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Simon Young, Solicitor
Head of Legal and Democratic Services



STRATEGY AND RESOURCES COMMITTEE

Tuesday 17 November 2015 at 7.30 pm

Town Hall

The members listed below are summoned to attend the Strategy and Resources Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Neil Dallen (Chairman)
Councillor Clive Woodbridge (Vice-Chairman)
Councillor Tony Axelrod
Councillor Richard Baker
Councillor Rekha Bansil

Councillor Kate Chinn
Councillor Eber Kington
Councillor Omer Kokou-Tchri
Councillor Keith Partridge
Councillor Mike Teasdale

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Young', written over a faint, larger version of the same signature.

Head of Legal and Democratic Services

For further information, please contact Fiona Cotter, 01372 732124 or fcotter@epsom-ewell.gov.uk

AGENDA

1. QUESTION TIME

To take any questions from members of the Public

Please Note: Members of the Public are requested to inform the Democratic Services Officer before the meeting begins if they wish to ask a verbal question at the meeting

2. MINUTES OF PREVIOUS MEETING

The Committee is asked to confirm as a true record the Minutes of the meeting of the Strategy and Resources Committee held on 29 September 2015 and to authorise the Chairman to sign them.

3. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

4. LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17 (Pages 5 - 78)

This report asks the Committee to recommend to Council a Local Council Tax Support Scheme for the 2016/17 financial year.

5. BUDGET TARGETS 2016-17 (Pages 79 - 82)

This report informs the Committee of the Council's revenue budgets targets approved by the Strategy & Resources Committee. The report seeks support for changes to services and any further guidance on the preparation of the Committee's service estimates for 2016/17 and for the next 3 financial years

6. HORTON CHAPEL (Pages 83 - 94)

A report summarising the position in relation to Horton Chapel and seeking agreement to a way forward to result in the disposal of the Chapel by the Council, either to an organisation for provision of a community facility, or on the open market.

7. MINUTES OF THE FINANCIAL POLICY PANEL: 13 OCTOBER 2015 (Pages 95 - 102)

The Committee is asked to receive the Minutes of the Meeting of the Financial Policy Panel held on 13 October 2015 and to consider the recommendations arising therefrom

8. PERFORMANCE MANAGEMENT 2015/16: PROGRESS REPORT ONE (Pages 103 - 116)

This report sets out performance against the Committee's actions for Progress Report One 2015/2016.

9. ANNUAL INSURANCE REPORT (Pages 117 - 122)

This report provides an annual update on the Council's insurance cover arrangements which are provided by the London Borough of Sutton.

10. WRITE OFFS (Pages 123 - 124)

This report seeks approval to write off debts over £20,000 for 2015/16

11. THE EPSOM-BANSTEAD SUSTAINABLE TRANSPORT PACKAGE

This report considers a potential capital transport scheme being sponsored by Surrey County Council, known as the Epsom – Banstead Sustainable Transport Package, and whether, in principle, the Borough Council should contribute towards the delivery of this scheme **(TO FOLLOW)**.

12. CALENDAR OF MEETINGS 2016/17 (Pages 125 - 130)

This report sets out a proposed Calendar of Meetings for 2016/17.

13. OUTSTANDING REFERENCES (Pages 131 - 134)

This report lists the references to officers outstanding as at 17 November 2015.

14. EXCLUSION OF PRESS AND PUBLIC (Pages 135 - 136)

The Committee is asked to consider whether it wishes to pass a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

15. MINUTES OF PREVIOUS MEETING - PROPOSED EAST SURREY BUILDING CONTROL PARTNERSHIP (Pages 137 - 142)

This Minute from the meeting of the Strategy and Resources Committee held on 29 September 2015 has not been published because the meeting was closed to the press and public on the grounds that the nature of the business to be transacted/nature of the proceedings dealt with information relating to the financial or business affairs of the Council and a third party and information in respect of which legal privilege could be maintained in legal proceedings.

16. HORTON CHAPEL - ANNEXE 2 (Pages 143 - 146)

This Annexe has not be published because it is considered exempt from publication in accordance with Paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

17. ANNUAL INSURANCE REPORT - ANNEXE (Pages 147 - 152)

This Annexe has not be published because it is considered exempt from publication in accordance with Paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

18. WRITE OFF - ANNEXE (Pages 153 - 154)

This Annexe has not be published because it is considered exempt from publication in accordance with Paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

19. LAND AT FAIRVIEW ROAD, EPSOM (Pages 155 - 160)

This report has not been published because the meeting is likely to be closed to the press and public in view of the nature of the business to be transacted/nature of the proceedings. The report deals with information relating to the business affairs of the Council and the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

**Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE
held on 29 September 2015**

PRESENT -

Councillor Neil Dallen (Chairman); Councillor Keith Partridge (Vice-Chairman); Councillors Michael Arthur (as nominated substitute for Councillor Mike Teasdale), Tony Axelrod, Richard Baker, Rekha Bansil, Eber Kington and Omer Kokou-Tchri

In Attendance: Councillor Jan Mason; Christian Heeger (*Director, Grant Thornton UK LLP*) (for items 20 to 23) and Elizabeth Olive (*Senior Manager, Grant Thornton UK LLP*) (for items 20 to 23)

Absent: Councillor Clive Woodbridge, Councillor Kate Chinn and Councillor Mike Teasdale

Officers present: Frances Rutter (*Chief Executive*), Kathryn Beldon (*Director of Finance and Resources*), Simon Young (*Head of Legal and Democratic Services*), Rod Brown (*Head of Housing & Environmental Services*), Nigel Campbell (*Senior Surveyor*) (for items 20 to 29), Stewart Cocker (*Countryside Manager*) (for items 20 to 29), Lee Duffy (*Head of Financial Services*), Karol Jakubczyk (*Planning Policy Manager*), Mark Lumley (*Head of ICT*) (for items 20 to 29), Michael Smith (*Chief Accountant*), Joy Stevens (*Head of Customer Services and Business Support*) (for items 20 to 27) and Fiona Cotter (*Democratic Services Manager*)

20 QUESTION TIME

No questions were asked or had been submitted by members of the public.

21 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the Agenda.

22 MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting of the Strategy and Resources Committee held on 24 March 2015 and 24 June 2015 were agreed as a true record and signed by the Chairman subject to noting that Councillor Eber Kington was, in fact, in attendance at the meeting on 24 March 2015.

23 2014-2015 FINAL ACCOUNTS - AUDIT FINDINGS

The Committee received the findings of the external auditor, Grant Thornton, on the Council's Financial Statement for the year ended 31 March 2015. Mr. Christian Heeger, Director, and Ms. Liz Olive, Senior Manager, of Grant Thornton UK LLP (the Council's external auditors) were in attendance.

Mr. Heeger reported that, in conducting the audit, it had not been necessary to alter or change the planned audit approach as set out in the Audit Plan dated 12 March 2015 and that the outstanding work set out in the introduction of the Executive Summary had been completed. Mr. Heeger praised the high quality of the working papers which accompanied the financial statements. It was anticipated that an unqualified opinion would be issued and the adjustments identified as required were not unexpected/exceptional in the context of such complex accounts.

In response to questions/comments from the floor, the following points were noted:

- It was confirmed that the in-house solicitor (also the Council's Monitoring Officer) had given the Auditors the assurance required in respect of legal claims against the Council;
- Scale fees for audit services had been reducing year on year;
- Significant movement in the Corporate Project Reserve had been generated by income from New Homes Bonus (£500k of which was being used to fund services, the remainder going into this reserve). This reserve had been used to fund the DMA (item 24 refers) and to purchase 102 Upper High Street;
- In respect of capital commitments, it was confirmed that this represented spend to which the Council was committed and was not intended to take account of any funding from external sources such as insurance;
- The pension fund deficit was growing in response to which the Council was making additional contributions in mitigation. The fund needed to be financially sustainable over a twenty-year period and this had been taken into account in drafting the Council's Medium Term Financial Strategy. The plan would be adjusted to take into account the outcome of the triannual review of the fund which was due to take place next year;
- Fixed asset valuations: £51m related to the buildings element. The figure of £64m included plant and equipment.
- Movement on Non-current Asset Statement: typographical error would be corrected. The correct figure was £1.561m not £1,561m.

The Committee wished its thanks recorded to the Finance Team. It was noted that the Council had never received a poor report but this was an excellent one, particularly in relation to Value for Money which made all the points members

would want to hear, particularly regarding member engagement in financial planning and monitoring.

Having received the Audit Findings for 2014/15 and the Financial Statements for the year ended 31 March 2015, the Committee:

- (1) Agreed the management action in response to audit recommendations;
- (2) Agreed that the Chairman of the Strategy and Resources Committee and the Director of Finance and Resources sign the Letter of Representation on behalf of the Council;
- (3) Delegated any further amendments to the Financial Statement for the year ended 31 March 2015 to the Director of Finance and Resources in consultation with the Chairman of the Strategy and Resources Committee.

24 POST DMA IMPLEMENTATION PLAN PROGRESS UPDATE

The Committee received and considered a report which outlined progress on the implementation of the Local Government Association's Decision and Accountability Review of the organisation following the decisions taken at Council on 23 March 2015.

The review had considered the Council's decision-making structures and had made a number of recommendations, the upshot of which was a reduction in the number of Directors and a flatter leadership team structure.

This new structure had been in operation since 1 April 2015 and the LGA would be invited back to do a light touch review in 12 -18 months' time. In the meantime, the Chief Executive had undertaken to do a review after six months.

In the opinion of the Chief Executive, the change in style of operation had been successful although the need had been identified for further work in some areas such as ICT and Procurement and officer working groups had been established to put together recommendations and action plans for the way forward in these areas. The previous organisational culture had been very unbalanced with Heads of Service operating at different levels. The intention was to encourage Heads of Service to operate at a higher level, more collaboratively. It was early days and would take time to embed. Whilst no significant skills gap had been identified in the new leadership team, Heads of Service were being supported through this cultural change which would be cascaded down through the organisation, establishing a "golden thread" to ensure that everyone was working towards the same outcomes.

It was recognised that there was a need to add capacity particularly around the health agenda but that this was not possible in the current financial climate. The post of Head of Community and Wellbeing remained vacant but existing teams had risen to the challenge.

Accordingly, the Committee noted, with thanks to Heads of Service and Senior Staff, the progress that had been made in delivering the recommendations of Council on 23 March 2015.

25 BUDGET TARGETS 2016-17

Note: Councillor Omer KouKou-Tchri left the meeting/Chamber and took no part in the debate or decision on this matter.

The Committee received a report which updated the financial forecast and recommended financial targets for preparing the draft budget for 2016/17 and financial planning for 2017/18, 2018/19 and 2019/20 as recommended by the Financial Policy Panel.

The report highlighted that the most significant financial risk to the Council over the next four years continued to be increased homelessness expenditure coupled with the impact of further benefit reforms being proposed by government and continuing reductions in government grant funding.

Action required to manage these risks was set out in a report to the Financial Policy Panel on 8 September 2015. That report set out a detailed financial analysis, including a review of revenue and capital reserves, comparative data regarding Council Tax levels in other Surrey District/Boroughs and forecasts on the budgetary position. Actions included the need to deliver costs reductions in the region of £850,000 in 2016/17 (based on the assumption when reported to the Panel that fees and charges would increase by 3%) and £2.5million over the next four financial years.

Having received the Minutes of the meeting of the Financial Policy Panel held on 8 September 2015, the Committee agreed:

- (1) The following overall budget targets for 2016/17:
 - (a) Estimates prepared including options to reduce organisational costs by £650,000, subject to the government grant announcement, to minimise the use of working balances and maintain a minimum working balance of £2.5million in accordance with the Medium Term Financial Strategy;
 - (b) That at least £400,000 additional revenue is generated from an increase in discretionary fees and charges, based on an overall increase in yield of 6%;
 - (c) That a provision for a pay award is made of £230,000 that represents a 1.5% increase;
- (2) That further savings are identified for inclusion within the Medium Term Financial Strategy that will reduce the Council's net operating costs by a minimum of £1,644,000 over the period 2017/18 to 2019/20;

- (3) That the Capital Member Group seek to limit schemes included within the capital expenditure programme that enable the retention of the agreed minimum level of capital reserves.

26 CORPORATE HEALTH, SAFETY AND WELFARE POLICY

Note: Councillor Omer KouKou-Tchri returned to the meeting/Chamber for the remainder of the meeting.

The Committee received a report which outlined the main content of the Council's revised Health, Safety and Welfare Policy, including details of the Council's commitment to, management of and arrangements for the effective implementation of Health, Safety and Welfare controls.

The Committee was informed that the Policy was last reviewed in May 2012 and that the Council had a statutory duty to regularly review its policy. The review had not highlighted the need for any fundamental changes but the revised policy reflected the change in organisational structure and new Health and Safety Executive Guidance.

It was highlighted that the General Policy statement contained a list of objectives which therefore implied that the Council would take a certain course of action. Eight of the twelve bullet points contained the word "will": four did not and were statements rather than objectives (bullet points 4, 6, 7 and 9). It was confirmed that these bullet points would be re-phrased to become objectives, for example: "Competent advice *would* be available to assist employees in meeting their responsibilities". The bullet points would also be replaced by numeric points.

Regarding the allocation of general responsibilities, Officers agreed to amend the text to read that it was the "responsibility of members" to "*review* and endorse the Health and Safety Policy Statement" and that Heads of Service should "*contribute*" to rather than "find" corporate solutions to health and safety issues.

The Committee was further informed of a reprographic error in the Introduction to Part 2 (Organisation for Health and Safety) in which the first two paragraphs were exactly the same except for the very last word. It was confirmed that the intention had been to delete the first paragraph.

It was clarified that, although not responsible for the day to day management of health and safety, members did have a role in making decisions about the provision of services and associated budgets which could affect the health, safety and welfare of staff. Members also had a role in holding officers to account for the management of any risks.

Officers were committed to continuous improvement in the effective management of health and safety through a programme of communications and training for Officers and the frequent auditing of levels of compliance and

effective management of risks by means of quarterly reports to the Leadership Team and an annual report to the Human Resources Panel.

Accordingly, the Committee endorsed the Council's Health, Safety and Welfare Policy.

27 UPDATE OF CRM PROJECT

A report was presented to the Committee which updated it on the Customer Relationship Management Project (CRM) and related projects as an undertaking had been given to do this, including a medium term plan to exploit the new software.

The new CRM system went live in 2014 and the report outlined its benefits. In particular, it was highlighted that it had enabled the creation of a new fees and charges database, maintained by finance, to be linked directly the CRM system.

As part of the audit annual plan, a post implementation review of CRM had been undertaken. A number of issues had been identified and the review had concluded that the CRM had not delivered all the intended business benefits and there were some processes which required parallel systems or CRM process workarounds in order for the teams to conduct everyday business activities. These were being addressed but the system was being kept as generic as possible to ensure its longevity.

In the medium term, a formal CRM Project Board had been set up to manage the on-going implementation of the system and changes across it. There were also a number of Council wide developments taking place over the next 6 to 12 months which had an impact on CRM, in particular the upgrade of the Council's website. A discrete Project Board and Reference Group had been set up for this project. Two keys areas in this regard related to on-line services in relation to revenues and benefits and booking of facilities and service such as sports pitches or venues.

The business case for the on-line accounts module for Council Tax and Benefits to facilitate self-serve demonstrated that Academy offered the best solution and the majority of the cost of this solution (£17,000) could be met from the new burdens grant received from the Department of Work and Pensions and Department for Communities and Local Government for revenues. The remaining sum (£10,000) could be met from the sum received from the Department of Work and Pensions for fraud and error reduction (in particular for reducing claimant overpayment).

Closure of the cash office had been agreed last year. This Council was the last authority in Surrey to operate this service and the Council needed to respond to the general trend to encourage the use of more on-line services. The Council was conscious of the impact of the closure on some residents. The closure of the service had been well publicised well in advance and staff would be on hand to support customers through the transition.

Having noted the report and the other improvements that the Council was making to the Customer Journey, the Committee approved the release of £17,000 of the new burdens grant received from the DWP and the DCLG in relation to revenues and benefits and £10,000 of Fraud and Error Reduction Grant to procure the self-serve module of the Revenue and Benefits system.

28 REPLACEMENT OF COURT RECREATION GROUND BOWLS PAVILION

The Committee received and considered a report which outlined the current situation regarding additional funding agreed by Officers in consultation with the Chairmen of the Strategy and Resources Committee and Leisure Committee for the replacement bowls pavilion and the VAT situation.

The report set out the background to the project and explained that the cost of the project after tendering exceeded the original agreed budget but, as a result of concerns that the external funding (from the Personalisation and Prevention Partnership fund and S106 contributions) might be lost as a result of further delay, Officers consulted the Chairman of this Committee and the Leisure Committee regarding a proposed way forward. This course of action (rather than convening a special meeting) was considered appropriate in the circumstances.

It was proposed to use additional S106 contributions set aside for outdoor sports facilities to cover the shortfall in the project (a maximum £62,141 in addition to the £5,000 already approved from this source) and expenditure of up to this amount had been approved. It was noted that Officers were satisfied that these contributions were being used in accordance with the relevant agreements.

It was confirmed that the pavilion had been designed with the intention of enabling its hire for use by the wider community and this was confirmed by the drawings.

The Committee was assured that Officers were continuing to seek to bring the costs of the project down. The Borough would be getting a building largely funded from external sources and, if not utilised, S106 contributions could not be retained by the Council for other purposes.

The report also informed Members that, to date, income from Epsom Bowling Club had been treated as exempt from VAT under HMRC land and property tax rules. This meant that although the Council could recover VAT on expenditure at the pavilion, no VAT had been charged to the club. In light of the significant additional financial implications to the Council of not doing so, it was considered essential the Council opted to tax the pavilion and in light of this recommendation there was a need to consider how the Bowls Club would be charged in future. It was noted that the Club currently paid a lower rent than the other three bowling clubs at recreation grounds in the Borough on the basis that it had contributed to the cost of the old pavilion. Discussions had taken place with Epsom Bowls Club regarding increasing its rent to the same level as the other Clubs on the basis that the Club would have the benefit of fully renovated facilities.

Having noted the update on the replacement of Court Recreation Ground Bowling Pavilion, the Committee agreed that:

- (1) Recreation Ground pavilion should be opted to tax for Value Added Tax (VAT) purposes;
- (2) the sum payable by the Epsom Bowls Club be set at the same level as that payable by other bowls clubs (currently £9,240) and that this sum be inclusive of VAT.

29 EPSON COMMON LOCAL NATURE RESERVE: PATH RESTORATION CAPITAL PROJECT

A report seeking agreement to use external funding of up to £85,440 for the restoration of the circular bridleway on Epsom Common Local Nature Reserve was received and considered.

The cost of the scheme had exceeded the original approved budget. Whilst external funding had been identified to cover the additional cost of this scheme it meant that these funds would be not be available to fund other potential projects.

Having noted that Internal Audit had been commissioned to conduct reviews of contract management and project management and that this project would be considered as part of that review, the Committee approved the use of external funding of up to £85,440 received from the developers of the former West Park Hospital site to pay for the protection of the fuel pipeline which ran across Epsom Common Nature Reserve.

30 COMMUNITY INFRASTRUCTURE LEVY (CIL): PROPOSED GOVERNANCE ARRANGEMENTS

The Council introduced the Community Infrastructure Levy (CIL) on 1 July 2014 and the Council was now responsible for the collection, distribution and spending of CIL monies. The Committee received and considered a report which sought endorsement of the governance arrangements to be introduced to ensure that CIL monies were appropriately managed in accordance with the relevant Regulations. The report also sought approval of the Regulation 123 List which identified the types of infrastructure the Council would spend CIL monies on.

Unlike S106 agreements, the spending of CIL was not time limited. It was also confirmed that, whilst CIL funding had been earmarked for the Kiln Lane project, this was predicated on a successful bid to the Local Enterprise Partnership. The bid in relation to Plan E Epsom Town Centre Improvements had already been successful and the Council had committed to contribute up to £250,000 from CIL receipts towards this project.

In regard to the governance arrangements, it was clarified that it was intended to establish a joint member/officer working group which could make recommendations via the appropriate channels to the Borough Council on the allocation of CIL. The Committee was informed that the Council had yet to finalise the precise mechanism for its approach to “engaging with

neighbourhoods” in regard of the allocation of the Neighbourhood Proportion of CIL (which amounted to 15%).

Accordingly, it was agreed that a joint member/officer working group should be established comprising of 3 Borough and 2 County Councillors and the Committee approved the Regulation 123 List.

31 AN OVERVIEW OF THE EPSOM AND EWELL ECONOMIC DEVELOPMENT STRATEGY

The Committee received a report which provided an overview of the development of a draft Economic Development Strategy.

A schedule of possible interventions was set out in the Annexe to the report. It identified the nature of the intervention and the outcomes that would be necessary to secure delivery. The proposed interventions covered the following:

- Securing essential enabling infrastructure, specifically in support for both the Plan E highway improvements and Kiln Lane link road, which were key programmes required to support future economic development in the Borough. The intervention also included the promotion of the inclusion of Epsom within Zone 6 of the Oyster Zone – thereby making Epsom a more affordable and attractive business location;
- Safeguarding and widening the choice of commercial property in the Borough to provide existing businesses with the opportunities to grow and expand, that new businesses had space to start-up and that there was accommodation for established businesses seeking to move into the area;
- Retaining existing and attracting new business investment by ensuring that there was local engagement with employers, understanding and supporting any local issues they might have, as well as working with local partners to promote the area as a business location and respond to location enquiries;
- Providing support for high level skills and long-term employment by continuing to promote available skills programmes and initiatives, particularly apprenticeship based within the Borough; and
- Providing economic development support to the three main retail centres and the development of a Business Improvement District in Epsom Town Centre.

The report highlighted that the Strategy needed to be developed in line with the Council’s new Corporate Plan, Medium Term Financial Strategy (MTFS) and budget. The MTFS currently contained provision for the implementation of Plan E and made reference to potential sources of funding for Kiln Lane.

Clarity was required around the potential costs to the Council associated with the interventions contained within this Strategy, particularly around those outlined in the Annexe to the report and (where required) funding earmarked as part of the MTFS and annual budget prior to the content of the Strategy being adopted by members.

Requests for additional funding needed to be considered against the backdrop of having to reduce the General Fund Budget deficit of £2.4m over the next four years and a capital programme with bids over £.2.8m for next year.

It was confirmed that the Council's planning policies actively sought to protect smaller retail centres. The emerging draft Strategy was the result of a comprehensive piece of work done by the Local Government Association which Officer's had tried to distil into deliverable and affordable objectives.

The Committee supported the proposed content of the forthcoming draft Economic Development Strategy as set out in the Annexe to the report, commenting, in particular, that it supported the inclusion of Epsom within the Zone 6 Oyster Zone, and noted that a more detailed draft would be reported to a subsequent meeting of the Committee. The Chairman indicated a desire that this should be within the next six months.

32 OUTSTANDING REFERENCES

The Committee received and noted outstanding references to officers as at 29 September 2015.

33 EXCLUSION OF PRESS AND PUBLIC

The Committee passed a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

34 PROPOSED EAST SURREY BUILDING CONTROL PARTNERSHIP

A report was presented to the Committee (considered exempt from publication).

The decision of the Committee is set out in a separate minute (considered exempt from publication).

The meeting began at 7.30 pm and ended at 10.15 pm

COUNCILLOR NEIL DALLEN
(CHAIRMAN)

LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17

<u>Report of the:</u>	Head of Revenues and Benefits
<u>Contact:</u>	Judith Doney
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
<u>Annexes/Appendices</u> (attached):	Annexe 1 – SPCC Consultation letter Annexe 2 – SCC consultation letter Annexe 3 – Council Tax Support Consultation summary report Annexe 4 – SPCC response to consultation Annexe 5 – SCC response to consultation Annexe 6 – Community Equality Impact Assessment Annexe 7 – Current Discretionary Hardship Policy
<u>Other available papers</u> (not attached):	Strategy & Resources Committee Report 24 June 2015 Strategy & Resources Committee Report 27 November 2012 (detailing Surrey Framework scheme) Institute for Fiscal Studies Briefing Note 175

REPORT SUMMARY

This report asks the Committee to recommend to Council a Local Council Tax Support Scheme for the 2016/17 financial year.

RECOMMENDATION (S)

- (1) That the Committee advise which option they wish to recommend to Council for the Local Council Tax Support scheme from 2016/17:-

Option A – continue with the current scheme for a further year with the underlying means tested applicable amounts being uplifted by the same percentage as the Housing Benefit rates applicable from April 2016.

Notes

Option B – increase the percentage minimum payment on the current scheme to 25% for the 2016/17 financial year with the underlying means tested applicable amounts being uplifted by the same percentage as the Housing Benefit rates applicable from April 2016.

Option C - increase the percentage minimum payment on the current scheme to 30% for the 2016/17 financial year with the underlying means tested applicable amounts being uplifted by the same percentage as the Housing Benefit rates applicable from April 2016.

- (2) Recommends to Council the continuation of the Discretionary Hardship Fund for exceptional cases, reducing the provision to £25,000 per year.**
- (3) Notes the findings of Community Equality Impact Assessment.**

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 The Council's Safer and Stronger Communities service plan includes the following target :-

- Managing the changes in welfare benefit in a way that reduces the impact in the most vulnerable

2 Background

2.1 Prior to April 2013, a national Council Tax Benefit Scheme was in operation. When someone was awarded Council Tax Benefit, the Government paid a corresponding sum to the Council, so that the full Council Tax bill was paid.

2.2 Since April 2013, Council Tax Benefit was abolished. It is for local authorities to determine their own Council Tax Support Scheme. This operates differently from the previous benefit system. Instead, when someone is eligible for support, their Council Tax bill is reduced by the amount of Support awarded. This means that the amount of Council Tax received by the Council is less than the full amount. In the first year of operation, the Government accordingly increased the Revenue Support Grant to include a sum to reflect the likely loss of Council Tax receipts. This sum was calculated having regard to the net amount previously paid in benefits, less 10%. However, as members are aware, the Government has been steadily reducing the overall amount of the Revenue Support Grant each year by 10-15%. Such reductions are expected to continue.

2.3 The Revenue Support Grant is used with other sources of income, such as Council Tax receipts to spend on delivery of services.

