

Executive – 9 November 2016

Present: Councillor Williams (Chairman)
Councillors Beale, Berry, Habgood, Mrs Herbert, Parrish and Mrs Warmington

Officers: Shirlene Adam (Director – Operations), Simon Lewis (Assistant Director – Housing and Communities), Christian Trevelyan (Partnership Manager, Somerset West Private Sector Housing Partnership), Heather Tiso (Revenues and Benefits Manager), Jo Nacey (Finance Manager), Paul Harding (Corporate Strategy and Performance Manager) and Richard Bryant (Democratic Services Manager)

Also present: Councillors Aldridge and Coles.

(The meeting commenced at 6.15 pm.)

54. Apology

Councillor Edwards.

55. Minutes

The minutes of the meeting of the Executive held on 6 October 2016, copies of which had been circulated, were taken as read and were signed.

56. Declarations of Interest

Councillor Williams declared a personal interest in item No. 5 on the agenda as the owner of two properties that were currently being let. Councillor Mrs Warmington declared a personal interest in item No. 6 as her daughter was in receipt of Housing Benefit.

57. Housing Enforcement Policy

Considered report previously circulated, which sought approval for the draft Somerset West Housing Standards Policy.

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

The policy had been developed with the assistance of the Council's partners which included Sedgemoor District Council, West Somerset Council, private sector landlords, tenants, the Taunton Association for the Homeless, Bridgwater YMCA, and Somerset Care and Repair.

It provided details as to how Councils would regulate standards in housing. In the last three years the Council had remedied over 200 Category 1 hazards, improved conditions in 180 properties in the private rented sector through housing enforcement and accredited over 100 properties. This has included taking formal action against 40 landlords.

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 offered choice, flexibility and affordable housing which was perceived as critical to our economic and social wellbeing.

Most tenants had a good experience of renting. Recent English Housing Survey research had shown that 85% of tenants in the private rented sector were very or fairly satisfied with their accommodation and 70% were also satisfied with the way their landlord carried out repairs and maintenance.

It was considered important that landlords and tenants understood their rights and responsibilities. The Partnership had recently published newsletters aimed at both, to help them understand the fundamentals.

Further reported that 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.

The Government had 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 provided decent, well managed accommodation.

In terms of the local context, of a total of 40,000 private sector dwellings in Taunton Deane, approximately 18% were privately rented. There were 380 Houses in Multiple Occupation (HMO's) and 69 were licensable HMO's. The Council had received 129 housing standards complaints in 2015/2016; an increase of 8%. The Council had served one formal notice and issued four mandatory HMO licenses with a fee income of £1428.

There were pockets of deprivation in Taunton Deane, particularly within the Halcon Ward. In areas of high deprivation, there were also high concentrations of private rented accommodation. This sometimes encompassed other issues such as anti-social behaviour, drug problems and crime. The policy encouraged 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.

Further reported that the Government had introduced a raft of legislation in recent years aimed at the private rented sector – full details of which were submitted – which would give the Council the power to enforce and charge for failure to comply with certain provisions.

The partnership would 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.

Resolved that:-

(1) With regard to:-

- (i) The Redress Schemes for Letting Agency Work and Property Management Work (Requirement to belong to a Scheme etc.) (England) Order 2014, the proposal to set the level of fine for offences under this Order at £5,000 be approved.

It be also agreed that any fines payable to the Authority should 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;

- (ii) The Smoke Alarms and Carbon Monoxide Alarm (England) Regulations 2015, the Statement of Principles detailing the level of fines at £5,000 with a 50% reduction for landlords who paid within 14 days be approved.

It be also agreed that any fines payable to the Authority should 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;

- (iii) The De-Regulation Act 2015 – Retaliatory Eviction (to prevent landlords from evicting tenants who made a complaint regarding the condition of the property directly to the landlord or to the Local Authority), the changes in legislation be noted and that an initial informal approach with tighter controls to ensure a notice is served within an appropriate timescale be approved;

- (iv) The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 made under the Energy Act 2011, the changes in legislation in relation to energy efficiency of the private rented sector be noted and the continuation of help to promote funding streams with landlords, as appropriate, be approved;

- (v) The Housing and Planning Bill, the proposed changes in legislation be noted; and

- (vi) The area approach to Housing Enforcement Work, an area based approach to Housing Standards which complimented the priorities of the Council's Health and Wellbeing Strategy and Somerset County Council's future approach to health intervention, be approved; and

(2) The Housing Standards Policy and charges be approved.

58. **Review of Council Tax Support Scheme for 2017/2018**

Considered report previously circulated, concerning the latest review of the Council Tax Support Scheme.

