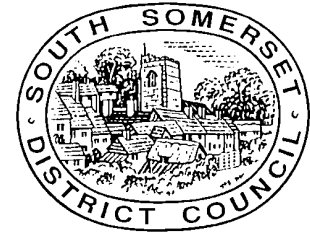


**South Somerset District Council**

*Notice of Meeting*



# Scrutiny Committee

*Making a difference where it counts*

**Tuesday 1st December 2015**

**10.00 am**

**Main Committee Room  
Council Offices  
Brympton Way  
Yeovil  
BA20 2HT**

(disabled access is available at this meeting venue)



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Members listed on the following page are requested to attend the meeting.

The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please ring the Agenda Co-ordinator, **Becky Sanders, Democratic Services Officer 01935 462596**, website: [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)

This Agenda was issued on Monday 23 November 2015.

*Ian Clarke, Assistant Director (Legal & Corporate Services)*

This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)



INVESTORS IN PEOPLE

# Scrutiny Committee Membership

The following members are requested to attend the meeting:

**Chairman:** Sue Steele  
**Vice-chairmen:** Dave Bulmer and John Clark

Clare Aparicio Paul  
Jason Baker  
Gye Dibben  
Val Keitch

Tony Lock  
Sue Osborne  
Tiffany Osborne  
David Recardo

Garry Shortland  
Rob Stickland  
Martin Wale

## Information for the Public

### What is Scrutiny?

The Local Government Act 2000 requires all councils in England and Wales to introduce new political structures which provide a clear role for the Council, the Executive and non-executive councillors.

One of the key roles for non-executive councillors is to undertake an overview and scrutiny role for the council. In this Council the overview and scrutiny role involves reviewing and developing, scrutinising organisations external to the council and holding the executive to account

Scrutiny also has an important role to play in organisational performance management.

The Scrutiny Committee is made up of 14 non-executive members and meets monthly to consider items where executive decisions need to be reviewed before or after their implementation, and to commission reviews of policy or other public interest.

Members of the public are able to:

- attend meetings of the Scrutiny Committee except where, for example, personal or confidential matters are being discussed;
- speak at Scrutiny Committee meetings; and
- see agenda reports.

Meetings of the Scrutiny Committee are held monthly on the Tuesday prior to meetings of the District Executive at 10.00am in the Council Offices, Brympton Way, Yeovil.

Agendas and minutes of these meetings are published on the Council's website [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk).

The Council's Constitution is also on the website and available for inspection in council offices.

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

## **South Somerset District Council – Council Plan**

**Our focuses are:** (all equal)

- Jobs – We want a strong economy which has low unemployment and thriving businesses
- Environment – We want an attractive environment to live in with increased recycling and lower energy use
- Homes – We want decent housing for our residents that matches their income
- Health and Communities – We want communities that are healthy, self-reliant and have individuals who are willing to help each other

### **Recording and photography at council meetings**

Recording of council meetings is permitted, however anyone wishing to do so should let the Chairperson of the meeting know prior to the start of the meeting. The recording should be overt and clearly visible to anyone at the meeting, but non-disruptive. If someone is recording the meeting, the Chairman will make an announcement at the beginning of the meeting.

Any member of the public has the right not to be recorded. If anyone making public representation does not wish to be recorded they must let the Chairperson know.

The full 'Policy on Audio/Visual Recording and Photography at Council Meetings' can be viewed online at:

<http://modgov.southsomerset.gov.uk/documents/s3327/Policy%20on%20the%20recording%20of%20council%20meetings.pdf>

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# Scrutiny Committee

**Tuesday 1 December 2015**

## Agenda

### *Preliminary Items*

**1. Minutes** (Pages 7 - 13)

To approve as a correct record the minutes of the previous meeting held on 3 November 2015.

**2. Apologies for absence**

**3. Declarations of Interest**

In accordance with the Council's current Code of Conduct (adopted July 2012), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the Agenda for this meeting. A DPI is defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) and Appendix 3 of the Council's Code of Conduct. A personal interest is defined in paragraph 2.8 of the Code and a prejudicial interest is defined in paragraph 2.9. In the interests of complete transparency, Members of the County Council, who are not also members of this committee, are encouraged to declare any interests they may have in any matters being discussed even though they may not be under any obligation to do so under any relevant code of conduct.

**4. Public question time**

**5. Issues arising from previous meetings**

This is an opportunity for Members to question the progress on issues arising from previous meetings. However, this does not allow for the re-opening of a debate on any item not forming part of this agenda.

**6. Chairman's Announcements**

### *Items for Discussion*

**7. Severe Weather - Preparation and Planning** (Pages 14 - 16)

**8. Verbal update on reports considered by District Executive on 5 November 2015** (Page 17)

**9. Reports to be considered by District Executive on 3 December 2015** (Page 18)

**10. Final Report from the Monitoring SSDC Council Tax Support Scheme Task and Finish Group** (Pages 19 - 43)

- 11. Review of Licensing Fees and Charges - Report of the Scrutiny Task and Finish Group** (Pages 44 - 55)
- 12. Update on matters of interest** (Page 56)
- 13. Scrutiny Work Programme** (Page 57)
- 14. Date of next meeting** (Page 58)

# Agenda Item 1

## South Somerset District Council

**Draft Minutes** of a meeting of the **Scrutiny Committee** held at the **Main Committee Room, Council Offices, Brympton Way, Yeovil BA20 2HT on Tuesday 3 November 2015.**

(10.00 am - 12.30 pm)

**Present:**

**Members:** Councillor Sue Steele (Chairman)

Jason Baker	Tony Lock
Dave Bulmer	David Recardo
John Clark	Rob Stickland
Val Keitch	Martin Wales

**Also Present:**

Mike Beech	Gina Seaton
Peter Gubbins	Andrew Turpin

**Officers**

Donna Parham	Assistant Director (Finance & Corporate Services)
Helen Rutter	Assistant Director (Communities)
Martin Woods	Assistant Director (Economy)
Vicki Dawson	Principal Environmental Protection Officer
David Norris	Development Manager
Jo Wilkins	Policy Planner
Jo Gale	Scrutiny Manager
Emily McGuinness	Scrutiny Manager

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**64. Minutes (Agenda Item 1)**

The minutes of the meeting held on 29 September 2015 were approved as a correct record and were signed by the Chairman.

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**65. Apologies for absence (Agenda Item 2)**

Apologies for absence were received from Councillors Sue Osborne, Tiffany Osborne and Garry Shortland.

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**66. Declarations of Interest (Agenda Item 3)**

There were no declarations of interest.

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**67. Public question time (Agenda Item 4)**

There were no members of public at the meeting.

#### **68. Issues arising from previous meetings (Agenda Item 5)**

There were no issues raised.

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#### **69. Chairman's Announcements (Agenda Item 6)**

The Chairman updated Members on the visit to the Tri Authority area of West Dorset, North Dorset and Weymouth and Portland authorities. Councillors John Clark, Val Keitch, Jason Baker and Sue Osborne attended accompanied by the Scrutiny Managers and Jo Roundell Greene, Ric Pallister and Dave Bulmer in their capacity as members of the Joint Leaders Advisory Group. All members who attended commented how valuable and informative they found the visit – and supported the suggestion that a similar opportunity should be offered to all members as part of the ongoing 'Journey of Exploration'.

The Chairman highlighted to the committee that what she had taken from the feedback and presentation above all else was how the partnership worked incredibly hard for 14 months to achieve success and commented – work of this nature takes time and its vital to get it right first time.

The Chairman invited volunteers to represent South Somerset on the Joint Waste Scrutiny Panel. It was noted the Panel is due to meet on 24<sup>th</sup> November. Councillors Jason Baker and Val Keitch agreed to represent SSDC with Councillor Claire Aparicio Paul as a substitute.

The Committee stated that they were content for the Chairman to continue as the Scrutiny representative on the project board which has been established to oversee the Westland's Leisure Complex project.

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#### **70. Scheme of Delegation (Agenda Item 7)**

The Assistant Director (Economy) and Development Manager introduced the report. It was agreed at Full Council that a review of the Scheme of Delegation in relation to planning applications would commence in 2015. The current scheme was introduced in 2006 in response to concerns expressed by an external auditor about the length of time taken to determine planning applications. The report outlined a number of issues which had been discussed collectively with the Area Chairs (in their roles as Chair of the Council's Development Control Committees).

During discussion, the following points were raised:

- Currently 90% of Planning applications are agreed under delegated powers.
- The Area Chairs felt that they exercise their authority responsibly.
- There was some discussion about the consistency of decisions made by Area Chairs. The Development Manager agreed to provide the committee with data which shows the number (and nature) of decisions agreed under delegated powers and those referred to Committee on an area by area basis.
- Members discussed the possibility of introducing some course for redress for members, should they not agree with the decision of the Area Chair. It was



concluded that anything which unduly increased the time taken to determine a Planning application should be avoided but there should be a continued commitment to openness and transparency with the reasons for decisions taken by Area Chairs clearly communicated to all involved.

- Officers advised that they would now always look to obtain a response from the town and parish council where practical.
- It would be very much appreciated if the decision of Area Chair could be made known to the Ward Member
- The Area Chairs do have meetings to ensure consistency

The Committee thanked the officers for their work in producing the report.

The Scrutiny Committee endorsed the recommendation contained in the report that there are no significant changes to the Scheme of Delegation required. It was noted that further guidance will be produced and additional training will be provided for members in relation to their role and responsibilities in the determination of planning applications.

It was also agreed that the Development Manager would provide the committee with data which shows the number (and nature) of decisions agreed under delegated powers and those referred to Committee on an area by area basis.

**ACTIONS:** Further guidance to be produced and additional training provided for members in relation to their role and responsibilities in the determination of planning applications – Assistant Director (Economy) and Development Manager.

The Scrutiny Committee to be provided with data which shows the number (and nature) of decisions agreed under delegated powers and those referred to Committee on an area by area basis – Assistant Director (Economy) and Development Manager.

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## **71. Reports to be considered by District Executive on 5 November 2015 (Agenda Item 8)**

Members considered the reports outlined in the District Executive Agenda for 3 November 2015. It was agreed that the following comments would be taken forward to District Executive for consideration.

### **Adoption of the South Somerset District Council Statement of Community Involvement (Agenda item 6)**

Members were content to note the report and noted that the 6 week consultation period is a standard period and allows adequate time for respondents.

### **Adoption of the Private Sector Housing Strategy 2015-19 (Agenda Item 7)**

Members sought clarification of the statement made on page 71 (bullet point 2) “Homelessness continues to be a major cause for concern in the district...” Members of the Scrutiny Committee felt that levels of homelessness are currently improving and are not a cause for concern?

On page 75 it mentions that we see the need to focus on the factors that make it commercially attractive for landlords to work with us yet we cannot see this in an aim? The aim at the bottom of the page is to continue working with Housing Options Team and the NLA to organise 2 landlord forums each year?

Members noted the complexity of the report and commented that based on the successful involvement of Scrutiny in developing such policies in the past, Scrutiny involvement in this case may have been beneficial as the document seemed to be a bit muddled between a strategy and a policy.

What are the monitoring arrangements with regard to the Action Plan? Scrutiny would like to have a further report on progress against the action plan if this is not being reported elsewhere.

### **Disposal of the Former Carrington Way Public Conveniences in Wincanton (Agenda item 8)**

Members were content to the note the report and were pleased to note that the asset had been disposed of for more than the valuation figure.