- 2.4 It is not possible to say with any certainty how much of the Revenue Support Grant is to relate to Council Tax Support. The grant is not ring-fenced, and members are able to allocate as much or as little as they consider appropriate to offset the reduction in Council Tax receipts due to the operation of the Local Council Tax Support Scheme.
- 2.5 Each year the Council is now required under the Local Government Finance Act 1992 (as amended) to adopt a local scheme by 31 January for the following financial year. Where significant changes are to be made the Council is required to undertake a consultation with the public and precepting authorities.
- 2.6 The Strategy & Resources Committee on 11 November 2014 recommended a Local Council Tax Support Scheme for 2015/16 based on working age recipients of Council Tax Support making a 20% minimum contribution with the underlying means tested applicable amounts being uplifted by the same percentage as Housing Benefit rates applicable from April 2015. It also agreed the continuation of the Discretionary Hardship Fund to assist those experiencing financial hardship due to the changes and increased the provision by £10,000 to £30,000. On 9 December 2014 the Council approved and adopted the scheme.
- 2.7 At the June 2015 meeting the Committee received a report on the financial impacts of continuing the current scheme for 2015/16 and agreed to consult on potentially increasing the percentage minimum contribution made by working age recipients of Council Tax Support.

3 Public consultation

- 3.1 The Council carried out an eight week public consultation on potential changes to the scheme for the 2016/17 financial year between 27 July 2015 and 20 September 2015.
- 3.2 The consultation questions and feedback summary is attached at Annexe 3.
- 3.3 In a case regarding the consultation carried out by the London Borough of Haringey the Supreme Court gave Judgment giving guidance as to the requirements for a "fair" consultation, and all Councils now have to have regard to the finding of this judgment when undertaking further consultation exercises. Councils are required to detail in their consultation what other options might be available in respect of Local Council Tax Support Schemes, and the reasons why the Council is not proposing to adopt any of these.
- 3.4 Options for covering the shortfall in funding included increasing the amount working age recipients contribute to their Council Tax to 25% or 30%, and the use of other methods of funding the scheme locally such as raising the council tax, using reserves or reducing the funding available for other services. The accompanying notes provided more detail on all options.
- 3.5 Respondents were also asked about whom they considered to be 'vulnerable' residents and whether these people should receive more help towards their Council Tax, including whether the hardship fund should continue.

- 3.6 The Council used a wide range of methods to communicate and give access to the Council's consultation. In addition to residents, including those in receipt of Council Tax Support, the consultation papers were widely circulated to representative organisations who in the main have responded using the survey with results reflected in the analysis in Annexe 3.
- 3.7 This has resulted in a total of 930 returned questionnaires. 599 of these were received from the Citizens Panel and 331 from other residents. Questionnaires were sent to 1,751 working age recipients of Council Tax Support. 271 of the responses were from those currently in receipt of Support.
- 3.8 On the main question of whether the minimum contribution for working age recipients should be increased 31% stated there should be no increase from the current 20% minimum contribution, 38% agreed that the minimum contribution should increase to 25% and 31% agreed that the minimum contribution should increase to 30%.
- 3.9 For those stating there should be no increase the preferred option for meeting the funding shortfall was through the use of the Council's reserves.
- 3.10 The majority of those respondents in receipt of Council Tax Support stated there should be no increase to the minimum contribution.
- 3.11 On the questions regarding help for vulnerable residents 86% were in favour of giving extra support to vulnerable residents with 58% preferring the use of a continued Hardship fund instead of applying a lower minimum contribution. The main categories of vulnerable residents respondents felt should receive extra support were those with severe disabilities, full time carers of the disabled, elderly or infirm, and those who are long term sick.
- 3.12 Epsom Citizen's Advice Bureau advised: *"schemes that require all working age residents to pay a proportion of their council tax...has led to some of the poorest households...struggling to do so...Frequently the cost of collection increase the debt to financially crippling levels. All this leads to increased debt stress and related health problems...we are seeing an increase in the number of enquiries relating to Council Tax debt... 26% of the workload of our Specialist Debt Advisers ...was to stop or prevent Council Tax bailiff action. Frequently these clients, with Council Tax debt, are unable to pay essential bills and other priority debts"*
- 3.13 Responses from the precepting authorities, Surrey Police and Crime Commissioner and Surrey County Council are attached at Annexe 1 and 2 respectively.
- 3.14 Surrey County Council response suggests a return to the Surrey Framework measures introduced in 2013 and 2014 but with additional changes to reduce the funding gap. The decision to remove certain council tax discounts and exemptions for second homes and empty properties under the Government Technical Reforms was taken in 2013 to offset the funding gap and these changes are still in place and there is no scope to alter these. Of the four other measures suggested we abolished Second Adult Rebate in 2013 and reduced the capital threshold to £10k and backdates to 3 months. Last year we rescinded the Band D restriction which affected fewer residents and affected

larger families including homeless families the Council had placed in accommodation. The Band restriction also resulted in the majority of spend on the Discretionary Hardship Fund.

- 3.15 Making changes to the criteria for entitlement was explored in previous years, however, it was not expected to result in a marked decrease in the funding gap, made the scheme more complicated for recipients to understand and more complex to administer. It also led to a small number of recipients being disproportionately and excessively financially affected by these changes.
- 3.16 These options have not been considered for this year and did not form part of the consultation undertaken. However, if Committee are minded to look at these options again they can be included in options for the 2017/18 scheme.
- 3.17 County have also raised the issues from the Surrey wide impact report on welfare reforms, which include the local Council Tax Support schemes, where evidence is growing that when less is paid to Support recipients they compensate financially in other areas such as increasing rent arrears and other debts. They have also stated that 'without a full analysis of the 20% minimum contribution introduced in April 2015 Surrey County Council see it as a risk to increase this further without knowing the extent of its impact'. However, Surrey County Council have not offered to assist with any further funding to help with the shortfall.

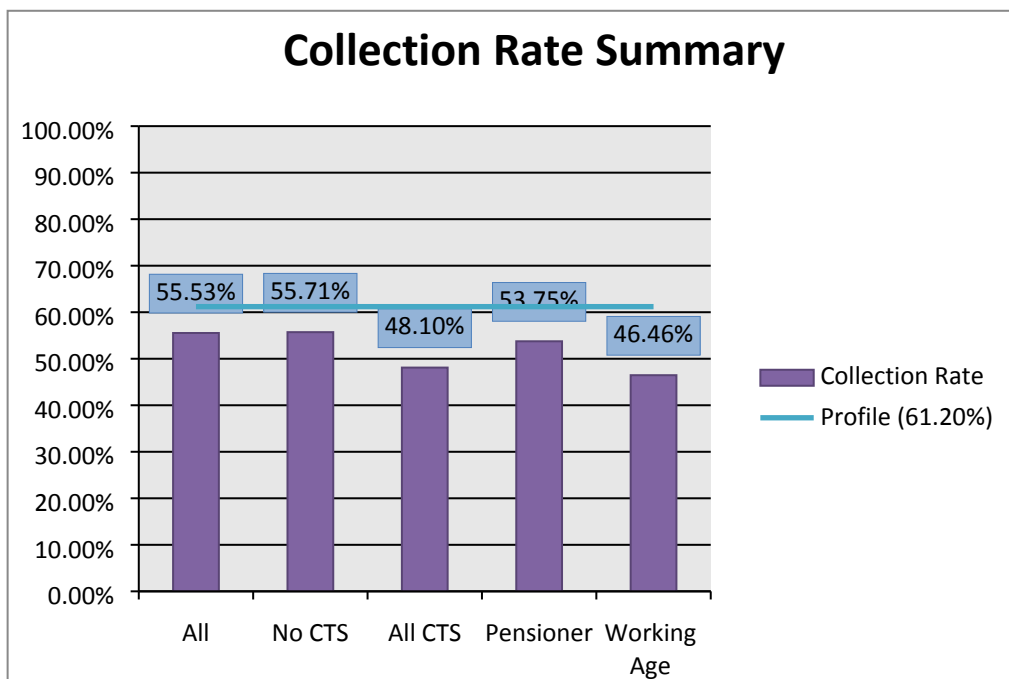
4 Evaluation of current scheme

- 4.1 At the June 2015 Committee we agreed to provide details of the effects of the introduction of the 20% minimum contribution for the first few months of this financial year. It should be noted that due to the nature of benefits figures for the year to date are subject to fluctuation and in some case totals will vary.
- 4.2 At the end of May there were 1724 working age claimants in receipt of Council Tax Support of which 1518 also receive Housing Benefit. Details of the number of working age claimants in each ward are shown below for information.

Ward	No. of working age CTS claimants
Auriol	45
College	48
Court	357
Cuddington	94
Ewell	137
Ewell Court	65
Nonsuch	14
Ruxley	257
Stamford	148
Stoneleigh	35
Town	293
West Ewell	138
Woodcote	93
Total	1724

- 4.3 Under the pre-April 2015 schemes 1085 claimants received full Council Tax Support due to the low level of their income or earnings and have therefore not been used to making any payments toward their Council Tax.
- 4.4 Of the 1724 working age claimants in receipt of Council Tax support: 907 are in receipt of income support, jobseekers allowance or employment support allowance, 654 are employed and of these 213 earn the minimum wage or below and the remaining claimants are on a variety of other benefits such as disability benefits or tax credits.
- 4.5 In respect of the Discretionary Hardship Fund created by the Council 75 applications for assistance were received between 1 April and 30 September. 41 have been awarded help, 24 have been refused and the remaining applications are being processed. A total of £4,915 has been drawn on the fund to date. This compares to £9,920 which was granted for 2014/15 to 41 of the 49 applicants who applied for assistance.
- 4.6 Current Council Tax collection rates are shown at Table 1 below for various categories of taxpayer, those affected by the 20% minimum payment contribution being the working age tabulation. (Please note the profile figure of 61.20% relates to the overall collection target for 30 September.)

Table 1



- 4.7 The current position on Council Tax recovery for working age Support recipients is shown in Table 2 below.

Table 2

	Number	% of working age
Currently paid as per their Council Tax arrangement (10 or 12 monthly payments)	480	27.5
Reminder(s) issued	867	49.6
Summons issued	371	21.3
No Council Tax paid	224	12.8

- 4.8 If the current level of payments and monthly instalments remained the same we estimate that collection from those in receipt of Council Tax Support could reach 81% by the end of the year which is in line with the forecast provided to Committee last year.

5 Financial and Manpower Implications

- 5.1 As reported to the Committee in June any funding from Central Government for the local scheme is now included in the overall grant provided to Epsom & Ewell towards their services.
- 5.2 When the Local Council Tax Support scheme was introduced in April 2013 the government reduced its funding and Epsom & Ewell Borough Council received 337,000 towards the local scheme as part of the Revenue Support Grant (RSG) settlement for 2013/14.
- 5.3 Since then the RSG has been reducing year on year. For 2014/15 we received RSG of £1,435,000 a reduction of 23% on 2013/14 and for 2015/16 RSG of £1,007,000 a reduction of 30%. For 2016/17 we expect a further reduction of £223,000.
- 5.4 Whilst an increase in the minimum contribution payment would generate additional Council Tax income, the amount will depend on the level of collection and as the minimum contribution payment increases we would expect a corresponding reduction in the percentage of Council Tax collected as the table below demonstrates.

Table 3

	Current year	20% minimum contribution	25% minimum contribution (expected worst case collection)	25% minimum contribution (expected best case collection)	30% minimum contribution (expected worst case collection)	30% minimum contribution (expected best case collection)
Amount of Council Tax to be recovered from Support recipients based on 2015/16 rates	359,497	359,497	377,472	377,472	395,447	395,447
Estimated recovery rate	80%	80%	75%	80%	70%	80%
Forecast Council tax income collectable	287,598	287,598	283,104	301,977	276,813	316,357
EEBC Share of Council Tax Income (11%)	31,636	31,636	31,141	33,218	30,449	34,799

- 5.5 Whilst additional stages in the recovery process have been introduced to give Support recipients having problems with their payments time to make arrangements to pay or to claim a Hardship fund payment the recovery team are already dealing with significantly more cases from this group this year.
- 5.6 In order to secure the debt the Council must obtain a liability order and the recovery team will take this action if there has been no response to reminders or if revised payment arrangements are not adhered to. Once the liability order has been granted by the courts the recovery team will, wherever possible, collect the outstanding Council Tax by deductions from social security benefits, but at £3.70 per week which even on a Band A property would only cover half the annual amount payable. Those not on a benefit are pursued by other methods including bailiff action, however this does not necessarily result in a better rate of recovery and as CAB have pointed out can lead to other priority debts not being paid, such as rental payments.
- 5.7 The recovery team are very aware that actions they may take could affect other services within the council, particularly with regard to homelessness. For example, if a family is in accommodation which, due to benefit changes is no longer affordable, they could be considered unintentionally homeless, even if evicted for rent arrears, and the Council could then have a duty to secure affordable accommodation for them.
- 5.8 The majority of consultation respondents felt that vulnerable residents should receive extra help with their council tax. A higher percentage felt that this should be provided through the Discretionary Hardship Fund which has the flexibility to help those in need whilst concentrating assistance on the categories identified in the Community Equality Impact Assessment.

- 5.9 We have made changes to Discretionary Hardship Fund awards for 2015/16. Where appropriate we have been making part-year or tapered awards to give recipients time to find ways to budget for their Council Tax liability. Due to these changes we consider the current provision of £30k can be reduced by £5k.
- 5.10 The consultation asked for residents view on how to fund the shortfall in funding if Support recipients were not asked to pay more.
- 5.10.1 20% of the 31% who voted for this option felt the shortfall should be funded by a rise in Council Tax. With the limit for increases normally set around 2% Members would need to go to a public referendum which would be costly, in excess of £70k and given the low percentage here would not be likely to produce a 'yes' vote
- 5.10.2 34% of the 31% who voted for this option wished to cut other services. However, in order to meet its current financial burdens the council is already reviewing all services to identify and make savings so this is not considered a viable option to meet the shortfall next year
- 5.10.3 62% of the 31% felt reserves should be used to cover the shortfall. The Council plans to use £230,000 of this balance in 2015/16 to assist in providing services. The Council's policy is for this reserve not to drop below £2.5 million and with the financial challenges of the next 4 financial years it is expected that we will need to continue the use of the reserves over this period to assist in providing services whilst savings that are required are being delivered. Whilst there appears sufficient reserves to fund the Council Tax Support scheme for a few years, central government funding for the Council will reduce over the next four years. Therefore, these reserves will be required to assist in delivering changes to services that enable the Council to provide a sustainable financial position. The use of reserves is not a sustainable way to fund any services long term, including the Council Tax Support scheme, and this is also not considered to be a viable option.
- 5.11 **Chief Finance Officer's comments:** On the introduction of this new scheme, the funding gap back in 2013/14 and the difference between the Council's loss of income from council tax support previously funded by Central Government and the additional funding received through an increase in Revenue Support Grant was £42,000.
- 5.12 Although it is no longer possible to separately identify the element of funding relating to council tax support within the RSG it can be assumed that as RSG has been significantly cut since the inception of the new scheme, so has the level of support funding provided by Central Government.
- 5.13 The Council has delivered savings from its services to compensate for the reduction in RSG funding during this period.
- 5.14 There is a risk that the small amount of additional income that could be realised by increasing the minimum percentage could be offset by the cost of additional administration and recovery required to collect it.

6 Other factors impacting on the Council Tax Support scheme

- 6.1 Changes to other welfare benefits are likely to have an impact on Support recipients ability to pay their Council Tax.
- 6.1.1 The reduction in the benefit cap to £20k from next April is expected to affect 170 of our existing working age benefit recipients, on average losing £81 per week.
- 6.1.2 Whilst the new National Living Wage, which is being introduced from April 2016, could help some of the employed Support recipients on low wages, the reduction in benefit and tax credits is expected to make the majority worse off. We have not been able to model these changes for our own caseload but the Institute for Fiscal Studies briefing note for House of Commons Treasury Select Committee documents that the average gain from the new National Living Wage is £200 a year but the average loss from the cuts to benefit and tax credits is £750. The tax credit changes will affect most of the 654 employed Support recipients. This indicates that they will not be in a better position to meet their Council Tax payments next year.
- 6.1.3 The four year freeze on a variety of benefits and the local housing allowance, which is used when calculating housing benefit for people privately renting, will mean that the 1518 working age claimants who receive both Housing Benefit and Council Tax Support will find themselves having to spend more of their income on their rent at the expense of other priorities and this is a concern for recovery rates for the Support recipients.
- 6.2 The Government's expected review of localised Council Tax Support Schemes which is taking place this year will not now report until February 2016. This is unlikely to affect any scheme the Council adopts for 2016/17.
- 6.3 Universal Credit for some single claimants will begin in our area in February 2016. At a recent meeting with the local representative from the Department for Work and Pensions she stated that the expectation is that between February 2016 and March 2017 approximately 600 single claimants may claim Universal Credit. This is not expected to substantially change our caseload since many do not claim Housing Benefit or Council Tax Support and those that do will only move to Universal Credit if they have a significant change in circumstances. The local Council Tax Support regulations will be amended to cover Universal Credit income when assessing entitlement to Support. We were also informed by the local representative that there are no plans to extend Universal Credit beyond single claimants before March 2017 or take on existing working age caseloads until at least 2020.
- 6.4 When making any changes to a scheme which has the effect of reducing or removing a reduction to which someone is currently entitled, then the revised scheme must include such transitional provision relating to that reduction as the authority think fit. It is considered that the Discretionary Hardship Fund, as proposed, can be used to mitigate the impact of transition on any affected individuals and that, consequently, no separate transitional provisions are required.

7 Legal Implications (including implications for matters relating to equality)

- 7.1 For 2016/17 the Council can continue with the scheme as approved for 2015/16 or may modify their scheme with any significant changes requiring consultation. Under the Prescribed Regulations those of pension age must continue to be protected from any changes and currently our caseload consists of 1254 pensioners (42%) who are in receipt of Council Tax Support.
- 7.2 Following the Committees decision in June to consider increasing the minimum contribution paid by working age Council Tax Support recipients the Council conducted an eight week public consultation which was in line with the recent Supreme Court Judgment.
- 7.3 The Council has a duty under the Equality Act 2010, in the exercise of any of our functions, to have regard to the need to: eliminate discrimination, harassment, victimisation and other prohibited conduct; advance equality of opportunity; and foster good relations. This requires an assessment of the impact of any changes to the Local Council Tax Support Scheme on those with the relevant “protected characteristics”.
- 7.4 The Community Equality Impact Assessment (CEIA) that was carried out for the introduction of the current minimum contribution scheme and the criteria for the Discretionary Hardship Fund which takes into account the findings in the Community Equality Impact Assessment have been reviewed. A draft CEIA assuming an increase in the minimum percentage is attached at Annexe 6 and the Discretionary Hardship Policy is attached at Annexe 7. There are no significant differences from the CEIA completed for the 20% minimum contribution scheme or the Discretionary Hardship Policy.
- 7.5 **Monitoring Officer’s comments:** It is important that any revision to a scheme or replacement scheme is implemented in accordance with the requirements of the relevant law - including the specific provisions of the Local Government Finance Act 1992, and general obligations under the Equality Act 2010 and the common law. It is considered that all of those obligations have been met.

8 Sustainability Policy and Community Safety Implications

- 8.1 None for the purposes of this report

9 Partnerships

- 9.1 None

10 Risk Assessment

- 10.1 The main risks identified remain the adverse impacts on claimants and financial risks to the council and therefore the council taxpayer. The shortfalls identified in table 3 relate solely to Epsom & Ewell Borough Council but decisions made on the Local Scheme will also affect Surrey County Council and Surrey Police who must be consulted on any proposed changes.

- 10.2 It would be expected that increasing the percentage Council Tax Support recipients have to pay will affect collection rates. It is difficult to predict the possible loss in revenue at this stage and we will not have a clearer picture until the end of this financial year when we can review a full year of running a minimum contribution scheme. A prudent approach to collection will be taken when setting the taxbase forecast for 2016/17 and the following 3 years.
- 10.3 It would be expected that the higher the minimum percentage set for Council Tax payment the lower the overall collection rate will be. It would be necessary to ensure a substantial bad debt provision was made within the Council's collection fund to cover this.
- 10.4 The expenditure on the Discretionary Hardship Fund will continue to be monitored against the provision by the Director of Finance & Resources.

11 Conclusion and Recommendations

- 11.1 The Council is required to approve the 2016/17 Local Council Tax Support Scheme by 31 January 2016 and implement it from 1 April 2016.
- 11.2 Due to central government spending cuts there will be a continued reduction in external funding for 2016/17 which we estimate would be in the region of £14k relating to Council Tax Support.
- 11.3 The majority of respondents to the consultation (69%) were in favour of an increase in the minimum payment, with an increase to 25% being the most popular. As demonstrated in Table 3 increasing the minimum percentage will only reduce the expected 2016/17 shortfall if we can achieve a higher than expected rate of collection. The recovery team can take a more forceful approach on recovery with Support recipients however with other 2016/17 welfare changes affecting so many of these recipients it is difficult to assess the effectiveness of a more stringent recovery process on collection rates.
- 11.4 Officers do have concerns that adopting Option C in particular could have the effect of reducing the amount collected from Council Tax Support claimants.
- 11.5 The Community Equality Impact Assessment highlights certain groups that could be more severely affected by the scheme although due to their status all Support recipients will be negatively affected by a minimum payment scheme and any increase in the minimum payment. Building in protections for certain vulnerable groups is an option however this will worsen the effect of the minimum payment scheme for others, if savings are to be made, and further effect recovery. A more targeted approach to protections using the existing Discretionary Hardship Fund appears a more efficient way to help those most in need. For the 2015/16 scheme an additional £10k was set aside to provide for any increase in take up from the Hardship Fund. This could be reviewed at the end of the financial year to assess whether the budget for the Fund could be reduced for 2016/17.

WARD(S) AFFECTED: All

Kathryn Beldon
Director of Finance & Resources

AGENDA ITEM 4
ANNEXE 1

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Date 03 August 2015

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Dear Ian

Localising Support for Council Tax – Consultation with Major Precepting Authorities

Overview

As you are aware Council Tax Benefit was abolished on 31 March 2013 and all billing authorities had to adopt Local Council Tax Support schemes each year from 1 April 2013. In addition Central Government has been reducing the funding for these schemes year on year.

In the first two years of localisation Epsom & Ewell Borough Council, in common with a number of Surrey Districts, adopted the Surrey Framework scheme based on the means tested scheme used under the default regulations for pensioners.

Last year we estimated that our funding shortfall would be in the region of £126k for 2015/16 putting increased pressure on the Council's finances. After consultation with preceptors, the public and other stakeholders we changed to a 'minimum payment' scheme where all working age recipients of Support were required to pay the first 20% of their Council Tax charge. We also kept the means tested element and three changes that applied under the Surrey Framework scheme :-

- Abolishing of Second Adult Rebate
- Reducing the capital threshold to £10,000
- Restricting backdated awards due to customer delay to a period of 3 months

This scheme reduced the Support for approximately 1800 working age recipients.

To mitigate the effects on the most vulnerable residents that were identified in our Community Equality Impact Assessment we continued our Discretionary Hardship Fund, increasing its provision to £30k for 2015/16.

Reason for change

Although it is too early to do an analysis of the effects of the minimum payment scheme our expectation is that if we can achieve a collection rate of 80% from those affected we could reduce our funding gap from £126k to approximately £95k.

It is clear that next year's financial settlement will again reduce the funding available and we estimate this could leave us with at least another £13k to find and possibly more if the recent savings targets set by the Chancellor for government departments are reflected in our grant.

Proposed new scheme

Our members have therefore decided that we should consult on a proposal to increase the minimum payment paid by Support recipients to either **25% or 30%**.

In line with last year's Supreme Court judgment we are also gathering opinions on other options although the Council does not see these as viable options in the long term. These are:-

- to increase Council Tax to cover the additional cost. This would need to be at a level (approximately 4%) which would undoubtedly trigger a referendum with its associated costs and since we consider it unlikely that a referendum would produce a 'yes' vote so do not consider this a viable option to fund Council Tax Support
- to cut another service and use these savings to cover the shortfall. We are already planning to find savings of nearly £3 million from services over the next four years to deliver a balanced budget so we do not consider this a viable option to fund Council Tax Support
- to use the Council's reserves to maintain the current level of Support. We have a policy to keep reserves above £2.5 million and whilst our reserves at 31 March 2015 were £3.3 million we plan to use £230,000 this year to assist in providing services. With the inevitable reduction in Central Government funding these reserves will be required assist in delivering changes to services to enable the Council to provide a sustainable financial position. We do not consider this a maintainable way to fund any services long term and this also not considered a viable option

Since an increase in the minimum payment would continue to affect vulnerable households we would look to put something in place to mitigate the effects for certain groups. We are consulting on whether to use a different percentage payment for these groups or to continue the use of our Discretionary Hardship Fund. Both these options would reduce the level of savings that could be achieved. A copy of the draft Community Equality Impact Assessment is enclosed for your information.



Consultation response

As you are aware prior to adopting a Council Tax Support scheme we need to consult with the major precepting authorities. Our public consultation on these changes runs from 27 July to 20 September 2015 and a copy of the consultation survey is attached.

As a major precepting authority we would welcome your views on these proposals by 20 September 2015.

Yours sincerely

Kathryn Beldon

Enc. EEBC CTS consultation survey



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Kathryn Beldon
Director of Finance & Resources

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Dear Sheila

Localising Support for Council Tax – Consultation with Major Precepting Authorities

Overview

As you are aware Council Tax Benefit was abolished on 31 March 2013 and all billing authorities had to adopt Local Council Tax Support schemes each year from 1 April 2013. In addition Central Government has been reducing the funding for these schemes year on year.

In the first two years of localisation Epsom & Ewell Borough Council, in common with a number of Surrey Districts, adopted the Surrey Framework scheme based on the means tested scheme used under the default regulations for pensioners.

Last year we estimated that our funding shortfall would be in the region of £126k for 2015/16 putting increased pressure on the Council's finances. After consultation with preceptors, the public and other stakeholders we changed to a 'minimum payment' scheme where all working age recipients of Support were required to pay the first 20% of their Council Tax charge. We also kept the means tested element and three changes that applied under the Surrey Framework scheme :-

- Abolishing of Second Adult Rebate
- Reducing the capital threshold to £10,000
- Restricting backdated awards due to customer delay to a period of 3 months

This scheme reduced the Support for approximately 1800 working age recipients.

