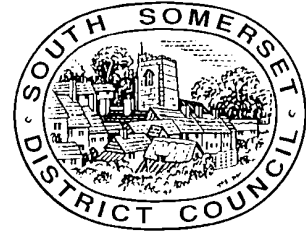


**South Somerset District Council**

*Notice of Meeting*



# Scrutiny Committee

*Making a difference where it counts*

**Tuesday 28th February 2017**

**10.00 am**

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

(disabled access and a hearing loop are available at this meeting venue)



The following members are requested to attend this meeting.

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

Jason Baker  
Mike Beech  
Amanda Broom  
Val Keitch

Tony Lock  
David Norris  
Sue Osborne  
Garry Shortland

Rob Stickland  
Linda Vijeh  
Martin Wale

If you would like any further information on the items to be discussed, please contact the Democratic Services Officer on 01935 462596 or [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk)

This Agenda was issued on Monday 20 February 2017.

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

**This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk) and via the [mod.govapp](http://mod.govapp)**



# 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).

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

## 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. If anyone making public representation does not wish to be recorded they must let the Chairperson know.

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

# Scrutiny Committee

## Tuesday 28 February 2017

### Agenda

#### *Preliminary Items*

**1. Minutes** (Pages 4 - 13)

To approve as a correct record the minutes of the previous meeting held on 31 January 2017.

**2. Apologies for absence**

**3. Declarations of Interest**

In accordance with the Council's current Code of Conduct (as amended 26 February 2015), 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.

**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. Verbal update on reports considered by District Executive on 1 February 2017** (Page 14)

**8. Monitoring SSDC National Non Domestic Rates Discretionary Relief Policy** (Pages 15 - 24)

**9. Discretionary Housing Payment Policy - Overview and Scrutiny Task and Finish Group Report** (Pages 25 - 35)

**10. Reports to be considered by District Executive on 2 March 2017** (Page 36)

**11. Verbal update on Task and Finish reviews** (Page 37)

**12. Update on matters of interest** (Page 38)

**13. Scrutiny Work Programme** (Pages 39 - 40)

**14. Date of next meeting** (Page 41)

# Agenda Item 1

## South Somerset District Council

**Draft Minutes** of a meeting of the **Scrutiny Committee** held in **Council Chamber B, Council Offices, Brympton Way, Yeovil BA20 2HT** on **Tuesday 31 January 2017**.

(10.00 am - 12.40 pm)

**Present:**

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

Mike Beech	David Norris
Dave Bulmer	Sue Osborne
John Clark	Rob Stickland
Val Keitch	Linda Vijeh

**Also Present:**

Henry Hobhouse	Jo Roundell Greene
Ric Pallister	

**Officers**

Laurence Willis	Assistant Director (Environment)
Steve Read	Somerset Waste Partnership
Donna Parham	Assistant Director (Finance & Corporate Services)
Catherine Hood	Finance Manager
Jo Gale	Scrutiny Manager
Becky Sanders	Democratic Services Officer

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### 104. Minutes (Agenda Item 1)

The minutes of the meeting held on 3 January 2017 were approved as a correct record and signed by the Chairman.

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### 105. Apologies for absence (Agenda Item 2)

Apologies for absence were received from Councillors Jason Baker, Amanda Broom, Tony Lock, Garry Shortland and Martin Wale.

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### 106. Declarations of Interest (Agenda Item 3)

Councillor Val Keitch declared a personal interest for Agenda item 7 - Somerset Waste Partnership Response to Call-In, as she is also on the Joint Waste Scrutiny Panel.

Councillor Linda Vijeh declared a personal interest for Agenda item 7 - Somerset Waste Partnership Response to Call-In, as she is also Somerset County Councillor.

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

There were no questions from members of the public at this item. The Chairman explained that public representation for Agenda item 7 would be heard when that item was considered.

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

There were no issues raised from previous meetings.

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**109. Chairman's Announcements (Agenda Item 6)**

The Chairman did not make any announcements.

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**110. Somerset Waste Partnership Response to Call-In From Councillors Mike Beech and David Norris (Agenda Item 7)**

The Chairman introduced the item which was regarding a call-in request of the decision taken on 16 December 2016 by the Somerset Waste Board – item 9 – New Waste Treatment Facility Task and Finish Group Update.

She explained that Mr Steve Read, Managing Director of Somerset Waste Partnership (SWP), would have the opportunity to speak first and explain the process the Somerset Waste Board (SWB) had been through to make the decisions that had been made, and then he would take questions.

Mr Read was welcomed to the meeting and invited to speak about the waste transfer station at Dimmer. He opened his address by apologising to the public who had submitted questions to the Somerset Waste Board (SWB) meeting on 16 December 2016, where he had said a written response would be provided. Unfortunately, due to a mis-understanding, the response had only been circulated today.

Mr Read provided an outline to the history, over the last few years, of seeking an alternative to landfill, and that in the future Somerset was likely to only have a single landfill site, Walpole. He explained the process to date to look at options for the future of waste disposal in Somerset, and landfill had been found to be the most cost-effective way of dealing with waste in the immediate future. It had been concluded to continue with landfill but to keep a watching brief regarding new technology, noting that Avonmouth might provide a solution in the future.

The Board had looked closely at alternative solutions and rejected some proposals. Soft market testing in 2015 indicated there was interest for dealing with Somerset's waste, most interest was for turning waste into fuel but much of it was overseas. Looking at the options and bids it was concluded that transfer stations would be required, with two sites believed necessary, one each broadly in the east and west of the county at Dimmer and Walpole, with Dimmer already having planning permission. The Board had looked at creating their own site rather than using Viridor, however the Viridor site was favoured as some structures were already in place. The economics of using Dimmer with its existing set-up had been assessed, and would provide savings of around £2.5 million over the duration of the project.

Mr Read noted the public understandably were asking why Dimmer was not considered to be a strategic site. He referred to the County Waste Core Strategy and acknowledged the definition of a strategic facility wasn't clear, but in his own opinion Avonmouth is the strategic facility by the definition. He recognised there were implications for local residents, but also acknowledged Dimmer was a site that had less impact for finances.

It was noted the public had also raised questions about the long length of the contract, and Mr Read explained the term was required due to capital investment. He also noted that exporting waste had looked favourable a few years ago, but given the drop in the value of the pound it would be in a very different position now. He fully acknowledged the concerns of residents, but looking at costs and that the Dimmer site already had planning permission, made it a logical site for a waste transfer station.

Reference was also made to the Recycle More project which would mean less vehicles taking waste to landfill, and there would be less vehicles in general. In the future more vehicles would be based in the west of the county which would also contribute to less vehicles going to Dimmer, but this would not have been known when planning permission was considered. Mr Read noted they had tried to be as open as possible with many documents available online.

Members of the public then made representation to the Scrutiny Committee:

Mr C Edwards, of Ansford Parish Council noted that to them locating a waste transfer station at Dimmer did not make practical, environmental or financial sense. They had concerns about highway and pedestrian safety, and the impact of vehicles using the B3153 through Clanville which has no pavements and repairs to the road were often needed. Resident's boundaries were also being eroded by passing HGVs. He referred to two Inspectors recently refusing a commercial operation at Dimmer due to road safety concerns. The road through Clanville is a primary access route to Dimmer and the Torbay Road Industrial estate. Residents of Ansford continued to be concerned about HGV traffic on a road that would be impossible to widen in certain places.