### **2015-16 Revenue Budget Monitoring Report for the Period Ending 30 September 2015 (Agenda item 9)**

Members asked about the savings for staff costs at the Innovation Centre? Donna Parham - Assistant Director (Finance and Corporate Services) explained that SSDC are now recouping costs.

Members were content to note the report.

### **2015/16 Capital Budget Monitoring Report for the Quarter Ending 30 September 2015 (Agenda item 10)**

Members noted the report and had no comments to make on the Capital projects approved prior to 2010 but not yet completed.

### **Update Report on Yeovil Crematorium (Agenda item 11)**

Members of the Committee thanked the Portfolio Holder for attending and answering their questions. Members were pleased to note the improvements that have been made at the Crematorium over the past 12 months and noted the ongoing work.

### **District Executive Forward Plan (Agenda item 13)**

Members again sought clarification that the Motion agreed at Council to investigate 2 hours free parking would be reported to members via the Budget setting process, and that there would be explicit reference made to this.

### **Notification of an Urgent Executive Decision (Confidential) (Agenda item 16)**

Members noted the report.

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## **72. Verbal update on reports considered by District Executive on 1 October 2015 (Agenda Item 9)**

Members noted that the comments of Scrutiny to District Executive as reflected in the District Executive minutes.

### **73. Area Grants Application Process (Agenda Item 10)**

The Assistant Director (Communities) presented the report. The report had been requested by a member of the Scrutiny Committee to allow members to consider the extent to which the Area Grant application process is applied consistently across the district.

The Assistant Director reiterated that members are the decision makers when grant applications are made to Area Committees and if they feel they do not have adequate information, they should ask for the necessary additional information and defer the decision.

Members requested that guidance is produced for all members relating to grant applications received from Academies as they represent a unique funding position. The Assistant Director agreed to provide this guidance and confirmed that Schools and Churches can apply under the grant scheme where the outcome would be for the benefit of the wider community.

Members thanked the Assistant Director for presenting the report.

**ACTION:** That guidance is produced for all members relating to grant applications received from Academies as they represent a unique funding position – Assistant Director (Communities).

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### **74. Anti-Social Behaviour, Crime and Policing Act 2014 - Update Report (Agenda Item 11)**

The Principal Environmental Protection Officer presented the report. A report was presented to the Scrutiny Committee in October 2014 which outlined the new provisions of the Anti-Social Behaviour, Crime and Policing Act 2014. A number of new tools were made available to lead agencies through this legislation and at that time, members were concerned there would be resource implications for SSDC officers.

The report stated that all the requirements of the new legislation were being met from within existing resources and that discussion will continue with other agencies, in particular the police, about the ongoing implementation of the legislation.

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### **75. Verbal update on Task and Finish reviews (Agenda Item 12)**

The Scrutiny Manager updated members that the final report of the Council Tax Reduction Task and Finish Group was currently being drafted and would be presented to Scrutiny in December.

The Scrutiny Manager reported that the Licensing Task and Finish Group was progressing well and that there would be a final meeting of the group on 25<sup>th</sup> November, with the final report coming forward to the December Scrutiny Committee meeting.



**76. Update on matters of interest (Agenda Item 13)**

Journey of Exploration - The Scrutiny Manager advised she had requested a copy of the project plan to produce the business cases to see how best Scrutiny can fit with the process and add value.

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**77. Scrutiny Work Programme (Agenda Item 14)**

Members noted the Scrutiny Work Programme.

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**78. Date of next meeting (Agenda Item 15)**

Members noted the next meeting of the Scrutiny Committee would be held on Tuesday 1<sup>st</sup> December 2015 in the Main Committee Room, Brympton Way.

.....  
Chairman

# Agenda Item 7

## **Severe Weather – Preparation & Planning**

*Assistant Director:* Laurence Willis, Assistant Director Environment  
*Service Manager:* Pam Harvey, Civil Contingencies Manager  
*Lead Officer:* Pam Harvey, Civil Contingencies Manager  
*Contact Details:* Pam.harvey@southsomerset.gov.uk or (01935) 462303

### **Purpose of the Report**

The purpose of this report is to inform Members about the annual Planning & Preparation for Severe Weather.

### **Recommendation**

(1) That member's note and comment on the report.

### **Background**

The Civil Contingencies Act 2004 (the act) designated all Local Authorities as Category One responders. Under the Act, those in Category 1 are organisations at the core of the response to most emergencies (e.g. emergency services, local authorities, NHS bodies).

As category one responders under the act, district and county councils are required to carry out the following duties:

- Assess the risk of emergencies occurring and use this to inform contingency planning;
- Put in place emergency plans;
- Put in place Business Continuity Management arrangements;
- Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency;
- Share information with other local responders to enhance co-ordination;
- Co-operate with other local responders to enhance co-ordination and efficiency; and
- Provide advice and assistance to businesses and voluntary organisations about business continuity management (Local Authorities only).

### **Report**

In recent years a number of areas in our District have suffered from the effects of severe weather.

The incidents have ranged from isolated flooding to prolonged incidents of severe flooding such as the Levels and Moors in 2013 & 2014. We have also experienced in recent years prolonged ice and snow events that have been challenging for all responders.

We do plan for these types of weather events and our severe weather plan is reviewed annually and after any incidents.

The District Council's response to these events is varied, but in short our operational response is to deliver sandbags to those residents in immediate danger of flooding and to assist the Highways teams in gritting paths and high risk areas in Ice & Snow.

### **Predicted Severe Weather events**

The Met Office weather advisor provides Cat 1 responders with as much pre-warning as they are able to about predicted severe weather events. This is followed up by regular reports and forecasts to assist us. We also have access to a Met Office/environment agency system named Hazard Manager that allows us to monitor the weather online as well as being able to access more detailed forecasts. This allows the Civil Contingency Manager to be able to better inform Managers & Staff that have an emergency response role.

### **Flooding Response**

The Severe weather plan acknowledges and puts into place a system around the delivery of sandbags to residents, who are in imminent danger of flooding, in a safe manner. We do have a duty of care to our staff and have recently provided Working in or near water training to staff that are normally involved in an emergency response role, and following that training we have amended our working practices, such as safely working at night and the use of safety equipment.

We have also trialled the use of gel filled flood sacks over the last few years and they seem to provide the same level of protection for properties and are much lighter leaving us better able to access some flooded areas in snorkel fitted landrovers with sufficient numbers of bags for residents.

### **Ice & Snow**

The District Council role in responding to this sort of severe weather event is twofold. We employ a contractor to provide a gritting service for our high risk car parks and Council offices. The arrangement with the contractor, is managed by the Engineering team, and provides the gritting service to be instigated when the temperature goes down to a pre-arranged level.

Our secondary role is to provide support to the Highways team should a weather event be predicted to last for 3 days or longer. We have agreed with Highways sensible paved routes to salt such as routes from car parks as well as high risk pavements across the District. In order to prepare, if ice or snow is predicted, then teams from Streetscene will scout the area and identify where a response is required. For Yeovil Town Centre we do have a tractor that we can attach a snow plough blade to that will clear excessive snow fall. We have also invested in larger salt spreaders to make the operation much quicker for residents. As the duty lies with Somerset County Council highways to provide the salting operation then they provide us with the salt to assist us in providing support to them.

Annually we arrange a severe weather meeting where we can amend routes and discuss any changes that are required. Over the years that meeting has been the catalyst for the provision of additional grit/salt bins across the District and initiatives such as the Yeovil Town Centre scheme where we have provided snow shovels and additional grit bins to allow retailers to clear ice & snow in the Town Centre.

The Severe Weather plan and additional information will be available at the meeting for discussion.

### **Financial Implications**

There is some investment in purchasing sandbags, flood sacks and sand. However our stock levels are good and no investment should be needed this year unless there is another major flooding event.

For a response to ice & snow, the Salt/Grit is provided by the Highways team and we have invested in previous years to improve our spreading equipment and that is serviced annually or following any incidents. So again no investment should be necessary this year unless there is a severe event lasting for a significant period.

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# Agenda Item 8

## **Verbal update on reports considered by District Executive on 5 November 2015**

The Chairman will update members on the issues raised by Scrutiny members at the District Executive meeting held on 5 November 2015.

The draft minutes from the District Executive meeting held on 5 November 2015 have been circulated with the District Executive agenda.

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# Agenda Item 9

## **Reports to be considered by District Executive on 3 December 2015**

*Lead Officer:* Emily McGuinness, Scrutiny Manager  
*Contact Details:* emily.mcguinness@southsomerset.gov.uk or (01935) 462566

Scrutiny Committee members will receive a copy of the District Executive agenda containing the reports to be considered at the meeting on 3 December 2015.

Members are asked to read the reports and bring any concerns/issues from the reports to be discussed at the Scrutiny Committee meeting on 1 December 2015.

The Chairman will take forward any views raised by Scrutiny members to the District Executive meeting on 3 December 2015.

### **Please note:**

The Press and Public will be excluded from the meeting when a report or appendix on the District Executive agenda has been classed as confidential, Scrutiny Committee will consider this in Closed Session by virtue of the Local Government Act 1972, Schedule 12A under paragraph 3 (or for any other reason as stated in the District Executive agenda):

“Information relating to the financial or business affairs of any particular person (including the authority holding that information).”

It is considered that the public interest in maintaining the exemption from the Access to Information Rules outweighs the public interest in disclosing the information.

# Agenda Item 10

## **Final Report from the Monitoring SSDC Council Tax Support Scheme Task and Finish Group**

*Lead Officer:* Joanna Gale Overview and Scrutiny Manager  
*Contact Details:* Joanna.gale@southsomerset.gov.uk or 01935 462077

### **Purpose of the Report**

This report outlines the recommendations and review methodology used by the Task and Finish Group to evaluate the Council Tax Support Scheme to date and consider options to reduce scheme costs from the county-wide officer group.

### **Action Required**

Scrutiny Committee members are asked to consider the detailed report of the Task and Finish Group (attached) and endorse the recommendations to District Executive.

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# Monitoring SSDC Council Tax Support Scheme

Report and Findings of the Overview and Scrutiny Task and  
Finish Group

November 2015

## Chair's Foreword

As part of Central Governments Welfare Reform Bill in 2012:

- Council Tax Benefit was abolished; the responsibility of helping low-income households pay their Council Tax was transferred to Billing Authorities. This was delivered with the creation of a local scheme to be known as Council Tax Support (CTS). The scheme has to protect pensioners as they were previously in 2012/13 but provided councils with autonomy to create a new scheme for working age households.
- Central Government reduced the grant to help low-income households pay their Council Tax by ten percent.

At this time the Overview and Scrutiny Committee recognised the significance and potential impact this could have on the residents of South Somerset and commenced a Task and Finish exercise that worked in parallel with officers to develop a local scheme.

The Task and Finish group conducted a very thorough review and produced a report and recommendations<sup>1</sup> detailing:

- Specific recommendations that would form the basis of the new localised scheme
- Potential risks and mitigation measures
- Monitoring arrangements

Since the scheme was implemented in April 2013 Central Government have revised their funding arrangements. The grant that SSDC received to help low income households pay their Council Tax ceased to exist. For 2015/16 the funding was received as part of the Revenue Support Grant; no figure is prescribed or ring-fenced specifically for this purpose.

The original report recommended specific monitoring work is undertaken and that the scheme be reviewed if the funding were amended. This report details this review process and recommendations for the Council Tax Support scheme for 2016/17.

I would like to take this opportunity to thank the officers who supported us on this review for their patience and positive approach, helping the Task and Finish group to make informed decisions and produce this report.