To mitigate the effects on the most vulnerable residents that were identified in our Community Equality Impact Assessment we continued our Discretionary Hardship Fund, increasing its provision to £30k for 2015/16.

Reason for change

Although it is too early to do an analysis of the effects of the minimum payment scheme our expectation is that if we can achieve a collection rate of 80% from those affected we could reduce our funding gap from £126k to approximately £95k.

It is clear that next year's financial settlement will again reduce the funding available and we estimate this could leave us with at least another £13k to find and possibly more if the recent savings targets set by the Chancellor for government departments are reflected in our grant.

Proposed new scheme

Our members have therefore decided that we should consult on a proposal to increase the minimum payment paid by Support recipients to either **25% or 30%**.

In line with last year's Supreme Court judgment we are also gathering opinions on other options although the Council does not see these as viable options in the long term. These are:-

- to increase Council Tax to cover the additional cost. This would need to be at a level (approximately 4%) which would undoubtedly trigger a referendum with its associated costs and since we consider it unlikely that a referendum would produce a 'yes' vote so do not consider this a viable option to fund Council Tax Support
- to cut another service and use these savings to cover the shortfall. We are already planning to find savings of nearly £3 million from services over the next four years to deliver a balanced budget so we do not consider this a viable option to fund Council Tax Support
- to use the Council's reserves to maintain the current level of Support. We have a policy to keep reserves above £2.5 million and whilst our reserves at 31 March 2015 were £3.3 million we plan to use £230,000 this year to assist in providing services. With the inevitable reduction in Central Government funding these reserves will be required assist in delivering changes to services to enable the Council to provide a sustainable financial position. We do not consider this a maintainable way to fund any services long term and this also not considered a viable option

Since an increase in the minimum payment would continue to affect vulnerable households we would look to put something in place to mitigate the effects for certain groups. We are consulting on whether to use a different percentage payment for these groups or to continue the use of our Discretionary Hardship Fund. Both these options would reduce the level of savings that could be achieved. A copy of the draft Community Equality Impact Assessment is enclosed for your information.



Consultation response

As you are aware prior to adopting a Council Tax Support scheme we need to consult with the major precepting authorities. Our public consultation on these changes runs from 27 July to 20 September 2015 and a copy of the consultation survey is attached.

As a major precepting authority we would welcome your views on these proposals by 20 September, particularly if you have a view on what level of minimum payment percentage you think appropriate and which approach you favour to assist vulnerable households since this may impact on households for which you provide services.

Requiring all working age recipients of Support to pay more towards their Council Tax charge will not be an easy decision for our members. Given the financial impact on the County Council I would be interested to know if the County Council would be willing to contribute towards the Hardship Fund for vulnerable households, if this option is continued for 2016/17.

Yours sincerely

Kathryn Beldon

Enc. EEBC CTS consultation survey
Draft Community Equality Impact Assessment

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Council Tax Support Survey 2015

Date: October 2015 Report prepared for:
Strategy & Resources Committee; Revenue &
Benefits Division

For more information on this report contact: Adama
Roberts or Craig Salmon in the Consultation &
Communication Team

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1. Executive Summary

- There were 930 responses to the consultation survey
- 38% (n=356) agreed to increase the minimum contribution for working age recipients to 25%
- 31% (n=288) agreed to increase the minimum contribution for working age recipients to 30%
- 31% (n=286) stated there should be no increase from the current 20% minimum contribution for working age recipients
- 29% (n=271) of respondents were in receipt of Council Tax Support. Two thirds (66%) stated there should be no increase from the current 20% minimum contribution. 26% agreed to a 25% minimum contribution and 9% agreed to a 30% minimum contribution
- Of the 31% of respondents who answered no to increasing the minimum contribution of working age Support recipients 62% (n=172) stated the Council Tax shortfall should be funded through the use of Council reserves
- 86% (n=799) would like to see vulnerable residents protected
- The top three vulnerable groups identified for protection were those with severe disabilities (95%, n=758), full-time carers of disabled people, the elderly or infirm (80%, n=643), and those who are long-term sick (75%, n=597)
- Of those wanting protection for the vulnerable, 56% (n=446) wish this to be through the hardship fund while 41% (n=326) would like to see a lower minimum contribution set for the vulnerable
- Where a reduced minimum contribution was the favoured method for protecting the vulnerable the first choice was for a 10% rate where non-vulnerable rate was 25%, and 20% where the non-vulnerable rate was 30%
- The Epsom Citizens' Advice Bureau expressed concern over the financial hardship Council Tax Support recipients are already facing and highlighted the need for the Council to advertise the hardship fund widely to ensure vulnerable residents are protected through the fund
- Surrey County Council does not advocate a Council Tax Support scheme where every working age person is asked to make a contribution. They prefer the type of scheme we ran in 2013 and 2014. Without a full analysis of the 20% minimum contribution introduced in April 2015 Surrey County Council "see it as a risk to increase this further without knowing the extent of its impact".

2. INTRODUCTION

2.1. Background and objectives

The aim of this consultation is to present the results of the survey to the Council's Strategy and Resources Committee by highlighting residents' opinions on proposed options. The findings will form part of councillors' decision making process in deciding a Council Tax Support scheme from April 2016 in the face of further budget cuts from Central Government. The key objectives are to analyse the levels of agreement or disagreement against the options proposed, highlight the most popular options and report on groups that respondents believe need added protection.

2.2. Methodology

The survey was developed by the Council's Consultation & Communication and Revenues & Benefits Division. The literals/open ended questions where respondents gave their opinions have been coded by the team to convert them into numerical scores. The survey was conducted online and through the use of paper copies.

The survey was sent to all members in the Council's Citizens' Panel, current working age Council Tax Support recipients (pensioners on Council Tax Support are not affected by the changes), Council venues, housing associations (in particular Rosebery Housing Association), and various voluntary and 3rd party organisations (e.g. Voluntary Action Mid-Surrey, Citizens Advice Bureau etc). Results from this survey inform the Council's decision making process regarding Council Tax Support. The raw data was captured using Snap and the data inputting was outsourced to SnapSurveys Shop.

The questionnaire was designed by the Consultation & Communication team and data was collected through two surveys; one for Citizens' Panel members and one for all other residents. 1,104 Citizens' Panel members were contacted, and offered an incentive of £3 vouchers for each survey filled. Overall, 579 responses were received from this group, representing a response rate of 62%.

Both surveys were started on 31/07/15 and the deadline was set for the 20/09/15. Both surveys were available in online and paper format. The overall number of responses received was 941. Following the fieldwork, data from both surveys were merged into one file to facilitate the analysis of the overall responses received. The principal contacts for the survey were Adama Roberts from the Consultation & Communication team and Judith Doney from the Revenue and Benefits Division.

Analysis of Results

Figures in this report are generally calculated as a proportion of respondents who answered each question. Percentages in a particular chart might not always add up to 100%; this may be due to rounding or respondents being asked to tick multiple options.

Please note that the overall base number might not always add up to the 941 responses received due to some respondents not answering some of the questions. It could also be due to routing within some of the questions. (Routing allows those completing the online survey to answer only questions that are relevant based upon their answer to a preceding question – for example only those respondents who ticked ‘No’ or ‘Other’ will be asked, “If No or Other please explain your reasons.”

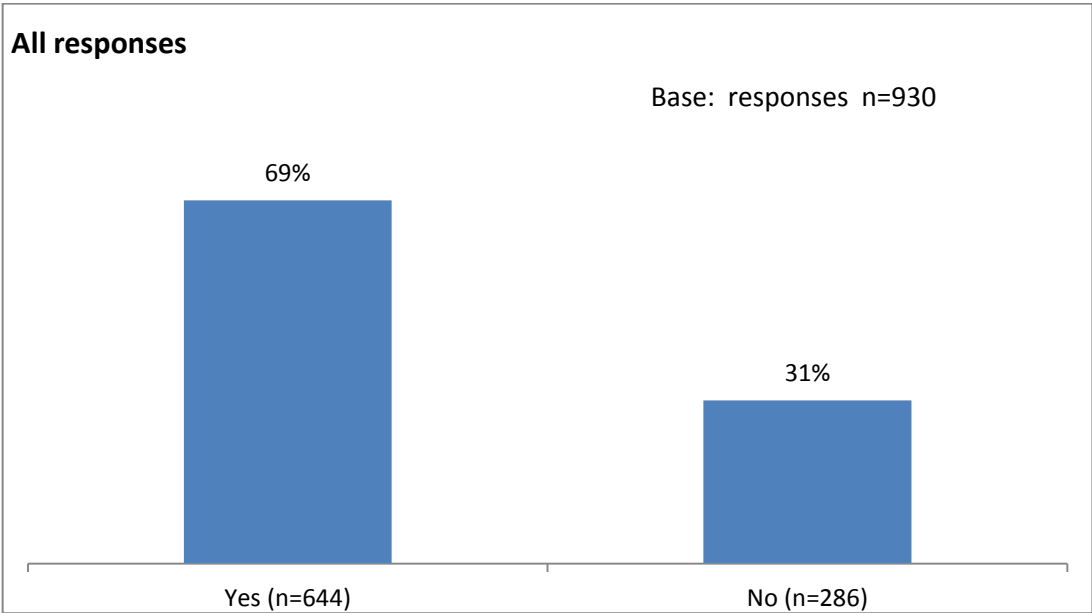
3. Proposed Options

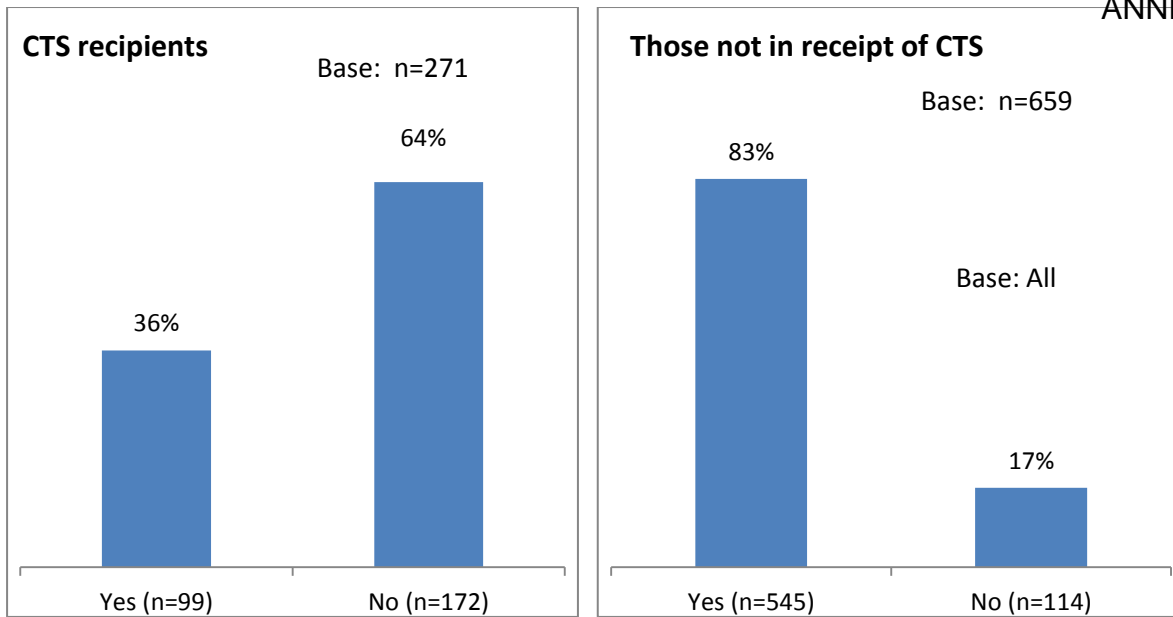
3.1. Introduction

This section of the report looks at respondents’ responses to whether the Council Tax Support (CTS) shortfall should be funded by increasing working age Support recipients’ contribution to their Council Tax bill and, if so, the amount, or, if not, how the funding gap should be met.

3.2. Funding shortfall

Currently a working age person receiving help can get Support up to a maximum of 80% of their Council Tax bill – in other words, they pay at least the first 20% of their bill. Do you agree that, to help meet the funding shortfall, we should increase the minimum amount of their Council Tax bill that working age Support recipients will have to pay?



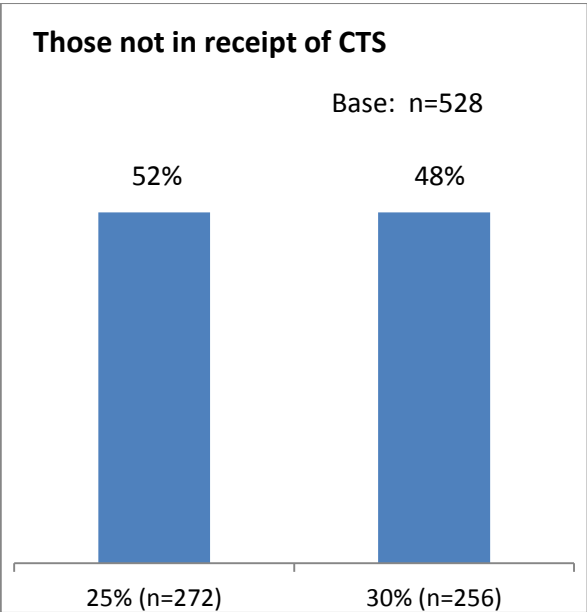
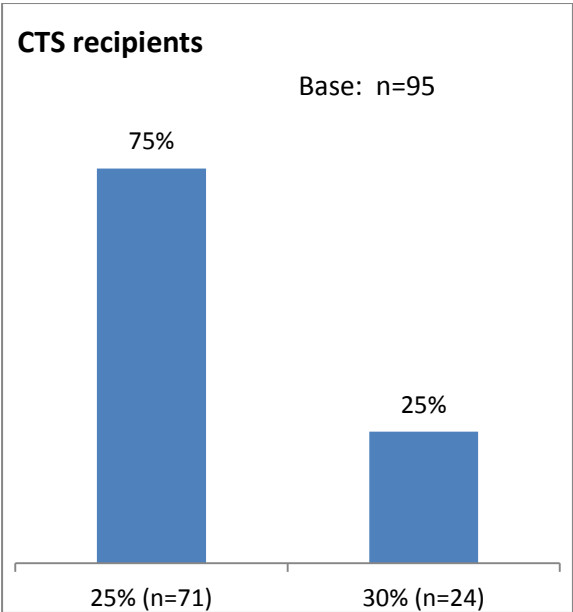
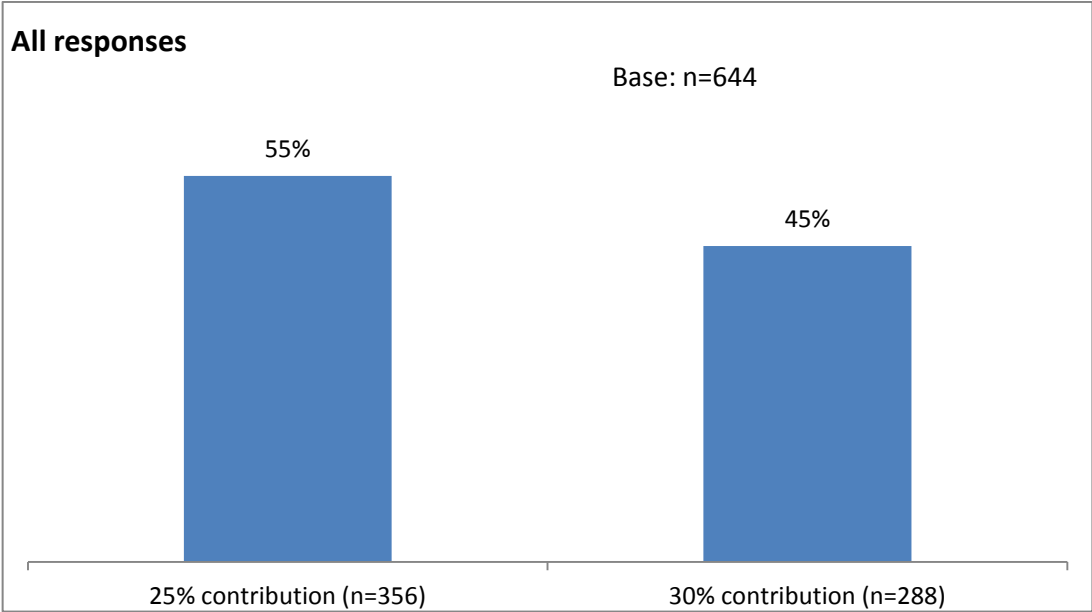


The majority of those respondents who are disabled (70%, n=76/108), full-time carers (67%, n=28), unemployed (58%, n=71) and those who are students (58%, n=7) ticked 'No'.

The majority of pensioners (87%, n=277/317), the full-time employed (82%, n=196/240), those who are employed part-time (68%, n=100/146) and those responding on behalf of an organisation or another individual (67%, n=6/9) ticked 'Yes' to increasing the amount paid by working age Council Tax Support (CTS) recipients.

3.3. Percentage Increase to 25% or 30%

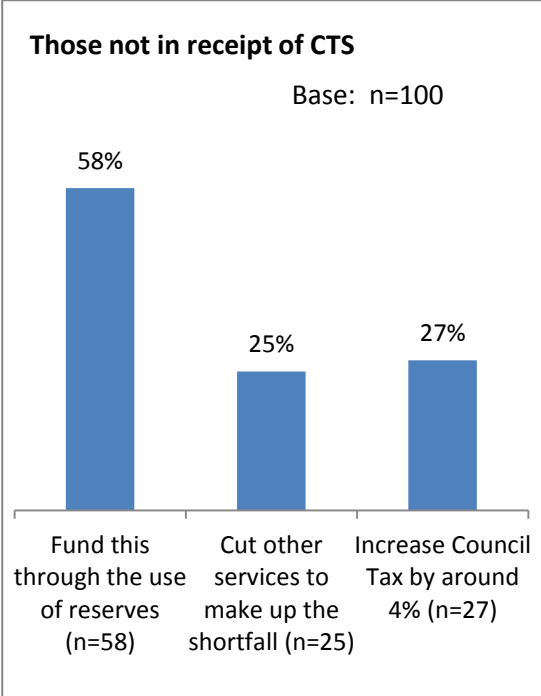
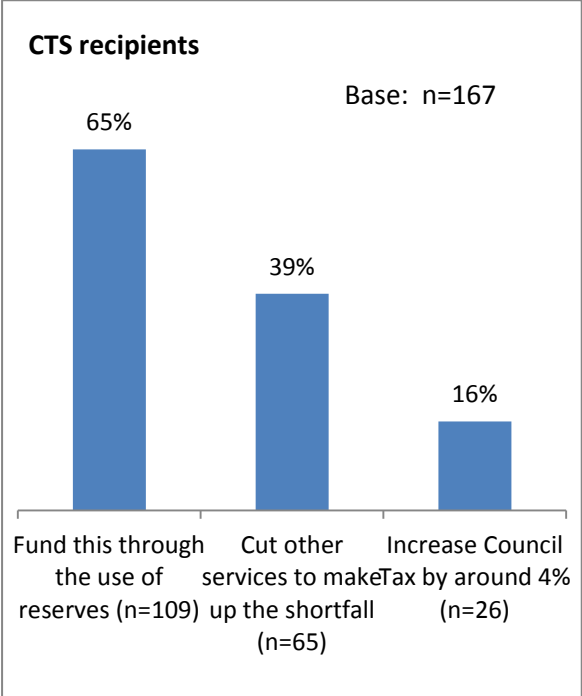
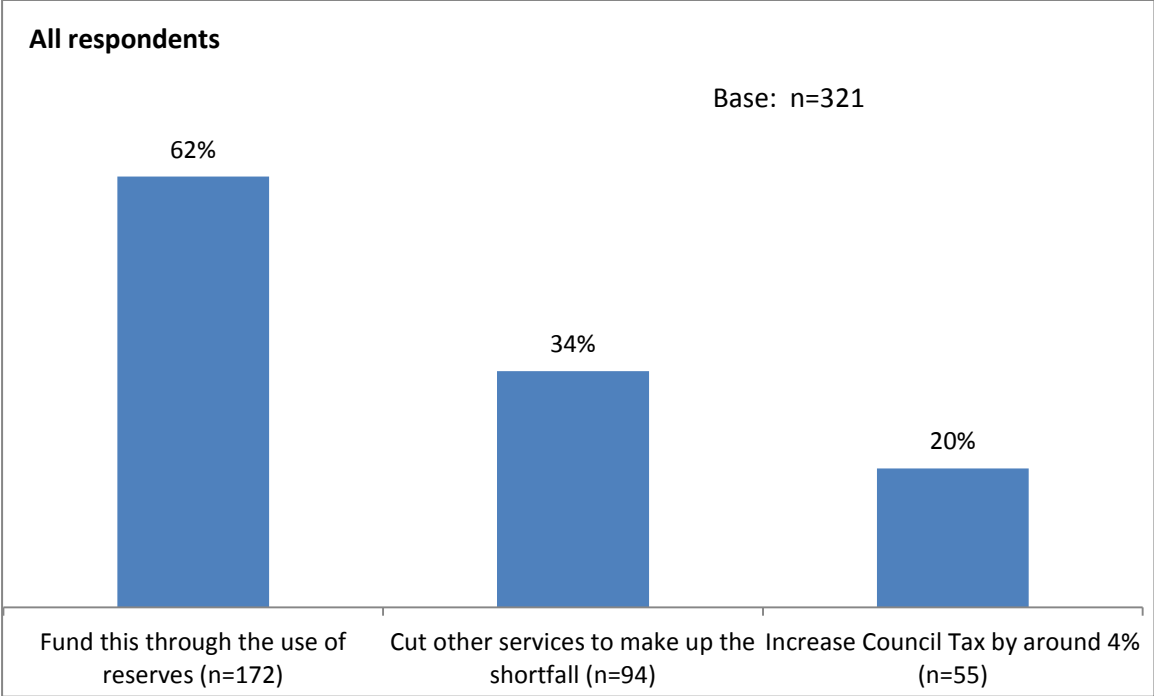
If we increase the minimum amount working age Support recipients have to pay from the current 20%, should it increase to 25% or 30%?



3.4. Funding the Council Tax Support Shortfall

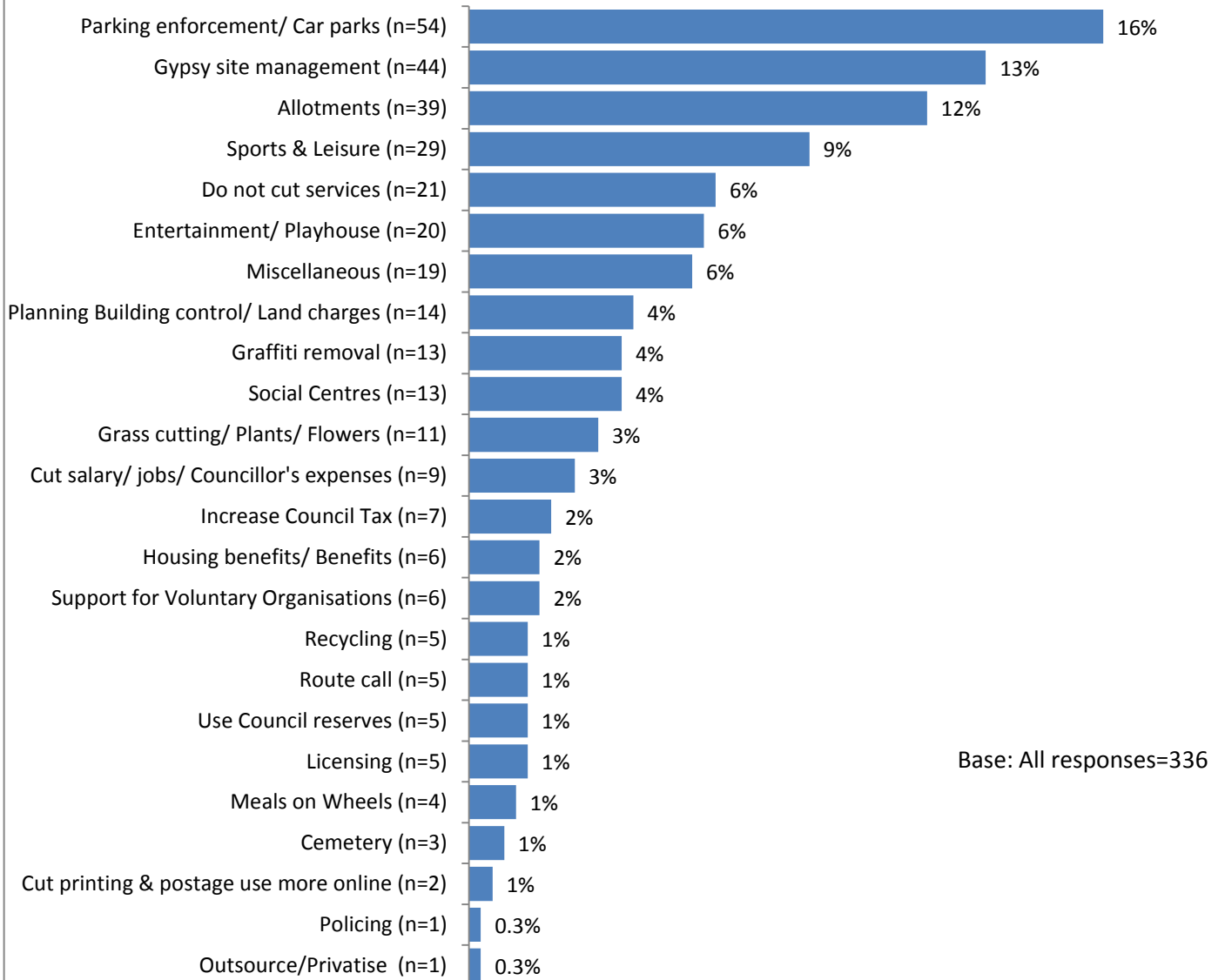
If we chose not to increase the minimum contribution how do you think we should make up the shortfall in funding?

(It was permissible to choose more than one option, hence responses not totalling 100%.)



