimal (e.g. less than 20% either in terms of reduced hours or lower grade) may be difficult to objectively justify.
4. Requests for flexible working may be instigated by employees who meet the criteria set out in 1 above at anytime but will only be able to make one request in any 12 month period.
5. An employee should, in the first instance, approach their line manager with a request for reduced hours, more flexible working patterns by putting their request in writing.
6. The line manager will notify the HR Advisory Team and a meeting will be arranged within 21 days to discuss the request from the employee.
7. At this point the HR Advisory Team will request an estimate of early retirement benefits from the Pension Section of Somerset County Council which will be provided to the employee and be used to complete the Flexible Retirement Approval Request Form.
8. The meeting between the employee, line manager and a member of the HR Advisory Team will discuss the request and business case and will only be referred for approval if it is operationally viable.
9. If the request is referred for approval this will be considered by the relevant Theme Manager/Service Unit Manager and the HR Manager.
10. It should be noted that employees who are retiring in this way before their normal retirement age will suffer an actuarial reduction in their benefits to reflect early payment. In exceptional compassionate circumstances the Council has the right to waive this actuarial reduction.

- 11.** If the request is not referred for approval this will be confirmed to the employee in writing to the employee within 14 days of the meeting. The employee would have the right of appeal against this decision which should be made in writing to the Retained HR Manager within 10 days of receipt of the reason for refusal of the request or refusal to waive the actuarial reduction on compassionate grounds where the request is approved.
- 12.** Appeals will be heard by a Strategic Director advised by the Retained HR Manager.