*Sue Steele*

Scrutiny Committee Chair

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1

<http://modgov.southsomerset.gov.uk/Data/District%20Executive/20130103/Agenda/8%20Appendix%202%20-%20SSDC%20Council%20Tax%20Reduction%20Scheme%2003-01-2013.pdf>

## **Task and Finish Group Membership**

Councillor Sue Steele - Chair of Task and Finish Group

Councillor Dave Bulmer

Councillor David Norris

Councillor Sue Osborne

Councillor Carol Goodall - As previous Chair was asked to attend in an expert capacity

The members for this monitoring Task and Finish exercise all worked on the original review, it was felt that the level of knowledge and expertise required would make it difficult for new members to fully participate.

All members worked collectively with the support of Jo Gale – Overview and Scrutiny Manager and the Project Officer Group:

Ian Potter – Revenues and Benefits Manager

Lynne Joyce – Benefits Team Leader

Mandy Stewart – Benefits Team Leader

Donna Parham – Assistant Director for Corporate and Financial Services

Jo Morgan – Equalities Officer

## **The Work of the Task and Finish Group**

The Task and Finish group reconvened in January 2015 to carry out monitoring work to ascertain if the scheme is effective - achieving the original ambitions of the group and consider options to reduce scheme costs from the county-wide officer group.

The ambitions of the original Task and Finish group were:

- Ensure the scheme is fair and has the minimum impact that is achievable, given the criteria set out by the Government, for all residents of South Somerset, not just those who are currently receiving Council Tax Benefit
- Ensure it has adequate measures to provide stability to the recipients of Council Tax Support.
- Ensure the process is timely, well-evidenced, takes account of members views, any consultation and minimises risks to SSDC
- Ensure the new scheme is accessible and not too complex

The Task and Finish group in collaboration with officers agreed the following set of principles to underpin the original scheme:

- Everyone should contribute something towards the cost of local services through Council Tax
- All income should be included to ensure the scheme is fair
- Greater account should be taken of the total income of a household
- Provide incentives to encourage people into work or increase their hours
- Provide protection for those who may become vulnerable under the scheme 'Unable to afford basic shelter, food, water, heating and lighting and essential transport'
- Not penalise those that have already saved for the future (to a greater extent than the Council Tax Benefit scheme)

The group agreed the ambitions and principles were relevant and appropriate for the review of the scheme and used these criteria when considering all information, data and proposals for amendments to the scheme.

## **Monitoring**

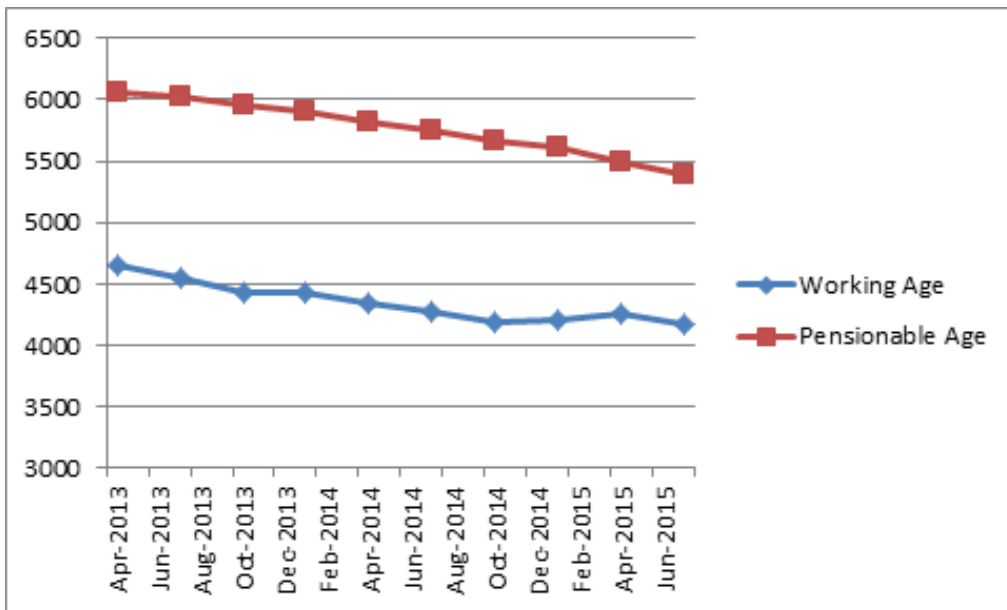
This chapter of the report details the monitoring activities the Task and Finish group undertook to establish the effectiveness of the current scheme.

Members felt that it was important to learn from the experience of other authorities who adopted different schemes. The group considered a paper written by the Institute for Fiscal Studies – Council Tax Support Schemes in England: What Did Local Authorities choose, and with What Effects? This documented 83% of Local Authorities introduced a new scheme that differed to Council Tax Benefit and explained the scheme characteristics chosen by authorities and the effects of these. Members were content with the characteristics that made up the SSDC scheme and positive that no new effects or risks had been highlighted.

The group sought to identify best practice with regard to scheme design and the collection and enforcement of Council Tax Arrears and considered a paper by the New Policy Institute – Managing the challenges of localised Council Tax Support, what are the options for council June 2015. The report noted that many other authorities are in a similar situation to that of SSDC. This provided reassurance to members with regard to the scheme design and the

monitoring measures that had already been introduced. The difficulty now, is knowing how best to manage those cases where people in receipt of Council Tax Support have two or more years Council Tax arrears, this is considered later in the report.

The group reviewed the number of households in receipt of Council Tax Support with a breakdown of pensioner and working-age to assess the financial risk of the scheme to SSDC. (The greater the number of households in receipt of Council Tax Support, the greater the cost to SSDC. As pensionable age households are protected under the old Council Tax Benefit rules this carries a higher cost and therefore a greater risk of which SSDC has no control). These figures are represented in the chart below:



This gradual decline is very reassuring. The evidence behind the decrease shows that many of the working-age households have increased their income, the majority of whom will have either moved into work or increased their hours; consequently there is less dependence on SSDC to help pay their Council Tax.

The original report recommended, creating a hardship fund for those people who are financially vulnerable and monitoring all awards from the hardship fund. All awards are logged and closely monitored by staff. Members reviewed the numbers of those that have been successful and the reasons why to identify if the scheme is creating any financial vulnerability for a specific group. No trend was identified and the group were satisfied that the relatively low numbers of awards and the disparity to whom they awarded gave no indication the scheme was at fault.

In the original report members stated having done an analysis of basic living costs they were particularly concerned for:

- Non-dependents receiving Income Support, Job Seekers Allowance (Income Based), Employment Support Allowance assessment phase if aged under 25 but not less than 18
- Non-dependants aged over 25 receiving Income Support, Job Seekers Allowance (Income Based), Employment Support Allowance and living in rented housing and where the parent/head of household is claiming housing benefit.



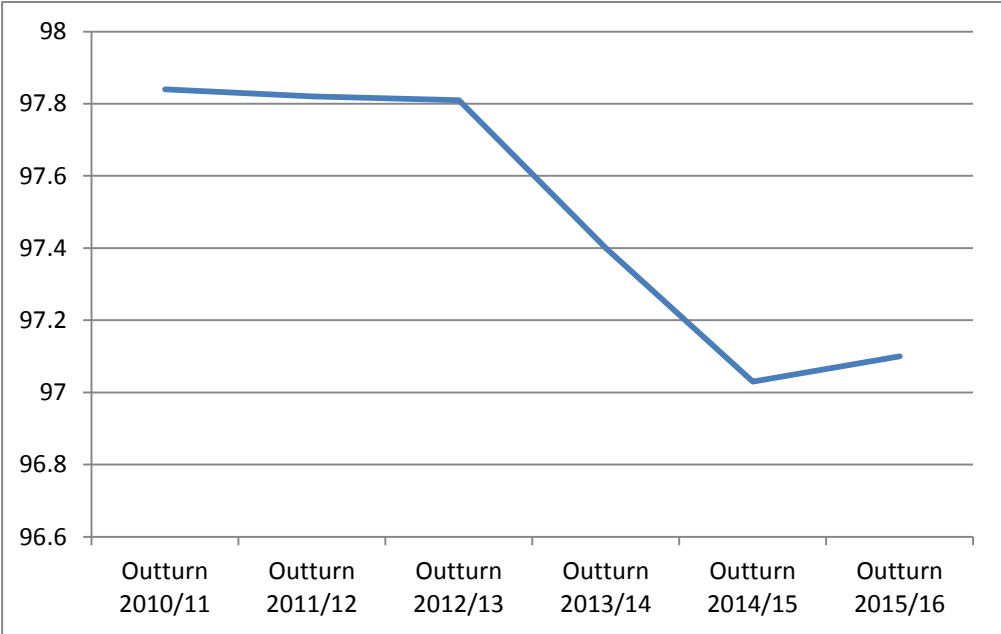
There is no evidence to date (from reviewing the hardship applications and Council Tax Support recipients with Council Tax Arrears) to suggest that the impact of the scheme has made this group financially vulnerable.

A couple of referrals to the Hardship Scheme have been received from the Citizens Advice Bureau and Yarlinton Housing Group. This is encouraging, it shows that there is appropriate knowledge of the scheme with professional bodies in South Somerset and is a positive indication that the scheme is affordable as so few cases have been referred. (Not sure that this is a direct correlation?) However it is worth mentioning the Citizens Advice Bureau (CAB) have commented that the group that are having the most difficulty paying Council Tax are single low paid workers and Families with Non-dependents, usually grown up children who are unable to cover the deduction from their income. CAB also note that families with children seem to be better able to cope with the additional Council Tax liability. (But we have no evidence to suggest why this is. It could be because they are borrowing money to make ends meet?)

The Revenues team will work closely with CAB to review cases over the coming year to identify any trends and how best to prevent financial vulnerability under the Council Tax Support scheme.

Members have requested monitoring of the hardship rewards continue, to date there have been very few applications compared to the numbers that are in arrears with their Council Tax and therefore the numbers may increase. Monitoring this is the best way to identify real financial vulnerability, potential issues with the scheme and potential Council Tax collection problems.

In the original report it was recommended that Council Tax collection rates are monitored. (The collection rate is the proportion of all net collectable council tax that has been collected; this shows how much of a gap there is between what we need to collect and the amount actually collected). This was to assess if the council has adopted appropriate methods to successfully collect Council Tax from new council tax payers and to prevent the authority from any financial risk; the monitoring is carried out every quarter and reported in the Medium Term Financial Plan Quarterly monitoring. The chart below shows the annual collection rate since 2010 (3 years prior to the introduction of Council Tax Support) as a percentage and includes the projected collection rate for this financial year.



There has been a very slight decrease in the collection rates since Council Tax Support was introduced; however there have been other factors:

1. Removal of the second home discount – was 10% of annual charge
2. Introduction of an Empty Homes Premium – 150% of annual charge once empty for 2 years
3. £1m more to collect as a result of moving from Council Tax Benefit to Council Tax Support
4. Restricted recovery in year 1 of the Council Tax Support scheme 2013/14 - delayed issuing recovery notices and summons. Recovery enforcement action such as attachment of earnings or attachment of benefits was put on hold to provide a transitional period for people to get used to the new rules and for some pay council tax for the first time. This avoided the addition of court costs at an early stage which would have been disproportionately high compared with the council tax due. Payment was offered over 12 monthly instalments instead of the standard 10 to help reduce the monthly payment due
5. Changes to bailiff fee structure from 1 April 2014 resulting in a change to work practices
6. Restricted recovery in 2014/15 due to resource issues and an IT system migration
7. Single person discount review in 2014/15 resulting in the removal of 1173 discounts and an increase of £603K of Council Tax to collect

Each of these factors will have contributed to the decrease in collection rate, it's also worth mentioning the decrease is in line with Council Tax Collection rates across England, the average fell in 2013/14 from 97.4 % to 97.0% and then remained at 97% for 2014/15<sup>2</sup>.