He referred to the distance of Yeovil and Frome from Dimmer and that each town had better transport links. They felt it would be more efficient to have transfer stations nearer those towns. Given the long term proposed, he asked the Scrutiny Committee to satisfy themselves that the location of a single transfer station at Dimmer had the necessary infrastructure. He asked the following questions:

- Where is the information for alternative sites with associated costs analysis data for comparison purposes?
- Feel further consideration of this important matter is urgently needed.
- Have Scrutiny Committee members seen for themselves the restrictive road access in Dimmer, in particular through Clanville to the junction of the A371 and at a time of day when the HGV's regularly use the road?

Ms P Peppin of Castle Cary Town Council noted to them this is a question about procedural transparency and use of public money, and using Dimmer as a waste transfer station would be expensive for SSDC. It would involve inefficient deployment of staff and vehicles, and the cost, if calculated, was not in the public domain. Walpole was a sensible location for a waste transfer station for the west of Somerset but that did not mean a single station made sense for east Somerset. She also referred to the inefficient transportation of waste to Dimmer before going to Avonmouth.

She commented that cost analysis should not be based on an assumption that one waste transfer station is best for east Somerset, and assumptions should be properly tested. It seemed that SSDC was being asked to commit to an inefficient environmentally unfriendly arrangement until at least 2045, while planning permission for a waste transfer station at Dimmer had only been granted to 2030. She felt a higher level of scrutiny was expected and believed SSDC councillors should make sure analysis had been done, and reviewed, to check it is robust. She noted there was no evidence publicly available indicating the level of scrutiny expected had happened. She also commented that the failure of the SWP to respond to questions from the meeting on 16 December 2016 until before this meeting was inadequate. Ms Peppin's questions were:

- Has an analysis been done to estimate the additional annual cost of transporting household waste to Dimmer from Yeovil instead of using a site much closer to Yeovil? Has even a rough estimate been done?
- Has an analysis been done to support the decision that one transfer station is preferable instead to two in East Somerset?
- Have the scrutiny committee members been provided with all the papers sent to the Somerset Waste Board members before the December meeting, including background papers at the October meeting, with adequate notice to review those papers and ask questions? Surely they must be entitled to scrutinise the same papers? If this material has not been made available then this agenda item should be rescheduled to a special meeting.

Mr M Roberts of Cary Moor Parish Council noted the lives of residents along the B3153 had been blighted for years by HGVs accessing the tip at Dimmer. He noted they could not get answers through the SWB officers. Invitations to Mr Read to meet them to discuss this matter had repeatedly been declined, and questions tabled three days before the SWB meeting on the 16<sup>th</sup> December 2016 not answered. Despite being promised that answers would be provided in writing after the meeting this hadn't happened until today. They had not had time to read that information and it should have been provided to members at the Board meeting so that they could make a fully informed decision. Constitutions of the Board and for councillors made it clear that Scrutiny Committees were able to access copies of any document of the Board whether public or confidential. His questions were:

- So why hasn't this information been provided?
- How can scrutiny function be done without it?

Mr Roberts further noted the proposed a long contract with Viridor using a waste transfer station at Dimmer, would commit SSDC to using the facility for possibly 33 years. SSDC had opposed the location for an extended landfill site since 1991 and for a transfer station since 2015, primarily due to the road access. SSDC called for a transfer station near Yeovil when the Odcombe landfill site closed, however this did not happen, now was the time to investigate the possibility. Castle Cary, Ansford, Cary Moor and Lydford parish councils had all called for the Dimmer transfer site matter to be fully investigated. Scrutiny Committee were asked to do the same when in receipt of full information.

Mr K Knight, a local resident of Dimmer living close to the landfill site spoke about the day to day operations he saw regarding the rear end loading vehicles (RELVs) which are manned by a crew of three - driver and two pickers. Each vehicle may go from Yeovil to Dimmer twice a day and for that period the pickers spent four hours just sitting there doing nothing. Based on calculations he had done this equated to about £150,000 a year

in downtime of pickers. He also referred to the works required and costs to Viridor of providing a new waste transfer station at Dimmer.

Mr C Kay, commented he was concerned about how decisions were made. There appeared to be a lack of transparency, particularly as some decisions seemed to be made without all details and without evidence that cost benefit analysis had been done. He felt more detailed analysis needed to be undertaken. He noted full consideration needed to be given to costs involved with the trips to Dimmer including staffing, expenses, breakdowns and delays. It was hoped Scrutiny Committee would ask to see detailed costings because, if wrong, they would have implications for up to 33 years. He also noted his concern that some decisions appeared to be initially discussed in private and then go to a public meeting, where with little discussion, items would be approved. He considered the term commercial confidentiality was often used by the SWP as an excuse for not disclosing information and he provided an example.

He noted that online public records were available, but the lack of transparency was regarding the records of meetings that were not made available to the public. He felt bigger savings could be made by not using Dimmer, and if savings could be made they should be. He hoped the Scrutiny Committee would look at the actions of the SWB in detail and ask questions, ask to see all information and carry out a review of the documents. His questions were:

- What cost analyses have been made available to the Scrutiny Committee before today's meeting?
- If full documentation has not been made available for you to examine, do you agree that no decision can be made today, and no decision can be made until all the facts and documentation have been investigated, including financial information provided to experts.

Ms V Nobles, resident of Dimmer and founder member of Care4Cary, commented that SSDC councillors and ratepayers needed information that so far had not been forthcoming from the SWP or Board. She felt answers were needed to ensure that people are not going to be at a disadvantage for 30 years while County made the savings.

She had a number of questions:

- Questions must be asked about the scrutiny process.
  - Why are there no papers published on the website?
  - Where is the call-in paper?
  - Where are SWB papers relating to the Dimmer transfer station?
  - Surely you the committee can have sight of commercially confidential papers otherwise scrutiny of major contracts would be meaningless?
- What cost benefit analysis has been done to prove that only one waste transfer station, at Dimmer, is appropriate to service east Somerset? Has the Committee seen such an analysis?
- The waste to energy facility at Avonmouth is clearly strategic and Penon Group need certainty of supply for them to construct and operate it. We understand that, but as per the SWBs own Waste Core Strategy, transfer stations apparently are non-strategic, so why therefore the need to tie something that is non-strategic into a 25 year contract with no break clause?
- Questions must be asked about the lack of transparency and consultation. Despite Mr Read's contention this morning, much of what he has said today we have heard for the first time.



- Why has SSDC not been consulted by the SWP and Board about their decision to give Viridor the contract including a Dimmer waste transfer station?
- Why the recent refusal to meet with local parish and town councillors and community?
- Why have public questions asked at the December waste board meeting not been answered until this morning?
- Why make the decision now when it is not anticipated that waste will be transferred to Avonmouth until 2020?
- SSDC over the years has been consistent in its view of the issues surrounding Dimmer, insisting that when landfill finishes at Dimmer so do the other waste management operations. All planning permissions have been on this basis. The Regulation Committee took the same view with the approval of Viridor's application to 2030. So why is the Waste Board now locking in Dimmer for 30 years, through to 2050, 20 years after the planning permission is due to end?

The Chairman invited Mr Read to answer questions raised. Mr Read repeated his apology for the delayed response to the questions posed at the SWB meeting of 16 December. He was also sorry that if speakers felt they had heard things today that had not been said before as the SWB made efforts to put a lot of information in the public domain.

Mr Read noted the concerns of local residents about traffic on the B3153 had long been sustained, and the issues had been considered by the Board. The Board had looked at other options in detail. He acknowledged there was some downtime with pickers but this was an inevitable part of the process, it was not within Kier's (the contract provider) interest to run inefficiently but ultimately it would be Kier's costs. Costs to set up and run a transfer station had been modelled across the county using various options and it had been concluded that two stations would be the best option going forward and the most cost effective solution.

