

## Agenda for Cabinet

Wednesday, 14 December 2016; 5.30pm

### [Members of Cabinet](#)

**Venue:** Council Chamber, Knowle, Sidmouth, EX10 8HL

[View directions](#)

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Issued 6 December 2016



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Members of the public exercising their right to speak during Public Question Time will be recorded.

- 1 [Public speaking](#)
- 2 Minutes of 9 November 2016 (pages 4-13), to be signed as a true record
- 3 Apologies
- 4 [Declarations of interest](#)
- 5 [Matters of urgency](#)
- 6 There were no confidential items that officers recommended should be dealt with in this way.

- 7 Forward Plan for key decisions for the period 1 January 2017 to 30 April 2017 (pages 14-16)
- 8 Notes of the Exmouth Regeneration Programme Board held on 15 September 2016 (pages 17-21)
- 9 Minutes of the South East Devon Habitat Regulations Executive Committee held on 21 September 2016 (pages 22-25)
- 10 Notes from the Asset Management Forum held on 3 November 2016 (pages 26- 28)
- 11 Minutes of the Scrutiny Committee held on 24 November 2016 (pages 29-35)
- 12 Minutes of the Overview Committee held on 29 November 2016 (pages 36-38)

### **Part A matters for key decision**

- 13 **Proposed changes to the working age Council Tax Reduction Scheme 1 April 2017** (pages 39-93)  
To consider the proposed changes to the working age Council Tax Reduction Scheme and the updated Council Tax Discretionary Discount and Exceptional Hardship Fund Policy  
**Appendix 3 – Council Tax Discretionary Discount & Exceptional Hardship Fund Policy** (pages 94-103)
- 14 **Relocation report update** - (pages) to follow
- 15 **Local Code of Corporate Governance** (pages 104-116)  
The Council's adopted Code of Corporate Governance, which sets out the overarching approach to its corporate governance arrangements, was adopted in January 2012 and is now overdue for review.  
**Appendix 1 – Revised Local Code of Corporate Governance**

### **Part A matters for decision**

- 16 **Treasury Management Performance 2016/17 – 1 April to 30 Sept 2016** (pages 117-131)  
The report details the overall position and performance of the Council's investment portfolio for the first six months of 2016/17.
- 17 **EDDC Cultural Strategy 2017- 2022** (pages 132-136)  
The report sets out the need to adopt the refreshed Cultural Strategy for East Devon District Council which was last reviewed in 2012. It highlights the benefits from adopting a Cultural Strategy, to help set the strategic priorities and management of cultural programmes and assets over the next five years.
- 18 **Monthly Performance reports – October 2016** (pages 137-139)  
Performance information for the 2016/17 financial year for October 2016 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.  
**Appendix A - October 2016 snapshot**

- 19 **Proposed Exeter Travel to Work area Board (TTWA)** (pages 140-150)  
The report seeks support for the establishment of formal joint governance arrangements for economic development and strategic planning and infrastructure project management and delivery for the Exeter TTWA.
  
- 20 **Consultation on draft proposals to introduce new Public Space Protection Orders incorporating existing Dog Controls** (pages 151-155)  
The report seeks approval to undertake a consultation process introducing 2 Public Space Protection Orders (PSPOs) to incorporate existing dog control orders.  
**Appendix 1 - Public Space Protection Order 2016 maps** (pages 156-218)
  
- 21 **Appointment of Inspector to examine the East Budleigh with Bicton Neighbourhood Plan** (pages 219-223)  
This report advises Cabinet that exemption to standing orders has been applied in order to appoint an independent examiner to examine the East Budleigh with Bicton Neighbourhood Plan.

**For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546**

**EAST DEVON DISTRICT COUNCIL**  
**Minutes of the meeting of Cabinet held**  
**at Knowle, Sidmouth on 9 November 2016**

**Attendance list at end of document**

The meeting started at 5.33pm and ended at 8.10pm

**\*74 Public Speaking**

There were two members of the public present who wished to speak – they spoke at the relevant agenda item recorded further on in these minutes.

Councillor Douglas Hull spoke on item 10 - the Overview minutes of the 27 September 2016. Cllr Hull stressed the need for the committee to support the recommendation of writing to the Government's Joint Working Party for Excellence in the Built Environment. He referred to the need to crackdown on national house builders who were building sub standard homes within the district and the need for more robust surveys to be carried out by the National House-Building Council (NHBC).

**\*75 Minutes**

The minutes of the Cabinet meeting held on 12 October 2016 were confirmed and signed as a true record.

**\*76 Declarations**

Councillor Eileen Wragg – Minute 87

Interest: Personal

Reason: Member of Exmouth Tidal Defence Scheme

Councillor Ian Thomas – Minute 86

Interest: Personal

Reason: Board member of Exeter Science Park Company (Cllr Thomas did not vote on this item)

Councillor Phil Skinner – Minute 86 & Minute 89

Interest: Personal

Reason: Shareholder for East Devon District Council for the Science Park (Cllr Skinner did not vote on this item) and (Min 89) Chair of the Exmouth Regeneration Board

Councillor Jill Elson – Minute 86

Interest: Personal

Reason: Chair of Governors of Exmouth Community College

**\*77 Matter of urgency**

None

**\*78 Matters referred to the Cabinet**

There were no matters referred to the Cabinet by the Overview and Scrutiny Committees.

**\*79 Exclusion of the public**

There were no confidential items that officers recommended should be dealt with in this way.



**\*80 Forward Plan**

Members noted the contents of the forward plan for key decisions for the period 1 December 2016 to 31 March 2017.