On 1 April 2013 Council Tax Benefit (CTB) had been abolished and replaced with a locally designed "CTS" (CTS) Scheme. The Government had provided each billing authority with a grant and expected Councils to design a CTS Scheme to help those on low incomes to meet their Council Tax liability. Initially, 90% of funding previously granted by the Government for CTB was provided for localised CTS.

Whilst the Council had discretion on the rules for CTS for people of working age, the Government had stipulated that pensioners should be fully protected under the same criteria that previously applied to CTB. The Government had also stipulated that, as far as possible, CTS for vulnerable groups should be protected too.

The Department for Communities and Local Government (DCLG) provided funding through the annual Settlement Funding Assessment (SFA) to help meet the cost of localised CTS Schemes. Each of the major precepting authorities in Somerset received the initial funding based on their share of Council Tax receipts.

In Taunton Deane, the initial grant for precepting authorities was £6,110,080, with this Council's share being £587,775 (based on a 9.62% share in 2013/2014). From 1 April 2014, funding for localised CTS had been merged into the Revenue Support Grant (RSG) and Business Rates Funding Baseline and was not separately identified.

Noted that the SFA had reduced by 26.1% in cash terms in the two years up to 2015/2016 and by a further 16.2% from 2016/2017. In applying this methodology, the funding available for localised CTS had reduced by £2,326,217 to £3,783,863.

In 2015/2016, the precepting authorities had paid CTS of £2,934,244 for people of pensionable age. Based on the assumptions stated above, this would leave just £850,000 to spend on CTS for people of working age. As the expenditure for working age recipients in 2015/2016 was £2,542,213, this would leave a funding shortfall of £1,692,594. Based on Taunton Deane's precepting share of Council Tax for 2016/2017 of 9.63%, the share of this shortfall in funding for this Council equated to £162,997.

Reported that if there were no changes to Single Person Discounts or protection provided to pensioners, CTS would become an additional cost pressure to Local Government. The Council had effectively maximised discounts and exemptions to close the funding gap and the only significant variable was to adjust the taper (minimum payment). However this would need to be managed carefully so as not to have an adverse impact on collection rates.

In designing the CTS Scheme, the Councils had considered the customers' ability to pay and the resultant Council Tax liability. For people of working age, the scheme had the following key elements:-

- Maximum support was 80% of Council Tax - everyone of working age had to pay something;
- Increased non-dependant deductions;

- No second adult rebate;
- Earned income disregards were at increased levels than those offered under CTB; and
- A Hardship Fund of £35,000 for short term help.

In annual billing for 2016/2017, Taunton Deane had sent Council Tax bills that after the award of CTS, totalled more than £60,700,000. Approximately 14% of residents received financial support through CTS, with under 8% of those liable to pay some Council Tax, being CTS recipients of working age.

Noted that 8,513 people had originally moved from the CTB scheme to the localised CTS Scheme. At 31 March 2016, this had reduced to 7,325. Key information on the CTS caseload, spending and budgets was set out in detail in the report.

The cost of the CTS Scheme had reduced considerably, both through the implementation of the local policy and the trend in demand / eligibility for financial assistance. The changes to the CTS Scheme to reduce support offered to working age applicants in 2016/2017 had reduced expenditure. At 30 June 2016 it was estimated that the CTS awarded this year would be nearly £300,000 less than the notional budget. However, there were a number of factors potentially affecting the ongoing reduction in costs and CTS 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.

Further reported on the Collection Activity of the Council and the Debt Profile for 2015/2016. The households liable for Council Tax had increased from 50,211 in 2012/2013 to 52,374 by 31 March 2016. Whilst this had brought in additional income from Council Tax, this growth had increased the demand for services.

The net collectable amount for Council Tax in 2015/2016 had increased by over £4,800,000 in comparison to 2012/2013. The collection of Council Tax in year, while at a rate slightly less than achieved in 2012/2013, had resulted in additional income for Taunton Deane of £445,000 based on its preceptor share of 9.62%. Since 2012/2013, approximately 50% of the increased income from Council Tax had been derived from growth, with 50% being the consequence of other factors, such as the new flexibilities on second home discounts and short and long term empty properties.

However, it had not been possible to maintain in-year Council Tax collection at the rate it was before the introduction of CTS. For many customers, having to pay Council Tax had caused them budgeting issues, not least because many had also been affected by other welfare reforms.

Overall, the Council Tax outstanding for 2015/2016 was £1,238,645. Council Tax outstanding for working age CTS recipients was £375,857. Therefore, whilst working age

CTS recipients represented just 8% of households, the value of their debt equated to 30% of Council Tax outstanding at 31 March 2016.