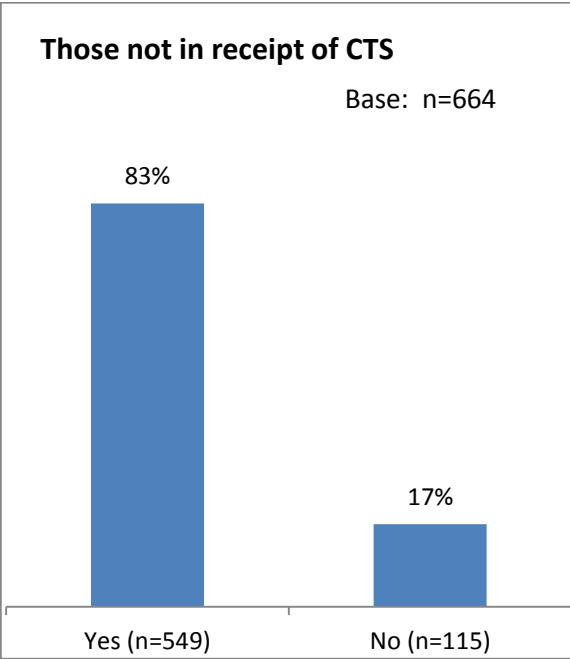
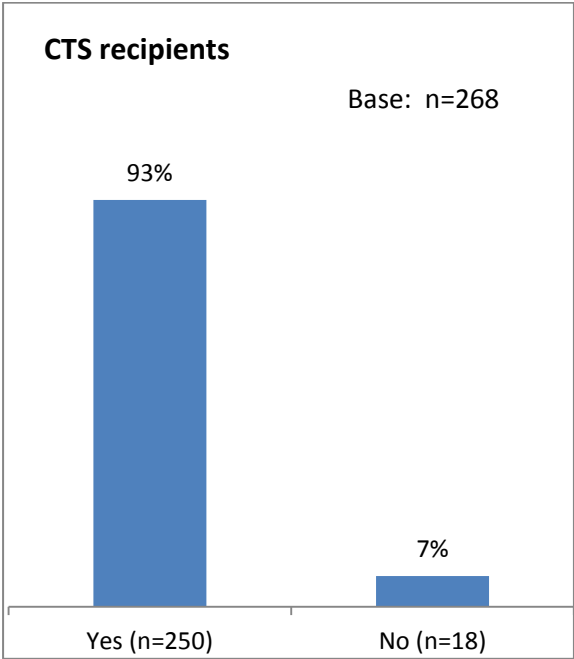
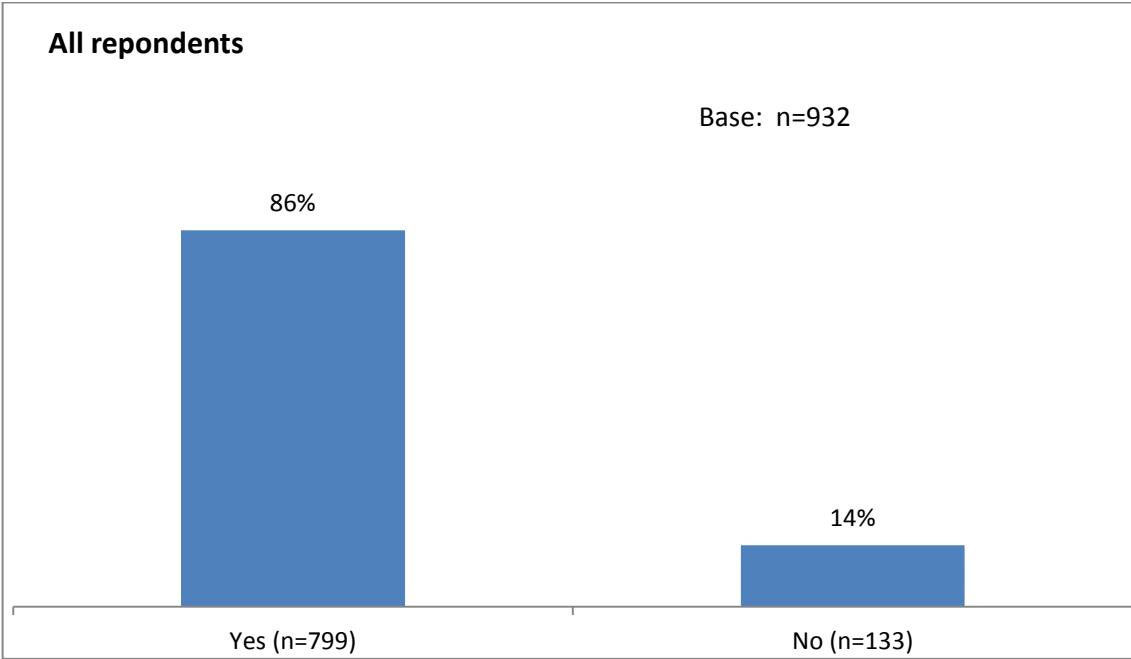
3.5. Services to Cut to Fund the Council Tax Support Shortfall

If we were to stop providing another service(s) to offset the reduction in funding from central government, which service(s) do you think we should stop providing? (Please state which one(s) you think should be stopped)



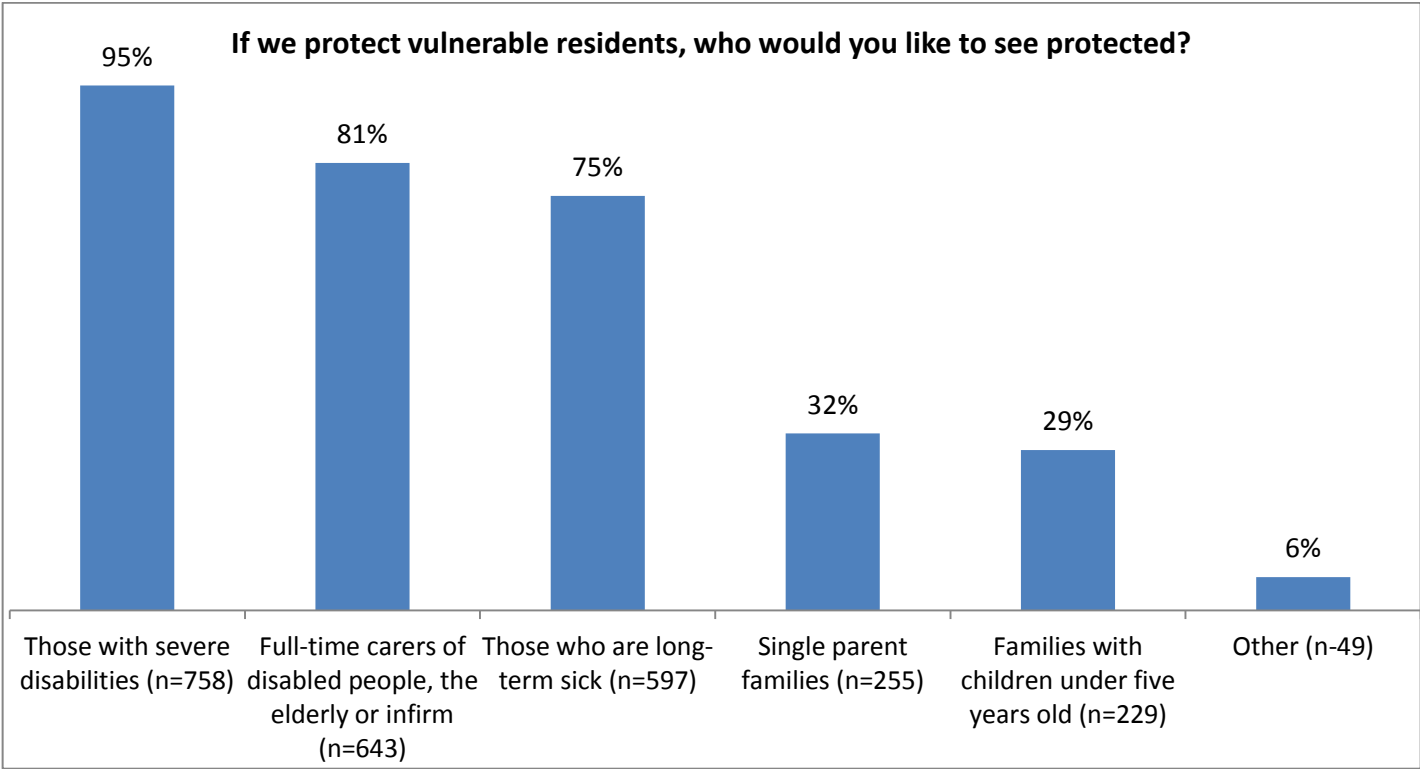
3.6. Vulnerable Residents and the Hardship Fund

Currently vulnerable residents are given extra Support through a hardship fund. Do you think vulnerable residents should continue to receive extra help towards their Council Tax



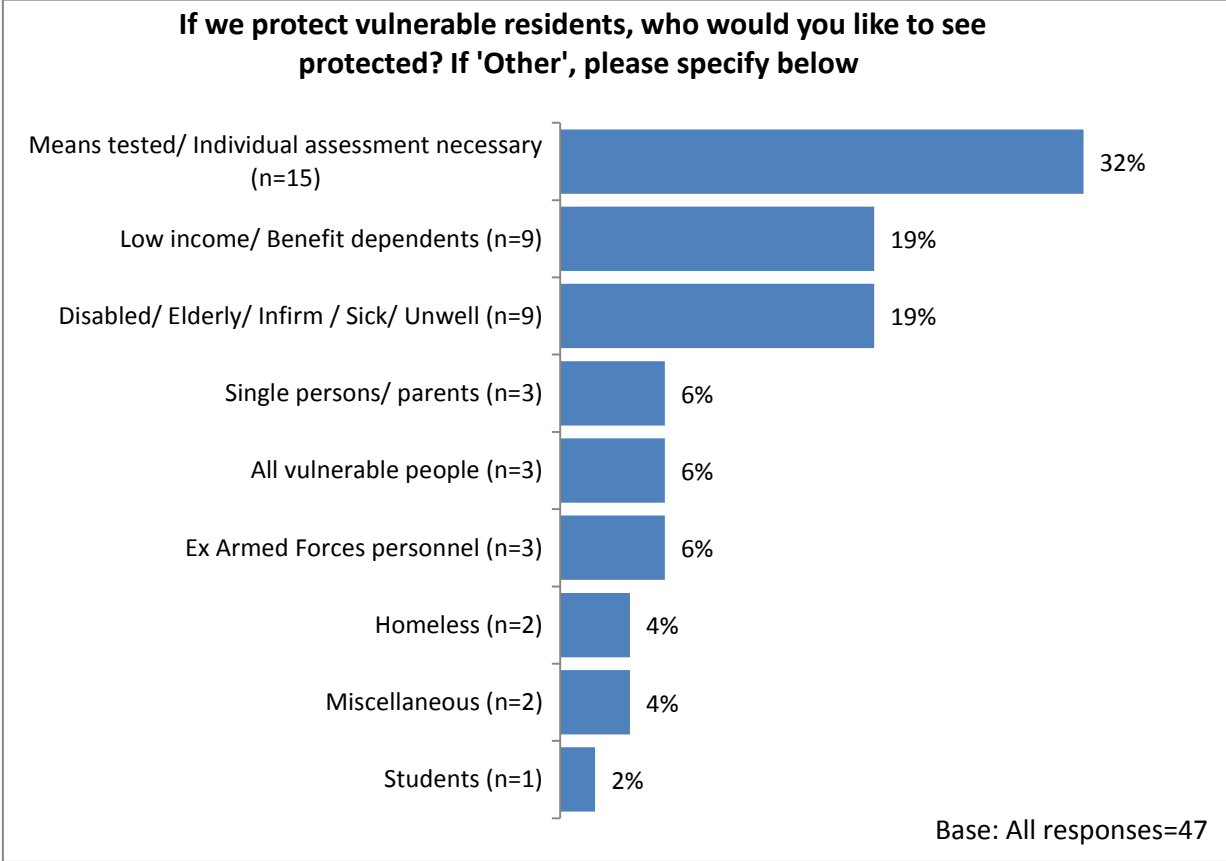
The vast majority of respondents who have a disability agreed that vulnerable residents should be given extra support 95% (n=172/182)

3.7. Vulnerable Residents to Protect

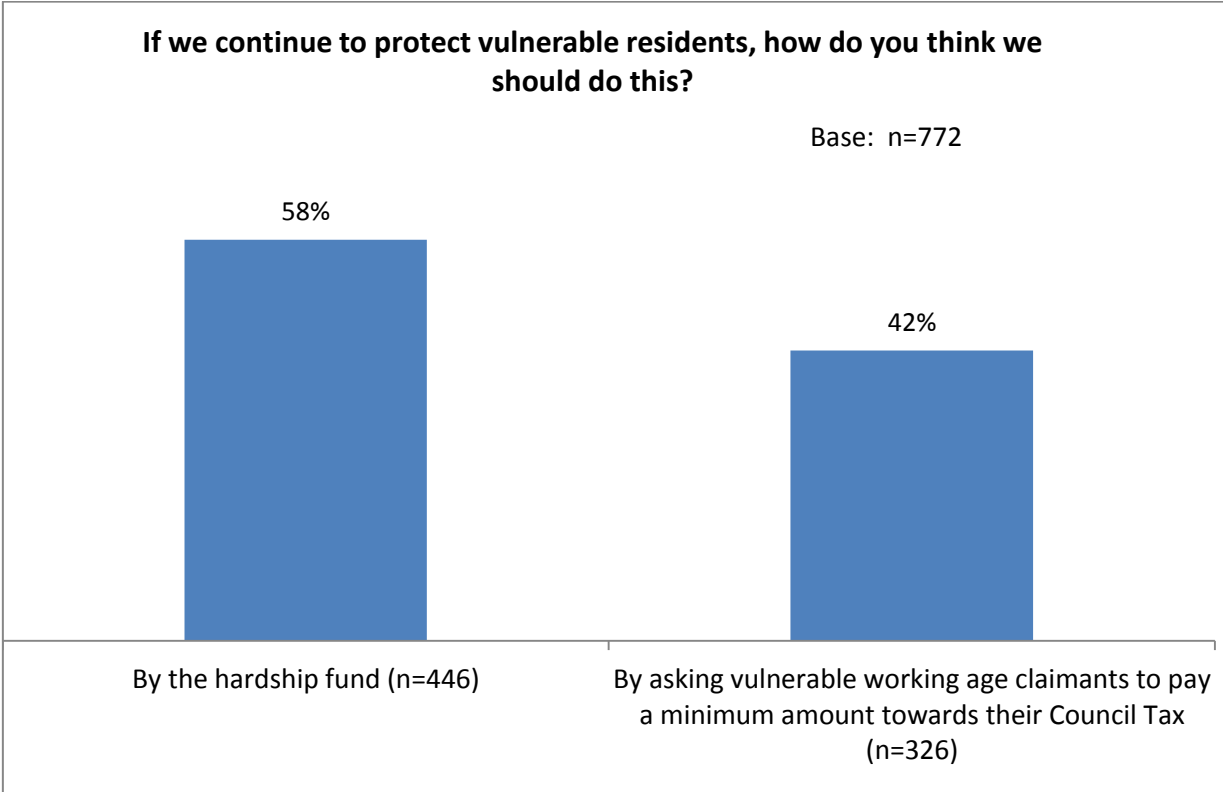


Please note that respondents were asked to indicate all that applied, hence an overall total greater than 100%.

3.8. Other Vulnerable Residents to Protect

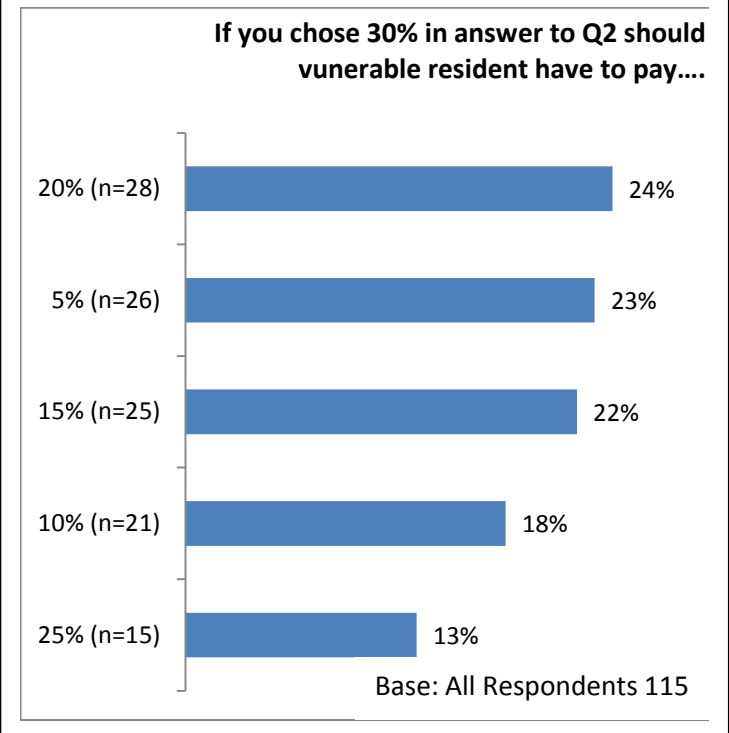
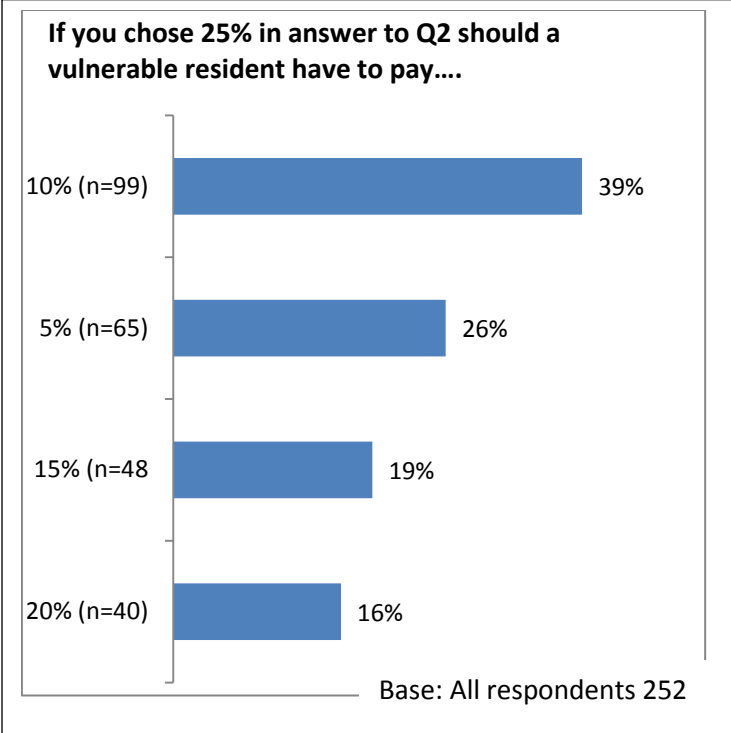


3.9. Funding Options for the Protection of Vulnerable Residents



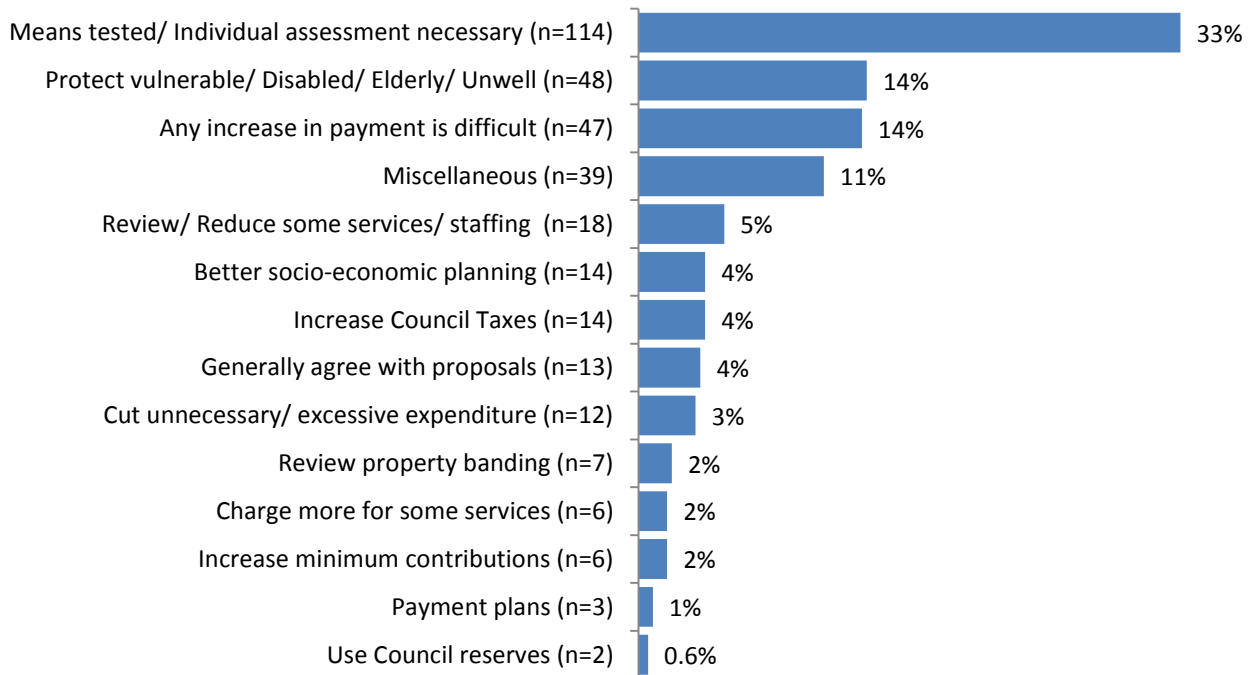
AGENDA ITEM 4
ANNEXE 3

Respondents who ticked 'By asking vulnerable working age claimants to pay a minimum amount towards their Council Tax', were asked the question if we chose to protect vulnerable working age residents through a lower minimum amount to pay, how much should they pay? Their responses are illustrated on the graphs below.



3.10. Any Other Comment or Suggestions

Please give us any other comments or suggestions you have in relation to our proposals, or our Council Tax Support scheme in general below.



Base: All responses=343

4. Conclusion

There were 941 responses. Included with these were 599 from the Council's Citizens Panel and 271 from residents in receipt of Council Tax Support.

There is little to choose between the responses to the three main options:

- 38% (n=356) agreed to increase the minimum contribution for working age recipients to 25%
- 31% (n=288) agreed to increase the minimum contribution for working age recipients to 30%
- 31% (n=286) stated there should be no increase from the current 20% minimum contribution for working age recipients

For those stating there should be no increase, the preferred option for meeting the funding shortfall was through use of the Council's reserves.

The majority of those respondents in receipt of Council Tax Support stated there should be no increase to the minimum contribution.

A large proportion of respondents (86%) were in favour of giving extra Support to vulnerable residents, with a small majority of these (58%) preferring use of the Hardship fund instead of applying a lower minimum contribution. The most popular choices for those to be considered vulnerable were: residents with severe disabilities; full-time carers of disabled people, the elderly or infirm; and those who are long-term sick.

The Epsom CAB advised, "schemes that require all working age residents to pay a proportion of their council tax...has led to some of the poorest households...struggling to do so...Frequently the cost of collection increase the debt to financially crippling levels. All this leads to increased debt stress and related health problems...we are seeing an increase in the number of enquiries relating to Council Tax debt... 26% of the workload of our Specialist Debt Advisers...was to stop or prevent Council Tax bailiff action. Frequently these clients, with Council Tax debt, are unable to pay essential bills and other priority debts."

Surrey County Council's response argues for a return to the savings methods used in our 2013 and 2014 CTS scheme, but strengthened to reduce the increasing funding gap. They advise that where we pay less Support residents "compensate financially in other areas, such as by increasing rent arrears or other debt. Both of these are indicators of families and individuals who are struggling and increasing their reliance on other public services." Without a full analysis of the 20% minimum contribution introduced in April 2015 Surrey

County Council “see it as a risk to increase this further without knowing the extent of its impact”.

A more detailed version of this report (including more detailed breakdown of the consultation survey responses by characteristic / demographic, further literal / free format responses, and respondent profile) is available at *****.

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20th September 2015

Dear Kathryn,

Localising Support for Council Tax – Consultation with Precepting Authorities

Thank you for your recent letter giving the Police & Crime Commissioner the opportunity to comment on Epsom & Ewell Council's proposed 20016/17 Local Council Tax Support Scheme.

The Commissioner does not feel that he is in a position to make comments on the alternative options which individual District Councils are currently considering regarding this matter. His view is that the decisions about which options to adopt rest better with the members of the District and Borough Councils, as they will have a better understanding of the impact that their decisions will have on their residents and the consequent amount collected via Council Tax, a share of which is subsequently passed on to us through the Precept. What the Commissioner would however ask Council members to take account of when deciding what changes, if any, should be made to existing support schemes, is the consequent impact their decisions will have on the funding of Surrey Police and thereby the ability of the Force to continue to maintain current levels of policing within the County as a whole.

Thank you again for giving us the opportunity to comment.

Yours sincerely

(signature redacted)

Ian Perkin Treasurer & CFO

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Response by email to: kbeldon@epsom-ewell.gov.uk

Ms Sheila Little
Director of Finance
Surrey County Council
County Hall, Penrhyn Road
Kingston-upon-Thames
Surrey KT1 2QU



Kathryn Beldon
Director of Finance
Epsom & Ewell Borough Council
Town Hall The Parade
Epsom
Surrey, KT18 5BY

18 September 2015

Dear Kathryn,

Local council tax support scheme 2016/17 - consultation

Thank you for your letter dated 3 August 2015, consulting us on your localised council tax support scheme proposals for 2016/17.

We are aware of the continued pressure on funding for local council tax support due to the abolition of council tax benefit and the ongoing reduction of central government funding each year. To help reduce the funding gap these changes create, we understand districts and boroughs may need to adapt the original council tax support scheme they initially adopted for the scheme to remain effective.

Summary

We recognise that you have adopted some of the Surrey Framework but we would urge you to reduce the negative impact on vulnerable residents by protecting the minimum benefit award. Maintaining the minimum benefit award helps protect vulnerable groups that may already be dealing with multiple complex issues and who are susceptible to other issues such as homelessness and debt.