The group specifically conducted analysis of cases where Council Tax Support is in payment and the Council Tax account is in arrears. The group reviewed information on a randomly selected 50% of cases and concluded there was no evidence at this stage to suggest that the arrears were as a result of people not understanding they should pay or couldn't afford to pay. There is evidence that the recovery actions are effective in encouraging people to pay and sign up to payment plans, however it is too early to measure the effectiveness of specific actions.

It is documented<sup>3</sup> that some councils have altered some of the measures in their schemes as they had seen evidence to suggest that the scheme was causing disproportionate arrears and recovery costs. It's therefore vital that this detailed monitoring of arrears continues to best manage the scheme and have an effective and efficient approach to collection and recovery.

Moving forward the group would like to see the cost of collecting Council Tax measured. It is important to ensure the balance is correct, whilst we must make certain that we collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient.

Members were concerned that the number of applications to the hardship fund from those households where recovery action had been taken appeared to be disproportionately low. The group have recommended that the recovery process is reviewed to establish how best to

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<sup>2</sup> Department of Communities and Local Government

<sup>3</sup> New Policy Institute – Managing the challenges of localised Council Tax Support – what are the options for councils? June 2015

issue applications to the hardship fund to prevent recovery action being taken and additional charges being added to a Council Tax Account where the household would be considered financially vulnerable.

The group have also requested that the Revenues officers consider:

- A report by the Children's Society – The Debt Trap, The Wolf at the Door this report makes recommendations with regard to recovering Council Tax debt from families with children
- Requesting liability orders for 2014/15 and 2015/16 or at least multiple years to keep court costs to a minimum
- Working with food banks and job clubs across the area to ensure the best advice regarding benefits, managing debt and seeking work is signposted and to re-iterate if there are problems paying Council Tax to seek help and advice early to prevent incurring any recovery related costs

### **Options from County-wide Officer Group**

The County-wide officer group was created in April 2014 with the support of a technical consultant in the field of Revenues and Benefits to collaboratively identify options to:

- Reduce the overall cost of the schemes
- Reduce administration costs in anticipation of changes to the administration subsidy
- Identify what is happening in Social Security Benefit Policy and ensure where practical good alignment in any revised scheme
- Bring closer alignment of the schemes across Somerset.

The Task and Finish group agreed to act as a Sounding Board – to provide South Somerset Officers with a member reference point to consider the options being developed by the County-wide Officer group. In order to achieve this, the Task and Finish group met between Officer Meetings, giving officers time to obtain evidence and additional information specific to South Somerset's Council Tax Support recipients.

In February the Task and Finish group met to discuss the range of options put forward by the County-wide officer group. The group considered the options alongside their ambitions and principles. The group gave feedback explaining why they would like the option included or excluded in the South Somerset Council Tax Support scheme for 2016/17. **Appendix A**

The Project officer group progressed all the options the Task and Finish group had shown a willingness to include in a revised scheme or had not discounted and provided:

- The number of cases affected by each option
- Case examples to illustrate the financial impact of each of the options and cumulative impact on different households
- The potential savings should the option be included in a revised scheme
- The cumulative effect of the options

The evidence was discussed and members agreed not to progress the following options to the consultation stage:

Option	Reasons for excluding from scheme
Limit on the number of dependants for which an allowance is made in the needs assessment	Members felt although there had been a lot of publicity surrounding this in the national press there was insufficient evidence and information with regard to the national policy direction on this.
Include all Child Benefit payments as income	Members agreed to wait and see what the national policy direction is on this, and previously highlighted in the original report 'that this option does not change the level of support for those with no private income but it reduces support for low-earning families, so it weakens the incentive for families to have someone in low-paid work while strengthening the incentive for some families to have a second earner' <sup>4</sup>
Disregard child benefit for 1 <sup>st</sup> child only	As above
Disregard child benefit for 1 <sup>st</sup> two children only	As above
Include disability living allowance and personal independence allowance as income	Members had concerns over equality issues and in particular the need to maintain a separation between 'needs' and 'means' testing.

## Consultation

Members considered how best to consult the South Somerset community with regard to the options to amend the scheme and suggested:

- The consultation should have the same look and feel as the initial consultation
- What could be included in the examples that accompany the questions to aid public understanding of what is being proposed and the impact it would have on individual households
- The consultation was delayed by 2 weeks due to the Emergency Budget being announced, as any decreases to Social Benefits could have a direct impact on the Scheme and increase costs

The consultation opened on 15<sup>th</sup> July 2015, to ensure as many people as possible across South Somerset were made aware of the consultation and were represented the consultation was:

- Circulated to representatives of vulnerable groups and minority groups
- Was presented to the Equalities Steering Group
- Made available on-line and in paper
- Available in an Easy-read format

<sup>4</sup> S Adams and J Browne, Reforming Council Tax Benefit – IFS Commentary C123, Chapter6, Section 6.7, Page 77, The Institute of Fiscal Studies (May 2012)

- Detailed in a letter to all those who could be affected by the changes proposed in the consultation
- Detailed in an e-mail to 1500 Council Tax Support recipients' and 1500 residents who are charged full Council Tax
- Widely publicised via social media, press, SSDC website and SSDC public waiting areas
- Promoted on leaflets included with approximately 2000 Council Tax Bills and 500 Council Tax Support award letters issued during the consultation period

276 responses were received, 2 of these were representative of groups. The total number of responses provided a 95% confidence level - we can be 95% sure that the SSDC population would have answered within a range of +/- 6% of the consultation outcome. For example 58% agreed with the proposal to reduce the capital limit. This means we can assume had all of SSDC population responded the result would be between 52% and 64% that agree.

The group had hoped for a bigger response but concluded; nothing more realistically could have been done to encourage more people to participate without spending a disproportional amount of effort and costs to outcome.

### **Post Consultation**

In addition to the consultation results, the group scrutinised all the comments provided alongside the consultation answers to assess the impact of the proposals on residents.

The group collectively reviewed each option/measure taking into account:

- Consultation results and comments
- Risk – The risks for South Somerset residents, Council Tax Support recipients and the Council
- Equalities – the group gave due regard to the characteristics as set out in the Equality Act 2010, in addition to this fairness and proportionality were considered
- External Evidence – Institute for Fiscal Studies – Council Tax Support Schemes in England: What Did Local Authorities Choose and with What Effects, New Policy Institute – managing the challenges of localised Council Tax Support

## Review of measures

### **Proposal A - To reduce the capital limit from £16,000 to £6,000**

Current scheme up to £6000 of capital/savings/investments and any other assets is ignored in calculating the level of Council Tax Support. For any amount between £6,000 and £16,000 we add £1 to the weekly income used to decide entitlement for every £250 or part thereof. The value of a person's home is also ignored.

Proposed change: Where the value of capital/savings/investments and any other assets held is £6,000 or more no Council Tax Support will be granted. The value of a person's home will still be ignored

### **Consultation analysis and Example comments**

58% agree or strongly Agree to 42% disagree or strongly disagree.

Agree - Working age people have the ability to get themselves out of a problem as elderly and infirm cannot.

Agree - I have been both a benefit recipient in receipt of Council Tax Support and a worker paying full council tax. I do not believe you need support if you have over £6000 in savings. Council Tax payers should only subsidise essential needs not protect large savings.

Agree - We have no savings and live from week to week, anyone who can save £6000 should not be getting benefits in my view. If benefits remain the same, this policy will make people considerably poorer.

Disagree - In the two examples the weekly available money reduces by 5% and then 9%, these are exorbitant amounts given the additional hits these families will experience as a result of proposed welfare cuts.

Disagree - This makes it difficult for families to get themselves into a better situation.

Disagree - Reducing it to £6,000 is too low. How is anyone on a low income supposed to save up and get a mortgage? I work 40 hours a week and earn just above minimum wage, no other benefits, just enough to live after bills.

### **Risks**

New people claiming Council Tax Support may not declare all their savings – The benefits team have a number of measures in place both at the time of application and during the life of the claim to ensure that any risk of non-declaration is minimised or identified.

If an individual has over £6,000 invested in such a way that they have to give notice to access it. This could result in them being unable to afford their Council Tax until the notice period has completed. The mitigation for this, should this proposal be agreed by members is:

- Notice will be given as soon as possible to households that will be affected
- Request for payment will be deferred where evidence is provided to show an individual cannot pay until their savings are accessible.

All Council Tax Support recipients who have over £6000 in capital would no longer qualify for Support and would therefore also not be eligible to apply to the hardship fund but could still apply for a discretionary reduction in council tax liability – this however is solely funded by SSDC, and subject to strict criteria.

### Equalities and proportionality

83 cases affected, a breakdown of the 83 cases is detailed in the table below:

£	Employed	Other Income	Total
6000-6999	10	6	16
7000-7999	2	8	10
8000-8999	6	9	15
9000-9999	4	4	8
1000-10999	3	3	6
11000-11999	3	4	7
12000-12999	2	3	5
13000-13999	3	2	5
14000-14999	2	4	6
15000-15999	0	5	5
Total	35	48	83

### External Evidence

Across the Country 49 authorities also have this proposed measure at £6000.00 in their 2014/15 schemes<sup>5</sup>. The group have found no evidence to suggest these authorities or best practice have identified any disproportional impact on any specific group or that it has impacted on Council Tax Collection.

### Projected Cost Saving

£62,000

### Recommendation

The intention of protecting savings is to not dis-incentivise saving and to some degree help reward and incentivise work.

The Task and Finish group feel that £6000 is more than sufficient to cover any emergencies and questioned if it is right if you have significant savings that Council Tax payers help pay your Council Tax when they may not have any savings themselves?

Task and Finish group agreed to recommend this proposal to Scrutiny Committee for Consideration.

### **Proposal B - Introduce a self-employed minimum income (35 hours or less depending on personal circumstances x minimum wage).**

Current scheme: Actual income from self-employment is used in the calculation of Council Tax Support.

<sup>5</sup> New Policy Institute – 2014/15 figures updated by Institute of Fiscal Studies

Proposed change: We would use a minimum income for the self-employed. This would be in line with the UK Minimum Wage/new national Living Wage for 35 hours a week. The Minimum Wage is £6.70 an hour. The rate for 18 to 20 year olds is £5.30 an hour. The new national Living Wage will be £7.20 from April 2016. This minimum income would not be applied during the first year of self-employment. If a self-employed person has restrictions on the number of hours they can work we will work out the minimum income proportionately.

The original motivation for this proposal to be included in the survey was alignment with universal credit/welfare policy. Whose intention was to make all self-employment gainful.

### **Consultation analysis and example comments**

46% agree or strongly agree to 54% disagree or strongly disagree.

Agree – I agree, I think you will need to give people who have just started a business a chance.

Disagree – How on earth can you penalise someone who is self-employed for not earning enough money. This is ridiculous and unfair.

Disagree – This is very unfair – calculations should be on actual income, otherwise there will be greater hardship.

Disagree - You would destroy any incentive I have struggling to make the business work.