With regard to the CTS Scheme for 2017/2018, the Local Government Finance Act 2012 stated that any local scheme had to be agreed with the major precepting authorities such as the Somerset County Council, Avon and Somerset Police and Devon and Somerset Fire and Rescue Authority.

Consultation with the precepting authorities and the public had taken place during the summer in respect of the following four options:-

Option 1 – The Council to work out CTS in the same way as was done now. Any shortfall in the funding received and the CTS paid in 2017/2018 would need to be met from other Council budgets. Response – 41% in favour;

Option 2 – Reduce the maximum CTS offered to working age recipients from 80%. This would mean working age recipients would need to pay more. As a result, the Council would be able to reduce the funding required to support the scheme off-setting cuts in the Local Government Finance Settlement. It was recognised however that such a reduction in the support offered was likely to negatively impact on the in-year collection of Council Tax and lead to a potential increase in administration costs to recover the Council Tax owed. Response – 42% in favour;

Option 3 – Increase the maximum CTS offered to working age recipients from 80%. This would mean an additional cost to the Council and precepting authorities. This option would carry a high level of risk to the Council in protecting front line services as additional resources would have to be diverted to support the CTS policy. Response – 11% in favour;

Option 4 – The Council to make various technical changes to align the CTS scheme for 2017/2018 with some or all of the changes the Government made to other welfare benefits. The changes known or expected to be implemented by the Government were set out in the report. All of these would mean that some working age CTS recipients would need to pay more and the Council could reduce the funding required to support the scheme in 2017/2018. 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. Response – 64% in favour;

Any of the options to reduce the level of support the Council offered through CTS would have an adverse or positive impact on certain applicants or groups of applicants. If the support offered through the CTS Scheme was cut, the Council would need to consider a careful selection of options for Taunton Deane's particular demographic. There was no single option or change to the CTS Scheme that could deliver sufficient savings to meet the predicted budget gap from the reduced Local Government Finance Settlement in 2017/2018.

The decision for the Executive was therefore to choose what options were acceptable to the Council bearing in mind the overall level of finance available. The report contained financial modelling on the four options to amend the scheme (set out above) to illustrate the effect on applicants and any potential savings which could perhaps be made. In all, eleven models were detailed.

The above proposals and options had been considered by the Corporate Scrutiny Committee on 20 October 2016. Their recommendation on the preferred CTS Scheme for working age applicants from 2017/2018 was to amend the current scheme to align the scheme with changes to other welfare benefits, with the exception that applicants aged 18-21 should continue to be eligible. This recommendation was illustrated in Model 11.

If implemented, the saving that was likely to be achieved would be £1,059.

Having taken account of the contents of the very detailed Equality Impact Assessment that had been undertaken, the Executive decided to agree the proposed amendments to the CTS scheme based on Model 11.

Resolved that:-

- (1) It be recommended to Full Council that having regard to the consultation responses and the contents of the Equality Impact Assessment, the Council Tax Support Scheme be amended to that illustrated in Model 11. This would align the Council Tax Support Scheme for 2017/2018 with changes made by the Government to other welfare benefits with the exception that applicants aged 18-21 would continue to be eligible; and
- (2) It be noted that the 2017/2018 Council Tax Support Scheme was recommended for 2017/2018 only.

59. **Financial Monitoring 2016/2017**

Considered report previously circulated, concerning the projected financial position of the Council performance for the financial year 2016/2017 (as at 31 August 2016).

Effective financial management formed an important part of the Council's overall performance management framework.

A summary of the Council's Financial Performance was as follows:-

General Fund (GF) Revenue - The GF Revenue Outturn position was currently projected as a net underspend of £271,000 which was 1.88% below budget.

The main variances to the budget related to Asset Management, Car Parking, the Deane Helpline, the Crematorium, Waste Recycling, Community Open Spaces and Parks, Homelessness, Insurance, Council Tax Collection, Rent Allowances, Revenues and Benefits and Interest Costs and Income. Full details of these variances were set out in the report.

With regard to the GF reserves, the forecast balance as at 31 March 2017 was £2,184,000 which would be £584,000 above the recommended balance of £1,600,000.

In view of the Council's future financial pressures the prudent advice was to maintain reserves above the recommended minimum, to provide some resilience for

emerging costs and to provide some flexibility to support measures to address ongoing financial sustainability.

Reported that budgets and forecasts were based on known information and the best estimates of the Council's future spending and income. During the budget monitoring process risks and uncertainties are identified which could impact on the financial projections, but for which the likelihood, and/or amount are uncertain.

To date the following risks and uncertainties had been identified:-

- ❖ Fluctuation in demand for services;
- ❖ General Spend;
- ❖ Year End Adjustments; and
- ❖ Business Rates.