**\*81 Minutes of the Strata Joint Scrutiny Committee held on 15 September 2016**

Members noted the minutes from the Strata Joint Scrutiny Committee held on 15 September 2016

**\*82 Minutes of the Strata Joint Executive Committee held on 27 September 2016**

Members noted the minutes from the Strata Joint Executive Committee held on 27 September 2016

**\*83 Minutes of the Overview Committee held on 27 September 2016**

Members received and noted of the Minutes of the Overview Committee held on 27 September 2016.

**RESOLVED (1) that the following be supported:**

**Minute 12 - Housing Delivery – discussion paper**

that a politically balanced Housing Delivery Taff be established, comprising a minimum of 7 members to be drawn predominantly from the membership of the Overview Committee but wider if necessary;

1. that the Taff have a minimum of three meetings to hear and consider evidence based on the following themes which needed to be scoped:
  - a) Local Plan/ Government Policy 9 to possibly cover areas such as appraisal of land values, types of housing being delivered and service provision impact on rural areas)
  - b) EDDC and other Initiatives (to possibly cover areas such as options for purchasing and and/or building, impact of the welfare regimes and improving affordability
  - c) Alternative structures & options (to possibly cover areas such as looking at partnerships, alternative delivery models and the impact of devolution
2. that the first meeting to be held in the evening at a date to be decided in early October at which the specific themes be fully scoped..
3. that at the conclusion of the Taff a report with recommended actions be forwarded to Cabinet.

**RESOLVED (2) that the following recommendations be approved**

**Minute 13 - Quality of house building in East Devon**

1. the response to the All Parliamentary Group for Excellence in the Built Environment report entitled “More Homes, Fewer Complaints” attached as Appendix 1 to the report be sent to encourage the Government to take action on the issues raised in the report and the additional concerns expressed at the Member’s Think Tank.

2. the Officers consider the resource and financial implications for EDDC on the production of a leaflet giving advice to purchasers of new homes on options available to them if issues arise regarding the quality of the build.

**RESOLVED (3) that the following be noted**

**Minute 14 - Overview forward plan**

29 November 2016 – Economy and Street Trading (designation of streets).

11 January 2017 – Draft budgets and service plans 2017/18.

28 March 2017 – Tourism economy and cultural enhancement of natural environment.

\*84 **Minutes of the Recycling & Refuse Partnership Board held on 5 October 2016**

Members received minutes of the Recycling & Refuse Partnership Board held on 5 October 2016.

**RESOLVED (1) that the following recommendation be agreed:**

**Minute 33 - New Board arrangement, structure, terms of reference and members** that the updated terms of reference of the Recycling and Waste Partnership Board Be agreed

**RESOLVED (2) that the following decision be noted:**

**Minute 34 – SUEZ Senior Contract Manager update**

**RESOLVED (3) that the following decision be supported:**

**Minute 36 - Leaders group update**

the Board agreed to the changes in project management structure for the mobilisation of the new recycling and waste collection service.

\*85 **Minutes of the Scrutiny Committee held on 3 November 2016**

Members received and noted the minutes of the Scrutiny Committee held on 3 November 2016. The Chairman of the Scrutiny Committee wished to thank Debbie Meakin - Democratic Services Officer, officers and members for their input into this successful meeting.

**RESOLVED (1) that the following recommendations be agreed:**

**Minute 21 - Police and Crime Commissioner**

1. the Council lobby, through the National Rural Network of the Local Government Association, for a fairer funding deal from Government for the Devon and Cornwall Constabulary; and additionally lobby the local MPs on the issue;
2. the Council recognised the valued work of the PCSOs and wished the Police and Crime Commissioner to press to at least continue, and at best to improve, funding for PCSOs as a valued part of the life of the District's local communities;
3. that Ward Members, in the spirit of partnership working under the Crime and Disorder Act 1998, assist in publicising the ways of reporting crime alongside the publicity work already underway by Devon and Cornwall Constabulary, by contact

- with their local town and parish councillors and constituents;
4. the Council wished that the Police and Crime Commissioner reconsider the planned closures for 2017, as part of the review of police stations;
  5. the Council wished that the Police and Crime Commissioner work to reduce the administrative burden on local groups setting up community speed watches, to help those groups achieve safer roads in their local community.

**Minute 22 - Update from Portfolio Holder for Environment on Recycling and Refuse**

All Ward members be encouraged to familiarise themselves with the new service to help communicate to their wards the changes to come.

**RESOLVED (2) that the following decisions be supported:**

**Minute 21 - Police and Crime Commissioner**

that the Police and Crime Commissioner be invited to the Committee in November 2017 to report on progress on her plans.

**Minute 22 - Update from Portfolio Holder for Environment on Recycling and Refuse**

that the committee recognizes the continued hard work by the Streetscene service in the preparation of the implementation, and welcomes the new service; in particular the anticipated increase in recycling rate and the environmental benefit of that increase.

\*86 **Exeter and East Devon Enterprise Zone**

Paul Withers Director of Eagle One spoke on this item. Mr Withers owns 10 acres of land opposite the Exeter Science Park. He was looking to progress towards the first phase of this development to out of a total of 95000 sq ft of office space. He stated the Enterprise Zone (EZ) would put this in jeopardy. Their nearest competitor was SkyPark with which they could not compete within the open market given the incentives that would apply at SkyPark. He had been told that the EZ boundary could not be redrawn to include his land, so suggested the basic criteria be reconsidered so Eagle One could be competitive to the Exeter office market. The company was a long-term investor and wanted to continue to bring much needed additional office space to the market.