To maintain the effectiveness and financial viability of your scheme, while protecting vulnerable residents by minimising reductions in the minimum benefit award, we suggest the following priority order for adopting the other five elements of the Surrey Framework.

1. Remove discounts and exemptions for second homes and empty properties.
2. Remove the second adult rebate.
3. Reduce the capital threshold.
4. Cease back-dated awards.
5. Limit support to the level of a Band D property.

Impact

We note from your letter your 2015/16 scheme included a 20% minimum council tax payment and the Community Equality Impact Assessment form provided acknowledges that increasing the minimum payment to 25% or 30% could impact upon a number of vulnerable groups. The residents that will be affected by this increase will include the same residents affected when you brought in the 20% minimum payment in 2015/16. This increase in the minimum payment could therefore further disadvantage those already struggling.

Although council tax collection rates may remain high, there is evidence to indicate other areas are suffering due to decreasing council tax support. The Surrey wide Impact Report

2015 discussed at the Welfare Reform Group meeting on 14 September 2015 shows a

130% increase in temporary accommodation from 2010-2015 and a 19% increase in rent arrears for council owned properties. Data gathered from the Citizen Advice Bureau reveals that since 2012 there has been a 32% increase in those seeking advice on rent arrears and other debt enquires. This suggests that residents are struggling in other arrears in order to compensate for the decrease in council tax support. We believe this in turn will increase strain on local public services such as Surrey's family support programme and districts' and boroughs' housing and homelessness support services.

Conclusion

We note from your letter there are a number of criteria from the Surrey Framework that you have not adopted, including the removal of discounts and exemptions for second homes and empty properties, limiting the support to the level of a Band D property and restricting the minimum benefit award. We would suggest you adopt these changes in the priority order stated above before making any further changes to your scheme and in particular we would urge you to protect and not extend the minimum council tax payment.

We see you also have scope to remove or reduce the period of back-dating for awards, rather than allowing the three month period that you have in place. We would be interested to know your evidence and reasoning for selecting a three month period.

Your letter recognises you are unable to analyse the impact the introduction of a minimum payment has had on those affected and we would therefore see it as a risk to increase this further without knowing the extent of its impact. The evidence indicates to us that residents faced with a decrease in council tax support compensate financially in other areas, such as by increasing rent arrears or other debt. Both of these are indicators of families and individuals who are struggling

and increasing their reliance on other local public services. We hope you will reconsider your proposals in the light of evidence and learning from other Surrey authority schemes and how (and to what extent) those affected further by the increase in minimum council tax payment will access relevant support.

I hope we have addressed all material aspects of your

consultation. Yours sincerely,

(signature redacted)

Sheila Little
Director of Finance

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Community Equality Impact Assessment Form

Community Equality Impact Assessments should be carried out whenever you plan, change or remove a service, policy or function. The process should be used as a health check – a way of consolidating knowledge you have on your service. Please refer to the Community Equality Impact Assessment Guidelines to help you complete this activity.

Name of service, policy, procedure, function or project to be assessed:	DRAFT Council Tax Support Scheme (April 2016) This assessment is intended to form the basis for Epsom and Ewell Borough Council (EEBC) to propose changes to the local Council Tax Support scheme – as set out under section 13A(1)(a) of the Local Government Finance Act.
Is this a new or existing function or policy?	The existing local Council Tax Support scheme may be amended from 1 April 2016.
Key purpose / objective of this service, policy, procedure, function or project to be assessed:	<p>The key purpose is for EEBC to determine a Council Tax Support scheme for 2016.</p> <p>The proposed changes are dependent on the outcome of a consultation on this scheme.</p> <p>In this document ‘the new scheme’ means the proposed Council Tax Support scheme from April 2016.</p> <p>In this document ‘the current scheme’ means the Council Tax Support scheme in place for the financial year 2015 - 2016.</p> <p><i>It must be noted that within this document various data and a number of statistics have been used. These figures must be understood by the reader to be fluid – for example, the number of customers in receipt of Council Tax Support will alter as entitlement ends for some and begins for others as and when their circumstances change. All information and data is provided in good faith. It is often from a ‘snap-shot’ in time, this representing the best methodology for providing a level of consistency. Some figures are often rounded for ease. All figures can be considered up-to-date as of 1 June 2015 unless otherwise stated.</i></p>

Lead Officer – inc. contact details	Pete Wells – Benefits Manager - pwells@epsom-ewell.gov.uk - 01372 732274
Directorate and Head of Service	Kathryn Beldon – Director of Finance and Resources Judith Doney – Head of Revenues and Benefits
Other stakeholders – list all involved	<ul style="list-style-type: none"> • All EEBC residents (76,100) and households (31,575) • 3,173 current Council Tax Support recipients (10.1% of households) • The Equalities Forum and other associated groups <i>et al</i> [see Step 4: Consultation stage below] • EEBC preceptors Surrey Police and Surrey County Council • A number of front line staff.
Start date –The assessment should be started <u>prior</u> to policy/ service development and early enough to influence the decision-making process	The rate of the Minimum Payment is the proposed major change for a 2016 Council Tax Support scheme. This CEIA relates to the proposal to increase the Minimum Payment and is in place for the consultation of the same.
End date –The assessment will need to inform decision making so the end date should take this into account	The changes to the scheme must be in place by 1 April 2016. In order to determine any new scheme, two relevant EEBC meetings are scheduled – Strategy & Resources Committee on 17 November 2015 and Full Council on 8 December 2015. This CEIA will be finalised following feedback from our consultation and before the 17 November meeting.

Step 1: Identify why you are undertaking a Community Equality Impact Assessment

From April 2011 the previous separate equality duties on public bodies covering race, disability and gender *et al* were replaced by the present single Public Sector Equality Duty, or 'PSED' (Equality Act 2010, s.149 onwards).

At the heart of PSED is the 'general duty' which requires public authorities to have 'due regard' to the need to:

- Eliminate unlawful discrimination, harassment, victimisation
- Advance equality of opportunity between those with a protected characteristic and others
- Foster good relations between these groups.

EEBC must have 'due regard' to the community and equality impact when drafting and implementing a new Council Tax Support scheme; particularly as it may involve a potential reduction in services and / or entitlements to residents, and may impact residents considered within the 'protected characteristics'.

The Department for Communities and Local Government (DCLG) specifically state:

“The Government has been clear that, in developing local Council Tax reduction schemes, vulnerable groups should be protected. The Government Response sets out the Government’s intention to put protection for applicants of state pension credit age on a statutory footing. It confirmed that the Government did not intend to prescribe the protection that local authorities should provide for other vulnerable groups, but would consider what guidance was needed to ensure local authorities were able take into account existing duties in relation to vulnerable groups in designing their schemes.”

DCLG produced further detailed guidance, and reminded Local Authorities of their duties under:

- The public sector Equality Duty (The Equality Act 2010)
- The welfare needs of disabled people (The Disabled Persons Act 1986)
- The duty to mitigate effects of child poverty (The Child Poverty Act 2010)
- The duty to prevent homelessness (The Housing Act 1996).

Furthermore, the Local Government Finance Act specifies that, before adopting a scheme, the billing authority must:

- a) Consult any major precepting authority which has power to issue a precept to it
- b) Publish a draft scheme in such a manner as it thinks fit
- c) Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

three stipulations were completed by 20 September 2015.

This proposed 2016 Council Tax Support scheme comes at a time when other radical changes and developments are taking place within the welfare system. Managing these changes in a way that reduces the impact on the most vulnerable is a part of the Council's 'Safer and Stronger Communities' key priority. In preparation for the 2016 Council Tax Support scheme, EEBC must undertake a Community Equality Impact Assessment (CEIA) to gauge the impact on those who are likely to be affected. If the CEIA contains insufficient data or evidence on the impact of the proposal, it runs the risk of being subject to legal challenge. The CEIA must also:

- Inform the policy formulation process
- Be undertaken prior to actual implementation
- Make use of existing equalities monitoring data
- Make use of consultation feedback
- Be sufficiently robust
- Be considered by Members as part of the final decision
- Be appended to the final decision report.

Finally, it is clear that this proposal will affect a number of EEBC residents (if not potentially all residents, to a small degree) and so it is vital for EEBC to gauge the views of those affected / potentially affected.

Step 2: Identify the proposed changes to your service

Describe the possible changes your proposal will have on your service. Also outline the possible affect(s) it may have on the **protected characteristics**. Following your initial assessment if it is absolutely obvious that your changes will not have any effect on any of the **protected characteristics**, no further analysis or action is necessary. In this event, you must clearly record how you came to this conclusion.

As a result of ongoing reductions in funding from central government, EEBC is proposing changes to the existing local Council Tax Support scheme from April 2016

In overall terms, the awards of Council Tax Support in the Borough for 2014 were in the order of £3.2 million (out of total Council Tax revenue of £53 million). Around £1.8 million was awarded to approximately 1,800 'Working Age' households, whilst £1.5 million was awarded to approximately 1,300 'Elderly' residents. ('Working Age' is defined as those who have not reached the age for state pension credit. 'Elderly' is defined as those of state pension credit age. 'Elderly' residents are protected from the features within a localised Council Tax Support scheme and their entitlement must be calculated in accordance with DCLG prescribed regulations.)

Funding from central government was reduced by approximately 12% in 2014/15 and 2015/16 (in addition to the initial 10% reduction in 2013/14) and a further cut of approximately 12% is expected in 2016/17.

One option open to EEBC is to continue to award the same amounts of Support. If EEBC choose this option, the funding cut will fall on other areas within the Council, County Council and Police (e.g. cutting or reducing other services and / or charging all residents more Council Tax). Instead, EEBC has made a proposal to revise the existing scheme with adjustments in entitlements to contribute towards the reduced funding from Central Government.

The proposal is:

Increase the Minimum Payment from 20% to either 25% or 30%

The proposal would affect all of the 1,724 Working Age households by reducing the maximum amount of Council Tax Support they can receive towards their Council Tax.

Step 3: Assessment of data and research

Identify what data and research is available to inform the impact of your proposals on service users and/ or staff. Where there are data gaps you should include this as an action within your **Community Impact Assessment Action Plan – Step 7**.

EEBC propose to use existing national data alongside localised data as we go through this assessment.

The Joseph Rowntree Foundation

The Joseph Rowntree Foundation produced an analysis of national trends in Council Tax Support schemes¹:

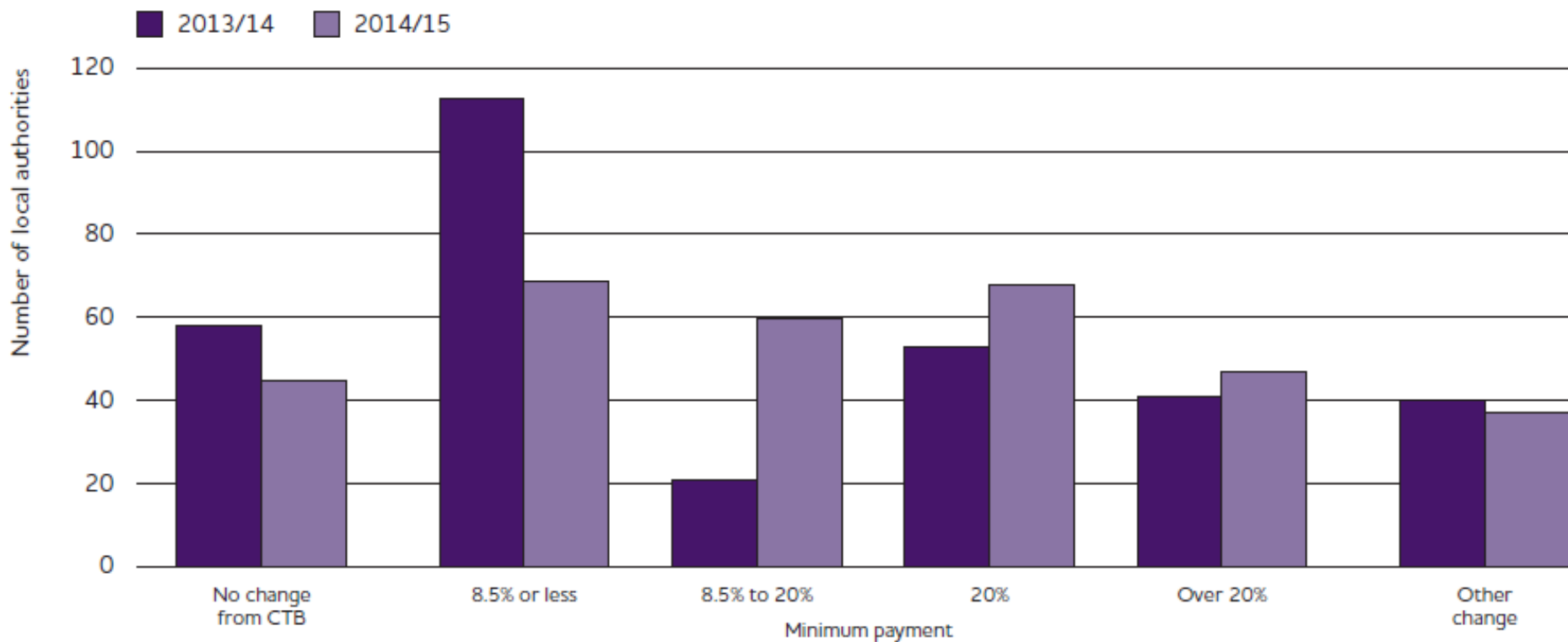
- 58 councils (18%) maintained schemes equivalent to Council Tax Benefit in 2013/14 (Council Tax Benefit was the national scheme which preceded Council Tax Support schemes). In 2014/15 this had reduced to 45 councils (14%)
- In 2013/14 around 2.4 million households paid on average £138 more per annum under Council Tax Support than under Council Tax Benefit. In 2014/15 that increased to £149 on average
- Levels of Council Tax arrears and bailiff referrals linked to non-payment of Council Tax increased in 2013/14; the largest increases in arrears were in those areas which introduced a Minimum Payment scheme
- Council Tax collection rates fell in 2013/14
- Around 70,000 households had their support cut for the first time in 2014/15, and a further 580,000 households saw their second successive cut
- Of around 2.34 million households affected in 2014/15, 1.8 million (77%) were workless households, and 1.5 million (64%) were defined as being in poverty² before the changes
- 229 councils (70%) operated a Minimum Payment Council Tax Support scheme in 2013/14. This increased to 244 (75%) in 2014/15
- In 2013/14 113 councils (49%) had a Minimum Payment scheme of 8.5% or less. This decreased to 69 councils (28%) in 2014/15

¹ <http://www.jrf.org.uk/publications/low-income-families-changes-council-tax>

² Poverty is defined as being in a household with less than 60% of the median national income, after housing costs.

- In 2014/15 47 councils (19%) have a Minimum Payment scheme in excess of 20%
- 35 councils (11%) reduced the level of support for a family, generally by treating Child Benefit or maintenance as income. As a result of this, lone parents have seen an above average drop in support (the EEBC scheme does not make such reductions)
- 74 councils (23%) introduced a band restriction, which also tends to have a larger effect on families (it is proposed that the band restriction within EEBC’s current scheme be removed for 2015).

The following chart summarises the Foundation’s findings:



Children's Charities

Action for children, the NSPCC and the Children's Society predicts that 'vulnerable families' could be £3,000 a year worse off by 2015, as a result of public spending cuts. The third sector groups estimate that the number of children living in 'extremely vulnerable families', currently less than 50,000, will almost double to 96,000 by 2015.

The Department for Work and Pensions (DWP)

The DWP undertook an Equality Impact Assessment – with consultation – in relation to Universal Credit [www.dwp.gov.uk/consultations/2010/21st-century-welfare/] where some parallels can be drawn:

- The current system of benefits is of particular importance to people who are covered by equality legislation. This may be due to:
 - Having characteristics that make someone more or less likely to take up a particular benefit (such as a greater likelihood of being out of work)
 - The length of time they stay on benefit and destinations after leaving benefit
 - The evolving benefits system and policy change
 - The effects of the economy (for example when in downturn)
 - Take up and differential outcomes
- Barriers to employment can mean that some groups are out of work for longer and may have greater need to rely on the benefits system. For example data on employment rates show that:
 - Women's employment rates are below those of men (68.8% compared to 75.4%)
 - Ethnic minority groups have a lower employment rate than white groups (60.2% compared to 73.9%)
 - Employment rates are lower for disabled than non-disabled people (48.4% compared to 77.5%)

- Associated with this, poverty affects certain groups disproportionately. For example:
 - The risk of a disabled adult living in poverty is higher than for adults with no disability and is particularly high for workless disabled adults
 - Individuals of Pakistani / Bangladeshi ethnic background have a significantly higher risk of being in poverty when they are in work than any other group
- The structure of the current welfare system has developed piecemeal to meet the needs, and reflect the changes in, society (for example, support for children, for extra disability-related costs, and lone parents). These categories do not necessarily read across to equality groups:
 - The definition of disability under the Equality Act does not coincide with eligibility for disability related benefits, but the vast majority of people receiving those benefits would be likely to fall under the Equality Act definition
 - As a result, complexity may affect certain groups because of the range of overlapping payments that might be available to meet needs
- The way the current system works can also be a disincentive to work. For example:
 - Complexity can be a particular problem for some people from ethnic minority groups (for example those whose first language is not English)
- In headline terms, making work pay and improving the prospects of these groups with lower employment rates is one of the most important things the Government could do to promote equal opportunity.

Surreyi

Surreyi analysed data from the 2011 Census to present demographic statistics for EEBC.

The following statistics were found for the proportion of ethnicities and religions in the borough:

Ethnicity	Number	Percentage
White British	59,049	78.60%
All Other White	5,453	7.30%
All Multiple / Mixed	1,922	2.60%
Asian / Asian British: Indian	1,828	2.40%
Asian / Asian British: Pakistani	667	0.90%
All Other Asian / Asian British	3,989	5.30%
All Black / African / Caribbean / Black British	1,128	1.50%
All Other Ethnic Groups	1,066	1.40%

Religion	Number	Percentage
Christian	46,222	61.55%
Hindu	1,913	2.55%
Muslim	2,277	3.03%
All Other	1,109	1.48%
No Religion	18,254	24.31%
Not Stated	5,327	7.09%

Detailed modelling has taken place to assess what affects the 2016 proposal may have on a current Council Tax Support recipient. Furthermore, we have undertaken analysis to best inform the proposal. Some local statistics of relevance are:

Epsom & Ewell Borough Council data (snapshot taken in July 2015)

Of 31,575 EEBC households:	3,010 households receive Council Tax Support (9.5%)
Of the 3,010 households	1,286 are 'Elderly' and thus protected from any change within the proposal (43%)
Of the remaining 1,724 Working Age households:	1,311 are single customers (76%) 416 are couples³ (24%)
Of these 1,724 Working Age households:	678 are single parents (39%) 630 are single (37%) 326 are couples with children (19%) 90 are couples (5%)
Of 1005 Working Age households with children:	649 households have no child / children under five years of age 456 households contain at least one child under five years of age
Of 678 single parent customers:	650 are female (96%) 28 are male (4%)
Of 630 single customers:	330 are male (52%) 300 are female (48%)
Of 1,724 Working Age households:	None receive an award of benefit that fully covers the cost of their Council Tax bill for the financial year 2015/16

³ 'Couple' means those who live with a partner (EEBC does not differentiate between a married person, a civil partner or a person who lives with another as if married or as if civil partners)

Of 1,724 Working Age households:	1,051 (61%) are not employed 673 (39%) are employed
Of the 673 households with somebody who works:	261 (39%) work 24 hours per week or more
Of 911 Working Age households receiving Jobseeker's Allowance (Income Based), Income Support or Employment and Support Allowance (Income Related):	DCLG suggest nationally, around 48% of those in receipt of a these benefits may also have a disability.⁴ Nationally, statistics suggest that disabled people are no less likely to take up benefits to which they are entitled than those who are not disabled.⁵ This equates to 437 customers out of this 911. Exact figures cannot be supplied because disability information is not always held by this authority where a customer is in receipt of a these benefits. (NB – Such customer will be unemployed or working minimal hours and have income and savings at or below the Government's assessment of their household's need. They receive a maximum Council Tax Support award without the need for the Local Authority to collect or verify their income and capital. EEBC therefore does not hold complete information relating to such customers and thus the number that have a disability is unknown).

⁴ Taken from DCLG 'Localising Council Tax Equality Impact Assessment', January 2012

⁵ Taken from DWP 'Equality Impact Assessment Universal Credit: welfare that works', November 2010

Of the remaining 813 Working Age households:

83 (10%) receive a disablement premium within the assessment of their Council Tax Support entitlement

46 (6%) include a disabled child premium within the assessment of their Council Tax Support entitlement

(Generally speaking, the above premiums are awarded where Disability Living Allowance is in payment. However, it should be noted that the definition of disability for equality legislation is wider than an everyday notion of disability or eligibility for disability related benefits. For example, people are protected against discrimination from the point of diagnosis for certain conditions (such as cancer or HIV), but this is not necessarily the point at which people would gain eligibility for disability related benefits).

Step 4: Consultation

Identify what relevant consultation could inform your Impact assessment. If you have recent relevant consultation data you could use this. If not, you will have to undertake new consultation; this should be included as an action within your **Community Impact Assessment Action Plan – Step 7**. Make sure the extent of your consultation is in proportion to the proposed change that is being made. Have you consulted the Equalities Forum?

The proposal, along with demographic information (such as questions around benefit entitlement / household composition) and equalities data were developed into the form of a structured Council Tax Support Consultation Questionnaire.

The Council Tax Support Questionnaire and a draft of the proposed scheme were made available to all residents on the EEBC web site as part of the formal public consultation which runs from 27 July to 20 September 2015.

Furthermore, EEBC directly promoted the consultation as widely as possible through a number of ways. For example:

- Alteration to the EEBC Council Tax Support web page providing links to the Council Tax Support draft scheme and Questionnaire
- Introducing a front page link on the EEBC web site
- Posters and paper copies available at the Town Hall and other EEBC buildings
- Specific targeting of the 1,724 current Working Age Council Tax Support recipients who were each posted Questionnaires and a subsequent reminder letter
- Specific targeting of the 1,302 Citizens Panel members with a mix of posted and emailed Questionnaires, including multiple reminders
- Information made available at the Council Tax enquiry counter with flyers posted with outgoing Council Tax notices
- Requesting input from the Equalities Forum
- Requesting input from the Citizens Advice Bureau
- Requesting feedback from our local Housing Associations
- Requesting feedback from other local support organisations such as:
 - Swail House
 - Local Ethnic Minority Groups
 - And other Community Groups

- Producing a media release
- Promoting the consultation on social media including Facebook and Twitter
- Issuing information in eBorough Insight in August 2015.

All of the feedback received will be analysed and a Council Tax Support Consultation Overview document will be produced.

Step 5: Impact Assessment

Use the data, research and consultation results to consider the protected characteristics of the Equality Duty and the positive and negative impacts of the proposals in respect of the three aims:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Age – Older People			None	‘Elderly’ residents are protected from the features within a localised Council Tax Support scheme and their entitlement must be calculated in accordance with DCLG prescribed regulations. Thus this group should not be affected.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/ Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Age – Younger People (age 17 to 25)	Yes			EEBC has chosen to retain the earnings disregards for those that work. This encourages employment.
		Yes (high)		<p>This group could be impacted due to reduced household expendable income through the need to pay increased Council Tax.</p> <p>EEBC has chosen to carry forward the Government set lower applicable amounts for under 25s and so this group could find it more difficult when compared to those who have higher applicable amounts.</p> <p>It may also be the case that younger people (at the start of their career) could find it more difficult to increase their income, than, for example, those with more experience of work.⁶</p> <p><i>EEBC statistics show that only 1.4% of the CTS caseload are single people aged under 25, with one third of these in employment.</i></p>

⁶ DWP research found that: 58% of 18 to 24 year olds are employed compared to 80% of 25 to 49 year olds. Taken from DWP 'Equality Impact Assessment Universal Credit: welfare that works', November 2010

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Age – Children⁷	Yes			<p>EEBC has chosen to retain a number of advantageous aspects in the existing scheme such as providing higher applicable amounts (needs assessment) through specific child allowance(s), whilst Child Benefit and Child Maintenance remain fully disregarded as an income.</p> <p>Furthermore, child care costs will be used to positively affect a calculation, and working lone parents will also receive a higher disregard of their earnings encouraging employment.</p> <p>This is consistent with the Council's duty to safeguard and promote the welfare of children.</p>

⁷ EEBC stats (see page 10-11) show that: 1,005 of 1,724 (58%) Working Age claims include a child in the household. 678 of these households are single parents. 456 of these households contain at least one child under five years old

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Disability⁸ (Long-term health impairment could include mental health problems, asthma, heart conditions, chronic fatigue etc.)	Yes			EEBC has chosen to retain a number of advantageous aspects in the existing scheme such as applying higher disregards and higher applicable amounts for those who receive a disability related benefit or Carers Allowance, in recognition of their potentially higher living costs. EEBC has also chosen to retain higher earnings disregards for disabled people who work. This is consistent with the Council's duty to protect and promote the welfare needs of disabled people.
		Yes (high)		This group could be impacted due to reduced household expendable income through the need to pay more Council Tax, and may find it more difficult to increase their income through undertaking work / increased hours. ⁹
Gender¹⁰ (male, female)			None	No negative impact specific to characteristic has been identified.

⁸ EEBC stats (see page 10-11) show that: Of 813 Working Age claimants not in receipt of Jobseekers Allowance (Income Based), Income Support or Employment and Support Allowance (Income Related): 83 (10%) receive a disablement premium and 46 (6%) include a disabled child. Of the remaining 911 Working Age claimants in receipt of one of these benefits, around 48% of households are likely to include someone with a disability

⁹ DWP research found that: employment rates for those defined as disabled under equality law (48%) are substantially below the average employment rates (72%). Taken from DWP 'Equality Impact Assessment Universal Credit: welfare that works', November 2010

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Race (Minority ethnic communities e.g. colour, ethnic or national origin, nationality. This includes travellers and gypsies)			None	No negative impact specific to characteristic has been identified.
Religion or Belief (Believing faiths / religions e.g. Christians, Hindus, Muslims, people with no faith/religion)			None	No negative impact specific to characteristic has been identified.