During discussion by members various comments and questions were raised including:

- Promises had been made back in the 1990s which are now being broken – it was said then that associated waste management activities would cease when the landfill closes.
- Disposal of waste is a County responsibility. SSDC only have a responsibility for collection.
- Hard to see how we can challenge the budget of the County Council.
- Need to bear in mind this is a county decision and we are likely to be out-voted by other members of the Board.
- Disposal of waste is a county decision. We could refer the matter back to them but it's hard to see how they could change their decision, and our only power is to ask them to consider the decision.
- Coming out of the SWP is not an option.
- Fully acknowledge concerns raised by the public, but the primary concern regarding highways is beyond our control.
- Waste has to be done by the most cost effective means which is through the SWP. The SWP try to be as transparent as possible.
- Acknowledge many questions to be answered.
- Main question is how Dimmer was chosen as a transfer site and the information that backs up that decision?
- Are there any mitigation plans for Clanville?

- This might not be the right Scrutiny Committee and it is more appropriate for the Waste Scrutiny Panel to consider it.
- There is a financial and environmental business case, and costs analysis, but they are not online.
- Waste to fuel – there has been mention of Europe but has setting up an energy facility with other local authorities in the UK been considered?
- Would like to see financial analysis and other documents.
- Is there any option for the SWP to voluntarily contribute towards the provision of a footpath link for residents?
- If there wasn't a landfill at Dimmer it's likely there would still be a need for a transfer station. Supportive of option to refer to the Waste Scrutiny.
- The planning approval for the transfer station needs to be looked at. Was the County Regulation Committee aware of Inspectors comments?

The Chairman reminded everyone that the Scrutiny Committee was not a decision making committee and it could only make recommendations. She also noted that Scrutiny had no remit to look at planning application decisions. The Chairman advised that all the questions raised at this meeting would be collated and answers would be sought from the County, SWP and Joint Waste Scrutiny Panel, and until such time she could not see how the concerns raised could be moved forward.

Mr Read was thanked for attending the meeting and answering questions.

**ACTIONS:** The Scrutiny Manager and Democratic Services Officer to collate all questions and seek answers from the County, SWP and the Joint Waste Scrutiny Panel.

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**111. Verbal update on reports considered by District Executive on 5 January 2017 (Agenda Item 8)**

The Chairman noted that the Scrutiny comments had been considered and were included in the District Executive minutes which had been circulated.

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**112. Reports to be considered by District Executive on 1 February 2017 (Agenda Item 9)**

Members considered the reports contained in the District Executive Agenda for 1 February 2017 and made the following comments:

**Somerset Waste Partnership – Draft Business Plan 2017-22 (Agenda item 6)**

- Scrutiny Committee request to have information with regard to timelines or the reports referred to on page 14 and 15 for the Refuse Treatment and Recycle More projects.
- Members of the committee requested it recorded that Scrutiny Committee had representations from the public with regard to the Dimmer Waster Transfer Station - part of the Refuse Treatment project. The outcome of this is Scrutiny will be passing the questions and concerns from the public to County Council

Scrutiny and the Somerset Waste Board Joint Scrutiny Committee. Two members wished it noted that they have reservations about whether Dimmer is an appropriate transfer site as they had seen no evidence.

- Members were pleased to note that review of the inter Authority agreement between Taunton and West Somerset will be of low risk as the breakdown of costs is based on the number of collections per area.

#### **Loan to Somerset Waste Partnership for Waste Vehicles (Agenda item 7)**

- Members support the recommendation noting that the £29,255 interest is in addition to what is currently being received in terms of interest.

#### **Heart of the South West Devolution Update (Agenda item 8)**

- Members were happy to support the recommendations but had concerns that they didn't have enough knowledge yet to make formal decisions.
- Scrutiny Committee will be discussing Devolution and the role of Scrutiny at its next meeting.

#### **Revenue Budget 2017/18 Medium Term Financial Plan and Capital Programme (Agenda item 9)**

- Para 37 page 50 refers to exploring fees and charges and specifically mentions car parking fees. Where are we with the Car Parking Strategy?
- Scrutiny Committee could consider a Task and Finish group with regard to Fees and Charges if this would be helpful.

#### **2016/17 Revenue Budget monitoring report for the quarter ending 31<sup>st</sup> December 2016 (Agenda item10)**

- Para 10.1 on page 81 - Members were concerned of the number of outstanding applications for Discretionary Housing Payments(32),p articularly given the financial vulnerability of some of the applicants.

#### **2016/17 Capital Budget monitoring report for the quarter ending 31 December 2016 (Agenda item 11)**

- A member sought clarification regarding the Market Towns Vision (page 119) – with the changes that Transformation will bring will the Market Towns Investment Group continue and is the funding secure?
- Page 119 – New Car Parks - Some members queried the reason for delays regarding the progressing of the Millers Garage site in Crewkerne.

#### **Public Space Protection Order for dog fouling, dogs on leads and dog exclusion (Agenda item 12)**

- Some members queried if in general such Orders for dog exclusion could only be made for SSDC owned land or whether they could be made for any land used generally by the public e.g. recreation grounds owned by trusts or parish councils.

### **Allowenshay Private Water Supply (Agenda item 13)**

- Based on the report included within the agenda, members raised no comments.

### **Final Recommendation of the Community Governance Review of Brympton Parish (Agenda item 14)**

- No comments
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### **113. Verbal update on Task and Finish reviews (Agenda Item 10)**

Members noted the updates provided by the Scrutiny Manager on each of the Task and Finish Groups currently in progress:

**Consent for Disposal of Properties** – the properties of a rural nature are ongoing, and this has been passed to the Corporate Strategic Housing Manager to do with the Rural Lettings Policy.

**Discretionary Housing Payments** – the report was nearly finalised and is due to Scrutiny in March and the District Executive.

**Street Trading** – this has been left with the Licensing Manager and he will be writing the final report. Task and Finish Group members are satisfied their views have been considered and taken forward.

**National Non Domestic Rates Discretionary Relief** – Group are awaiting a response from the Portfolio Holder, but has indicated he is probably supportive that the charity sector is funded.

**Right to Buy Clawback** – the group has finished their work and a letter had been sent to Yarlington but there had been no response to date.

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### **114. Update on matters of interest (Agenda Item 11)**

The Scrutiny Manager reminded members that Devolution was going to be considered under matters of interest, but much had been covered when the item was discussed under the District Executive item on the agenda.

Councillor Clark's presentation had been circulated to members prior to the meeting and after a short discussion it was agreed that Scrutiny should consider the matter in more detail at a future meeting.

**ACTION:** That an item to consider the Devolution update be added to the Scrutiny Work Programme.

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### **115. Scrutiny Work Programme (Agenda Item 12)**

The Scrutiny Manager provided members with some updates to the Work Programme:

- The Rural Lettings Policy item would now be at the 28 February meeting.

- The TEN system was likely to be replaced in the future as it didn't integrate with other systems. Members were asked raise any items they may wish to see more performance information on.

She also reminded members of the Task and Finish Group regarding the Community Council, which had stalled due to more information being required regarding data sharing. In response the Chairman noted that the group had thought a presentation from the Yeovil One team with be useful, and other members agreed.

**ACTIONS:** The Scrutiny Manager to arrange a presentation from the Yeovil One team and then re-convene the Task and Finish Group regarding how the Community Council for Somerset and SSDC could work better together.