The Principal Projects Manager gave a presentation to Members to update on progress towards an operational Enterprise Zone in the West End of the District. The East of Exeter Projects Director responded to the points raised by My Withers including emphasizing that the original Enterprise Zone was for the four sites that were considered to be core to the strategy for the West End of the District and the Eagle One not being considered to be strategic in nature.

Discussions included the following;

- What about the rest of East Devon? The economy needed to support all people especially the young.
- The impact on the economy would need to be reflected in the EZ Implementation Plan.
- The change in the Business Rates regime to 100% local retention from 2020 and how the risk associated with the Enterprise Zone status could be managed.
- The need to identify businesses to come into the area to promote building blocks for future growth.

- The need to have a large list of projects for investment to be spent in the four strategic EZ sites.
- The guarantee that the council was not going to be financially worse off.

**RESOLVED:** that the following be agreed;

1. the further analysis that had been undertaken to demonstrate the financial case for introducing an Enterprise Zone be noted,
2. Delegated authority be granted to the Chief Executive, in consultation with the Leader and Strategic Leads (Legal, Licensing and Democratic Services) and (Finance) and the Portfolio Holders for Finance and Economy, to sign the Memorandum of Understanding with Government,
3. Delegated authority be granted to the Chief Executive, in consultation with the Leader and Strategic Leads (Legal, Licensing and Democratic Services) and (Finance) and the Portfolio Holders for Finance and Economy, to agree the proposed Business Rates Relief policy,
4. a further paper in early 2017 that sets out the proposed Implementation Plan for the Enterprise Zone be received.

**REASON:**

This report set out the further work that had been undertaken since the Cabinet considered an initial paper on the Enterprise Zone proposal in May 2016. This demonstrated the financial case for establishing such a Zone. Signing a Memorandum of Understanding with Government was a prerequisite to the Zone becoming operational.

\*87 **Exmouth flood prevention scheme**

The Strategic Lead – Housing, Health & Environment Members asked Members to agree to EDDC contribution towards Exmouth Tidal Defence Scheme. The report provided an update on progress towards a major engineering scheme to protect parts of Exmouth from coastal and fluvial flooding.

**RESOLVED:**

1. that EDDC permit the use of its car parks, public open space and other land (as identified in paragraph 3.1 of the report) for the construction of the Exmouth Tidal Defence Scheme, a contribution in kind valued at £300k. That the Strategic Lead (Housing, Health and Environment) in consultation with the Strategic Lead (Legal, Licensing and Democratic Services) be authorised to negotiate and complete any appropriate property documentation that may be required to facilitate this arrangement,
2. that EDDC continued to maintain the improved defences on the sea front and along the estuary in Exmouth; a contribution in kind valued at £562k over the life (100 years) of the scheme,
3. that EDDC continued to work in collaboration with the EA on the project, and contribute staff time towards it valued at £110K.
4. that the Strategic Lead (Housing, Health and Environment) in consultation with the Strategic Lead (Legal, Licensing and Democratic Services) be authorised to make amendments to the Collaboration Agreement between the EA and EDDC as necessary to reflect changes to the programme, level of EA contribution to costs incurred by EDDC and the period in which those costs were to be spent.

**REASON:**

That the partnership funding requirements for the project and improved affordability within the Environment Agency programme be met.

To ensure that the scheme continued to complement EDDC aspirations for regeneration of the Town and that the upgraded defences enhances the public realm and EDDC assets.

\*88 **Bishops Clyst Neighbourhood Plan Examiner's Report**

This report provided feedback and set out proposed changes following the examination of the Bishops Clyst Neighbourhood Plan

**RESOLVED:**

1. that the Examiner's recommendations on the Bishops Clyst Neighbourhood Plan be endorsed in their entirety and an additional minor correction,
2. that a 'referendum version' of the Neighbourhood Plan (incorporating the examiners modifications and additional minor correction) should proceed to referendum and a decision notice to this effect be published,
3. that the Neighbourhood Plan group be congratulated on their hard work.

**REASON:**

The legislation required a decision notice to be produced at this stage in the process. The Neighbourhood Plan was the product of extensive local consultation and had been recommended to proceed to referendum by the Examiner subject to modifications, which were accepted in their entirety by the Parish Council.

89 **Queen's Drive site, Exmouth update**

Louise MacAlister spoke about her concerns over the extra costs and increased project costs. Ms MacAlister stated the initial scenarios were based on assumptions and not evidence. She asked Members to consider the financial implications within the report.

This report updated members on the delivery of an improved seafront offer for Exmouth and, in particular, progress on the Queen's Drive regeneration project. It advised Cabinet and sought approval on recommendations relating to progress with the Queen's Drive site phases; 1 (road and car park), 2 (Watersports Hub) and the next steps on phase 3 (mixed use leisure development on the remainder of the site including Harbour View cafe site).

Discussions included the following:

- The delay had caused challenges especially with the overall budget.
- The first cost estimates were underestimated as this was difficult to estimate at the start of the project.
- Outline planning approval was about to run out.
- This was still a great opportunity for Exmouth and the rest of the district.
- Increased budget figures disrespects the public we serve.
- The lack of control over project costs.
- The developers should pay for leisure facilities. The plans should be revisited.
- The need to get on with the project.
- Improve the economy and tourism in East Devon. Queens Drive would bring Exmouth into the premier league of seaside resorts.