### **Risks**

The Task and Finish group feel this proposal may:

- Prevent work being beneficial to people and therefore may go against Governments criteria about incentivising work.
- Make people financially vulnerable as increasing their income which means awarding less Council Tax Support or no longer eligible for any award and would therefore also not be eligible to apply to the Hardship Fund but could still apply for a discretionary reduction in council tax liability – this however is solely funded by SSDC, and subject to strict criteria.

Universal Credit has not been rolled out to the extent that it was originally intended and therefore issues and unintended consequences of the minimum income floor probably have not been identified yet.

### **Equalities and proportionality**

393 households in receipt of Council Tax Support are self-employed, almost 40% of households that would be affected are lone parents 124 female and 23 Male and therefore unlikely to be able to work full-time.

152 Single females would be affected.

62 Single males would be affected.

The disproportional impact of this will be reported to the Department of Work and Pensions for consideration.



The flexibility that self-employment offers to work around child care (evenings etc.) and negate child-care costs is probably why there is such a concentration of lone parents. The Task and Finish group feel putting this additional financial pressure on this group may prevent them continuing their self-employment, which long term could have a damaging impact on South Somerset's diversity of skills and employment.

### **External Evidence**

There was no mention of this particular scheme measure in any of the documentation we have read to date.

### **Projected cost saving for the scheme**

The savings for this are very difficult to project as we do not know how many hours people are able to work. The maximum savings for this would be £270,000 assuming everyone could do full time hours which would not be the case.

### **Recommendation**

Task and Finish group recommend SSDC does not pursue this proposal. The group recommends SSDC invest time signposting people who are self-employed to appropriate free sources of business advice to try to improve profitability and as a consequence reduce the need for Council Tax Support.

### **Proposal C - Introduce a Council Tax Band cap at band C**

(Around 95% of working age Council Tax Support recipients live in properties in Council Tax band A, B or C. This proposal limits the amount of help people who live in a higher value property can get).

Current scheme: The annual charge (less any discounts) for the Council Tax Band of the property the applicant lives in is used to calculate Council Tax Support entitlement.

Proposed new scheme: Limit the charge used to calculate Council Tax Support entitlement to the Band C charge for the parish the applicant lives in.

### **Consultation analysis and Example Comments**

47% agree or strongly agree to 53% disagree or strongly disagree. Some consultees misinterpreted this question, this is evident by the comments they made.

Agree – I think if people live in larger houses, they should expect to pay more. They can always take in lodgers to help.

Agree – If they can afford the running costs of a large house, they can afford to find the difference of this proposal.

Agree – This might encourage people to downsize and free up larger properties for families or they could take in a lodger.

Disagree – The reasons for living in a bigger house can be many fold and this should be taken into consideration. E.g. in my own circumstance I live in a disabled adapted house which is well located to local services

The regulations make provision for this in the form of a Disablement Banding reduction this provides a discount the equivalent of a Council Tax Band, it is given where a disabled person lives in a larger property than they would usually need if they weren't disabled.

The person has to show they have either:

- an extra bathroom, kitchen or other room that you need for the disabled person
- extra space inside the property for using a wheelchair

The property must be the main home of at least 1 disabled person. This can be an adult or a child - it doesn't have to be the person responsible for paying the Council Tax.

Disagree – Owning a house in a higher band does not mean you have plenty of disposable income.

Disagree – Depends on income, someone could be living in a house they have inherited but have a low income.

Disagree – Widowers who have lived in a house a long time will find it difficult to move.

## **Risks**

This proposal is not means tested - it is not linked to affordability, the same as the 85% cap (maximum Council Tax Support Award), therefore could pose a greater risk for non-payment.

## **Equalities and proportionality**

There are 75,500 properties in South Somerset. Of these 65% are in Bands A, B and C. The proportion of Council Tax Reduction recipients living in Bands A, B and C is 95%.

If the cap was introduced at a band C 254 cases out of the total working age caseload of 5572 would be affected

This proposal may be considered unfair for large families, some of which may have several generations living together. There could potentially be a disproportionate impact on the grounds of Race or Religion or Belief. The Task and Finish group reviewed the households that could be impacted by this proposal and there is no evidence of disproportional impact, the majority of households in the higher bands that would be affected are couples or single people. A number of the consultation comments suggested Widows would be unfairly impacted upon. Widowers who are pensioners are protected by the previous Council Tax Benefit Rules. The Discretionary Hardship Fund is available for working age widowers.

Hardship payments will be monitored so should identify any unforeseen adverse impact on SSDC or any particular groups.

## External Evidence

18% (59) of local Authorities have already restricted support to a particular Council Tax Band; the majority of authorities that have introduced this have chosen Band D<sup>6</sup> (including neighbouring authority Sedgemoor District Council).

Across the country 16 Councils have a band cap at D or below, 3 Councils have a band cap at C or below as part of their Council Tax Support scheme<sup>7</sup>.

9 authorities have a band cap at D or above with a maximum Council Tax Support award set at set 80% or lower, the SSDC scheme is set at 85%.

Many authorities like us are in the process of reviewing their schemes, there is evidence that a number of authorities are considering introducing a band cap and others lowering the band cap they have in their current scheme.

## Projected cost savings for the scheme

The savings for this would be £64,000 if capped at Band C

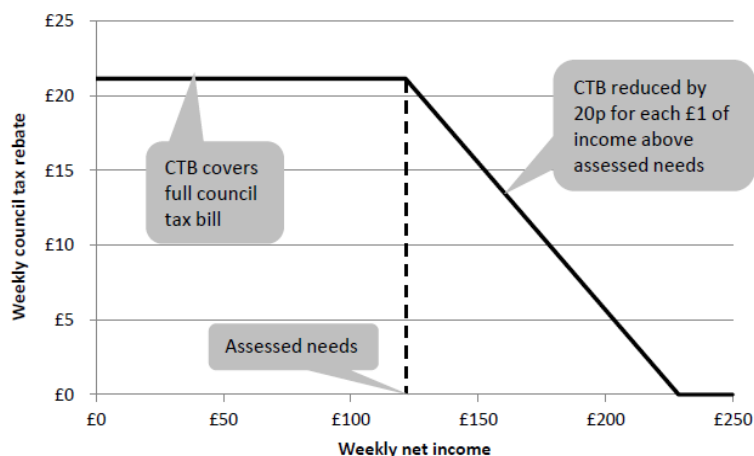
## Recommendation

The Task and Finish group questioned if it is fair for tax payers to be helping pay Council Tax for a large property when others who pay their Council Tax cannot afford to live in a spacious home?

Task and Finish group agreed to recommend this proposal to Scrutiny Committee for Consideration.

## Proposal D - to increase the income taper for those out of work to 65%

Current scheme: For every £1 of weekly income above the basic needs allowance we reduce Council Tax Support by 20 pence a week. This is the same for those who work and those who do not as illustrated in the following diagram<sup>8</sup>:



<sup>6</sup> S Adams and J Browne, *Reforming Council Tax Benefit - IFS Commentary C123*, Chapter 2, page 8 The Institute of Fiscal Studies (May 2012)

<sup>7</sup> New Policy Institute – 2014/15 figures updated by Institute of Fiscal Studies

<sup>8</sup> S Adams and J Browne, *Reforming Council Tax Benefit - IFS Commentary C123*, Chapter 2, page 18 The Institute of Fiscal Studies (May 2012)

Proposed new scheme: For those who do not work we will reduce Council Tax Support by 65 pence for every £1 of weekly income above their basic needs allowance. Those who are working will not be affected by this change

### **Consultation analysis and Example Comments**

57% agree or strongly agree to 43% disagree or strongly disagree.

Agree – Reward those who work and not those who deliberately choose not to.

Agree – They would still get some help for Council Tax

Agree – Work more pay less, wins both ways lower council tax and more cash from working.

Disagree – We feel that scheme should be fair to all – Mr K may be unable to work and will be penalised for this.

Disagree – regardless of whether you work or not, the amount of money you need to is the same. A lot of people don't work because they are bringing up children alone, and are unable to find work that is suitable and flexible. They should not be penalised.

Disagree – This is abhorrent and again suggests that not working is a lifestyle choice so the unemployed should be further penalised.

### **Risks**

Based on the evidence the Task and Finish group are not recommending to include this proposal in the scheme and therefore have not assessed the risks.

### **Equalities and proportionality**

Reviewing the cases on the database that would be affected by this measure has shown that the majority are in receipt of some form of long-term disability related benefit or a maternity related income that would disproportionately impact on women. As these cases would be unable to immediately move into work these cases would need to be excluded from this proposal.

When looking at the proposal in isolation for Council Tax it is fine, for people who are also in receipt of Housing Benefit for every additional £1.00 over the Department of Work and Pensions needs level £1.30 would be taken into account (65 pence for Housing Benefit/Rent and 65 pence for Council Tax) this is unfair.

### **External Evidence**

6% or 20 Local Authorities have increased the taper. Increasing the taper will weaken the incentive for some families to have one person in work rather than none, but may strengthen the incentive for both members of a couple to work rather than just one: if the first earner's earnings put the family on the taper for Council Tax Support, the family will have less CTS to lose if the second partner were to move into work. Increasing the taper weakens the incentive for those who are still entitled to support to increase their income slightly, but

strengthens it for those who lose entitlement to CTS entirely and so no longer face withdrawal of CTS if they increase their incomes further<sup>9</sup>.

### **Savings**

£138,000 could be saved if this measure was introduced in its entirety so all non-working households included, however this includes those who are not able to work, so either in receipt of long-term disability related benefits or in receipt of maternity benefits. Unfortunately we are unable to project a savings figure excluding these households.

### **Recommendation**

Task and Finish group recommend SSDC does not pursue this proposal based on the disproportionate need of administration to positive outcome.

### **Statements**

Within the consultation for completeness in terms of being fair the following statements were included:

Statement 1 – I would pay more Council Tax to help pay for Council Tax Support.

Statement 2 – The level and range of local services should be reduced to help pay for Council Tax Support.

### **Consultation analysis and Example Comments**

46% of respondents agreed with statement 1 - I would pay more Council Tax to help pay for Council Tax Support.

Agree – A rise of £7.39 per year is hardly noticeable for one family, but clearly raises a lot of money per year which is well needed.

Agree – I am currently working and able to pay my council tax. I would consider paying a small extra amount to support the less fortunate.

Disagree – I can hardly afford what I pay now.

Disagree – Why should I pay towards others council tax?

Having reviewed the consultation in detail members felt the figure of 46% agreeing or strongly agreeing with paying more Council Tax was not a true representation of the SSDC population, given the high percentage of people (37.72 %) who completed the surveys who were in receipt of Council Tax Support.

39% of respondents agreed with statement 2 - The level and range of local services should be reduced to help pay for Council Tax Support.

Agree – If people want leisure facilities, then all should be paid for by the user not the authority.

Agree – Yes get rid of it! It is a luxury not a necessity.

Agree – Less painful than hitting the poorest in the community.

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<sup>9</sup> S Adams and J Browne, *Reforming Council Tax Benefit - IFS Commentary C123*, Chapter 2, page 9 The Institute of Fiscal Studies (May 2012)

Disagree – Don't cut back on the goodness in our society. It is these leisure activities that give some hope for our family.

Disagree – Where I live there are few council run leisure facilities as it is. I would not want to see them reduced further.

Disagree – Service cuts are very short-sighted means of saving money, they just create more problems in the long run, can leave areas looking derelict and unkempt which in turn encourages crime and antisocial behavior.