¹⁰ *EEBC stats (see page 10-11) show that:* Of 630 Working Age single person claims: 330 (52%) are made by a male. Of 678 Working Age single parent claims: 650 (96%) are made by a female

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Sexual orientation (heterosexuals, lesbians, gay men and bisexual men or women)			None	No negative impact specific to characteristic has been identified.
Gender re-assignment (people who intend, are in the process of or have undergone gender reassignment)			None	No negative impact specific to characteristic has been identified.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Marriage and Civil Partnership (only in respect of eliminating unlawful discrimination)			None	No negative impact specific to characteristic has been identified.
Pregnancy and Maternity		Yes (high)		This group could be impacted due to reduced household expendable income through the need to pay more Council Tax at a time when they may find it more difficult to increase their income through, for example, undertaking work or increasing their working hours.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Non-statutory Group Consideration				
Socio-Economically Disadvantaged ¹¹ (e.g. factors such as family background, educational attainment, neighbourhood, employment status)	Yes			EEBC has chosen to retain a number of advantageous aspects of the existing scheme such as providing earnings and income disregards, and premiums in a customers' needs assessment.

¹¹ EEBC stats (see page 13-14) show that: 1,270 of 2,000 (64%) Working Age households receive an award that fully covers the cost of the Council Tax bill. 1,255 of 2,000 (63%) do not work.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
		Yes (high)		<p>By its very nature (i.e. a scheme that exists to help those on low incomes), a reduction in Council Tax Support entitlement will adversely affect the lowest income households in the borough.</p> <p>All 1,724 Working Age households are affected by the Minimum Payment. Increasing the Minimum Payment by 5% would currently leave the 1,724 households with an average additional reduction in their Support of £64.40 a year / £1.24 per week. Increasing the Minimum Payment by 10% would currently leave the 1,724 households with an average additional reduction in their Support of £128.81 a year / £2.48 per week.</p> <p>Those in receipt of 'out-of-work benefits such as Income Support, Jobseekers Allowance (Income Based) and Employment Support Allowance (Income Related) will find it very difficult to increase their income to meet additional expenditure. Any increase in the Minimum Payment will result in additional expenditure for them.</p> <p>Those with Caring responsibilities (for Support purposes this would ordinarily mean somebody in receipt of Carer's Allowance) might have limited resources through no or low pay for their caring duties. They may also find it difficult to increase their income (e.g. increase other paid employment) because of their caring commitments. Thus they may have difficulty meeting any additional Council Tax charge as a consequence of an increase in the Minimum Payment.</p>

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
EEBC Staff / Administration		Yes (low)		<p>EEBC are aware that reductions in the amount of financial help that residents receive, and the wider implication of other welfare cuts and general austerity measures, could well adversely affect the behaviour and attitude of customers towards those they see as responsible for such cuts</p> <p>EEBC Front Line Staff could face:</p> <ul style="list-style-type: none"> • Greater difficulty dealing with customers (due to lower / nil awards, the increased likelihood of Council Tax arrears possibly combined with an increased inability / difficulty in meeting this debt, and the subsequent collection and recovery procedures) • Change in working practices (a change to the CTS scheme, increased complexity from requiring knowledge of CTB, our 2013-15, 2015 and 2016 working age schemes and the scheme for elderly CTS recipients) • Increased customer contact (queries, complaints and appeals) • Uncertain future (expectation that Council Tax Support will be re-modelled within several years to simplify and to save costs) <p>Increased recovery workload (especially from those residents with less / no means to pay due to reduced awards)</p>

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
				<p>EEBC Team Leaders, Managers and HR team could face:</p> <ul style="list-style-type: none"> • A need to increase support for Front Line Staff • An increase in complaints and appeals • Extra considerations around discretionary areas • A need to manage stress / sick leave

Step 6: Decision/Result

Following your analysis, you should make a decision as to whether or not your proposal will negatively or positively impact any protected characteristics. You should take into account all factors such as finance and legal in your decision. Include information about whether stakeholders agree with your findings and proposed response (action plan).

Summary of Impact by Characteristic							
Option	Age – Younger People	Age – Children	Disability	Gender	Race	Pregnancy & Maternity	Socio-Economically Disadvantaged
Maximum Award	Negative (high)		Negative (high)			Negative (high)	Negative (high)

Step 7: Community Impact Assessment Action Plan

Once you have taken all factors into account, you need to create an Action Plan using the template below. These actions should be based on the information and analysis gathered during Steps 1 to 6. It should include any gaps in the data you have identified, and any steps you will be taking to address any negative impacts or remove barriers. You should also identify positive actions. The actions need to be built into your service planning framework. Actions / targets should be SMART, Specific, Measurable, Achievable, Realistic and Time framed.

Issues Identified	Actions Required	Progress Milestones	By When?	Responsible Officer(s)
Age: Younger People Impact due to reduced household income through the need to pay some / more Council Tax	Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year	Use data collected at the end of the year to inform future decision making. This will be reflected in any revised CEIA when the scheme is reviewed	At the end of the year prior to the review of the scheme	Head of Revs & Bens
Age: Children Impact due to reduced household income through the need to pay some / more Council Tax	Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year	Use data collected at the end of the year to inform future decision making. This will be reflected in any revised CEIA when the scheme is reviewed	At the end of the year prior to the review of the scheme	Head of Revs & Bens

Issues Identified	Actions Required	Progress Milestones	By When?	Responsible Officer(s)
<p>Disability: Impact due to reduced household income through the need to pay some / more Council Tax</p>	<p>Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year</p>	<p>Use data collected at the end of the year to inform future decision making. This will be reflected in any revised CEIA when the scheme is reviewed</p>	<p>At the end of the year prior to the review of the scheme</p>	<p>Head of Revs & Bens</p>
<p>Gender:</p>				<p>Head of Revs & Bens</p>
<p>Race:</p>				<p>Head of Revs & Bens</p>
<p>Pregnancy and Maternity: Impact due to reduced household income through the need to pay some / more Council Tax</p>	<p>Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year</p>	<p>Use data collected at the end of the year to inform future decision making. This will be reflected in any revised CEIA when the scheme is reviewed</p>	<p>At the end of the year prior to the review of the scheme</p>	<p>Head of Revs & Bens</p>

Issues Identified	Actions Required	Progress Milestones	By When?	Responsible Officer(s)
<p>Socio-Economically Disadvantaged:</p> <p>Impact due to reduced household income through the need to pay some / more Council Tax</p> <p>Impact due to not having experience of paying / budgeting for Council Tax payments</p> <p>Indirect impact due to wider welfare reforms impact</p> <p>Impact of socio-economic climate on employment and other factors</p>	<p>Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year</p> <p>Monitor collection rates and contact made by those who may not have previously paid</p> <p>Provide information, help and advice on request</p> <p>Specifically contact those who may not have received Council Tax demand notices previously</p>	<p>Monitor collection rates through the year and react accordingly</p> <p>Use data collected at the end of the year to inform future decision making</p> <p>This will be reflected in any revised CEIA when the scheme is reviewed</p>	<p>At the end of the year prior to the review of the scheme</p>	<p>Head of Revs & Bens</p>
<p>Staff:</p> <p>Potential abuse and stress faced by staff from irate residents and increased workload</p>	<p>Communicate developments and progress made through the proposal, consultation and decision making stages</p> <p>Train front line staff in the new scheme</p>	<p>Specifically review at team meetings, 1-to-1s and appraisal meetings and take action as required</p>	<p>On-going and throughout the life of the scheme</p>	<p>Head of Revs & Bens</p>

Step 8: Sign off

	Name & Job Title	Signature **	Date
Lead Officer:	Pete Wells – Benefits Manager		
Validated By: (Head of Service)	Judith Doney – Head of Revenues & Benefits		
Approved By: (Equalities Lead)	Frances Rutter – Chief Executive		
Published on website by: (Consultation & Communication team)			

** Please type your name to allow forms to be sent electronically

BUDGET TARGETS FOR 2016/17

<u>Report of the:</u>	Director of Finance and Resources
<u>Contact:</u>	Lee Duffy
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	None
<u>Other available papers</u> (not attached):	Budget Targets Report to Strategy & Resources Committee 29 September 2015

REPORT SUMMARY

This report informs the Committee of the Council's revenue budgets targets approved by the Strategy & Resources Committee. The report seeks support for changes to services and any further guidance on the preparation of the Committee's service estimates for 2016/17 and for the next 3 financial years.

RECOMMENDATIONS

- (1) That the Committee notes the implications of the budget targets approved by the Strategy & Resources Committee;
- (2) That the Committee supports the changes to services identified in section 3.4 of this report and that these are included within the budget presented to this Committee in January 2016;
- (3) That the Committee supports in principle the future savings options as set out in 3.5 of this report for further work and inclusion in the Medium Term Financial Strategy;
- (4) That the Committee provides any further guidance on specific issues to be covered in the preparation of service estimates for 2016/17.
- (5) That this Committee endorses the work plan as set out in 3.6 of this report

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Medium Term Financial Strategy aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.
- 1.2 The Service Plan for the Corporate Priority "Managing Resources" includes service targets designed to maintain a balanced budget.

2 Background

- 2.1 Strategy & Resources Committee has approved the following General Fund budget targets for 2016/17:-
- Estimates are prepared including options to reduce organisational costs by £650,000 subject to government grant announcement, to minimise the use of working balances and maintain a minimum working balance of £2.5million in accordance with the Medium Term Financial Strategy;
 - That at least £400,000 additional revenue is generated from an increase in discretionary fees and charges, based on an overall increase in yield of 6.0%;
 - That a provision for pay award is made of £230,000 that represents a 1.5% increase;
 - That further savings are identified for inclusion within the medium term financial strategy that will reduce the Council's net operating costs by a minimum of £1,644,000 over the period 2017/18 to 2019/20;
 - That the Capital Member Group seeks to limit schemes included within the capital expenditure programme that enable the retention of agreed minimum level of capital reserves.

3 Budget Savings

- 3.1 The budget targets will require operational / efficiency savings across the organisation. These will need to be identified during the preparation of the detailed estimates.
- 3.2 Service Managers were asked to identify savings options across the Councils' services that will deliver £650,000 for 2016/17 and a further £1,644,000 for the years 2017/18 to 2019/20 to balance the overall budget.
- 3.3 The delivery of the savings options below should assist in the Council being able to deliver services in a sustainable way going forward with no reliance on the Council's limited working balances.

- 3.4 There are 2 savings options being proposed in 2016/17 budget which the Committee is asked to support. These are:

	2016/17 £'000
Council Tax Support Scheme	3
Reduce hardship fund	5

- 3.5 This Committee is also being asked to support **in principle** the following saving option that will assist in addressing the funding shortfall over the 3 year period 2017/18 to 2019/20. More detail will be presented to this Committee for approval of these proposals:

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Alternative payroll provision	10		
Cap discretionary rate relief for business rates	22		
Shared ICT Service	12		

- 3.6 In addition the Committee endorses the future work streams below:

3.6.1 - 5-10 Year Asset Management Plan

3.6.2 - Plant, Equipment and Vehicle Replacement Schedule

3.6.3 - Asset Disposal Programme

3.6.4 - investigating the possibility of reducing the number of councillors

3.6.5 - Promoting digital interaction with customers e.g. online payments

3.6.6 - Tree Maintenance Service Review

4 Capital

- 4.1 The capital programme agreed in February 2015 can be found on page 71 of the Policy Book 2015/16.
- 4.2 The total of capital schemes approved is £5.3 million; £3.1 million for schemes brought forward and £2.2 million for new schemes in 2015/16.
- 4.3 The capital programme review for 2016-2017 is under way. The Capital Member Group will meet this month to review draft bids. However, no new capital receipts have been obtained, therefore any additional bids will need to be funded from reprioritising existing approved schemes.

5 Financial and Manpower Implications

- 5.1 If the Council delivers all the savings options being presented to the four policy committees it is anticipated that a balanced position can be achieved on the budget over each of the next 4 years.

6 Legal Implications (including implications for matters relating to equality)

- 6.1 The Council will continue to fulfil its statutory obligations on all services provided.

6.2 *Monitoring Officer's comments: None for the purposes of this report*

7 Partnerships

- 7.1 Partnership issues will be identified in the preparation of service budgets.

8 Risk Assessment

- 8.1 The Financial Plan includes an assessment of the main financial risks faced by the Council, along with measures to help manage those risks.

9 Conclusion and Recommendations

- 9.1 The current budget strategy involves continuing to deliver efficiency savings and generate extra service income whilst reviewing service levels so that service costs can be reduced as needed to achieve a balanced budget year on year.
- 9.2 This report identifies the impact of the budget targets on this Committee's budget. It also provides an opportunity for the Committee to give guidance on the preparation of the service estimates and savings options for 2016/17 and 2017/18 through to 2019/20.
- 9.3 The Committee will receive service estimates on 27 January 2016.

WARD(S) AFFECTED: N/A

HORTON CHAPEL

<u>Report of the:</u>	Head of Legal & Democratic Services
<u>Contact:</u>	Simon Young
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	Annexe 1: Background to acquisition and action to date Annexe 2 (considered exempt from publication): Financial background
<u>Other available papers</u> (not attached):	Previous reports to committee Title Documents, and associated documents Agreements under which funding was provided. Project papers.

REPORT SUMMARY

A report summarising the position in relation to Horton Chapel and seeking agreement to a way forward to result in the disposal of the Chapel by the Council, either to an organisation for provision of a community facility, or on the open market.

RECOMMENDATION (S)

It is recommended that the Committee:

- (1) Notes the position to date.**
- (2) Authorises officers to engage an agent to market the property for freehold disposal.**
- (3) Authorises officers to agree allocation of funds, for the purposes of the marketing exercise.**
- (4) Agrees that the period for submission of bids be 4 months.**
- (5) Makes such other recommendations as they consider appropriate.**

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 Resolving the long running issue of what to do with Horton Chapel is relevant to the Council's key priority of Managing Resources – utilising the Council's limited resources in the most efficient and effective way. Depending on what is ultimately achieved, the project could contribute in some way to each of the other key priorities.

2 Background

- 2.1 A note setting out the background to how the Council acquired Horton Chapel and what it has done since that date is set out at Annexe 1.
- 2.2 Most recently, members will note that the Council sought to progress a project which would have led to the redevelopment of the Chapel to provide office space for a medical enterprise, together with provision of a community hall. Unfortunately the development partner decided not to proceed, and the project therefore failed to complete, leaving the Council once again to consider its options for the Chapel.
- 2.3 The project had reached a fairly advanced stage of planning. An architect was engaged to prepare a preliminary development scheme, and consult on this with the Council's planning team. The proposed scheme was costed and, although it must be acknowledged that the costs are far from certain, the scheme as it stood when the project stalled was costed at £2.4million.
- 2.4 The Council sought to obtain an independent professional valuation from the District Valuer Service of the property in its current condition, and valuation if the project had proceeded as planned. The precise valuations are set out in Annexe 2, as these are considered to be exempt from publication in light of the possibility that the Chapel may be sold. However, it is fair to note that the Chapel in its current condition is considered to have a low value, and even after redevelopment would have a value below the estimated cost of the works required to bring it back into use.
- 2.5 Since the failure of the most recent project, due to withdrawal of the prospective development partner, the Council has received expressions of interest from a number of different "community" groups, as well as occasional speculative interest from public sector (health and local authority) and commercial organisations potentially interested in developing the Chapel for uses related to their business.
- 2.6 In relation to the community groups, none has yet been able to produce a costed plan, and this has been in large part due to lack of clarity on their part as to the funds which would be available to support redevelopment of the Chapel. If the proposals in this report are agreed, then a way forward to assist those groups, along with anyone else interested in the property, would be in place.

2.7 On 29 October 2015, the Council's Social Committee considered a report entitled "Scrutiny Review of the Social Centres", which was exempt from publication. That report included provisions which could impact on any proposals agreed by this committee in relation to Horton Chapel. Officers will be conducting further work as instructed by the Social Committee. Any recommendation agreed by this committee will be subject to any decision taken by full Council following that work, and a final decision on the Chapel's future will not, in any event, be possible until after that issue has been determined. It is not considered that this should prevent the marketing exercise from proceeding.

3 Asset Management Plan

3.1 Appendix 4 to the Plan deals with acquisitions and disposals.

3.2 In summary, the disposal criteria are set out below, with a comment as to the position in this case:

Criteria	Comment
Compliance with section 123 (best consideration), including consideration of non-financial benefits	This has been considered as part of this report, and will form the basis of the assessment of bids received if the marketing exercise is approved.
Land declared surplus to requirements	Land has always been considered surplus to the Council's requirements.
Community Asset Transfer/share	This is what has been tried in numerous different ways, and is part of the proposed marketing strategy.
S&R agree best means of disposal	This and previous reports have considered the best means of disposal.
Consider overage	Not applicable in this instance, as the use of the property is restricted and the benefit of those restrictions lies with others.
S & R Final approval to the deal	This will come forward at a later date

4 Proposals

4.1 It is proposed that the committee authorise officers to engage a property agent to market Horton Chapel for a freehold sale.

4.2 It is further proposed that officers will work with all those community groups and other organisations to ensure that they are given the opportunity to submit bids for the acquisition of the property, in addition to any purely commercial bids.

- 4.3 In order to give everyone ample opportunity to prepare any financial or business plans to support their bids, it is proposed that we first fix a period for the invitation of bids, allowing 4 months for bids to be received. At the end of that period, all bids will be evaluated and members will be invited to decide which bid, if any to accept.
- 4.4 If no bids are received, or no bids are considered acceptable, then a further report will be brought to committee in which it is likely that disposal by way of open marketing or, more likely, by auction will be recommended.
- 4.5 Officers will seek to organise an “open day” to give any interested parties the opportunity to view the building.
- 4.6 In light of the restrictions applying to some of the available funds (as detailed in Annexe 2), officers will seek to include provision of certain funds as part of the marketing exercise. Ultimately, full Council will need to determine what is to be done in respect of any significant changes to the allocation of funds.

5 Other Options

- 5.1 The other realistic options available would seem to be:
 - 5.1.1 That the Council itself develops the Chapel for community use, whether it subsequently manages the building or not. This is not considered to be viable given the financial costs involved, and the Council’s clear decisions that it does not wish to create an additional “venue” which would require ongoing revenue support.
 - 5.1.2 The property is simply placed in auction. This could be contemplated, but on balance it is considered that there should be a final opportunity for community bids to be made, in addition to seeing what commercial interest there may be.

6 Financial and Manpower Implications

- 6.1 The funds held and information about their source and use are set out in Annexe 2, as these are considered to be exempt information. Members will be aware from other reports regarding the Council’s financial position, including in relation to capital expenditure that the Council’s resources are stretched. It is therefore not considered that any further funds could or should be allocated to be spent on Horton Chapel, given the other competing demands on the Council’s finances, unless a strong business case would show a net financial gain.
- 6.2 It is important that proper consideration is given to the use of the funds set out in Annexe 2 (considered exempt from publication), however members are minded to proceed in relation to the Chapel.

7 Legal Implications (including implications for matters relating to equality)

- 7.1 Under section 123 of the Local Government Act 1972, the Council can dispose of land in any manner it wishes, subject to certain constraints. A Council shall not, without the consent of the Secretary of State, dispose of land for a consideration less than the best which can reasonably be obtained
- 7.2 The Secretary of State has issued the General Disposal Consent (England) 2003. This is Annexed to Circular 06/03, which contains further relevant guidance. The General Disposal Consent permits Councils to dispose of land for less than best consideration, provided that:
- 7.2.1 The Council considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of one or more of the following objects in respect of the whole or any part of the Borough, or of all or any persons resident or present in the Borough:
- The promotion or improvement of economic well-being;
 - The promotion or improvement of social well-being; and
 - The promotion or improvement of environmental well-being; and
 - The undervalue (the difference between the unrestricted value – the market value - and the terms for the disposal), does not exceed £2million.
- 7.3 Under the terms of the General Consent, the unrestricted value is to be assessed in accordance with a Technical Appendix. This in turn effectively requires that a report be obtained from a qualified valuer (a member of the Royal Institution of Chartered Surveyors). This is emphasised in the Circular, which states that an authority “should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue.”
- 7.4 We have already obtained a professional independent valuation of the property, and are proposing to instigate an open marketing exercise. It is considered that the “best consideration” duty will therefore clearly be met if the highest bid is accepted.
- 7.5 If a community bid comes forward, which is not the best cash price, this can still be assessed against the criteria above, most likely the improvement of social well-being. It is highly unlikely, having regard to the information in Annexe 2, that any such “undervalue” would exceed the £2million limit in the General Disposal Consent.
- 7.6 ***Monitoring Officer’s comments:*** *It is important that the Council complies with its statutory duties in respect of the disposal of property, and the proposals in this report are compliant.*

8 Sustainability Policy and Community Safety Implications

8.1 There are no implications arising directly from this report.

9 Partnerships

9.1 The Council has sought to work with a number of partners in relation to the Chapel, and will continue to work with interested parties, but this report has no implications for existing formal partnership arrangements.

10 Risk Assessment

10.1 The main risks associated with this issue are, firstly, in relation to the continued deterioration of Horton Chapel, a Grade II listed building. Secondly, in relation to the Council's reputation whilst the matter remains unresolved. The transfer of the Chapel to the Council was agreed in 1998, and took place in 2004.

10.2 In relation to each of these risks it is considered that the best mitigation is to resolve the issue of the Chapel by disposing of it, as has been the intention for many years. If this can be a disposal to facilitate a community use, that would clearly be preferable, but the balance is in favour of bringing the matter to a close, whether for a community use or not.

11 Conclusion and Recommendations

11.1 On balance it is considered that the property should now be marketed, so that all interested parties will have the same opportunity to bid for the property. Such bids can be assessed and members will be able to decide which represents the best option. This will bring the matter to a close so that the Council can focus on other key priorities.

WARD(S) AFFECTED: Court, Stamford & Ruxley

Horton Chapel Annexe 1 – Background Information

1. The following information is provided by way of background.

History

2. Horton Chapel was constructed in 1901 to serve the Epsom Hospital Cluster. It is a Grade II listed building located in the grounds of the former Horton Hospital, now known as Livingstone Park. The building remains relatively unchanged since its construction although a section of the nave was partitioned off at some point to create a community/theatre facility, which was known as “Harewood Hall”. The building also includes some rudimentary kitchen and toilet facilities, none of which are functional. At present there is no on-site parking provision.
3. The Chapel has a gross internal floor area of approximately 800 sq metres (8,600 square feet) and a maximum internal height of 8 metres (26 feet).
4. Previous surveys indicated that the building structure was basically sound but also that works are needed to arrest gradual deterioration resulting from long term disuse and lack of maintenance. All building services, where they exist, are considered to be obsolete and will need complete replacement as part of a refurbishment.
5. An asbestos audit was undertaken in March 2009. This identified some asbestos bearing material in electrical fittings and elsewhere but this was in good/fair condition and was considered to be low risk.
6. The Chapel building and a small parcel of land outside was transferred to the Council on 25 June 2004 pursuant to a 1998 agreement following which the Secretary of State for Health obtained planning permission for the “Hospital Cluster Sites” to be developed as housing. The extent of the land transferred in 2004 is shown shaded yellow on the attached map.
7. In August 2014, the Council also completed the acquisition of a further parcel of surrounding land, shown edged red on the attached map.

Transfers

8. The 2004 transfer was subject to a number of conditions, including:
 - 1) Not without the prior written consent of the Secretary of State for Health and Charles Church Developments Limited to use the property
 - a. except:
 - i. for community recreational purposes and/or
 - ii. for the provision of family medical or health services.
- and for other uses reasonably ancillary to either of the principal uses.

- b. Between the hours of midnight and 8am on any day for organised recreational activities or for the provision of family medical or health services
 - c. For any purpose which may be or become a nuisance disturbance or annoyance to the occupiers of certain defined property.
 - d. For the open storage of goods and materials except goods and materials reasonably ancillary to the permitted uses – provided the storage doesn't breach the restriction at c. above.
- 2) Not to erect any new buildings or structures on the property nor make any alterations or additions affecting the external appearance of buildings or structures forming part of the Property, except decorative alterations or alterations having 'no material visual impact', without in each case the prior written consent of the Secretary of State and Charles Church Developments Limited.
- 3) Not at any time to park more than 30 motor vehicles on the Property.
9. The 2014 transfer also contained restrictions, including:
- 1) Not to erect any buildings on the property and not to use it other than as amenity open space, vehicle parking, external play area and other purposes ancillary to the principal uses referred to above in relation to the building itself.

Funds

10. Certain funds are held which are currently allocated for spending on the Chapel, the origin, amount and notes on use of the various funds are set out in Annexe 2, which is exempt from publication.
11. In total, around £1.69million has currently been allocated for spending on the Chapel.

Projects

12. Over the years, the Council has attempted to progress a number of schemes with the aim of bringing the Chapel back into use, with the creation of a community facility.
13. The building has remained vacant since acquisition whilst officers have been investigating an appropriate use for this listed building.
14. In 2004/2005, recognising the difficulties of making this building fit for community use, the Council spent some time consulting with Community Action Network (CAN) to carry out a feasibility study of potential community uses.
15. CAN is a leading organisation for the development, promotion and support for difficult community projects by seeking to bring together social entrepreneurs

in the voluntary and not for profit sector with the public and private sector. However, the financial outlay and future costs that CAN were looking to the Council to bear (in addition to those sums already earmarked) as detailed in the study they produced at the time did not make this a feasible or viable venture for the Council.