- Invest for the future.
- Had a decision over the Watersports Centre already been made? Projected costs needed to be thoroughly reviewed.
- Cooperation between businesses and stakeholders needed to come back.
- Must have public support.
- Present the risks as well as the rewards and how they can be avoided.
- The development was actually moving quite fast and there would be public consultations before the next stages go ahead.
- Delays cost money, Exmouth needed this improvement and regeneration.
- The Premier Inn had been a huge benefit to Exmouth and prolonged the tourist season.
- Economy of the town needed this boost.
- Not all students would go on to university hence the need to create jobs.
- The Masterplan was prepared as a result of consultation feedback.
- Brexit – people were now looking for better facilities over here.
- Exmouth needed to be a 12-month tourist attraction.
- Exmouth Chamber of Commerce was in favour of the Queen's Drive development.

**RECOMMENDED:**

1. to consider and agree the allocation of additional funding to deliver the Council's commitment to the Queen's Drive site regeneration project. The projected total funding requirement before increased income, capital receipt and/or grant funding had risen from the original estimate of £1,500,000 in 2014 to £3,120,000 in gross terms,

**RESOLVED:**

1. to note that the Council was negotiating the detail of its development agreement with Grenadier Development to deliver a Watersports Hub and associated development at Queens Drive,
2. to note that in taking forward a fresh review of phase 3 of the Queens Drive site the Council would give Exmouth people another opportunity to have their say on what happens on that site. The Council would bring in external expertise to carry out a review. This would involve full consultation that was neither developer nor Council led,
3. to note that legal delays had had a significant impact on delivering all phases of Queen's Drive improvements including revised timing and increased project costs,
4. to note that under delegated powers and an exemption to standing orders, officers had engaged planning and design services to take forward a reserved matters application for the continuance of the current planning approval of Queen's Drive.

**REASON:**

To enable progress to be made on further improving the seafront offer for Exmouth with the continuation of the Queen's Drive site project, specifically the Council's responsibility for the road and car park, Grenadier's investment to deliver a Watersports Hub and a fresh review of phase 3 that included consultation, design and marketing around a mix of leisure uses and attractions.

**\*90 Budget Monitoring report – Month 6**

This report gave a summary of the Council's overall financial position for 2016/17 at the end of month six (30 September 2016). Current monitoring indicated that:

- The General Fund Balance was being maintained at or above the adopted level.
- The Housing Revenue Account Balance would be maintained at or above the adopted level.
- There was a sufficient Capital Reserve to balance this year's capital programme.

**RESOLVED:**

that the variances identified as part of the Revenue and Capital Monitoring process up to Month Six be acknowledged.

**REASON:**

The report updated Members on the overall financial position of the Authority following the end of each month and included recommendations where corrective action was required for the remainder of the financial year.

**\*91 Monthly Performance reports – September 2016**

The report set out performance information for September 2016. This allowed Cabinet to monitor progress with selected performance measures and identify any service areas where improvement was necessary.

There are five indicators that are showing excellent performance:

- Percentage of planning appeal decisions allowed against the authority's decision to refuse
- Percentage of Council Tax collected
- Days taken to process Housing Benefit/Council Tax Benefit new claims and change events
- Creditor days - % of invoices paid within 30 days
- Working days lost due to sickness absence

There were no performance indicators showing as concern.

**RESOLVED:**

that the progress and proposed improvement action for performance measures for the 2016/17 financial year for September 2016 be noted.

**REASON:**

The performance reports highlighted progress using a monthly snapshot report; SPAR report on monthly performance indicators and system thinking measures in key service areas including Development Control, Housing and Revenues and Benefits.

**\*92 Local Government Ombudsman complaints 2015/16**

Members were provided information on complaints referred to the Local Government Ombudsman during 2015/16.

**RESOLVED:**

that the number of complaints dealt with and their outcomes be considered.

**REASON:**

To continue to improve the way complaints were handled and to learn from this.

**Attendance list**

**Present:**

Andrew Moulding Deputy Leader/Strategic Development and Partnership (in the Chair)

**Portfolio Holders:**

Tom Wright Corporate Business  
Iain Chubb Environment  
Jill Elson Sustainable Homes and Communities  
Phil Twiss Corporate Services  
Ian Thomas Finance  
Philip Skinner Economy

**Cabinet Members without Portfolio:**

Eileen Wragg

**Cabinet apologies:**

Paul Diviani Leader  
Geoff Pook

**Non-Cabinet apologies:**

Paul Carter  
Ian Hall  
Steve Gazzard  
Cherry Nicholas  
John O'Leary  
Mark Williamson

**Also present (for some or all of the meeting)**

**Councillors:**

Megan Armstrong  
Brian Bailey  
Peter Bowden  
Colin Brown  
Jenny Brown  
Maddy Chapman  
Alan Dent  
John Dyson  
Peter Faithfull  
Roger Giles  
Graham Godbeer  
Steve Hall  
John Humphreys  
Ben Ingham  
Geoff Jung  
Rob Longhurst  
Dawn Manley  
Bill Nash  
Helen Parr  
Pauline Stott  
Brenda Taylor



**Also present:**

**Officers:**

- Mark Williams, Chief Executive
- Richard Cohen, Deputy Chief Executive
- Simon Davey, Strategic Lead – Finance
- John Golding, Strategic Lead – Housing, Health & Environment
- Karen Jenkins, Strategic Lead - Organisational Development and Transformation
- Alison Hayward - Senior Manager, Regeneration & Economic Development
- Andy Wood - East of Exeter Projects Director
- Naomi Harnett, Principal Projects Manager
- Amanda Coombes, Democratic Services Officer

Chairman ..... Date.....