When reviewing the comments accompanying the answers for statement 2 there is a clear divide between those who use the services wanting to protect them and those that don't, wanting to reduce services.

From reviewing the comments related to the statements the group identified:

- Several that suggested the Council should do more to achieve savings from elsewhere. The Task and Finish group propose SSDC review how we publicise the savings that have already been achieved and the efforts that are continually going into reducing service costs/overheads.
- Customers do not understand the roles and functions of different councils and just see all councils as 'The Council' perhaps more could be done to improve understanding and enhance the reputation of SSDC?

## **Risks**

Based on the evidence the Task and Finish group are not recommending to include this proposals in the scheme and therefore have not assessed the risks.

## **Equalities and proportionality – Increase Council Tax**

Increasing Council Tax to Fund or part-funding the shortfall using this option may be justifiable for year one as a transition period. However year on year is a different matter as it may result in the Council not being able to raise enough revenue from Council Tax to maintain or introduce services that benefit the whole community

The taxpayers are getting less value for money, no extra or improved quality of service for greater cost.

This option means that the residents who pay their Council Tax would face an increase to arguably help subsidise services for low-income families.

## **Equalities and proportionality – Cut the level of services**

Members commented if services are cut, you are taking away from those who do pay their Council Tax; putting them at a disadvantage this is not fair. (We would also have to look at the equality impacts on each service that was potentially being cut to ensure compliance with the legislation).

## **Recommendation**

Task and Finish group recommend SSDC does not pursue these proposals in fairness to Tax Payers.

## **Summary of Task and Finish Group's Recommendations**

The Task and Finish group have considered external evidence, best practice, impact analysis, equalities and risks throughout this review process and recommend amending the Council Tax Support scheme to reflect:

- Proposal A - To reduce the capital limit from £16,000 to £6,000
- Proposal C - Introduce a Council Tax Band cap at band C (Around 95% of working age Council Tax Support recipients live in properties in Council Tax band A, B or C. This proposal limits the amount of help people who live in a higher value property can get)

Task and Finish group recommend not pursuing proposals:

- B - Introduce a self-employed minimum income (35 hours or less depending on personal circumstances x minimum wage). The group suggests SSDC invest time signposting people who are self-employed to appropriate free sources of business advice; to try to improve profitability and as a consequence reduce the need for Council Tax Support.
- Proposal D - Increase the income taper for those out of work to 65% due to the disproportionate need of administration to positive outcome.
- Increasing Council Tax to help pay for Council Tax Support
- The level and range of local services should be reduced to help pay for Council Tax Support.

If changes to the scheme are agreed, letters must be sent to all Council Tax Support recipients' that will be affected as soon as possible. To give them time to prepare for managing the increase in their Council Tax Bill.

## **Cumulative Impact**

The group has considered the cumulative impact of the above recommended measures and those in the existing scheme by reviewing case studies, should amendments to the recommendations be proposed so as to reduce Council Tax Support further, additional analysis may be required.

## **Future monitoring**

The Task and Finish group request monitoring of:

- Discretionary Hardship rewards continue
- Arrears for cases where Council Tax Support is being given, this is to best manage the scheme and have an effective and efficient approach to collection and recovery
- Costs of collecting Council Tax - It is important to ensure the balance is correct, whilst we must ensure we collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient
- Other authorities schemes and National Best Practice to consider if the South Somerset scheme could be improved upon
- Universal credit to consider how the scheme can effectively integrate with it.

The group have also requested that the Revenues officers consider:

- Reviewing the recovery process to establish how best to issue applications to the hardship fund to prevent recovery action being taken and additional charges being added to a Council Tax Account where the household would be considered financially vulnerable
- A report by the Children's Society – The Debt Trap, The Wolf at the Door this report makes recommendations with regard to recovering Council Tax debt from families with children
- Requesting liability orders for 2014/15 and 2015/16 or at least multiple years to keep court costs to a minimum
- Working with food banks and job clubs across the area to ensure the best advice regarding benefits, managing debt and seeking work is signposted and to re-iterate if there are problems paying Council Tax to seek help and advice early to prevent incurring any recovery related costs

The Task and Finish group propose SSDC review how it publicises:

- The savings that have already been achieved and the efforts that are continually going into reducing service costs/overheads.
- The role of SSDC with a view to improve understanding and enhance our reputation – Consultation responses have shown customers do not understand the roles and functions of different councils and just see all councils as 'The Council'.

### **Future Risks**

Changes to Tax Credits poses a risk in terms of cost of the scheme, at present there are plenty of households across South Somerset who receive Tax credits but do not claim Council Tax Support; if Tax Credits are reduced the number of people claiming Council Tax Support may increase. More detail on this subject will be provided in the Autumn Statement.

A big unknown is how Council Tax Support will integrate with Universal Credit a standard national benefit; to date there is no detailed guidance. With the variation of Council Tax Support schemes across the country there is likely to be some complex integration issues and challenge the original principles of improving work incentives, reducing complexity and reducing administrative costs.

### **Final Conclusions**

The Task and Finish group concluded at the end of this review, that all evidence has suggested the scheme to date has been a success. The recommendations detailed in this report with regard to modifying the scheme would probably be the last in terms of being able to make savings. The detailed analysis of impact has shown there is nothing else that can be done to achieve savings whilst:

- Protecting the vulnerable
- Meeting the ambitions of the task and finish group
- Achieving the original criteria for Council Tax Support prescribed by Government.
- Realistic/proportional administration costs
- Incentivising work or increasing hours of work



Some authorities that imposed severe measures earlier on have now revised their schemes, as they felt the schemes had a direct impact on the deterioration in their Council Tax Collection. The Task and Finish group assume this may have also caused some financial vulnerability but there has been nothing documented with regard to this.

## Appendix A

### Task and Finish group response to County-wide Officer Group Proposals

Option ( brief description)	Reasons for including in scheme	Reasons for excluding from scheme	Other Comments
Placing a cap on the council tax band used to determine maximum support available	Members preferred to cap at Band C.  (There are 75,500 properties in South Somerset. Of these 65% are in Bands A, B and C)		
Limit on the number of dependants for which an allowance is made in the needs assessment			Members were not ideologically opposed to this idea, but felt at this stage there was insufficient evidence to say it should be included as preferred option
Include all Child Benefit payments as income			Members would prefer to wait and see the national policy direction and then ensure our scheme was subsequently in line. At this stage they were not opposed to its potential inclusion.
Disregard child benefit for 1 <sup>st</sup> child only			Again, not ideologically opposed but wait and see national policy direction.
Disregard child benefit for 1 <sup>st</sup> two children only			As above.

Option ( brief description)	Reasons for including in scheme	Reasons for excluding from scheme	Other Comments
Include disability living allowance and personal independence allowance as income		Members would not wish to see this included in preferred option. There were concerns over equality issues and in particular the need to maintain a separation between 'needs' and 'means' testing.	
Reduce capital and savings limit from £16,000 to £6,000 for people not in receipt of Job-seekers Allowance (Income Based), Employment Support Allowance Income Related, Income Support or a defined level of Universal Credit.	Members wished to see this included in the preferred options as it was seen as a good incentive to work.		
Introduce a minimum income floor for the self-employed  (35 hours x minimum wage)	Members wished to include this as it the assessment method for Universal Credit and therefore allows for consistency.		
Increase the income taper for non-earners from 20% to 65%			Members did not have an issue with this concept but felt that more data on who this would affect and how would be needed before committing either way.

# Agenda Item 11

## **Review of Licensing Fees and Charges - Report of the Scrutiny Task and Finish Group**

*Assistant Director:* Laurence Willis, Environment  
*Service Manager:* Nigel Marston, Licensing Manager  
*Lead Officer:* Emily McGuinness, Scrutiny Manager  
*Contact Details:* Emily.mcguinness@southsomerset.gov.uk or 01935 462566

### **Purpose of the Report**

To present to District Executive the findings of the Scrutiny Task and Finish Group established to investigate various aspects of South Somerset District Council's Licensing Service.

### **Public Interest**

Scrutiny Task and Finish Groups are a way of allowing elected members of South Somerset District Council to consider policy matters in depth, gathering information and evidence, before making recommendations to District Executive. This report sets out the work carried out by such a group of members who looked at two aspects of the Council's Licensing function. Firstly, adopting a principle of total cost recovery where possible within the service and secondly, reviewing the current delegation arrangements with Town Councils.

### **Actions Required**

That the Scrutiny Committee:

- (1) Endorse the recommendation to District Executive that Council agree to 6 months' notice be given to both Yeovil and Wincanton Town Councils, in accordance with the Delegation Agreement, to terminate all delegated Licensing functions. Upon the expiry of the 6 month period, the relevant Licensing functions will be carried out by the Licensing team of SSDC.
- (2) Note the findings of the Task and Finish Group in relation to the over or under recovery of fees and charges within the Licensing Service and in particular endorse the principle of total cost recovery where possible.
- (3) Recommend to Council that members lobby via the LGA for Government to reassess all Statutory fees in relation to Licensing Act 2003 and Gambling Act 2005.
- (4) Note that further work will be carried out by the Licensing Manager and the Financial Services Team to present an amended set of fees and charges to be recommended via the budget setting process, prior to inclusion in the budget proposals for 2016/17.

## **Background**

A Scrutiny Task and Finish Group was established by South Somerset Council's Scrutiny Committee and consisted of the following elect Members:

- Councillors Martin Wale (Chair),
- Jason Baker
- Mike Beech
- Gye Dibben
- Val Keitch
- Tony Lock
- David Norris

The Task and Finish Group was commissioned to look into 2 specific elements of the authority's Licensing Service, namely:

- the potential of introducing a principle of total cost recovery where possible and to propose amendments to the current fee structure to reflect this ; and
- reviewing the current delegation arrangements that exist between South Somerset District Council (SSDC), Wincanton Town Council (WTC) and Yeovil Town Council (YTC).

This report outlines the recommendations of the Task and Finish Group and the evidence members considered in reaching their recommendations.

In the current financial climate for local authorities, all avenues to maximise income in order to maintain service standards must be explored – reviewing Licensing fees and charges with a view to establishing total cost recovery is an important part of this ongoing work.

### **Review methodology:**

As with all Scrutiny Task and Finish work, members first agreed their Terms of Reference, in this case, that they would:

- conduct the review as commissioned by the Scrutiny Committee;
- submit regular update reports to the Scrutiny Committee
- Conduct detailed research and analysis in order to make well-evidenced recommendations to the Executive, Licensing Committee and Council as appropriate;
- To engage members, officers, members of the community and external witnesses in the review as appropriate.

In addition to these more general Terms of Reference, members agreed the following specific review Aims and Objectives:

- To fully understand the proposals of the Licensing Service operating on a total cost recovery basis, to include the legislative framework and ethical implications.
- If the principle of total cost recovery is accepted, then this Task and Finish Group will aim to make evidence based recommendations to the relevant decision making bodies, outlining a schedule of fees for the Licensing Service that allows for total cost recovery, where possible. Members must ensure that the authority has robust evidence to show the exact cost and the correlation between service costs and the fees charged.

- To better understand the national picture in relation to setting fees for Licensing Services, such as government guidance and legislation, and to address any issues that may improve the experience of local authorities through bodies such as the LGA.
- To look at other areas of potential income generation such as introducing charges for pre-application advice and providing a 'check and send' service.
- The review will also look to address the recommendations of an Internal Audit report of the Licensing Service which indicated that the practice of delegating some licensing functions to Yeovil and Wincanton Town Councils should be reviewed. The review of this particular element should look to assess if this practice meets the needs and expectations of South Somerset District Council as well as those of our customers

Members were clear that this review did NOT include looking at the setting of Taxi Fares – this is an entirely separate issue.