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**116. Date of next meeting (Agenda Item 13)**

Members noted the next meeting of the Scrutiny Committee would be held on 28 February 2017, in the Main Committee Room, Brympton Way.

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Chairman

# Agenda Item 7

## **Verbal update on reports considered by District Executive on 1 February 2017**

The Chairman will update members on the issues raised by Scrutiny members at the District Executive meeting held on 1 February 2017.

The draft minutes from the District Executive meeting held on 1 February 2017 have been circulated with the District Executive agenda.

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# Agenda Item 8

## **Monitoring SSSC National Non Domestic Rates Discretionary Relief Policy**

*Lead Officer: Joanna Gale, Scrutiny Manager*  
*Contact details: joanna.gale@southsomerset.gov.uk or 01935 462077*

### **Purpose of the Report**

This report sets out the work and recommendations of the Overview and Scrutiny Task and Finish Group that has conducted a monitoring review of the National Non Domestic Rates (commonly referred to as Business Rates) Discretionary Relief Policy to take effect from 1 April 2017.

### **Actions Required**

Scrutiny Committee members are asked to consider the Task and Finish Group's report and endorse the recommendations.

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# Monitoring SSSDC National Non Domestic Rates Discretionary Relief Policy

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

February 2017



## Chair's foreword

An Overview and Scrutiny Task and Finish group commenced in July 2016 to review the effectiveness of the South Somerset National Non Domestic Rate (NNDR) commonly referred to as Business Rates Discretionary Relief policy that was revised in 2013/14 and came into effect on 1<sup>st</sup> April 2015. This policy was created with extensive input from an Overview and Scrutiny Task and Finish group and it was a recommendation from this group that monitoring is undertaken to measure the impact and success of the policy.

The key aims of the original group were to ensure the revised policy:

- Met with the needs of the Council Plan and related strategies to support the Council's objectives for South Somerset and to support the essential and widely varied voluntary and non-profit making organisations that make South Somerset a great place to live and work in.
- Provided transparency and accountability in the decisions made, recognising that a proportion of the assistance given through Discretionary Rate Relief is paid by the local taxpayer and as such the Council has a duty to ensure public funds are spent wisely.
- Is accessible and not too complex for both the applicant and officers to administer;
- Effectively utilise relevant expertise and skill across SSSC.
- Has adequate measures to provide stability to the recipients of NNDR relief.
- Has adequate flexibility and could evolve i.e. to meet new requirements, to ensure that it keeps up with any changes Council objectives, and to allocate annual awards.
- Take into account the financial risks of applying the new policy.

The following report provides an overview of the monitoring work of the Task and Finish group, its findings and recommendations.

I would like to take this opportunity to thank the members who conducted this review and the officers who supported us throughout the process.

*Sue Steele*

Scrutiny Committee Chair

**Task and Finish group Members:**

Sue Steele                                      Review Chair

Mike Beech  
Michael Lewis  
David Norris  
Sue Osborne  
Alan Smith

**Officer Support**

James Gilgrist	Economic Development Officer
Sharon Jones	Revenues Team Leader
Helen Morris	Revenues Team Leader
Ian Potter	Revenues and Benefits Manager
Ashley Smalley	Revenues Monitoring Officer
Jo Gale	Scrutiny Manger

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

The Task and Finish Group explored the following areas with Revenues Officers to assess the effectiveness of the policy:

- Have the ambitions of the original Task and Finish group been met?
- Is the policy helping to achieve the principles that the Task and Finish group set as a basis for the policy? (The principles that formed the basis of the policy are detailed in appendix 1).
- Relevant data to ascertain if the policy and associated processes are effective for applicants and recipients and are appropriate in terms of resource and cost.
- Identify any external changes or pressures that may impact on the deliverability and intentions/outcomes of the policy.

### **Is the policy fit for purpose/achieving the ambitions and principles of the original Task and Finish Group?**

In response to member questions Revenues Officers reported:

- The administration of the scheme has been manageable; no additional resource has been required and is likely to be less time consuming going forward.
- Now the policy is so clearly defined, there is greater acceptance when people do not qualify for the discretionary relief and therefore less challenges progressing to management level.
- A very small number of appeals have come forward and in most cases this has been due to people misinterpreting the scheme, assuming they could qualify for more relief as it is titled discretionary relief.
- Reviewing the scheme now annually will be much less time consuming for staff.
- Although not a priority of the scheme design, the relief awarded has decreased, this is re-assuring in terms of minimising financial risk to SSDC.

### **Have there been any unforeseen issues or consequences for SSDC, business organisations, charities etc. as a result of the revised policy?**

Revenues officers explained the wording around the criteria for museums was tightened up to reflect members' intentions of this being specifically for small museums during 2015 (now only awarded where the Rateable Value is below £50,000). This year they had received representations on behalf of rural Post Offices.

Members reviewed the impact on Rural Post Offices and questioned if it was fair that they should pay a 10% NNDR charge when compared to other business and organisations it could be argued that they are restricted as to how they can make a business more profitable compared with those in urban areas who may qualify for 100% Small Business Rate relief from April 2017 following a change in the rules.

The Task and Finish group discussed the original intention of the policy and how it was agreed originally that the scheme should reflect in many ways the principles of the Council Tax Reduction scheme, an example – Everyone should contribute something. Members agreed the value of the rates left to be paid once the Mandatory and Discretionary reliefs totalling 90% had been applied was easily affordable in most cases and that the information that had been presented by the rural Post Offices highlighted that they're being impacted upon by many different issues, in particular the post office re-organisation. Members also commented on how many services people used to use post offices for are now available on-line.

Members concluded no changes should be made to the policy at this time. This decision has been superseded by the changes brought about by the Autumn Statement – detailed later in this report.

**How accessible/easy are the processes applicants need to go through to apply for the relief and the methods of administering the policy for staff?**

The Revenues Officers informed the group:

- New application forms were designed and implemented to ensure all the information necessary to determine the level of discretionary relief was provided at the earliest opportunity.
- No issues/complaints have been raised with regard to the process and planned enhancement.
- Where we need to assess if there is a true financial need for the support, the Finance team review the accounts/books. (costs for this needs to be monitored moving forward).
- That the next phase of work is to get the application forms accessible on-line

**What does the NNDR collection rate information and arrears data show throughout the period when the changes to the policy have been introduced?**

The Revenues Officers reported:

- There isn't any evidence of ratepayers falling into arrears due to the revision of the policy. (Some summons were issued but this was as result of people not contacting SSDC and submitting their applications and evidence to qualify for awards too late).
- The collection rate has improved since 2014/15

Year	Collection Rate
2014/15	95.44%
2015/16	97.03%
2016/17 estimated projection	98.00%

**Future or external changes or pressures that may impact on the deliverability and intentions/outcomes of the policy**

Revenue Officers sought clarification where the award of 20% discretionary relief for Sole Rural pubs has been awarded because they can demonstrate they are making significant efforts to help the business succeed, if this should be given for a maximum length of time or if it is based purely on the

continued efforts. Members confirmed the maximum award period should be three years and there should be new evidence provided each year to demonstrate what efforts and new approaches/ideas are being trialled.

Proposed change to raise the threshold for Small Business Rate relief (SBR) from £6000 to a maximum of £15,000 - Small Business Rate relief was proposed to be changing with effect from 1<sup>st</sup> April 2017; currently businesses occupying premises with a Rateable Value (RV) up to £6,000 can qualify for 100% relief where they meet the qualifying criteria. This upper RV limit is being increased to £12,000 and those businesses with an RV of between £12,001 and £15,000 will get a tapered relief, again where they meet the qualifying criteria.