## EAST DEVON DISTRICT COUNCIL

### Forward Plan of Key Decisions - For the 4 month period 1 January 2017 to 30 April 2017

This plan contains all the (i) important decisions that the Council intends to take and (ii) Key Decisions that the Council's Cabinet expects to make during the 4-month period referred to above. The plan is rolled forward every month.

Key Decisions are defined by law as “**an executive decision** which is likely :-

- (a) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the Council's area

In accordance with section 9Q of the Local Government Act 2000, in determining the meaning of “significant” in (a) and (b) above regard shall be had to any guidance for the time being issued by the Secretary of State.

**A public notice period of 28 clear days is required when a Key Decision is to be taken by the Council's Cabinet even if the meeting is wholly or partly to be in private. Key Decisions and the relevant Cabinet meeting are shown in bold.**

The Cabinet may only take Key Decisions in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of the Constitution and the Local Authorities (Executive Arrangements)(Meetings and Access to information)(England) Regulations 2012. A minute of each key decision is published within 2 days of it having been made. This is available for public inspection on the Council's website <http://www.eastdevon.gov.uk>, and at the Council Offices, Knowle, Sidmouth, Devon. The law and the Council's constitution provide for urgent key decisions to be made without 28 clear days notice of the proposed decisions having been published. A decision notice will be published for these in exactly the same way.

This document includes notice of any matter the Council considers to be Key Decisions which, at this stage, should be considered in the private part of the meeting and the reason why. Any written representations that a particular decision should be moved to the public part of the meeting should be sent to the Democratic Services Team (address as above) as soon as possible. **Members of the public have the opportunity to speak on the relevant decision at meetings (in accordance with public speaking rules) unless shown in italics.**

#### **Obtaining documents**

Committee reports made available on the Council's website including those in respect of Key Decisions include links to the relevant background documents. If a printed copy of all or part of any report or document included with the report or background document is required please contact Democratic Services (address as above).

Decision	List of documents.	Lead/reporting Officer	Decision maker and proposed date for decision	Other meeting dates where the matter is to be debated / considered	Operative Date for decision (assuming, where applicable, no call-in)	Part A = Public meeting  Part B = private meeting [and reasons]
1.	Street Markets and Street Trading Consultation Outcomes	Deputy Chief Executive	Licensing and Enforcement 15 February 2017	Overview 29 November 2016 Cabinet 11 January 2017	23 February 2017	
2.	Public Toilet Review	Service Lead – Street Scene	<b>Cabinet 8 February 2017</b>	Asset Management Forum 5 January 2017	16 February 2017	Part A
3.	Sports and Activity clubs – Rent and Rent support Scheme Outcomes	Deputy Chief Executive	Council 22 February 2017	Cabinet 8 February 2017	23 February 2017	Part A
4.	Sidmouth Beach Management Plan	Strategic Lead – Housing, Health and Environment	Council 22 February 2017	Cabinet 8 February 2017	23 February 2017	Part A

Table showing potential future important / key decisions which are yet to be included in the current Forward Plan

Future Decisions		Lead / reporting Officer	Consultation and meeting dates (Committees, principal groups and organisations) To be confirmed	Operative Date for decision  To be confirmed
1	Specific CIL Governance Issues	Deputy Chief Executive (RC)		
2	Business Support – options for the future	Deputy Chief Executive (RC)		

The members of the Cabinet are as follows: Cllr Paul Diviani (Leader of the Council and Chairman of the Cabinet), Cllr Andrew Moulding (Strategic Development and Partnerships Portfolio Holder), Cllr Tom Wright (Corporate Business Portfolio Holder), Cllr Phil Twiss (Corporate Services Portfolio Holder), Cllr Philip Skinner (Economy Portfolio Holder), Cllr Iain Chubb (Environment Portfolio Holder), Cllr Ian Thomas (Finance Portfolio Holder), Cllr Jill Elson (Sustainable Homes and Communities Portfolio Holder), and Cabinet Members without Portfolio - Cllr Geoff Pook and Cllr Eileen Wragg. Members of the public who wish to make any representations or comments concerning any of the key decisions referred to in this Forward Plan may do so by writing to the identified Lead Member of the Cabinet (Leader of the Council ) c/o the Democratic Services Team, Council Offices, Knowle, Sidmouth, Devon, EX10 8HL. Telephone 01395 517546.

December 2016

**EXMOUTH REGENERATION PROGRAMME BOARD  
ACTION POINTS FROM A MEETING  
HELD AT OWEN BUILDING, ROLLE COLLEGE, EXMOUTH ON THURSDAY 15 SEPTEMBER  
2016**

Present:

Councillor Philip Skinner	PJS	EDDC
Andrew Moulding	ATM	EDDC
Jill Elson	JME	EDDC
Pauline Stott	PS	Exmouth Town Council
Deborah Hallett	DH	Chairman, Rolle Exmouth Ltd
Richard Cohen	RC	Deputy Chief Executive, EDDC
Chris Lane	CL	EDDC
Mark Williamson	MW	Exmouth Town Council
Roy Pryke	RP	REL (Item 5 only)
Jasper Westaway	JW	REL (Item 5 only)
Jim Hill	JH	REL (Item 5 only)
Tom Vaughan	TV	Devon County Council
Ian Harrison	IH	Consultant
Steve Gazzard	SG	Exmouth Town Council
Tim Wood	TW	Honorary Alderman

Apologies:

Ian MacQueen	NM	Exmouth Chamber of Commerce
Bernard Hughes	BH	Devon County Council
John Humphreys	JH	EDDC
Andrew Ardley	AA	Devon County Council
Neil Downes	ND	Exe Estuary Partnership
Eileen Wragg	EW	Devon County Council
Alison Hayward	AH	EDDC
Lisa Bowman	LB	Exmouth Town Council

The meeting started at 9.15am and finished at 12.20pm.