Members of the Task and Finish Group decided to conduct the review in two phases – the first of which would consider the issue of Licensing fees and charges, the second would investigate the issue of licensing functions delegated to Town Councils.

### **Phase One: Establishing a Principle of total cost recovery where possible within the Licensing Service.**

#### **Service Context**

The cost to the Council of the Licensing Service last financial year is £89.5k and about 21% of costs within the service are not covered by fees – the ambition of the Service Manager is to reduce this to between 5 and 10% and how to achieve this is one of the main objectives of this Task and Finish Group.

Some fees are statutory and were set in 2005 – these fees don't cover the costs of administering the service but at present, they can't be changed – Local Authorities have been consulted on these fee levels, but there was a poor response nationally to the consultation and the Government took this to mean that there was no call to amend the statutory fee levels. The Local Government Association (LGA) are currently doing some work in this area and a recommendation of this Task and Finish review is that their findings are reported to the LGA to support the ongoing lobbying of central government for a more realistic fee structure.

Where fees are not set by a statutory framework, there is some local discretion. However, fees must only cover costs and there must be no profit or surplus generated. Each regime needs clear separation.

Members were reminded of the need to be aware of the possibility of legal challenge to any proposed changes to Licensing fees and charges – any fees generated must accurately reflect the actual cost of delivering the service, fees should not be set to generate a surplus but if a surplus is generated, it must be used for service enhancement and not used to cross-subsidise other services. Consistent generation of a surplus should be reflected in reduced fees and charges to the customer.

To allow members to make sound evidenced based proposals for an amended fee structure, the Licensing Manager, working with finance officers have produced a spreadsheet for every

licence to show the time taken to process, this data has been collated along with the number of licences processed. This then shows an hourly rate that can be reflected in the schedule of fees and charges. The collation of this data formed a vital part of the evidence considered by the Task and Finish Group and will enable the authority to defend any potential challenges.

### **Total Cost Recovery**

Members of the Task and Finish Group were supported by the Licensing Manager in this element of their work. The first meeting of the process set out the statutory context within which Licensing Fees and Charges are set.

At the first Task and Finish Group meeting, members established their support for a more rigorous approach to operating Total Cost Recovery where possible. Based on this, officers have developed a robust method for the setting of fees.

Across the Licensing regimes, the power to levy a fee is given to the Council by the relevant legislation. With the exception of the Licensing and Gambling Acts, the Council has discretion as to the maximum level of fee it may charge, but in all cases, fees must be reasonable and proportionate to the cost of the processes associated with a licensing scheme. As already mentioned elsewhere in this report, under no circumstances can the Council use fees to make a profit or act as an economic deterrent to deter certain business types from operating within its area.

In its interpretation of the relevant legislation the Council has had regard to the Provision of Services Regulations 2009 (PSR 2009) and established case law such as R(Hemming and others) v Westminster Council.

Where locally set fees are not covered by the PSR 2009 (e.g. Taxi licensing) the principles of the Regulations have still been applied to the fee construction.

### **Method of fee construction**

A rational system of apportionment of costs to calculate the fee level for each individual type of application received and authorisation issued is proposed by the Task and Finish Group. This system of fee calculation is to be kept under constant review and amended whenever changes in procedures or processes occur.

The fee construction system contains a combination of four elements:

- Application Processing,
- Consumables,
- Administration,
- Monitoring Compliance.

### **Application Processing**

Broadly this element of the fee construction is the time taken to process an application from initial enquiry to issue of the decision. It includes the time taken to complete the administration tasks of receiving correspondence, updating the records database with application details and officer actions, processing of payments, production and dispatch of documents including the notice of the final determination of the application.

The time allocated to the consideration (including any inspections and/or consultations/negotiations that may be required) and determination of the application by one of the officers is also reflected in the total cost.

At present no additional cost is allocated to any application that requires determination by a Committee. This cost element is included within the fee every time there is the physical submission of an application.

### **Consumables**

The cost allocated to this element of the fee represents any specialist materials or equipment that may be required such as the identification plates for Hackney Carriage & Private Hire Vehicles.

Not all fees carry a consumables cost as they may not require any specialist materials and all normal stationary items are already included within the on costs described earlier.

As with Application processing above this cost element makes up part of the fee every time an application is submitted

### **Administration**

This element represents the time and costs allocated year on year to maintenance of the regime rather than those activities specific to the processing of an application. It is made up of allocations of time and costs for generic activities as well as the more detailed provision of advice & guidance to and the processing of complaints from, service users and the public/partner agencies.

Also included within this element is the time allocated to the review and maintenance of Council Policies and Officer Guidance (including relevant training for Officers and Members). Regime wide administration tasks such as fee calculation, website maintenance, servicing regime specific forums and quality control measures are also taken into account. Where an authorisation is issued for a period in excess of one year the annual administration element will be included with the fee levied.

### **Monitoring Compliance**

This element comprises of the activities allocated to the monitoring of compliance with any authorisation issued. It is levied against any valid Licence on an annual basis. It includes dealing with complaints, pro-active monitoring (including inspections) and joint operations with partner agencies.

In accordance with case law and the Provision of Services Regulations no fee is levied in respect of enforcement action against unauthorised activities as the Council considers that the costs of defending appeals in the magistrate's court or via judicial review can be recovered through the courts.

With all of the above elements continual training of officers and reviews of processes are undertaken to ensure that the necessary procedures are completed in as quick a time as possible without reducing the professionalism and legality of the service



## Review of fee levels

The Task and Finish Group recommend that the Licensing Manager will review in detail fees and charges annually to ensure that they remain reasonable and proportionate. All proposed fee levels are scrutinised by Members through the democratic process before adoption.

## Over or Under Recovery

In all cases where the Council has discretion over fee levels the Council seeks to set fees to achieve full cost recovery. Should an over or under recovery be identified the Council will redress the imbalance through future fee setting. Timescales for introducing alterations to fee levels in such circumstances will be set, where possible to minimise impact upon businesses and or local taxpayers.

## SSDC Statutory Fees.

Type of Application	Current Statutory Fee	Cost to SSDC	Shortfall per application
Premise Licence Grant	190.00	497.25	-307.25
Premise Licence Variation	190.00	425.04	-235.04
Minor Variation	89.00	200.11	-111.11
Replacement Licence	10.50	25.41	-14.91
Change of Name/Address	10.50	29.74	-19.24
Vary DPS	23.00	84.50	-61.50
Transfer	23.00	84.50	-61.50
Personal Licence Grant	37.00	58.28	-21.28
Change of Address	10.50	24.09	-13.59
Temporary Event Notice	21.00	66.03	-45.03
Gambling Grant	1275.00	563.34	711.66
Gambling Variation	1275.00	301.20	973.80
Gambling Transfer	1020.00	61.94	958.06
Gambling Reinstatement	1020.00	61.94	958.06
Machine Notification	50.00	119.73	-69.73
Gambling Permit	150.00	262.14	-112.14
Society Lottery	40.00	119.73	-79.73

## SSDC Discretionary Fees

Type of Application	Current Fee	Cost to SSDC	Shortfall per application
Taxi Driver 1 Year	58.00	160.00	-102.00
Taxi Driver 3 Year	80.00	258.00	-178.00
HC Vehicle	225.00	245.00	-25.00
Private Hire Vehicle	225.00	220.00	5.00
PH Operator (3 yr)(now 5yr)	85.00	820.00	-735.00
Animal Boarding	110.00	170.00	-60.00
Home Boarding	75.00	170.00	-60.00
Pet Shops	110.00	200.00	-90.00
Dangerous Wild Animals	110.00	245.00	-135.00
Street Trading Casual	13.00	57.00	-44.00
Street Trading Permanent	1600.00	1357.00	243.00
Road Closure	55.00	211.92	-156.92
Scrap Metal Dealer	800.00	700.00	100.00
Scrap Metal Collector	660.00	660.00	0.00
Skin Piercing - Premise	95.00	120.00	-25.00
Skin Piercing - Personal	95.00	120.00	-25.00

### Conclusions on current fee levels

The Statutory Fees (those set by Government) are not adequate to cover the Council's costs in dealing with those applications and members should be recommended to lobby, through the LGA, to request a reassessment of all Statutory Fees in relation to Licensing.

### Phase Two – Licensing Functions Delegated to Town Councils.

#### Delegated Arrangements

The existing delegation arrangements with Wincanton and Yeovil Town Councils were last reviewed in 2005. Currently Wincanton and Yeovil Town Councils have delegated Licensing Arrangements – Wincanton have a delegated Taxi Licensing function whilst Yeovil Town Council have delegated authority for Taxis, Street Collections, house to house collections and Street Trading.

In April 2014 an Internal Audit report was produced by the South West Audit Partnership into Town Council Licensing – that review recommended that the agreement of delegation be

reviewed to ensure that it is fit for purpose and cost effective to still delegate licensing functions. The Task and Finish Group used this as the basis for their work.

South Somerset District Council is the only authority in the country to delegate Licensing functions to Town Councils. When these arrangements were introduced, the Local Government landscape was very different to today and whilst members remain committed to the principles of empowered local communities, they are ever mindful of the need to deliver the best value for money to all residents.

Members of the Task and Finish Group wanted to hear the views of the two Town Councils before making any recommendations and so meetings were arranged with the Clerks of both authorities. Each Clerk was asked to provide the same information and full notes of the meetings can be found at Appendix A to this report. Members of the Task and Finish Group were very grateful to the Clerks for sparing the time to support this review.

Based on the information gathered members of the Task and Finish Group made the following conclusions:

### **Yeovil Town Council**

Last financial year, their income figure for Taxi Licensing was £5902.50 with a stated expenditure of £1,251. Street Trading income was £14,500. The interim Town Clerk was unable to provide further detail on expenditure for Street Trading.

Staff time administering the Licensing function at was estimated to be 500 hours p.a. – 50-60% of time. SSDC's Licensing Manager's view is that a figure of 10 hours a week for the number of licenses processed seemed a little high.

The Yeovil Town Council Clerk expressed no concerns about ceasing the delegated Taxi Licensing arrangements but expressed a preference to retain the Street Trading function citing potential impact on the budget. Members of the Task and Finish Group noted this, but were mindful of the fact that there should be no budgetary impact in ceasing the delegation arrangements as there can be no surplus generated through Licensing or cross subsidising.

### **Wincanton Town Council**

Currently there are 34 drivers licensed by Wincanton Town Council ( 2 of which will not be renewing in 2016), there are 20 Hackney Carriage vehicles and 10 Private Hire vehicles. For the period April 2014 – March 2015 income was stated as being £10,167.50 with an expenditure of £1,977. The Deputy Town Clerk , who has responsibility for Licensing, spends on average 4.38 hours per week on Licensing matters – 23% of her time.

### **Issues**

Members were informed that there would be no staffing implications to either of the Town Councils should the delegated Licensing arrangements cease – this was confirmed by both Clerks when asked.

Wincanton Town Council expressed a strong preference for retaining the current delegation arrangements, citing high levels of customer satisfaction and the significant distance taxi drivers would be expected to travel from Wincanton to Yeovil should the arrangements end. The Task and Finish group noted that SSDC's Area East office at Churchfields in Wincanton is open on weekdays from 9.00 a.m. to 1.00 p.m. Informal discussions with the largest private hire firm based in Wincanton indicated no serious concerns about dealing directly

with SSDC via the Churchfields office or in Yeovil – all Taxi inspections are carried out in Yeovil anyway.