Noted that the Council carried protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves. This was a prudent approach and helped to mitigate unforeseen pressures.

Deane DLO Trading Account - The DLO was forecasting to come in on budget an after contributing £101,000 to the GF. Any surplus would be transferred to the DLO trading reserve.

The Trading Account Reserves Position balance brought forward of £505,000 related to a retained trading surplus of £165,000, plus capital reserves set aside to support investment in the service - £25,000 for fuel tanks and £315,000 to fund vehicle replacement. £200,000 of the DLO trading reserve was being used to fund Transformation implementation costs.

Deane Helpline Trading Account - The Deane Helpline's net budget was £107,000. The service was predicting a net underspend of £15,000 at year end.

General Fund (GF) Capital - The GF approved Capital Programme was currently £12,692,000. This related to schemes which would be completed over the next five years. Of this, Budget Holders were projecting that £11,805,000 was planned to be spent during 2016/2017 with £887,000 due to be spent in future years. The Council was supporting this investment through the use of Capital Grants and Contributions, Capital Receipts, Revenue Funding and Borrowing.

With regard to the GF Capital Programme, the Executive was asked to consider approving a supplementary estimate of £1,326,000 for grants to Registered Social Landlords (RSLs) which would be funded by £624,000 from Section 106 Agreements, £572,000 from affordable housing capital receipts and £130,000 from the housing enabling earmarked reserve.

The 'Grant to RSL's' scheme was the capital funding ring-fenced for the provision of new affordable housing. The funds consisted of historic grant funding which had been allocated to schemes currently being developed and also Section 106 Agreement monies/capital receipts collected from developments in lieu of affordable housing on site. These funds were allocated to specific schemes which needed additional funding to secure the delivery of new affordable housing. On most

occasions these funds were paid to Housing Association Partners who also contributed funding through the Homes and Communities Agency and their recycled capital grant funding received through shared ownership and disposals.

Housing Revenue Account (HRA) - The current forecast HRA Revenue Outturn was a net surplus of £129,000 (0.5% of gross income).

The major under and overspends forecast for the year were likely to relate to Dwelling Rents and Service Charges, Leasehold Income, PV Income, Housing Management, Asbestos Surveys, Voids, Grounds Maintenance, Supported Housing, Other Maintenance and Interest Receivable. Full details of these variances were set out in the report.

The HRA Reserves (“working balance”) at the start of the year were £2,675,000. The use of the 2015/2016 underspend and the surplus of £129,000 in 2016/2017 had reduced the balance to £2,471,000. This was above the minimum recommended reserve level of £1,800,000 by £671,000.

Housing Revenue Account (HRA) Capital - The approved HRA capital programme was £23,459,000, of which £12,927,000 related to works on existing dwellings and £10,532,000 for the provision of new housing through development.

Resolved that:-

- (1) The Council’s forecast financial performance for the 2016/2017 financial year as at 31 August 2016 be noted; and
- (2) Full Council be recommended to approve a capital supplementary estimate of £1,326,000 for Grants to Registered Social Landlords.

60. **Quarter 2 (month 5) 2016/2017 Performance Report**




Considered report previously circulated, which detailed key performance management data up to the end of month 5 Quarter 2 2016/2017, to assist in monitoring the Council’s performance.

Regularly monitoring performance was a key element of the Council’s Performance Management Framework. There were 35 individual measures which were reported within the Corporate Scorecard.

The Taunton Deane Corporate Scorecard contained details of the Quarter 2 (month 5) 2016/2017 position against the Council’s key corporate indicators. It was stressed that this information was the situation as at 30 August 2016.

Each action/measure had been given a coloured status to provide the reader with a quick visual way of identifying whether particular measures were on track or whether there might be some issues with performance or delivery or an action.

The table below provided an overview of the reported indicators within the Corporate Scorecard:-

GREEN 	AMBER 	RED 	NOT DUE	NOT AVAILABLE	TOTAL
16	5	3	8	3	35

Submitted a comprehensive summary of each of the 35 performance measures. The three indicators on the scorecard allocated 'red' status were:-

- Housing Stock – To manage the stock and maintenance service to meet the needs of the tenants;
- Customer Complaints – Complaints answered out of time; and
- Timeliness of draft minutes being provided to the Committee Chairman.

Reported on the actions that would be taken in an attempt to meet the performance targets that had been set for these three indicators.

The Performance Report had been considered by the Corporate Scrutiny Committee on 20 October 2016 and the views expressed at that meeting were submitted.

Resolved that the report be noted.

61. **Executive Forward Plan**

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

Resolved that the Forward Plan be noted.

(The meeting ended at 8.11 p.m.)