Members with Revenues Officers reviewed the impact this will have /how it could be seen to cause unfairness across the district by recipients of Mandatory Rural relief (this applies to the Sole post office, Petrol Station and General store in what has been identified as a Rural settlement RV up to £8,500) and charitable relief.(Village Halls, Community Centres and meeting rooms, Scout Guide and Youth Organisations, Pre – Schools/Play groups and nurseries with a charitable status, Charity office where charity service is actually being provided, Sports Clubs, CASC's, Museum, Heritage, Arts centre and Theatres)

The officer's spoke of their concern that much has been publicised to suggest Small Business will not have to pay rates and this without the lack of detail will cause confusion for Rural Business and charities etc.

Members agreed they needed to consider if the SSDC discretionary relief scheme should be revised to take into account the proposed changes to SBR and requested the revenues team identify those cases where receiving Mandatory Rural relief as opposed to SBR could leave them worse off than a similar business not in a rural settlement or an organisation who is not a charity.

Revenues officers provided an overview of the impact of the changes to the Small Business Rate Relief. During the overview and through subsequent discussion the following points were made:

- Due to the hierarchy of the Rating relief system, those businesses and organisations that qualify for a mandatory Charitable or Rural rate relief will not benefit from this change, this includes cafés, halls, and rural shops, pubs, post offices and petrol filling stations.
- If the SSDC Discretionary rate relief policy is left as it is now with effect from 1 April 2017 a small pub, café, post office shop or filling station etc. with an RV up to £12000 that is in a rural settlement will have to pay some business rates of between 10% and 50% of their annual charge. Those same types of business in an urban area (not classed as a rural settlement) will not pay any business rates where they meet the qualifying criteria for Small Business Rate relief.
- If the SSDC Discretionary rate relief policy is left as it is now with effect from 1 April 2017 a café or a hall etc. that is run by a charity with an RV up to £12,000 would have to pay between 10% and 20% business rates. Those cafés and halls etc. that are not being run as a charity will not pay any business rates where they meet the qualifying criteria for Small Business Rate relief.
- This is only applicable to small charities who only have 1 property or if they have more than one, whose total RV of all properties is still below £12,000.
- Based on the Draft RV list which is as at 30<sup>th</sup> September 2016 118 properties would be unable to qualify for the 100% SBR despite having an RV below £12000 due to receiving a mandatory charity or rural rate relief.

- If members wanted to amend the SSDC policy to prevent those businesses, organisations or charities in receipt of a mandatory or charity relief being disadvantaged an additional £74,000 of discretionary relief would need to be awarded.
- Of the additional relief that would need to be provided 40% of the cost would fall to SSDC, 10% to Somerset County Council and 50% to central Government.
- The additional cost is the equivalent to approximately 50 pence per household paying Council Tax, unless the money could be found from a grant.
- Under rate retention the full cost of NNDR reliefs would fall to SSDC, full rate retention is planned to come in to force in 2019/20.
- The revised NNDR relief scheme members agreed in 2014 was based on some principles, everyone should contribute something (with only a couple of exceptions) and that the discretionary relief should only provide support to those that need it and encourage self-sustainability, if the scheme is altered these original principles will not stand.
- Looking at the Council Plan should we be looking to protect our rural services and if so does that mean ensuring they receive the same relief as their competitors who are not in rural settlements?
- Longer term business rates could be more valuable/cost effective supporting employment, community value and health and wellbeing.
- Looking at pubs there are 61 across the district all of which are privately owned that have a RV below £12,000 of these 15 are in a rural settlement and would therefore not get the 100% relief in the form of Small Business Rates relief. To top the mandatory reliefs up to provide a 100% would be approximately between £25,000 and £30,000.
- The RV of pubs is worked out differently from other businesses, with regard to pubs they look at sales and how well the business is doing, not the floor space, and the use to which it is put.
- With many businesses receiving additional relief it could be an excellent opportunity for a form of intervention from ED with the Growth Hub and partners to encourage those small businesses to take up some business advice and consider how best to use this additional money. James Gilgrist has offered to consult his colleague Mike Bartlett – Business Support Officer on how to take this forward.

All members present agreed unanimously to recommend the policy was amended to provide those business, organisations and charities that have an RV below £12,000 and are in receipt of a mandatory rural or charitable relief a top up equivalent to Small Business Rate Relief where they would meet the qualifying criteria for that relief. This was necessary to prevent inequality across the district, avoiding rural businesses and Charitable Organisations being disadvantaged.

Following the Autumn statement and the change to grant a 100% Rural rate relief from 1 April 2017 members now recommend that the policy is amended so charities that have an RV below £12,000 and are in receipt of Mandatory Charitable relief receive a top up equivalent to Small Business Rate Relief where they would meet the qualifying criteria for that relief.

## Summary of Recommendations

1. The policy is amended so charities that have an RV below £12,000 and are in receipt of Mandatory Charitable relief receive a top up equivalent to Small Business Rate Relief where they would meet the qualifying criteria for that relief from 1 April 2017 onwards.
2. Economic Development Business Support officers examine how to potentially capitalise on the enhancement of small business rate relief with the Growth Hub and partners to encourage those small businesses to consider some business advice to further develop and grow their business.
3. The policy is reviewed annually to ensure it is achieving its objectives, specifically assess the impact of the changes recommended in this report and the costs attributed to assessing the financial need for discretionary relief.

## **Appendix 1 Principles that underpin the SSDC NNDR Discretionary Relief policy**

### **1. Provide assistance only when there is evidence of financial need.**

The Group took into account that in most cases the ability to pay is not considered and therefore it is questionable as to whether public funds are being used in the best way. It was also agreed that awards of relief should be proportionate to income. The recipient in some cases should demonstrate that appropriate effort was being made to make the business/group sustainable.

### **2. The policy should support business, charities, organisations and groups that help to retain services in rural areas.**

It was agreed that SSDC should support retaining services in rural areas to prevent the potential detrimental effects of rural isolation on business organisations, charities and communities. The Group outlined the importance of enabling services to be locally accessible to residents especially in areas with limited public transport.

### **3. Help and encourage business, charities, organisations, groups and communities to become self-reliant.**

The Task and Finish Group concluded that for some recipients there was an expectation and a dependency on the local authority for NDR Reliefs. Many of these businesses and Groups could become more self-reliant with some advice and assistance. Any recipient should demonstrate that appropriate effort was being made to make the business/group sustainable.

### **4. Awarding discretionary relief should not distort competition**

The Task and Finish Group agreed that it was important to maintain competition on the high street, and there should not be an unfair advantage given to some over others. The Task and Finish Group did take into consideration the advantages of charity shops in that they have filled empty shops, their recycling agenda, and that they have created employment. However, they do currently create a distortion in competition because of their ability over other shops to considerably lower their overheads through NDR Relief. It was also noted that Charity Shops receive 80% mandatory relief at present and it was agreed that this support is sufficient without additional support from SSDC's taxpayers.

### **5. Every business/ organisation should contribute something towards the provision of local services.**

The policy should be fair for all persons liable to pay NDR and considers the interest and needs of the residents/tax payers of South Somerset. This principle also brings businesses, organisations, and charities in line with the principle agreed as part of the Council Tax Reduction Scheme that every household should contribute to the cost of local services.



# Agenda Item 9

## **Discretionary Housing Payment Policy - Overview and Scrutiny Task and Finish Group Report**

*Lead Officers: Ian Potter, Revenues and Benefits Manager  
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### **Purpose of the Report**

This report sets out the purpose, methodology, findings and recommendations of the Task and Finish Group's review of the Discretionary Housing Payment Policy to take effect from 1 April 2017.