Members of the Task and Finish Group felt very strongly that any concerns about potential loss of income could not be taken into consideration as Licensing income can only be spent on administering the licensing function.

Members of the Task and Finish Group also considered the implications for any amendments to the delegation arrangements on South Somerset District Council's own Licensing Function, such considerations focused mainly on enforcement.

Fees taken by both Yeovil Town Council and Wincanton Town Council include an element for enforcement and compliance. YTC undertake some enforcement, however they no longer have a delegated enforcement officer, so SSDC pick up enforcement work on their behalf. There is currently no recharge made for this provision. WTC undertake no enforcement, all WTC enforcement is picked up by SSDC. No recharge is made for this provision.

If delegation arrangements ceased, the additional income returned to SSDC would be estimated to be approx. £27K which could be used to part fund a much needed additional Enforcement Officer post at a cost of approx. £35K (to include oncosts)

### **Conclusions regarding delegated arrangements**

Members appreciated the points raised by both Town Councils relating to retaining some or all elements of the current delegation arrangements, especially around providing services within local communities. However, based on the financial evidence considered and the indication given by customers that there would be limited, if any, change to customer satisfaction, members of the Task and Finish Group agreed to recommend **that ALL delegated licensing functions should cease, with both Town Councils being given the required notice period of 6 months as soon as a final decision has been taken by full council.**

Members of the Task and Finish Group felt that this was the most appropriate decision for the future provision of a consistent and compliant licensing service for all residents of South Somerset.

Members of the Task and Finish Group wish to thank the Licensing Manager for the support, advice and guidance he has provided members with during this review.

### **Financial Implications**

The proposed amendments to the fees and charges applied within the Licensing Service will be included in the budget papers for 2016/17 where all financial implications will be fully explored. The Fees and Charges Register will need to be amended (if approved) to incorporate the appropriate Licence charges.

In relation to the matter of ceasing the current delegation arrangements with Wincanton and Yeovil Town Councils, it is estimated this will generate approximately £27k of additional income for SSDC, if realised, this will be contribute to additional enforcement capacity within the team. Any proposals for additional staff will be considered through the appropriate channels, with due regard to the principles of avoiding cross subsidisation or achieving a surplus.

## **Appendix A**

### **Notes of Meeting with John Furze – Locum Town Clerk Yeovil Town Council re: Delegation of Taxi Licensing to Town Councils**

**Wednesday 23<sup>rd</sup> September 2015 – 12.00 p.m.**

Present: John Furze – Town Clerk  
Nigel Marston – Licensing Manager, SSDC  
Emily McGuinness – Scrutiny Manager SSDC

- Emily McGuinness explained the purpose of the meeting – in 2014 South West Audit Partnership conducted an audit of Town Council Licensing – one of the recommendations from this report was that the current delegation arrangements with Yeovil and Wincanton Town Councils be reviewed by SSDC to ensure the arrangements remain fit for purpose for all parties involved. Consequently, Officers of Wincanton Town Council had been asked for an informal meeting to provide factual information to support such a review.
- A Scrutiny Task and Finish Group looking at the wider issue of Licensing Fees would be looking at this matter and would make recommendations to the appropriate member level decision making body in due course. It was stressed that at this stage, SSDC were on a ‘fact finding’ exercise – looking to ensure that members are in possession of all relevant facts before taking any decisions about future service delivery options.
- It was stressed that no complaints had been received about current service provision but that the arrangements were last reviewed in 2005 and we had to be sure that arrangements represent the best value for taxpayers’ money.
- In advance of the meeting, Yeovil Town Council had been asked to provide some additional information relating to income and expenditure figures – this information was tabled at the meeting as is as follows:
  - In the last financial year Yeovil Town Council Renewed 13 Taxi Driver Licences, 18 Taxi Vehicle Licenses, 1 Private Hire Vehicle Licence, 95 Street Trading Licenses, 53 Charitable Collections (Street Collections) and 8 Charitable Collections (door to door)
    - Income from Driver licensing was £1,300
    - Income from vehicle licensing was £400
    - Staff time administering the Licensing function at YTC is estimated to be 500 hours p.a. which equates to about 50-60% of an officer’s time.
- The office opening hours at Yeovil Town Council are Monday – Thursday 8.30 a.m. – 4.30 p.m. and Friday 8.40 a.m. – 4.00 p.m.
- Taxi Drivers are able to apply on-line for all Licenses.
- The Clerk was of the opinion that if Taxi Licensing was centralised and the current delegation arrangements ended there would be little or no impact – the staff currently working on Licensing duties could easily be redeployed – due to physical office spaces, it’s difficult to expand team numbers but there are plenty of other tasks to do. He went on to say that it seems sensible to him to centralise Taxi Licensing as it is a generic service that is applied in the same way across the whole district with no scope for local flavour – he could see no logical reason for the Town Council retaining this function.

- However, he did feel there was a strong case for the Town Council to retain responsibility for Licensing of Street Trading as this is a service particular to Yeovil and can have a very visible impact on the Town Centre ( as well as generating income) delegating this function to the Town Council could be seen as 'localism in action'.

At the end of the meeting, an undertaken was given to keep the Clerk updated on the progress of the review and that as the Delegation agreement stated that 6 months notice was required by either party to end the agreement, every effort would be made to have concluded this work in time for the 2016/17 budget setting process.

It was explained that any final decision on future arrangements would be made by SSDC elected members in line with the Constitution (clarification was sought on whether any final decision would be taken by Council or District Executive).

## **Notes of Meeting with Wincanton Town Council re: Delegation of Taxi Licensing to Town Councils**

**Wednesday 23<sup>rd</sup> September 2015 – 9.30 a.m. -10.00 a.m.**

Present: Sam Atherton – Town Clerk  
 Muriel Cairns - Deputy Town Clerk  
 Councillor Colin Winder –  
 Councillor Howard Ellard  
 Nigel Marston – Licensing Manager, SSDC  
 Emily McGuinness – Scrutiny Manager SSDC

- Emily McGuinness explained the purpose of the meeting – in 2014 South West Audit Partnership conducted an audit of Town Council Licensing – one of the recommendations from this report was that the current delegation arrangements with Yeovil and Wincanton Town Councils be reviewed by SSDC to ensure the arrangements remain fit for purpose for all parties involved. Consequently, Officers of Wincanton Town Council had been asked for an informal meeting to provide factual information to support such a review.
- A Scrutiny Task and Finish Group looking at the wider issue of Licensing Fees would be looking at this matter and would make recommendations to the appropriate member level decision making body in due course. It was stressed that at this stage, SSDC were on a 'fact finding' exercise – looking to ensure that members are in possession of all relevant facts before taking any decisions about future service delivery options.
- It was stressed that no complaints had been received about current service provision but that the arrangements were last reviewed in 2005 and we had to be sure that arrangements represent the best value for taxpayers' money.
- In advance of the meeting, Wincanton Town Council had been asked to provide some additional information relating to income and expenditure figures – this information was tabled at the meeting as is attached to these notes.
- Clarification was sought as to how Wincanton Town Council can demonstrate that the Licensing Income they report is used to fund Licensing activities. It was noted that the legislation is very clear that Licensing income cannot be used to cross-subsidise other services or activities. Muriel and Sam stated that no additional staff had been appointed

to carry out Licensing work but that Muriel worked additional hours. The amount of her time spent on Licensing work varied from week to week and at present, her time is not accurately recorded. It was agreed that in order to show how Licensing Income is used and to demonstrate the impact should the current delegation arrangements cease, it would be beneficial for this information to be available.

- The officers and members of Wincanton Town Council felt that they offer a good face to face service for local taxi drivers who would otherwise have to face a 35 mile trip to Yeovil. Muriel offers an 'above and beyond' personal service that is appreciated by service users – to the extent that apparently drivers visit Muriel at home to collect plates outside of office hours.
- Wincanton Town Council don't have a dedicated Licensing back office system for handling Licensing administration, but they do have separate spreadsheets and databases with all information securely stored.
- When asked what the impact on Wincanton Town Council would be if the delegation arrangements were ended, Colin Winder said it would represent a loss of £8k pa in income for the Town Council. Due to the issues of recording the Deputy Clerk's licensing duties, it was not clear what the impact on staffing would be.
- There is currently no facility for the on-line completion of the Licensing applications at Wincanton Town Council – but this is not a service which has been requested by Taxi Drivers. There is a link to the SSDC website and on-line forms on the Wincanton Town Council Website. The Clerk did say this was something they could look into if there was a demand.
- Cllr Ellard asked what the view of SSDC would be if proposals to delegate additional licensing functions to the Town Council came forward. It was explained that we were operating in a very different financial climate to 10 years ago when the current delegation arrangements were introduced, and that whilst SSDC remains committed to empowering local communities where possible, the onus is now very much more on sound business cases and the best use of public money. Reassurance was given though that any full costed proposal would be given due consideration.

At the end of the meeting, an undertaking was given to keep the Clerk updated on the progress of the review. It was explained that any final decision on future arrangements would be made by SSDC elected members in line with the Constitution (clarification was sought on whether any final decision would be taken by Council or District Executive).

Representatives of Wincanton Town Council were thanked for their time.

# Agenda Item 12

## **Update on matters of interest**

*Lead Officers:*            *Emily McGuinness, Scrutiny Manager*

*Contact Details:*        *emily.mcguinness@southsomerset.gov.uk or (01935) 462566*

## **Action Required**

That members of the Scrutiny Committee note the verbal updates as presented by the Scrutiny Manager.

## **Purpose of Report**

This report is submitted for information to update members of the committee on any recent information regarding matters of interest to the Scrutiny Committee, and for the Scrutiny Manager to verbally update members on any ongoing matters including:

- Journey of Exploration
  - Joint Waste Scrutiny
-



**Scrutiny Work Programme**

Meeting Date	Agenda Item	Issue for Main Scrutiny Cttee	Budget	Background/Description	Lead Officer/ Lead Member
5 <sup>th</sup> Jan '16	Update on Telephony Issues	✓		At their August 2015 meeting, members requested an update report on this issue be brought to the December Meeting	Jason Toogood / Roger Brown.
2 <sup>nd</sup> Feb '16	Update on Shared Accommodation	✓		Members have requested a report reviewing the Shared Accommodation project.	Laurence Willis/ Cllr Henry Hobhouse.
1 <sup>st</sup> Mar '16	Equalities action plan 2012-16	✓		Scrutiny were involved in the original creation of the plan and has a role in monitoring performance and considering equalities across all of the Councils decisions.	Jo Morgan/ Martin Woods

The Somerset Waste Board and Somerset Waste Partnership Forward Plan of key decisions can be viewed at: <http://www.somerset.gov.uk/policies-and-plans/plans/cabinet-forward-plan/>

**Current Task & Finish Reviews**

Date Commenced	Title	Members
July 2015	Fees within the Licensing Service	Martin Wale, Tony Lock, Gye Dibben, David Norris, Val Keitch, Mike Beech, Jason Baker
Ad-hoc monitoring	Council Tax Benefit Reduction	Sue Steele, Dave Bulmer, Sue Osborne, David Norris

# Agenda Item 14

## **Date of next meeting**

Members are requested to note that the next meeting of the Scrutiny Committee will be held on Tuesday 5 January 2016 at 10.00am in the Main Committee Room, Brympton Way, Yeovil.

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