16. Officers also at the same time explored the use of the building for children's nursery purposes but the scale and costs of converting this listed building for such use were not considered to be attractive to that particular market at the time.
17. Then in 2005 approaches were received from three separate sources for the use of the building, including one from the Epsom Islamic Society and another from the Cheam Church. Recognising the time that had elapsed since acquisition and the difficulty in attracting the market to the building, and the need to take advantage of these from community project interests, formal expressions of interest were sought from these three parties, two of whom (those mentioned) submitted bids.
18. Criteria for the assessment of the bids were agreed and the bids were assessed.
19. The recommendation to proceed with one of the bids was considered financially superior for the Council in that a capital contribution from the Council of £344,000 plus fees and VAT would have been required on the refurbishment and adaptations compared to a higher sum under the other proposal. The bid proposed that an annual rent would be payable, albeit likely to be a relatively small amount to the Council whereas the other bid offered only a peppercorn rent with the possibility of a higher rent if some form of commercial use was incorporated within the premises, opportunities for which were considered extremely limited under the terms of the restrictive covenants on the building. Whilst both parties wish to purchase the freehold at some stage, the preferred bid left this open for future negotiation.
20. Officers therefore recommended one of the bids for acceptance, but this was not agreed by members. Following complaints regarding the tender process followed, a report was commissioned from the District Auditor. The subsequent District Auditor's report made recommendations concerning re-tendering and officers were authorised to undertake consultation with the local community and to subsequently proceed to tender using the services of an independent supervisor. A public consultation process was completed in April 2008, when the results were published. These showed overwhelming support for the use of Horton Chapel as a community building.
21. The re-tendering process was then put on hold whilst an alternative option for operation by a Community Development Trust (CDT) was considered. This would rely on funding from the development of the West Park Hospital site. It was recognised that the CDT model would not provide a certain resolution to the problems with the existing building both in terms of future use and maintenance of a listed building simply because the trust is not yet

established and proven. As noted from the Shenley Park CDT model, which was a scheme the Council studied, it can take quite a few years before the community gets fully involved to enable them to run the Development Trust unaided, and no guarantee that this would be achievable.

22. At that stage, the impending commencement of work on the fourth hospital cluster site at West Park promised the availability of significant additional funding and the potential for a Community Development Trust (CDT), associated with that development, that could also help to deliver a community building at Horton Chapel. This was considered to be a credible alternative option to the re-tendering process and it was hoped it could facilitate a building run by the local community for the local community, subject to assessment that this could be achieved without additional cost to the Council.
23. The Hospital Cluster Working Group in December 2008 supported an evaluation of the CDT option prior to re-tendering.
24. In order to assist with the decision process, a condition survey of the Chapel was commissioned and results were received in March 2009.
25. It was clear throughout this period that the Council's aims in the exercise were to provide a facility for the community, but also to ensure that the building should not become an ongoing liability on Council Tax payers generally. This has consistently been the Council's stance.
26. From 2009 onwards the Council explored in particular the option to create a community development trust (CDT) which could take over the building and enable a viable community facility to be created. This involved setting up a working group involving certain members of the public, who freely gave significant time and effort in trying to move the project along.
27. The Council's intention was to establish a CDT, with a view to agreeing and funding (to the extent of available funds) the renovation of the building, and lease of the building to the CDT.
28. Following a report in September 2011, external advice was sought about the most appropriate way forward. It was important to balance the Council's need to have reasonable assurance as to the medium- to long-term viability of the CDT against the need to give the CDT the necessary freedom to enable it, in due course, to flourish independently of Council support.
29. It was considered that there were potential pitfalls in creating a company which would, initially at least, be regarded in law as council "controlled" or "influenced", but that is what the Council did in 2012. The company has since been dissolved, as the project did not proceed.
30. A further working group was appointed from interested members of the public in 2013. The individuals who came forward and were appointed demonstrated enthusiasm and a good mix of skills to give the CDT the best opportunity to achieve viability.

31. We sought to work with the working group to agree all the matters necessary to allow the project to proceed.
32. When matters were sufficiently advanced to the satisfaction of all concerned, it was hoped that the working group would replace the initial board on the company the Council established. It was hoped that the CDT would then be able to enter into formal agreements with the Council to enable the works to be undertaken and the building leased to the CDT. For whatever reason, despite the best efforts of those involved, this project stalled.
33. In late 2013/early 2014, we sought again to reinvigorate the project and appointed an external programme manager, and allocated a project manager and project team from within the Council's staff. We had received an expression of interest from a local healthcare organisation, and this appeared to present a good opportunity to progress.
34. Work continued, an architect was appointed, plans were drawn up & costed, and a further steering group drawn from members of the public was established. The project envisaged that the majority of the building would be converted to offices for the healthcare organisation with the provision of a community hall at one end of the building. The steering group worked to prepare a business plan for the community hall. Ultimately, however, the healthcare organisation decided not to proceed, and this latest project came to an end. This is referred to in the main report.

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MINUTES OF THE FINANCIAL POLICY PANEL: 13 OCTOBER 2015

<u>Report of the:</u>	Head of Financial Services
<u>Contact:</u>	Lee Duffy
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	N/A
<u>Annexes/Appendices (attached):</u>	Minutes of the Financial Policy Panel dated 13 October 2015
<u>Other available papers (not attached):</u>	Financial Policy Panel Agenda dated 13 October 2015

REPORT SUMMARY

The Committee is asked to receive the Minutes of the Meeting of the Financial Policy Panel held on 13 October 2015 and to consider the recommendations arising therefrom.

RECOMMENDATION (S)

Notes

- (1) That the Committee receives the Minutes of the Financial Policy Panel meeting held on 13 October 2015.**
- (2) Approve the change in budget heads to hold regulatory property maintenance budgets separate from backlog works, but still can be subject to in year officer budget virements.**
- (3) Requests approval for the inclusion of emergency schemes set out in section 3 totalling £45,500.**

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 All implications are set out in the relevant report to the Financial Policy Panel.

2 Background

- 2.1 At its meeting on 13 October 2015 the Financial Policy Panel received an interim report on Treasury Management and a Mid-Year progress report on Backlog Maintenance.

- 2.2 The Minutes of the meeting are attached as an Annexe to this report. Further information can be found in the Agenda for the Panel meeting.

3 Backlog Maintenance

- 3.1 The Panel made the following recommendations to the Strategy and Resources Committee in respect of backlog maintenance:

3.1.1 That a regulatory property maintenance works budget of £35,000 be held separately from the backlog maintenance budgets.

3.1.2 That the additional emergency schemes listed below be approved:

3.1.2.1 Hard surfaces – repairs to paving and walkways

3.1.2.2 Relining of level 4 of Ashley Centre Car Park

3.1.2.3 Alterations at Bourne Hall to accommodate Conquest Art

3.1.2.4 Roof replacement and repairs at Bourne Hall Lodge

4 Financial and Manpower Implications

- 4.1 The budget changes being requested for approval can be met from the contingency sum held within the backlog maintenance budget of £125,000

5 Legal Implications (including implications for matters relating to equality)

- 5.1 ***Monitoring Officer's comments:*** *The Financial Policy Panel is an advisory body which reports to the Strategy and Resources Committee.*

WARD(S) AFFECTED: N/A

**Minutes of the Meeting of the FINANCIAL POLICY PANEL
held on 13 October 2015**

PRESENT -

Councillor Neil Dallen (Chairman), John Beckett, Kate Chinn, Jan Mason, Keith Partridge, Jane Race (as nominated substitute for Councillor Omer Kokou-Tchri) and Clive Woodbridge

Absent: Councillors Omer Kokou-Tchri and Jean Steer

Officers present: Lee Duffy (Head of Financial Services), Tony Foxwell (Senior Surveyor) and Eddie Nowak (Democratic Services Officer)

4 MINUTES

The Minutes of the Meeting of the Financial Policy Panel held on 8 September 2015 were agreed as a true record and signed by the Chairman.

5 DECLARATIONS OF INTEREST

No declarations of interest were made by Councillors regarding items on the agenda.

6 TREASURY MANAGEMENT PERFORMANCE 2015/16 - INTERIM REPORT

On behalf of the Panel, the Chairman welcomed Paul Wilson of Aberdeen Asset Management, who gave a comprehensive presentation on the Interim Report in respect of Treasury Management for the Council. The presentation covered an economic summary, interest rate outlook, an investment position and a projected summary for the efficient management of the Council's finances.

In particular, the following points were noted:

- The economic outlook had materially improved, however this would continue to be monitored in light of the extended period of low interest rates;
- Regulatory changes would impact investment approach with a requirement for investors to generate higher investment returns from longer term monies;

- There was a concern about deflation in most developed markets and this had led to extremely low bond yields;
- The US Dollar had been strong for the past year and in contrast there was now a race to the bottom of countries trying to devalue their currencies to gain competitive advantage. This caused instability in currency markets;
- Greece was trying to renegotiate austerity measures that had been put in place and the risk of instability was still quite high;
- Income inequality had significantly reduced globally;
- Central bank balance sheets have hugely expanded for many countries;
- The aim was not to deliver low yields but make sure funds were invested in highly rated counterparties with low risk of loss of capital;
- There was now a broader opportunity to set a more diversified investment approach by adding alternative asset classes to a traditional portfolio, which could improve returns with robust risk management, and this approach was being looked at to assess whether this could be an attractive opportunity;
- There was a 1% return on the Council's investments in the current financial year with a projected 0.5% to 1% in the next financial year.

Following questions, the Chairman on behalf of the Panel, thanked Mr Wilson for his comprehensive and informative presentation.

The Panel then received and considered a detailed report that set out an update on the Treasury Management Performance for the first five months of 2015/16. It was noted that the Council's Treasury Management Policy accorded with the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management in the Public Services. The current Policy required officers to produce an interim report on investment performance to a meeting of the Panel and the report covered the performance of the treasury management function for the period 1 April to 31 August 2015. The Audit Commission report "Risk and Return", prompted by the problems experienced by the Icelandic Banks, identified that regular engagement of elected members in the Treasury Management function was good practice.

The Head of Financial Services advised that before an investment decision was made, officers would investigate any proposed counterparty to ensure its financial rating made it eligible for investment. Even if the institution met the criteria as set out in the financial strategy, independent advice would be sought from the Council's external financial advisors before the investment was made. The level of the interest equalisation reserve would be re-assessed in the 2016/17 budget report in February 2016.

Accordingly, the Panel noted the performance on return of investment for the first five months of 2015/16, and the current investment decisions being made within the terms set out in the Treasury Management Strategy, and agreed to recommend that Aberdeen Asset Management plc (previously Scottish Widows) continue to manage the Council's external funds.

7 BACKLOG MAINTENANCE 2015/16 - MID YEAR UPDATE REPORT

The Panel received the mid-year progress report on the backlog maintenance programme and proposed adjustments to the programme for emergency repairs.

The report informed members that in accordance with Financial Regulations, additional funding of £25,015 had been vired into the backlog maintenance programme in year. This sum was broken down as follows:

- £3,115 from car parks for some health and safety works at Hudson House car park
- £3,200 for works to Borough Boards on Stoneleigh Broadway and in the Market Place

In addition, it had been agreed under delegated that £18,700 from the Repairs and Renewals fund for Social Centres could be spent on urgent repair and redecoration works at the Longmead.

The Panel further noted that the Council was required to carry out certain statutory works such as electrical PAT testing, fire risk assessments and maintenance of watercourses. These related to health and safety legislation and were therefore inappropriately included with backlog schemes. It was therefore proposed to relocate these budgets to separate budget areas: statutory works (£30,000) and watercourse works (£5,000). £35,000 had been included in the 2015/16 schedule of schemes so in future years this would reduce the base backlog budget from £210,000 to £175,000. It was intended that these works would continue to be monitored by officers and progress reported to Members with the backlog maintenance schemes.

Annexe 2 to report highlighted that certain additional emergency schemes had been identified which needed to be undertaken this financial year as follows:

Site	The works	Cost	Priority	Criteria
Bourne Hall lodge	Roof replacement, render repairs & Waterproofing	20,000	C	3
Town Hall Toilets	Ground floor toilets refurbishment	35,000	C	3
Various sites	Hard Surfaces- repairs to paving walkways etc. areas highlighted as urgent King Georges field & Bourne Hall park.	15,000	A	1
Ashley centre car park	Emergency works Relining Car Park level 4	2,000	A	1
Bourne Hall Alterations	Alterations to accommodate conquest Art	8,500	B	2
	Total	80,500		

Any unspent emergency works provision would be made available for 2016/17 schemes, including emergency schemes via the Council's Property Maintenance Reserve at year end. Unspent provision for works in progress would be carried forward via the Council's Property Maintenance Reserve at year-end.

The Panel discussed the maintenance schedule and it was noted that:

- Cox Lane would be reviewed under the Asset Management Plan;
- Repairs to walkways under the Council's ownership would be addressed;
- Further investigations would be carried out into urgent temporary roof repairs at Bourne Hall Lodge;
- Further investigations would be carried out as necessary regarding any other assets identified as being in need of urgent attention;
- No expenditure would be committed on the works to the Town Hall toilets prior to further approval being granted from the Strategy and Resources Committee;
- The County Councillors would be asked to consider a financial contribution for the provision of the Market Place notice board.

Accordingly, the Panel:

- (1) Received the mid-year progress report on the backlog maintenance programme;

- (2) Noted the changes made to the programme under delegated authority;
- (3) Recommended to the Strategy and Resources Committee a change in budget heads to hold regulatory property maintenance works budgets separate from the backlog budgets, but still subject to in-year officer budget virements and the additional emergency schemes as set out in Annexe 2 to the report be approved.

The meeting began at 7.30pm and ended at 8.47pm

COUNCILLOR NEIL DALLEN
(CHAIRMAN)

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PERFORMANCE MANAGEMENT: PROGRESS REPORT ONE 2015/16

Report of the: Chief Executive
Contact: Frances Rutter/Adama Roberts
Urgent Decision?(yes/no) No
If yes, reason urgent decision required: N/A
Annexes/Appendices (attached): Performance Management – Progress Report One 2015/16
Other available papers (not attached): None

REPORT SUMMARY




This report sets out performance against the Committee's actions for Progress Report One 2015/2016.

<u>RECOMMENDATION (S)</u>	<i>Notes</i>
(1) That the Committee receives Performance Management Progress Report One, 2015/2016.	
(2) Identifies any issues requiring action over and above that set out in the Progress Report	

1 Background and Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 In December 2011 the Council adopted the Corporate Plan for 2012/16. The Plan identifies the Council's Key Priorities and Core Values for the next four years. This is the last year of the life cycle of the current Corporate Plan.
- 1.2 As part of the service planning process to support delivery of the Council's Corporate Plan, actions have been agreed under the Service Plans for 2015/16.
- 1.3 It was agreed that due to the volatile nature of the economic climate, actions will be reviewed and set annually rather than for a period of four years. This was deemed more productive because changes and decisions around actions set in our Service Plans could be taken promptly, in line with changing economic times.

- 1.4 The former Corporate Management Board also agreed to trial production of the Performance Management Report based on the Committee cycle rather than quarterly cycles in order to make the information reported more streamlined and up to date. This has proved to be more effective and evident in years two and three of the Council’s Annual Service Plan monitoring.
- 1.5 As a result, progressive updates are given, the traffic lights system of reporting has been replaced with an ‘Achieved’, ‘On Target’, and ‘Not Met’, status update for Progress Reports one to three. However the same format as in the previous system of reporting has been maintained for year-end i.e. ‘Achieved’, ‘Signed Off’, ‘Rolled Forward’ and ‘Deferred or Deleted’.

Key to Reporting Progress Reports One to Three Format	
<p>Achieved</p> 	<p>An action is achieved once all objectives specified have been completed.</p>
<p>On Target</p> 	<p>An action is on target at the time of reporting the progress if it’s likely to be completed by year end. Actions that are reported as on target are closely monitored and evaluated throughout various performance phases to ensure they continue to be achievable by year end.</p> <p>Measures have been implemented to ensure Responsible Officers (ROs) promptly advise the Consultation & Communication team of any change/s that is/are likely to impact on an action being achieved. This is then fed back to CMB and responsible committees.</p> <p>A risk analysis section has been introduced, for the first time in our performance reporting to pre-empt and facilitate the achieving of actions set within a given financial year. This enhances the review process embedded within our performance monitoring, because all actions that are reported as on target or not met have to be rigorously evaluated at each performance management phase - with further actions outlined to facilitate their achievement.</p>
<p>Not Met</p> 	<p>An action is reported as not met if it’s likely to be unachievable at year end. The chances of achieving these actions within the reporting period are slim.</p> <p>All actions are continuously evaluated and where issues may occur, automatically highlighted to alert CMB and responsible committees in order to facilitate a prompt decision making process. This process usually involves the ROs, CMB and responsible committees.</p> <p>However, for Data Quality purposes, committees have the final say as to whether an action will be deleted/deferred/tweaked or replaced with a new one depending on the evidence given by ROs or CMB.</p>

- 1.6 A risk analysis section has been incorporated into the Performance Management Framework as per audit and the former CMB recommendations. It facilitates the pre-empting and reviewing of any issues that may prevent an action being achieved within a specific timeframe.
- 1.7 The Council's performance management framework enables progress against each of the Service Plan action areas to be monitored on a committee cycle basis as explained above.
- 1.8 This report sets out performance against the Year 4 Service Plan actions and Progress Report One 2015/16 actions for which the Committee is responsible.

2 Performance as at August 2015

- 2.1 Annexe 1 to this report provides the Committee with an extract from the Progress Report One 2015/16 covering all the Service Plan actions for which this Committee is responsible. The full Progress Report One 2015/16 is available to councillors on the Council's Intranet, IRIS.
- 2.2 Overall, Strategy & Resources Committee has **15 actions** for the financial year 2015/16. Of the 15 actions, **one (1)** have been 'Achieved', **nine (9)** are 'On Target', **four (4)** 'Not Met' and **one (1)** 'No Data Available'.

3 Financial and Manpower Implications

- 3.1 Actions identified for 2015/16, at the time of agreeing the actions, were considered to be achievable within agreed budgets, including the reduced staffing budget.
- 3.2 **Chief Finance Officer's comments:** There are no specific financial or manpower implications for the purpose of this report.

4 Legal Implications (including implications for matters relating to equality)

- 4.1 There is the opportunity through the development and delivery of this Service Plan to secure significant benefits for residents.
- 4.2 There are no particular legal implications for the purpose of this report.
- 4.3 **Monitoring Officer's comments:** None for the purposes of this report.

5 Sustainability Policy and Community Safety Implications

- 5.1 Delivery of Year 4 of the Service Plan will assist the Council to create sustainable communities.
- 5.2 There are no particular community safety implications for the purpose of this report.

6 Partnerships

- 6.1 There are no particular partnership implications for the purpose of this report.

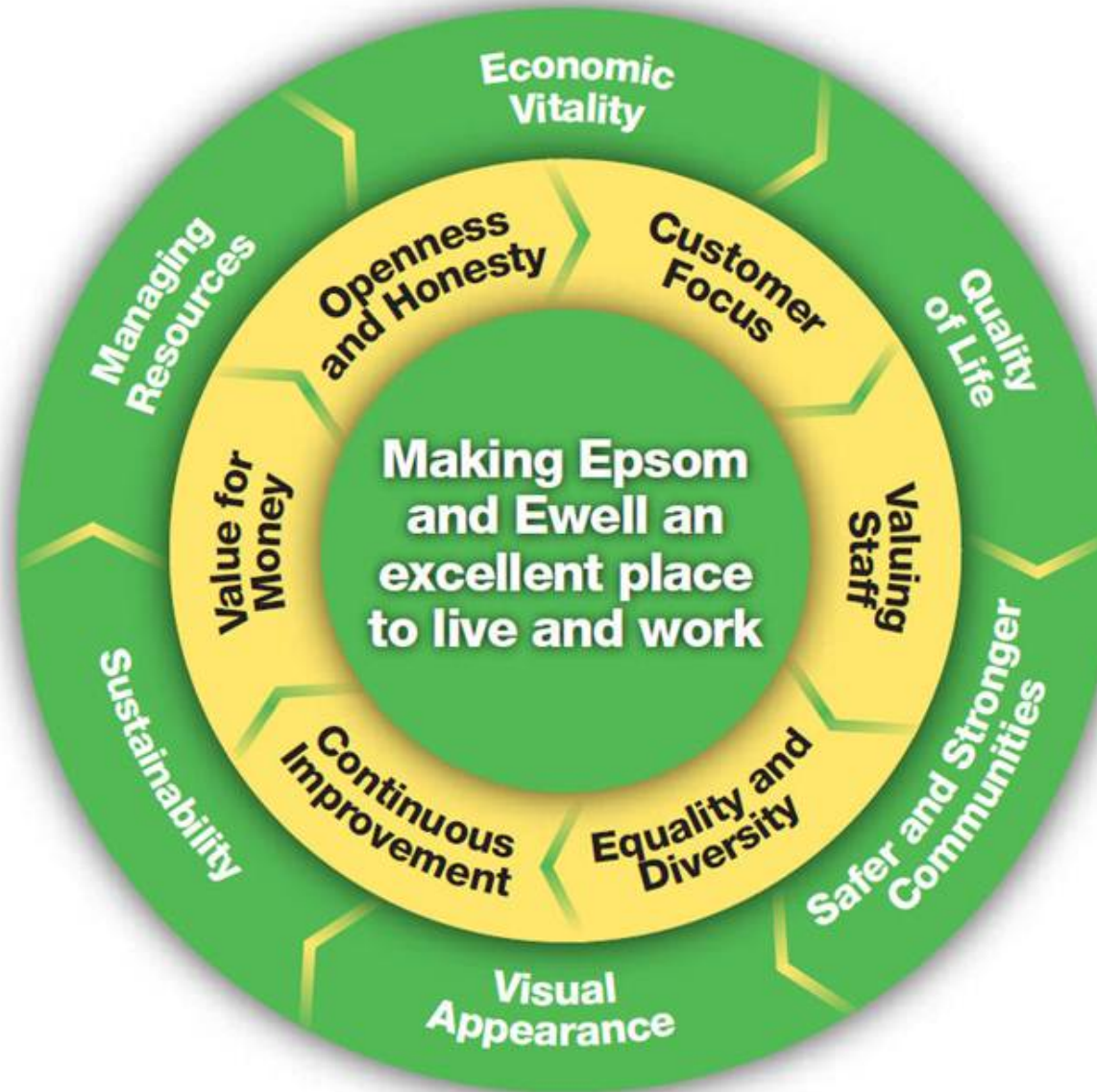
7 Risk Assessment

- 7.1 The creation of a Performance Management Framework mitigates against loss of focus and assists the organisation in ensuring that it has the financial capacity to deliver its objectives.

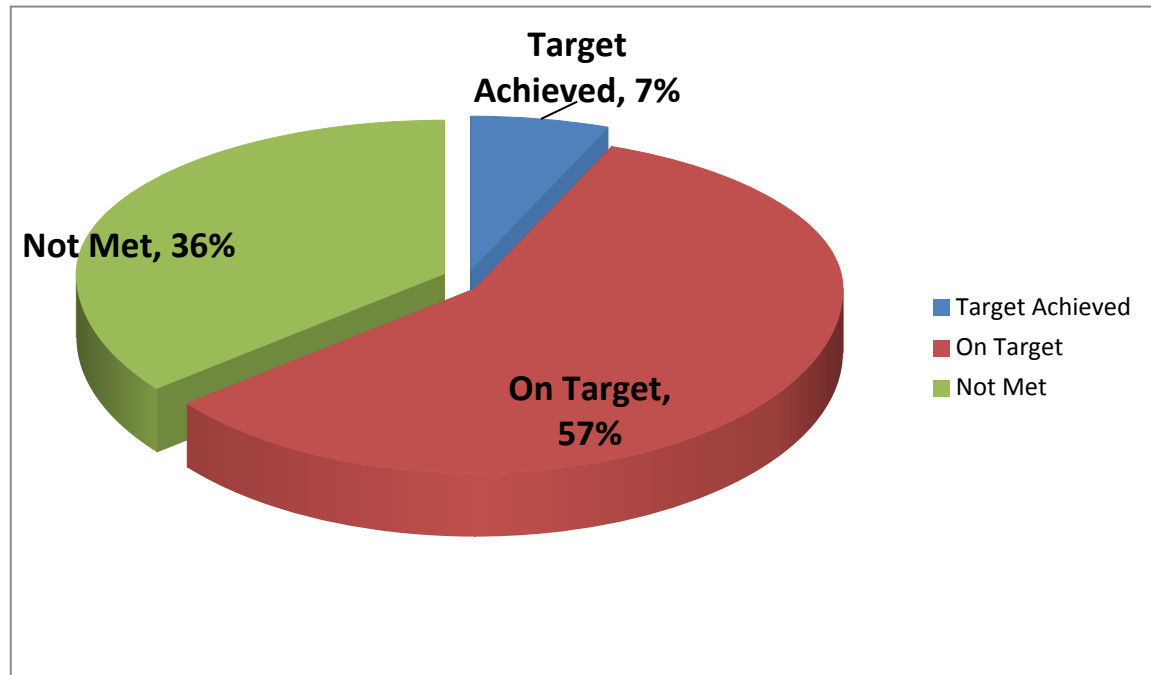
8 Conclusion and Recommendations

- 8.1 The implementation of a robust performance monitoring and management system is essential to ensure that the Committee's Service Plans, and ultimately, the Council's Key Priorities are delivered or any variances explained and decisions over future action made.
- 8.2 This report sets out performance information relating to the Service Plan for 2015/16 to date. In considering any action as a result of the information before them, Members must take into account the risks and implications of failing to meet a target or changing a target at some stage during the monitoring period.
- 8.1 The Committee is asked to identify any issues requiring action over and above that set out in the Progress Report in Annexe 1.

WARD(S) AFFECTED: N/A





Summary of Strategy & Resources Committee as at August





Strategy & Resources Committee, as at August, has **15** actions for the financial year 2015/2016. **1** Achieved, **8** On Target, **5** Not Met, and **1** 'No Data'.