	<p>Hub users, Jasper Westaway and Jim Hill. She reported on the disappointment felt by REL over the behaviour of Plymouth University over its decision to sell to sell the Rolle College site to Exeter Deaf Academy (DA).</p> <p>DH had met with DA and hoped to be able to stay on in the Owen Building beyond the 30 September and extend the REL licence until the end of December when the DA took over the site from Plymouth University..In the longer term she hoped to be able to achieve a 2 year licence for work hub use at the Owen Building for REL.</p> <p>JW explained the reasons why he wanted the Owen Building to be kept as a local work hub for business and the future success this could bring to the area. He explained the excellent work/life balance that could be achieved along the Exe Estuary and tused the example of he popularity of kite surfing amongst the entrepreneurial IT community. He strongly believed that a significant number of successful IT start up businesses could be attracted to the area, leading to increased local investment and income this could generate for Exmouth.</p> <p><b>ACTION</b> DH to write to Plymouth University to ensure that the Owen Building was not shut down ob 30 September. JME to write to Hugo Swire MP, to ensure that he lends his support to the retention of the Owen Building for work hub//community use.</p> <p><b>RESOLVED</b> 1.that the Leader of the Council write to the DA to ask them to meet with REL and EDDC to discover their aims for the site.</p> <p>2.that subject to the outcome of a meeting with REL and DA, that EDDC convene a Rolle College Working Party, with membership to be agreed by PS, ATM, DH and RC, possible future members to include Exmouth Town Council, DA and DCC.</p>	<p><b>DH/JME</b></p>
<p><b>6. Coastal Community Team/Economic Plan</b></p>	<p>RC reported that here was nothing to update on this issue at this point. Bids had been submitted to Government and were under consideration. <b>ACTION</b> RC to check progress with the Coastal Community fund.</p>	<p><b>RC</b></p>
<p><b>7. Playing Pitches Strategy for Exmouth</b></p>	<p>Members noted that a planned meeting had been postponed on the Playing Pitches Strategy for Exmouth pending further information.</p>	<p><b>Noted</b></p>
<p><b>8. Transport Hub</b></p>	<p>TV reported that the new bus stops and temporary</p>	

	<p>shelter was now in place. Some concern was expressed over buses parking near the Leisure Centre. Stagecoach had now leased the office building opposite the station for 12 months and DCC would explore the long term options for the building including a review of toilet provision.</p> <p>Network Rail were hoping to start work to the station shortly and Stagecoach continued to look for a long term solution for a bus parking in Exmouth. It was noted that EDDC hoped to make better use of the car park at the rear of the station. <b>ACTION</b> TV to report to DCC about concerns over the lack of taxis at the rear of the station and also for this to be reported to the biannual meeting at EDDC with the taxi trade.</p> <p>It was reported that there would need to be an arrangement that resolved potential conflict between any new bus stops and the cycle track that went through Imperial Road. In response to concerns about cyclists and pedestrians using the Esplanade path, IH reported that he considered that the best way forward would be to remove segregation from the path.</p>	<b>TV/CL</b>
<b>9. Dinan Way</b>	TV reported that DCC intended to make a planning application for improvements to Dinan Way and that discussions were on going with the National Trust and local Councils.	<b>Noted</b>
<b>10. Queens Drive update</b>	<p>RC gave an update on the Queens Drive development. It was expected that Grenadier as developers would be carrying out full public consultation He had attended a media visit on Thursday/Friday last week to showcase work/life opportunities associated with new sector business development, lifestyle attractions and the quality of Exeter, Exmouth and the Exe Estuary.</p> <p>Members noted opportunities to engage a designer of national renown to get involved in Phase 3 of the Queens Drive redevelopment. The Board expressed their support for this approach.</p> <p>A member of the Board raised the issue of Harbour View cafe and the need to keep the options open for this, as a possible separate development opportunity from the wider Phase 3. The priority for Queens Drive was to get Phase 1 and 2 of the development and the water sports centre open.</p>	<b>Noted</b>
<b>11. Camperdown Creek</b>	RC reported that there was no further progress to report on Camperdown Creek. The Sea Scouts had been offered a longer lease on their premises in order for them to be able to achieve more grants. The	<b>Noted</b>



	Council had encouraged the organisation to consider what their vision was for their future.	
<b>12. The Strand</b>	Street trading consultations had been concluded and objections had been received from the Indoor Market to outdoor markets on The Strand.	<b>Noted</b>
<b>13. Communication Update</b>	RC would take the messages arising from the Board meeting back to the Comms team.	<b>RC</b>
<b>14. Dates and times of future meetings</b>	The next calendared meeting to be held on Thursday 1 December 2016.	<b>CL/All</b>



# Minutes of the meeting of the South East Devon Habitat Regulations Executive Committee held at Knowle, Sidmouth, on Wednesday 21 September 2016

Attendance list at end of document

The meeting started at 6.08pm and ended at 6.52pm.

**\*13 Public speaking**

The Chairman welcomed everyone present to the meeting.

There were no questions from members of the public.

**\*14 Declarations of interest**

There were none.

**\*15 Matter of urgency**

The Chairman advised that there was one matter of urgency for the committee to consider.