### **Actions Required**

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

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# SSDC Discretionary Housing Payment Policy

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

# February 2017

## **Foreword**

Discretionary Housing Payments (DHPs) were introduced in 2001 and are designed to provide additional support to help top up the difference between Housing Benefit (HB) and the rent charged. Government funding for DHP's has increased in recent years to mitigate some of the impact of the Welfare Reform programme.

The roll-out of Universal Credit (UC) by the Department for Work and Pensions (DWP) will mean support for housing costs will shift from Housing Benefit to Universal Credit. DHP's can be paid to UC recipients where their entitlement contains a housing cost element. Although UC is administered by DWP, DHP's will remain the responsibility of local councils to administer.

Government funding for DHP's is limited and while councils are permitted to top it up from its' own resources there is very limited scope to do so in the current financial climate. It is therefore important to ensure that support is effectively targeted.

The review seeks to ensure there is a clear policy framework that enables officers to make consistent and objective decisions while retaining a sufficient degree of discretion in recognition of the unique circumstances of each applicant.

## **Introduction**

In July 2016, the Scrutiny Committee of South Somerset District Council agreed to establish a Task and Finish Group, in line with the constitutional arrangements, to review the authority's approach to administering Discretionary Housing Payments.

The Task and Finish Group consisted of the following members:

Councillor Jason Baker

Councillor Cathy Bakewell

Councillor Val Keitch

Councillor Sue Osborne

Councillor Sue Steele

This report sets out the results of that review and attached is the draft SSDC DHP policy which encompasses the work of the Task and Finish Group.

## **Process**

The Task and Finish Group met on a monthly basis over a period of four months, during that time they familiarised themselves with the statutory and legislative requirements of the Discretionary Housing Payment scheme, current SSDC policy and practice and sought advice and guidance from other authorities and expert sources including Shelter and CAB.

As part of the process, members considered a number of anonymised case studies of previous DHP applications to demonstrate the various circumstances currently experienced by residents of South Somerset and the very real demand for the additional support provided by the DHP Scheme.

Once members had developed a better understanding of both the national and local context, they held meetings with Shelter South West and South Somerset MIND to ensure any recommendations coming forward would provide the best possible service to customers and not in any way disadvantage them. This work was in addition to looking at examples of best practice from both national and neighbouring local authorities.

In bringing forward the draft DHP Policy and accompanying recommendations, members of the Task and Finish Group are confident that they have conducted a wide ranging and evidence based review.

### **Reasons for this review**

SSDC has a Discretionary Housing Payment Scheme policy that came into effect on 1<sup>st</sup> June 2014. Since that time, the number of applications for a DHP has increased as the pace of welfare reform has accelerated. This increase has come at a time of reducing budgets – and there is little capacity within SSDC to exceed the funding allocated by Central Government.

Against this background, members of the Scrutiny Task and Finish Group have reviewed the existing policy with a view to recommending a framework within which officers can allocate available funding in the most equitable way to those most in need – the success of an application should not depend on the point in the financial year it is submitted.

### **Background**

Discretionary Housing Payments (DHPs) were introduced in 2001 and are designed to help top up Housing Benefit (HB) entitlement. Funding has increased to cover welfare reforms – but only covers a small part of the losses in HB.

DHP's are partly funded by Government. For 2015/16 the Government contribution for SSDC was £174k. Legislation allows SSDC to spend £463k ( which equates to 2.5 times Government Allocation). The additional £262k would have to be found from within existing SSDC budgets. Any spend above this would be considered to be breaking the law.

In 2015/16 SSDC topped up the government allocation by £25k – and made 492 awards.

### What are DHP's?

DHPs may be awarded when an LA considers that a claimant requires further financial assistance towards housing costs and is in receipt of a social security benefit which qualifies them for a DHP payment [Housing Benefit and Universal Credit].

The regulations covering DHPs are the Discretionary Financial Assistance Regulations 2001. Guidance associated with these regulations (issued in February 2016) state that whilst the regulations give local authorities broad discretion, decisions must be made in accordance with the principles of good decision making – i.e. administrative law. In particular, LA's have a duty to act fairly, reasonably and consistently. Each case must be decided on its own merits, and our decision making should be consistent throughout the year.

For clarification, Housing Costs in relation to DHPs are not defined in the regulations and so SSDC has a broad discretion to interpret the term. For the purpose of this review, we have adopted a working principle that the SSDC will consider providing financial assistance if the following factors have created a shortfall between rent and HB (referred to as Housing Costs);

- Benefit cap
- Social Sector Size restriction
- Local Housing Allowance restrictions
- Local reference Rent and Shared Accommodation Rate
- Non-dependent deductions and equivalent in Universal Credit
- To prevent homelessness; and
- Income taper reduction.

DHPs cannot be awarded towards Council Tax liability, ineligible service charges, increases in rent due to outstanding rent arrears and certain benefit sanctions.

Financial Assistance can also be awarded to fund rent deposits and rent in advance to secure tenancies, however, budget limitations and increasing demand in the face of recent and on-going welfare reforms mean that SSDC is not able to make awards in these circumstances.

### **Agreeing principles**

Members of the Task and Finish Group wished to replicate the successful principle established by previous Task and Finish Reviews of meaningful member involvement in reviewing this important policy area.

A primary objective of this review was to ensure that there is consistency in how the team administers DHPs, making the process as objective as possible and removing a reliance on subjective decision making.

Members were asked to consider how much funding SSDC is prepared to allocate in addition to the government's allocation for DHPs.

A key component of assessing DHP applications is assessing expenditure – this Task and Finish Group spent a considerable amount of time establishing criteria for reasonable expenditure. This work involved consultation with local and national advisory agencies such as SHELTER and CAB.

Members agreed that the resulting DHP policy should look beyond the financial assistance that can be provided. The policy should look at other ways in which we can help in providing more long term help, for example by offering budgetary advice, advice on energy suppliers etc. This approach supports the 'self-help' element of Universal Credit.

Members were mindful of the need to consider the level of resources required to adopt such an approach against the potential budgetary benefits of reducing number of applicants.

### **Current practice**

Current practice is governed by the Discretionary Housing Payment Scheme Policy introduced in June 2014

The Revenue and Benefits team currently make awards based on assessing income and expenditure and have the ability to exercise discretion to take into account some exceptions such as pregnancy etc.

In line with the regulations and guidance, each case presented is judged on its merits in terms of whether to make an award, the level of award and the duration of an award.

This approach is in line with the regulations and provides a valuable service to some of our most vulnerable customers. However, the demand for DHPs is increasing as the welfare reforms already introduced start to take effect and with more planned the increase in applications is anticipated to continue.

The purpose of this review has been to revisit the original policy in light of evidence and information gathered over the past 3 years and reassure the authority that the principles of equity and fairness can continue to be upheld.

DHP regulations and guidance leave a lot of the decision making to the discretion of the awarding authority, within broad guidelines. Whilst this allows for local conditions to be reflected, it is felt that there is a need to provide a more formal framework to support officers in exercising that discretion.

### **Evidence gathering**

One of the primary concerns of members undertaking this review was to introduce an evidence based approach as far as possible. Members acknowledged that those officers administering the DHP process are continually asked to make judgments on the expenditure choices of applicants. When applying for a DHP, applicants are asked to complete the form attached at Appendix A. Officers then base their decisions on this information – currently there are no guidelines as to what constitutes ‘acceptable living allowances’ and officers could make different judgements – each entirely valid, but not effectively contributing to consistent decision making. Members were also conscious of the strain this could potentially put on officers, asking them to effectively judge the lifestyle choices of applicants.