ECONOMIC VITALITY: Promote the economic vitality of Epsom & Ewell

KP Code	Our objective is ...	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
EV1	Encouraging a vibrant and successful retail and business environment in the Borough	Joy Stevens (from 1 April 2015) Environment /Strategy & Resources	Monitor impact of parking charging regime and set charges in consultation with local businesses	Fees and charges will be reviewed for October Environment Committee.	Lack of buy-in from relevant stakeholders Problems engaging with business communities	Work with stakeholders to ensure their views are taken on board Continue to monitor data provided to increase the level of car park usage	On Target 
EV4	Making progress in delivering Plan 'E' (which provides a detailed vision for the future of Epsom Town Centre over the next 15 to 20 years)	Mark Berry/ Strategy & Resources	Planning application submitted and determined for new retail store and housing on Depot Road and Upper High Street (Rolled Forward from 2014/2015) Subject to approval new retail store and housing in place on Depot Road and Upper High Street	Negotiations with landowner/development partner were put on hold in February/March. Since that time there has been no further contact in respect of this transaction, and it is understood that they no longer wish to proceed with the proposed scheme.	Lack of buy-in from partners Impact of the current economic climate	Engage with partners to ensure projects are delivered on time	Not Met 




ECONOMIC VITALITY: Promote the economic vitality of Epsom & Ewell

KP Code	Our objective is	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
EV4	Making progress in delivering Plan 'E' (which provides a detailed vision for the future of Epsom Town Centre over the next 15 to 20 years)	Mark Berry/ Strategy & Resources	Work proactively with land owners to encourage the opportunities sites identified in Plan E to be brought forward for development	Discussions with potential development partners continue. Officers exploring the preparation of a new development brief/ masterplan for the Utilities Site and East Street areas as an outcome of the emerging Economic Development Strategy – possibly to be considered by S&R during Autumn 2015.	N/A	N/A	On Target 
		Mark Berry/ Strategy & Resources	Implement the agreed plan and deliver the junction improvement at the Spread Eagle	The Plan E major highway scheme project is moving forward at pace. It is understood that Surrey County has appointed a project manager and that a detailed project plan is expected to be produced before the end of November 2015.	Lack of buy-in from partners Impact of the current economic climate	Engage with partners to ensure projects are delivered on time	On Target 



MANAGING RESOURCES: Utilise the Council's limited resources in the most efficient way

KP Code	Our objective is	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
MR1	Keeping our Council Tax below the average of the Surrey districts	Kathryn Beldon/ Strategy & Resources	Set budget targets for 2016/17 to keep the tax level below the Surrey average	Members will consider this as part of the Medium Term Financial Strategy and again in February when the budget is set.	<p>Increased demand for services for the vulnerable</p> <p>Government funding cuts / changes to local government funding</p> <p>Reduced service revenues Savings targets not delivered</p>	<p>Regular scrutiny of high risk budgets (including housing and homelessness, local council tax support, income from fees and charges)</p> <p>Enhanced monitoring and forecasting of business rates</p> <p>Corporate Budget Monitoring</p>	<p>On Target</p> 
		Kathryn Beldon/ Strategy & Resources	Prepare Financial Plan 2016-2020	The financial plan is being developed alongside the new Corporate Plan. A number of work streams are underway to help inform the Financial Plan for 2016/17 and address the projected deficit.	None identified	<p>Regular scrutiny of high risk budgets.</p> <p>Awareness of changes in local government funding streams</p> <p>Delivering the agreed work streams to inform future cost reduction/income generating plans.</p> <p>Greater awareness of the financial pressures facing the council both at officer and member level.</p>	<p>On Target</p> 

MANAGING RESOURCES: Utilise the Council's limited resources in the most efficient way

KP Code	Our objective is	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
MR2	Continuing to ensure all our activities are customer focused and provide good value for money	Joy Stevens/ Strategy & Resources	Implement service changes agreed	No further service changes being implemented due to current freeze on CRM development.	Customer Services & ICT staff time	Identify and implement achievable measures	Not Met 
MR3	Further reducing waste and improving efficiency	Kathryn Beldon/ Strategy & Resources	Review and update Cost Reduction Plan and include year two savings in 2014/15 budget	The 2015/16 budget did not include a cost reduction plan as the Council moves towards delivering savings prior to inclusion within the Annual Budget. The only in year saving to be made relates to the cash office and this is on track.	None identified	Agreement to approach and work streams adopted Member led service reviews Staff awareness and engagement Forecasts updated regularly	Achieved 
MR4	Maximising revenues generated by and minimising costs associated with all Council assets and activities	Andrew Lunt/ Strategy & Resources / Leisure	Implement changes to deliver venues subsidy targets	Top level options for further reducing the venues division subsidy have been identified and these will continue to be worked through in the coming months.	Poor market conditions Unable to meet income targets Unable to meet cost reduction targets	Service review Business Planning Budget Monitoring	Not Met 


MANAGING RESOURCES: Utilise the Council's limited resources in the most efficient way

KP Code	Our objective is	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
MR6	Seeking to generate savings of at least £1.5 million over the next three years	Kathryn Beldon/ Strategy & Resources	Implement cost savings for 2015/16	The new financial plan will include an action plan to generate the savings required for future years. The only cost saving required in 2015/16 which was not already implemented related to the closure of the cash office which is planned for 1st November 2015.	Planned savings not delivered Cost pressures increase savings required	Timetable and action plan in place for the closure of the cash office	On Target 
MR7	Directing resources (financial, human and physical) towards the delivery of the objectives and targets set out in this plan	Frances Rutter/ Strategy & Resources	Prepare Corporate Plan 2016-2020	The development of the new Corporate Plan 2016-20 is underway. The Leadership Team have been tasked with setting targets for their various areas. A Members' Briefing session is to be re-scheduled at the earliest opportunity.	Failure to develop a coherent Corporate Plan linked to risk management strategies due to time constrains Lack of buy in from stakeholders resulting in failures to address key objectives around the Corporate Plan and KPIs identified Failure to review objectives identified and lack of a consistent risk management approach across the Council	Design and execute a coherent Corporate Plan and risk management process by integrated both process: Integrate business risk management with our Corporate Plan processes; Articulate the desired outcomes within our Corporate Plan so that they are understood throughout the Council; Establish Key Performance Indicators (KPIs) designed to drive performance and behaviors consistent with our Corporate Plan strategy; and reward effective articulation and management of key risks proven to generate substantial savings.	On Target 


MANAGING RESOURCES: Utilise the Council's limited resources in the most efficient way

KP Code	Our objective is	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
					<p>Failure to clearly define risks associated with objectives identified; Failure to set out accountabilities, remedial actions for objectives that are not likely to be achieved and failure to set guidelines as to how to execute risks management plans associated with failing objectives.</p> <p>Failure to identify ways of continuously improving service delivery</p>	<p>Ensure process ownership questions are addressed with clarity so that roles, responsibilities and authorities are properly understood. Design and execute a consistent process to monitor and reassess KPIs and identify gaps in the management of those risks, based upon changes in business objectives and in the external and internal operating environment.</p> <p>Define risk management strategies with clear accountabilities and action plans for building and executing risk management capabilities and improving them continuously. Continuously monitor performance information provided to councilors and decision-makers in order to assist them as they manage key risks.</p>	


SUSTAINABILITY: Encourage energy efficiency, reduced waste and cleaner forms of transport

KP Code	Our objective is	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
S2	Further reducing the environmental impact of Council operations	Doug Earle / Nigel Campbell/ Strategy & Resources	To reduce electricity consumption to 1.9m KWHs	Target met overall. The meter in Ewell Court House is not working and an order for a replacement has been placed.	Agreed investments not implemented Adverse weather conditions	Robust arrangements in place to ensure implementation	On Target 
		Doug Earle / Nigel Campbell/ Strategy & Resources	To reduce gas consumption to 2.5m KWHs	No Data for gas consumption due to faulty recording meters. An order to purchase new meters has been placed and currently waiting delivery.	Agreed investments not implemented Adverse weather conditions	Robust arrangements in place to ensure implementation	NO DATA
<p>To reduce gas consumption to 2.5m KWHs (Nigel Campbell – Building Surveyor)</p> <p>Some of the gas meters have not recorded energy usage and others have stopped working. After comparing a number of smart meter companies we have ordered eight new smart meters to replace the defective ones. This will allow us to monitor our own and tenanted properties energy usage.</p> <p>Being able to monitor the consumption of energy at any one time is fundamental to saving energy. They enable us to see problems as they arise and not many months later. This year we have been able to identify a number of water leaks, an increase in electrical energy at a tenants premise at the Ebbisham centre etc. Smart meters will also help us establish benchmarks which will help when we advise on energy usage and behavioural changes. Seeing instantly what we are using in energy is a great persuading tool, encouraging the user to turn off that light, remove that box blocking the radiator or turn off that dripping tap.</p> <p>Having smart meters installed has enabled us to see the reduction of energy used in most Council buildings including the tenanted sections. Having a view of our historic usage will enable us to set new targets for the future. The government is encouraging all households and companies to switch to smart metering before 2020 to reduce carbon emissions and help reduce need for fossils fuels further.</p>							

SUSTAINABILITY: Encourage energy efficiency, reduced waste and cleaner forms of transport

KP Code	Our objective is	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
		Doug Earle / Nigel Campbell/ Strategy & Resources	To reduce mains water use in line with agreed targets	Have identified some water leaks that are being fixed. Identified 4 broken meters. Need funding for meters.	Agreed investments not implemented	Robust arrangements in place to ensure implementation	Not Met 

SAFER AND STRONGER COMMUNITIES: Promote safer, more active and caring communities

KP Code	Our objective is	Responsible Officer/ Committee	Action 2015/2016	Progress as at August	Risk	Mitigation	Current Action Status
SS2 / SS3	Encouraging greater community involvement across the Borough Enabling stronger communities in areas of identified needs such as Town, Court and Ruxley wards	Simon Young/ Strategy & Resources	Undertake refurbishment at Horton Chapel Note: This action was deferred to 2015/16 as a result of the Decisions Notice of Strategy & Resources Committee issued on 23 September 2014. Chapel functioning as community centre	At S&R June 2015 meeting, Horton Chapel was listed under one of its outstanding references. Therefore a previous commitment was given to keeping members informed of progress via Members Briefing. The Committee also received an update at its meeting in September and June. A date is yet to be confirmed but a report is likely to go to S&R with more details regarding the progress of Horton Chapel.	Failure to appoint Trustee Failure to complete project	Engage with communities Engage with relevant stakeholders to ensure project is completed	Not Met 

**INTEGRATED INSURANCE WITH THE LONDON BOROUGH OF SUTTON -
ANNUAL REPORT FOR 2015**

<u>Report of the:</u>	Director of Finance and Resources
<u>Contact:</u>	Doug Earle
Urgent Decision?	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	Annual Insurance Claims Review produced by London Borough of Sutton
<u>Other available papers</u> (not attached):	None Stated

REPORT SUMMARY

This report provides an annual update on the Council's insurance cover arrangements which are provided by the London Borough of Sutton.

RECOMMENDATION (S)

- (1) The Committee note the annual report prepared by the London Borough of Sutton in respect of the new insurance arrangements and continued action taken to improve the handling of claims;**
- (2) The Committee agree that the Head of Corporate Risk progress discussions with the London Borough of Sutton for a longer term arrangement to achieve potential savings and economies of scale with a view to extending the current Collaboration Agreement.**

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The managing of resources is a key priority and it also covers Council's core value of value for money.

2 Background

- 2.1 Strategy and Resources Committee gave approval to the transfer of insurance cover to the London Borough of Sutton on the 26 June 2012 due to Zurich Municipal breaking the long term agreement with a proposed 32% increase in premiums.

- 2.2 London Borough of Sutton has dedicated teams who provide administrative and technical support. The partnership arrangement has now been in place for over 3 years. There are regular reviews of performance and they offer a bespoke, direct, claims service which is also focused on the needs of the residents and which is more robust and resilient. They provide:-
- Integrated insurance services
 - Proactive claims handling service
 - A single point of contact
 - Provision of training and support to services to mitigate risk
 - Provision of specialist advice and guidance
- 2.3 The London Borough of Sutton has also provided a run off service by handling all claims prior to 1 July 2012. There are currently 19 mature open claims with an outstanding estimate of in the region of £475,000. These relate to complex public liability claims.
- 2.4 From April 2014, the London Borough of Sutton also provides insurance arrangements for Surrey Heath Borough Council and is actively seeking to work with other Boroughs.

3 Annual Review of Insurance

- 3.1 The London Borough of Sutton has provided an Annual Claims Report which is attached as an Annexe to this report.
- 3.2 The arrangement continues to work well. The Insurance Team provide a single point of contact for Council staff and claimants. A key philosophy to London Borough of Sutton's claims handling is to make early decisions on liability which reduces legal costs. They have recently reduced the time to investigate all EL claims to 30 days and PL claims to 40 days in line with the on line portal introduced from the Jackson Reforms.
- 3.3 The fire at Ewell Court House in December 2013 has resulted in a substantial insurance claim currently reserved at over £2 million. The reinstatement is moving into the final stages, with finishing touches being agreed. Watts (the project managers) have confirmed the project is on target for completion and works should be finished by 30 October 2015. The opening ceremony has been scheduled for 12 November 2015, to re-launch the venue.

3.4 Key improvements and key performance indicators:

Year	The level of self-funding (EEBC) requirements/outstanding reserve (£)
1 July 2012	416,000.00
31 March 2013	301,561.97
31 March 2014	167,289.90
31 March 2015	146,819.32

- At the end of September 2015 , there were 106 open claims
- 100% compliance to the relevant Pre-Action Protocols this financial year
- All requests for technical advice are dealt with quickly

3.5 London Borough of Sutton have provided a range of risk management work to enable the Council to improve the Council's ability to defend claims and ensure the correct inspection processes and records are in place.

3.6 Although progress has been made there remains some ongoing areas of concern;

Tree Related Claims

3.7 The Council has made some progress in this section, which has proved a difficult area in the past with a need to balance the increased risk of claims against the amenity value of a large number of trees in the Borough. A number of meetings have been held with the officers and the Insurance Team to improve communication and the timeliness of information, although it remains a concern that no inspections were completed during 2013. The weather has ensured that tree claims have been kept to a minimum this year but with a harsh winter approaching we are preparing for the potential influx of new claims.

3.8 There are currently 20 open tree claims, 15 are for alleged subsidence. The outstanding estimate for these claims is over £400,000.

Strimmer Claims

3.9 High volumes of strimmer claims continue to be received by the LBS who have been robustly defending them where reasonable measures have been taken. A total of 22 claims have been received since April 2015 to date, with one claim having a payment made. A total of 75 claims were received between April 2013 and March 2015.

General/Underwriting

3.10 The Team also provide a range of advice and assistance, responding to FOI's, queries on cover and administer the Engineering/Risk Improvement Reports provided by ZM.

Looking Forward

- 3.11 The London Borough of Sutton are planning a significant review of all insurance arrangements in 2016 looking at all options including excess levels, catastrophic cover and self-funding. They have stated that should EEBC indicated their longer term commitment to the current arrangements they could be included within the review taking into account the financial challenges most Council 's are facing as premiums increase due to the claims culture.

4 Financial and Manpower Implications

- 4.1 The London Borough of Sutton annually reviews the service charge, which remained at £363,885 per annum from 2012/13 to 2014/15.
- 4.2 For 2015/16 the charge rose to £373,948, however, most of the increase was due to the decision to have a separate commercial buildings insurance policy. These costs are recoverable from commercial tenants; the net charge was actually a saving of over £10,000.
- 4.3 The service charge pays for insurance claims, insurance management and claims handling/administration.
- 4.4 The London Borough of Sutton provides self-insurance. However, the high level 'catastrophic' insurance covers are through Zurich Municipal. During 2014, these premiums were retendered as part of a Consortium of other London Boroughs. This resulted in no overall change to the Council's premiums. However the rates are locked for two years and the effect of the large loss as a result of the fire at Ewell Court House will not be reflected. The new deal in the funding arrangements has brought EEBC's excess in line with LBS's with the latter taking a larger portion of the risk internally. The Council continue to maintain an Insurance Reserve to cover outstanding claims and the MMI Scheme of Arrangement (the run off of liabilities from Municipal Mutual).
- 4.5 **Chief Finance Officer's comments:** *No further comment*

5 Legal Implications (including implications for matters relating to equality)

- 5.1 A collaboration agreement is in place between the Boroughs
- 5.2 **Monitoring Officer's comments:** *No further comment*

6 Sustainability Policy and Community Safety Implications

- 6.1 Delivery of a robust insurance service assists in enabling the continued provision of all Council services.

7 Partnerships

- 7.1 The insurance partnership is with London Borough of Sutton, a geographic neighbour with whom the Council already works in partnership in the management of Nonsuch Park.

8 Risk Assessment

- 8.1 The London Borough of Sutton has experienced staff dedicated to the insurance function using robust processes, tried and tested, and ensuring that events are risk assessed and mitigating actions taken as necessary.
- 8.2 There is a risk that the Council cannot successfully defend tree claims and cost of cover increases.

9 Conclusion and Recommendations

- 9.1 The transfer to LBS has enabled the council to stabilise insurance costs and minimise our risks. The claims handling service has improved and claimants also receive more timely information with fully explanations on liability.
- 9.2 The risk management work has provided a range of improvements in inspection processes and documentation to capture information in order to defend claims and on-going support is provided to service areas.
- 9.3 A saving of over £10,000 was achieved in 2015/16.
- 9.4 Further work is required to ensure tree related claims can be defended and limit the financial impact of such claims.

WARD(S) AFFECTED: N/A

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WRITE OFFS OVER £20,000

<u>Report of the:</u>	Director of Finance and Resources
<u>Contact:</u>	Judith Doney or Kathryn Beldon
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	Annexe 1: Non Domestic Rates Write Off
<u>Other available papers</u> (not attached):	Confidential recovery files in Revenues and Benefits Division

REPORT SUMMARY

This report seeks approval to write off debts over £20,000 for 2015/16

RECOMMENDATION (S)

That the committee agrees the write off of debts totalling £35,671.77 for business rates

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 None for the purposes of this report

2 Background

2.1 In 2015/16 the Council raised debts of over £24 million from non-domestic (business) rates

2.2 The Council takes action to recover all debt, including assisting debt management where recovery is most effective over a period of time and the use of legal channels where other means have proved unsuccessful.

2.3 The Director of Finance and Resources has delegated authority to authorise the write off of all debts up to £5,000 and can also write off debts between £5,000 and £20,000 in consultation with the Chairman of this Committee.

2.4 The Council's Financial Regulations require that individual debts over £20,000 require this committee's approval for write off.

3 Proposals

3.1 There is one national non-domestic debt recommended for write off in Annexe 1 totalling £35,671.77. The annexe (considered exempt from publication) provides the justification for the write off.

4 Financial and Manpower Implications

- 4.1 *Chief Finance Officer's comments: The business rates write off will reduce the revenue collected on behalf of central government and Surry County Council for 2015/16. This will also impact of the Council's revenue account.*

5 Legal Implications (including implications for matters relating to equality)

- 5.1 *Monitoring Officer's comments: There are no specific implications for the purposes of this report.*

6 Sustainability Policy and Community Safety Implications; Partnerships

- 6.1 There are no specific implications for the purpose of this report.

7 Risk Assessment

- 7.1 The Council follows procedures for recovery of debt and this, along with the scheme of delegated approval and relevant Financial Regulations helps the Council manage risks on income recovery
- 7.2 Following recovery procedures, the Council will write off debt where there is no possibility of recovery or where recovery is not economic. This allows resources to be focussed on recovery of other debt and, where appropriate, prosecution which also acts as a deterrent.

8 Conclusion and Recommendations

- 8.1 It is recommended that the committee agree to the write off of £35,671.77

WARD(S) AFFECTED: N/A

CALENDAR OF MEETINGS 2016/17

Report of the: Democratic Services Manager
Contact: Fiona Cotter
Urgent Decision?(yes/no) No
If yes, reason urgent decision required: N/A
Annexes/Appendices (attached): Draft Calendar of Meetings 2016/17
Other available papers (not attached): None

REPORT SUMMARY

This report sets out a proposed Calendar of Meetings for 2016/17.

RECOMMENDATION (S)

That the Council be recommended to approve the 2016/17 Calendar of Meetings as set out in the attached Annexe.

Notes

1 Implications for the Council's Key Priorities, Community Strategy and Committee's Key Service Priorities

- 1.1 There are no direct implications but this Committee is responsible for guiding the Council in its organisation and management to achieve its objectives.

2 Background

- 2.1 In drawing up the programme, the main consideration is the need to retain certain reporting chains as far as practicable (e.g. Financial Policy Panel reporting to Strategy and Resources) as well as the timing of fiscal requirements. Consideration has also been given as far as practicable to school holidays. The dates of the LGA, CIPFA and Party Conferences have yet to be factored in but these generally stay around the same time year on year.

3 Proposals

- 3.1 A programme of meetings for 2016/17 is attached as an Annexe to this report. This has been devised on a similar basis as the current year's programme in terms of the number of meetings and these have again scheduled on Tuesdays and Thursdays where possible instead of throughout the week.

- 3.2 This pattern of meetings was introduced in 2013 in order to regularise the days of the week on which Town Hall facilities remain open after normal business hours.
- 3.3 In proposing the following calendar, the Democratic Services Manger wishes to highlight the following:
- the April 2017 meeting of Council is slightly later than usual. This is because on a first draft it became apparent that it would fall the day after Easter Monday.
 - An additional meeting of the Audit Crime & Disorder and Scrutiny Committee has been scheduled in October 2016 anticipation of the need to discuss the findings of the venues service review.
 - Taking into account staff resources available and, in particular, the anticipated workload in relation to service reviews reporting in the autumn next year, it is proposed to reduce the number of meetings of the Health Liaison Panel from 4 to 3. This Panel relies on engagement with external partners and spreading the meetings more evenly across the year should be beneficial to all parties.
- 3.4 Members' Briefing Evenings/Training events have been scheduled on a monthly basis to be utilised as needed. Experience suggests that it is better to reserve the dates now rather than try to arrange ad hoc.
- 3.5 As in previous years, dates have not been scheduled for the Licensing Hearing Sub Committee or the Standards Committee. The bodies will continue to meet as required.

4 Financial and Manpower Implications

- 4.1 The need to preserve reporting lines and other constitutional considerations means that at certain times of the year policy committee meetings are bunched together. The timetable is challenging for Officers at certain points of the year and, whilst not the overriding consideration, the calendar has been devised to try and manage peaks in workload.

5 Equalities, Sustainability Policy, Community Safety and Other Legal Implications

- 5.1 Legislation requires that Agendas are published five clear working days before a meeting. The Council's Rules of Procedure state that papers should be made available six clear working days before a meeting.

6 Partnerships

- 6.1 Not applicable.

7 Risk Assessment

- 7.1 An effective decision-making programme should enable all committees and the Council to process business with the minimum of delay.

8 Conclusion and Recommendations

- 8.1 The practice of scheduling meetings on Tuesdays and Thursdays only as far as practicable appears to be working well with no obvious problems caused.
- 8.2 The Committee is asked to recommend that the Calendar of Meetings attached as an Annexe to this report should be approved.

WARD(S) AFFECTED: N/A

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MEETINGS OF THE COUNCIL AND COMMITTEES – MAY 2016 TO APRIL 2017

Meetings open to the public (all at 19:30 hours unless otherwise stated)	2016									2017			
	Day	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
COUNCIL	Tues Thurs	17a		19			18		13		14b		25
AUDIT, CRIME & DISORDER & SCRUTINY COMMITTEE	Tues Thurs		21				11	15			9		11
STANDARDS COMMITTEE	<i>Note: meetings to be arranged as required</i>												
STRATEGY & RESOURCES COMMITTEE	Tues		28			27t		22			7d		4
ENVIRONMENT COMMITTEE	Tues		7				25			31d		28	
LEISURE COMMITTEE	Tues Thurs			5				17		24d		21	
SOCIAL COMMITTEE	Tues		14					8		17d		7	
PLANNING COMMITTEE	Thurs	12	16	21		8	6	10	15	19	16	16	13
LICENSING AND PLANNING POLICY COMMITTEE (<i>Note: LICENSING HEARINGS PANELS to be arranged as required</i>)	Thurs												
APPOINTMENTS PANEL	<i>Date to be advised</i>												
HUMAN RESOURCES PANEL	Thurs		30 *				20 *		8				
FINANCIAL POLICY PANEL	Tues Thurs	24		12		13		27	6				
HEALTH LIAISON PANEL	Thurs			7					1			23	
Epsom & Walton Downs Conservators (18:00 hrs)	Wed		15				5			TBA			TBA
Nonsuch Park JMC (at Nonsuch Mansion House at 10:00 hrs)	Mon		TBA				TBA			TBA			TBA
EPSOM & EWELL LOCAL COMMITTEE (SCC)(all at 19.00 hrs except 7 December at 14.00 hrs)	Mon		20			19			5			6	
Meetings NOT open to the public													
Briefing Evenings/Training events	Tues Thurs	31	28			15		29			23	30	27

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AGENDA ITEM 12
ANNEXE 1

a	Annual Meeting (Mayor Making) at 19.00 hrs	d	Estimates	*	Joint Staff Committee not open to public
b	Budget meeting (determination of Council Tax)	t	To approve Budget Targets (all members invited)		

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OUTSTANDING REFERENCES

<u>Report of the:</u>	Democratic Services Manager
<u>Contact:</u>	Fiona Cotter
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	N/A
<u>Annexes/Appendices (attached):</u>	List of Outstanding References as at date of meeting
<u>Other available papers (not attached):</u>	None

REPORT SUMMARY

This report lists the references to officers outstanding as at 17 November 2015.

RECOMMENDATION (S)

That the outstanding items be noted.

Notes

WARD(S) AFFECTED: N/A

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**STRATEGY AND RESOURCES COMMITTEE
29 SEPTEMBER 2015**

Date of reference/Item	Title and nature of report back	Officers	Original Timescale	Position as at last meeting	Latest Position
Council 21/02/12 Council 17/07/12 25/09/12 Min 35 19/03/13 Min 90 30/01/14 Min 76 23/09/14 Min 47	Horton Chapel	Chief Executive	As appropriate	Previous commitment given to keeping members informed of progress via Members Briefing. Committee received a requested update at its meeting in September 2014.	See report elsewhere on this Agenda.
23/09/14 Min 40	Housing Benefit Staffing Resources – review of staff & financial resource agreed for 2013/14 to assist in transition to Universal Credit as part of the of budget process.	Head of Revenues and Benefits	Future Meeting	It was agreed to use £132,000 of the Corporate Projects reserve over the next three years to finance the additional resources required in the benefits team and noted that a further report would be provided to the Committee when more information was available on the Universal Credit roll out and the effects on benefit staff resources were known.	No change

**STRATEGY AND RESOURCES COMMITTEE
29 SEPTEMBER 2015**

Annual reports

The Committee will receive the following reports annually:

Date of Reference/item	Title and nature of annual report	Responsible Officer	Next report to be received
23/09/14 Min 34 (exempt from publication)	Insurance claims – Annual Report	Head of Corporate Risk	September 2015 (see report elsewhere on this Agenda)
30/01/14 Min 66	Personalisation and Prevention Fund Funding - progress in relation to allocations to date and in relation to any tranche of money for 2015/16.	Head of Operational Services	March 2016

EXCLUSION OF PRESS AND PUBLIC

The Committee is asked to consider whether it wishes to pass a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph (s) 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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