The Habitat Regulation Delivery Manager sought agreement from the Executive Committee to bring forward funding (in the sum of £1000), identified in the 5 year Delivery Programme for years 2-5 to ensure the collection of data from the Wetland Bird Survey (WeBS) to year 1. The funding would enable funding two WeBS surveys at low tide by boat on the Exe Estuary, every 5 years. The first survey to be undertaken in November 2016.

**RESOLVED: that the South East Devon Habitat Regulations Executive Committee agrees to bring forward funding (in the sum of £1000), identified in the 5 year Delivery Programme for years 2-5 to ensure the collection of data from the Wetland Bird Survey (WeBS) to year 1. For this funding to enable 2 WeBS surveys at low tide by boat on the Exe Estuary, every 5 years. The first survey to be undertaken in November 2016.**

**\*16 Exclusion of the public**

**RESOLVED:**

that the classification given to the documents submitted to the Executive Committee be confirmed; there were two items which officers recommended should be dealt with in Part B.

**\*17 Financial report**

The Executive Committee considered the Habitat Regulations Delivery Manager's report updating Members on the overall financial position of developer contributions received by all three local authorities as mitigation payments toward measures identified in the South East Devon European Site Mitigation Strategy. The report set out details of the contributions received from inception until the end of the first quarter of the 2016 financial year and also included anticipated income from contributions where planning permission had been granted, however the mitigation payment had not yet been paid.

Amanda Newsome, Natural England, reiterated her comments within the report in respect of addressing inconsistencies in the CIL and Section 106 charges between the three authorities and zones and also the need to consider options for funding of mitigation

measures in perpetuity. In response, the Habitat Regulation Delivery Manager advised that reports on both these matters would be presented at the next committee meeting.

**RESOLVED: that the South East Devon Habitat Regulations Executive Committee:**

- 1. Notes the quarterly update on the overall financial position, including contributions received, contributions not received because arrangements might be in place for contributions to be withheld, expenditure and anticipated contributions (from signed Section 106 Agreements).**
- 2. Receives an update on 5 year income forecasts of developer contribution receipts at the next Committee meeting, clearly identifying where these receipts have been retained by the collecting authority where any agreement is in place for contributions to be withheld.**
- 3. Receives reports at the next committee meeting addressing inconsistencies in rates being charged in respect of CIL and Section 106 between the three authorities and options for the funding of mitigation measures in perpetuity.**

**\*18 Annual Business Plan and Five-Year Delivery Programme**

The Executive Committee considered the Habitat Regulations Delivery Manager's report setting out the mitigation measures put forward in the 2016 Annual Business Plan and outlining progress made towards delivery of the following measures during the period 29 June to 11 August:

- Revised zoning, Voluntary Exclusion Zone and codes of conduct for the Exe Estuary;
- Purchase and run a new patrol boat;
- Appointment of two wardens (Habitat Mitigation Officers);
- Warden vehicle;
- Dog project;
- Petalwort translocation and monitoring at Dawlish Warren;
- Habitat Regulations Delivery Manager;
- Codes of conduct, dog bins, map highlighting sensitive areas and monitoring on the Pebblebed Heaths;

**RESOLVED: that the South East Devon Habitat Regulations Executive Committee:**

- 1. Notes the progress made towards delivering the 2016 Annual Business Plan.**
- 2. Receives a further progress update on the delivery of the 2016 Annual Business Plan at the next meeting (quarterly basis).**

**\*19 Exclusion of the public**

**RESOLVED:** that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B).

**\*20 Suitable Alternative Natural Green Space (SANGS) – Scoring site options**

The Executive Committee considered the Habitat Regulations Delivery Manager's report providing further detail on potential strategic SANGS sites currently under investigation

across the three partner authorities. Sites had been given indicative scores against criteria established by Natural England and further enhanced by Teignbridge District Council.

In response to a question about delivery of SANGS, Cllr Humphrey Clemens updated the Committee that Teignbridge District Council had successfully secured land between Exeter Road and Eastdon Woods north of Shutterton Lane in Dawlish for SANGS and that a planning application for change of use of the land had been submitted. The £2.9m project was due to open the following summer. During discussion on the secured site, the Committee spoke of the need for monitoring to ensure that the SANGS was effectively meeting the objective of mitigation – this was important for future decisions in respect of SANGS provision. The Habitat Regulation Delivery Manager advised that monitoring would primarily be focused on impacts to the protected sites.

Points raised during discussion on the site options presented within the report included:

- There was no guarantee that favoured sites would come forward, therefore site options should not be completely discounted without good reason. In response it was advised that the next stage would be to discuss final options with partners and focus efforts on the most appropriate sites.
- A summary of the strengths and weaknesses of each site would be useful.
- Be useful to identify what each site needed to provide in order to meet the mitigation needs.
- There was a need to address ongoing maintenance of SANGS once secured. In response the Committee was advised that this matter was currently been discussed with Land Trust. There were a number of different models available and these would be presented to the Committee at a future meeting.

**RESOLVED: that the South East Devon Habitat Regulations Executive Committee:**

- 1. Notes progress towards delivery of Suitable Alternative Natural Green Space (SANGS) across the region.**
- 2. Receives a further report at a future Committee meeting which sets out detailed options for strategy delivery on SANGS provision.**

**\*21 Suitable Alternative Natural Green Space (SANGS) – opportunity**

The Executive Committee considered the Habitat Regulation Delivery Manager's report providing recommendations on the specific mechanism for partnership funding following the Committee's approval, in principle, to acquire land identified in Appendix A to the report for Sustainable Natural Green Space (SANGS). The Executive Committee had been advised earlier in the meeting that the land, which was being forward funded by Teignbridge District Council, was now secured.