In response to these issues, members sought the advice of national and local interest groups who support those most vulnerable in our communities, including CAB and Shelter. The Task and Finish Group were grateful to Vicki Sampson – Service Manager - Shelter South West who attended a meeting and provided invaluable advice and guidance to members.

Members’ focused on trying to establish a basis for reasonable living expenses. In pursuit of this, members considered various case studies provided by Shelter which demonstrated the very real day to day issues affecting potential DHP Applicants.

Before looking at detailed living expenses, members agreed a set of principles that they believe should underpin the DHP Policy.

In his paper presented to the European Consumer Debt Network in 2010, Nordenankur made the following statement about what constitutes a reasonable standard of living and advocates that this becomes the accepted position underpinning any related assessment activity.

*“A reasonable standard of living should be seen to meet the physical, psychological and social needs of an individual– not to levels of luxury but similarly not at a subsistence level. Individuals in receipt of assistance should be able to :*

- *participate in the life of the community as other citizens do;*
- *eat nutritious food, have clothes for different weathers and situations;*
- *keep a clean and tidy home;*
- *have furniture and equipment at home for rest and recreation;*
- *be able to devote some time to leisure activities, to read books and watch television “*

The Task and Finish Group supported this principle but added the caveat that it should be upheld within the context of the need to administer a fair and equitable scheme that represents the interests of all parties – including Council Tax payers who are not DHP recipients.

Members of the Task and Finish Group were reminded that currently, decisions on ‘reasonable living expenses’ are made subjectively by officers. Members have made some recommendations to support officers in this decision making – whilst acknowledging that it will be impossible to provide a hard and fast set of rules, but a general set of ‘reasonable’ costs should be achievable.

## **What constitutes a Reasonable Standard of living?**

### **Detailed ‘reasonable living costs’**

The most commonly available data relating to what constitutes reasonable living expenses for assessment purposes to relate to IVA (bankruptcy agreements) provided members with an initial basis for drawing up SSDC Guidelines for reasonable living expenses.

The following guidance is taken from the Government’s Money Advice Service Website and whilst again it is intended to advise those applying for bankruptcy, it provides a useful point of reference.

### ***Essential and allowed expenditure – a rough guide***

- **Rent**
- **Monthly utility bills** – *This will include essentials such as gas and electricity as well as water rates*
- **Council Tax**
- **Food and toiletries** – *The amount allowed for an individual is £200 per month. Where there is a couple, it is £300. For each child in the household, this amount would increase by £80. This includes food, toiletries and cleaning products.*
- **Fuel allowance** – *the allowance is usually up to £160, however, more may be permitted if it can be justified (for example for work purposes)*
- **Insurance** – *This can include buildings and contents insurance or car insurance.*
- **Child Maintenance** – *the amount allowed for child maintenance is variable.*
- **Rented goods** – *this could include washing machines, fridge etc*
- **Dental and optical** - *there is a limit of £10 for an individual and £15 for a couple. As children are usually treated for free, there is no additional allowance.*
- **Clothing** – *depending on the number of individuals in the household, this amount will vary. For an individual, there is a limit of £25 per month, a couple are allowed £40 per month and for each child there is an additional £10.*

**Expenses that would not be considered essential or allowed:**

- **Satellite or cable TV** - although in some circumstances, this may be considered acceptable if the monthly amount is reasonable
- **Private health insurance**
- **Memberships**
- **Charitable donations.**

**Local Authority Examples**

As with all Scrutiny activity, examples of existing best practice from other local authorities administering DHP's was sought. Members identified an example of good practice at neighbouring authorities, principally Taunton Deane and West Somerset. Members would like to thank those authorities for their help and advice with this review.

The table of reasonable expenses included in the draft policy ( and set out below) is the same set of figures used by TDBC and WSC and has been drawn up in consultation with the CAB and Engage West Somerset – an umbrella body representing the charitable sector in the West of Somerset. The figures are revisited annually and a recommendation of this Task and Finish Group is that SSDC engages in this annual revision process, and in doing so ensures that as far as possible there is a consistent approach to administering DHPs across Somerset.

The Authority will allow expenditure for:

Fuel, power, insurances	To include electricity, gas, oil, building and contents cover	£12.50
Food and Household	To include food, toiletries, laundry, clothing, footwear, pet food, nappies	£30.00
Health	Dentist, glasses and prescriptions	£1.00
Transport	Car Tax, MOT, fuel, insurance, bus fares, taxis	£12.00
Communications	Mobile phone, internet, landline, TV Licence	£10.00
Miscellaneous	Repairs, hairdressing, hobbies, leisure	£8.00
	<b>Total weekly expenditure:</b>	<b>£73.50</b>

The Authority will also allow the following expenditure in full:

Maintenance paid for a child or former partner	Actual expenditure
Rent liability	Actual expenditure
Council Tax liability	Actual expenditure
Water Rates	Actual expenditure
Court Fines and negotiated financial repayments	Actual expenditure



The trigger point level will be multiplied by the household factor by The Office of National Statistics. These are:

Type of Household member	Equivalence Value
First Adult	1.0
Additional adult	0.5
Child aged: 14 and over	0.5
Child aged:0-13	0.3
Adult aged under 25 (not set by ONS)	0.8

Taking account of DWP and allowances for adults under 25 we will include a household factor multiplier of 0.80.

For example, if a household is made up of a Couple and the allowable notional expenditure for an item such as food is £30 the household factor would be 1.5 (1.0 plus 0.5) allowing £45 a week for food.

Any expenditure at or below the trigger point for allowable expenditure will be permitted. Any expenditure in excess of the trigger point will not automatically be considered. The applicant will need to prove their level of spending is essential, reasonable and unavoidable. We may also request to see medical letters and supporting bank statements.

The decision maker has the discretion to exceed the trigger point or actual expenditure where it is reasonable to do so.

### **South Somerset MIND**

In addition to seeking external, expert advice from Shelter, CAB and other authorities, members were aware of the mental health implications of this policy area and so met with Alex Priest, CEO of South Somerset MIND. Alex considered the draft proposals of the Task and Finish Group and was satisfied that due regard had been paid to the needs of customers with mental health needs.

In particular, he felt that there was adequate provision in the policy to meet transport costs – an issue of vital importance in a rural community such as South Somerset where rural isolation and loneliness are significant contributors to poor mental health. In connection with this, members discussed expenditure on Television packages. It was the view of MIND that for some individuals in rural locations, TV could provide the only human voices they hear for long periods of time and should be seen as contributing to their mental wellbeing. In recognition of this, members have recommended that an allowance is provided for television within the Reasonable living expenses guidelines, but that it should be recognised that Freeview television provides a very good service.

### **Providing Advice and support**

All of the external sources members spoke to reinforced the importance of focusing on the right of the individual to make their own choices about how to live their lives. Particularly in respect of those with mental health needs, removing this right to choose could be very detrimental.

Making appropriate lifestyle and budgeting choices are examples of the individual's ability to choose, however this was also highlighted as a particular concern by the expert witnesses members spoke with. The most vulnerable members of our community often have a chaotic approach to financial

management and are not familiar with the practice of comparing service providers, especially in terms of utility companies.

Ideally, members would like SSDC to provide more in-depth 'money management' advice to applicants – supporting them in making lifestyle and financial decisions which will lead to long term improvements in their situations. However, members accepted that current budget pressures do not allow for this and so recommend that as part of the application and assessment process, SSDC Officers sign post applicants to the CAB, under the provision of our current agreement.

The issue of expenditure on tobacco and alcohol was debated at length. There is an argument that this is a lifestyle choice and ensuring rent can be paid could be considered as a higher priority. However, in discussions with South Somerset MIND, members were reminded of the mental health implications of substance dependency. Whilst there are obvious physical and mental health benefits from reducing alcohol and tobacco usage, it is often part of a complex situation and SSDC would be better advised to signpost applicants to support services, again initially via CAB.

Members were keen to stress that whilst the policy they are recommending has a framework within which officers can assess DHP awards, there is still provision for discretion to be exercised and for each case to be treated on its merits.

One of the principles members agreed upon at the start of this review was to support the national programme of incentivising work and to reduce reliance of benefit support. Therefore, the Task and Group are recommending that in addition to the above advice, applicants are also signposted to other sources of welfare benefit advice – where applicable.

With this in mind, members have made clear reference within the draft policy to the duration of awards. In order to maintain the original intention of DHP's being available to alleviate short term issues and should not be seen as a regular and permanent source of income. To this end, members are recommending that awards are made for a maximum of 6 months, after which period the situation will be reviewed.

### **Supporting SSDC Officers**

In drafting the recommended policy, members were aware of the role of the Revenues and Benefit's Team in the successful implementation. As far as possible, members have met the brief of providing a sound, evidence based framework within which officers can make consistent decisions. However, there remains a necessary element of discretion, recognising the 'human' aspect of the scheme and members were aware of the need to provide additional support to those officers exercising their judgement and discretion. This will be investigated by the Revenues and Benefits Manager.

### **Funding DHPs**

As agreed in the review objectives, members of the Task and Finish Group considered the issue of funding DHPs in the future. Whilst noting theoretically that SSDC can contribute an additional £326k per year to fund DHPs, in reality, the funding does not exist to do this and therefore, they recommend that the intention should be for spending to remain within the government allocation.

By introducing a more robust policy, with clearer guidelines, members believe that SSDC will have a demonstrably fair, equitable and consistent approach to administering DHPs which should result in the

available funding being distributed to those most in need. The introduction of a more rigorous approach to monitoring the duration of awards should also support this.

However, members also believe that if an application for a DHP meets the criteria as set out in the policy, an award should be made even if the allocated funding had been spent. Should this situation arise, there will be an inevitable impact on budgets. To address this potential risk to SSDC finances, members are recommending that the situation is closely monitored for the initial 12 months after the adoption of the policy and that a report is submitted to Scrutiny showing expenditure against allocated budgets. If the **evidence** shows that the available funding is not sufficient to meet the needs of our customers, then the issue will need to be revisited as part of the budget setting process with members discussing priority spending areas and possible application to contingency funds.

### **Equality Considerations**

Jo Morgan, the SSDC Equalities Officer has been actively involved at all stages of the review, attending meetings and advising on the completion of the Equalities Impact Assessment

### **Conclusions**

Based on the work carried out and detailed above, the Task and Finish Group are recommending the attached draft policy for adoption along with the following recommendations:

#### **Draft policy for recommendation :**

- That the draft policy attached at Appendix A is recommended to Council for Approval.
- That no provision should be made within the MTFP for exceeding the Government's allocation for funding the administration of DHPs, but that this situation be monitored and reviewed on an annual basis to ensure budgets accurately reflect demand. Members recommend that an annual report is submitted to Scrutiny, to fit in with the budget setting process, showing levels of expenditure against the allocated funding.
- That all literature produced in connection with the DHP Process is reviewed to ensure it meets organisational standards on terms of Plain English and accessibility;
- That measures are introduced to ensure staff administering the DHP scheme are supported;
- That SSDC actively engages with Taunton Deane Borough Council and West Somerset District Council when they have the annual review meeting with CAB to agree the reasonable living expenses levels;

# Agenda Item 10

## **Reports to be considered by District Executive on 2 March 2017**

*Lead Officer:* Jo Gale, Scrutiny Manager  
*Contact Details:* joanna.gale@southsomerset.gov.uk or 01935 462077

Scrutiny Committee members will receive a copy of the District Executive agenda containing the reports to be considered at the meeting on 2 March 2017.

Members are asked to read the reports and bring any concerns/issues from the reports to be discussed at the Scrutiny Committee meeting on 28 February 2017.

The Chairman will take forward any views raised by Scrutiny members to the District Executive meeting on 2 March 2017.

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### **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.

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# Agenda Item 11

## **Verbal update on Task and Finish reviews**

The Task and Finish Review Chairs or Scrutiny Manager will give a brief verbal update on progress made.

### **Current Task & Finish Reviews**

- Street Trading
- Working with the Community Council for Somerset

# Agenda Item 12

## **Update on matters of interest**

*Lead Officers:* Jo Gale, Scrutiny Manager  
*Contact Details:* joanna.gale@southsomerset.gov.uk or 01935 462077

## **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.

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## Scrutiny Work Programme

Meeting Date	Agenda Item	Issue for Main Scrutiny Cttee	Budget	Background/Description	Lead Officer/ Lead Member
TBC	Troubled Families Programme	✓		Members requested an update report on the progress of the troubled families following a report covering the work of South Somerset Together, Local Strategic Partnership. A specific report request needs to be compiled.	Helen Rutter
TBC	Review of Economic Development Strategy	✓		This Strategy is due for review and Scrutiny members have previously been involved in the review and development of this Policy. The Lead Officer has agreed that Scrutiny involvement will be factored in to the review process and we will be kept informed regarding the most appropriate point for effective Scrutiny engagement.	David Julian / Cllr Jo Roundell Greene.
April 2017 or later	Review of Performance Indicators	✓		Officers previously indicated to the Scrutiny Committee that work was planned to review the current suite of performance indicators. This work is dependent on the revision of the Council Plan and assurance has been given that provision will be made for effective Scrutiny engagement in this process.	Andrew Gillespie Charlotte Jones Cllr Ric Pallister
TBC	Increased Joint Working Between Police Forces			At the meeting of Scrutiny Committee on 30 August 2016, the SSDC representative on the Police and Crime Panel requested that there be a report looking at the proposals for increased joint working between police forces across the South West.	

The Somerset Waste Board and Somerset Waste Partnership Forward Plan of key decisions can be viewed at:  
<http://democracy.somerset.gov.uk/mgListPlans.aspx?RPId=196&RD=0>

## Current Task & Finish Reviews

Date Commenced	Title	Members
June 2016	Review of Street Trading Policy	Requested by Service Manager to look at reviewing current Street Trading Policy with a view to producing a report for November 2016 Council. Cllrs Jason Baker, Neil Bloomfield, Val Keitch, Rob Stickland and Martin Wale.
8 August 2016	How the Community Council for Somerset and South Somerset District Council could work better together to achieve more and better outcomes for the community.	<p>Scrutiny Committee members invited Community Council for Somerset to work with them to identify areas where closer working could be of benefit to each organisation. Cllrs Clare Aparicio Paul, Mike Beech, John Clarke, Tim Inglefield, Val Keitch, Mike Lewis and Alan Smith will be following this up by looking at sample projects to learn how to navigate obstacles such as data sharing agreements.</p> <p>A presentation with a representative from the One Team was requested at Scrutiny Committee on 31 Jan 2017.</p>
September 2016	Review of elements and proposals to establish a combined authority should members agree at Full Council to make an 'in principle' decision to create a Combined Authority.	Cllrs John Clark and Sue Osborne.



# 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 4 April 2017 at 10.00am in Council Chamber B, Brympton Way, Yeovil.

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