**RESOLVED:**

- 1. that the South East Devon Habitat Regulations Executive Committee agrees the following funding arrangements for specified land for Sustainable Alternative Natural Green Space :**
  - a) Funding the purchase and instatement of land (shown in Appendix A to the report) for Suitable Alternative Natural Green Space at Dawlish at a cost of up to £2,923,000. Teignbridge District Council has separately approved forward funding this acquisition.**

- b) **Repaying Teignbridge District Council up to £643,000 by March 2020, and delegating authority to the Habitat Regulations Delivery Manager and the S151 Officers of East Devon District Council (accountable body) and Teignbridge District Council to agree arrangements and the final amount in accordance with proven expenditure.**
  - c) **Delegating authority to given to the S151 Officer of East Devon District Council (accountable body), Teignbridge District Council and Exeter City Council, in consultation with the Habitat Regulation Delivery Officer and the Heads of Planning of the partner authorities, to agree the reduction in Teignbridge District Council’s partnership contributions to SANGS mitigation until such time as the number of dwellings permitted in Teignbridge (when taken with other funding provided) balances the amount of forward funding provided by Teignbridge District Council for the Dawlish SANGS.**
  - d) **The Committee to receive quarterly financial reports reporting SANGS receipts at Teignbridge and which identify the residual balance due to Teignbridge under the arrangements set out in a – c above.**
2. **That the ongoing management of the specified land (detailed in the confidential committee report) be addressed through a future report to the Executive Committee.**

**Attendance list**

**Committee Members:**

Cllr Andrew Moulding, East Devon District Council (Chairman)  
Cllr Humphrey Clemens, Teignbridge District Council  
Cllr Rachel Sutton, Exeter City Council

Amanda Newsome, Natural England  
Peter Lacey, Green Infrastructure Board

**Officers**

Henry Gordon Lennox, Strategic Lead – Legal, Democratic Services and Licensing (EDDC)  
Neil Harris, Habitat Regulations Delivery Manager  
Naomi Hartnett, Principal Projects Manager  
Peter Hearn, Strategic Infrastructure Planning (ECC)  
Hannah Whitfield, Democratic Services Officer (EDDC)  
Andy Wood, Projects Director

Chairman ..... Date.....

## **EAST DEVON DISTRICT COUNCIL**

### **Report of a Meeting of the Asset Management Forum held at Knowle, Sidmouth on Thursday, 3 November 2016**

**Present:** Councillors:  
Geoff Pook  
Philip Skinner  
Andrew Moulding  
Alan Dent

Officers:  
Donna Best  
Richard Cohen  
Simon Allchurch  
Chris Lane  
Laurelie Gifford

**Also present:** Councillors:  
John Dyson  
Rob Longhurst  
Tom Wright  
Pauline Stott  
Geoff Jung

**Apologies:** Ian Thomas  
Paul Diviani  
Mike Allen

The meeting started at 9.30am and finished at 11:25am.

\*1 **Notes**

Members noted the report of the meeting held on 6 October 2016, subject to the addition of Councillor Alan Dent to those present and Councillor Pauline Stott to the list of apologies. In addition it was agreed that minute 4 of the last meeting - Green Space Strategy to read as follows: 'that the Green Space Strategy reported be noted and that a specific strategy be presented to a future meeting of the Forum'.

\*2 **Data**

Donna Best, Principal Estates Surveyor, reported that progress was being made to make the property system more corporate; the regeneration teams now had access to the system. Finance had been doing more work in the area of collecting data, but that at the moment this work had been put on hold. Further progress was dependant on the results of the Beer experiment.

Members discussed town/parish councils' appetite for the devolution of assets and considered that although there was interest the town/parish councils wished to be selective over assets they were given. It was noted that devolution would be undertaken on a balanced basis with any liability made up for by assets which would bring in an income. It was important that the data was available to know what assets currently cost.

Councillor Geoff Pook, Chairman of the Forum reported that Beer Parish Council would be presenting its formal asset devolution proposals after the budget meeting on 13 December.

**\*3 The Energy Act 2011 – update on action plan**

Simon Allchurch Senior Building Surveyor, reported on the Energy Act 2011 and the minimum energy efficient standards from April 2018 and the effect that this may have on the Council's property portfolio. Members noted that this would only apply to property re let after April 2018. There was the potential for the Council to renegotiate any leases which were ending around that period early to avoid the requirements of the Energy Act 2011.

**RESOLVED** that the report on the implications of the Energy Act 2011 be noted, subject to further consideration by Cabinet.

**\*5 Capital Programme bids for member comment**

Donna Best, Principal Estates Surveyor, reported on the summary of the Capital Programme Bids for comment by members of the Asset Management Forum. Members made the following comments of the Capital Bid Programme:

1. Orcombe Point – New Refreshment Kiosk at Orcombe Point Kiosk  
Recommended – to recommend to the capital allocation group the provision of £50,000 a small refreshment Kiosk and to encourage and investigate options for private sector development at Orcombe Point.
2. Honiton Leisure Centre – Resurfacing and replacement of lighting at Honiton Multi Use Games area  
Recommended – To recommend to the capital allocation group provision of £42,000.
3. EDBC & Tenanted Workshops – Energy Saving Act and Energy Saving/Renewable initiatives  
Recommended – To recommend to the capital allocation group provision of £147,500 - £60K EDBC + £85K Workshops (Combined bid for CAG – Total £460,000)
4. Honiton and Sidmouth Swimming Pools - Pool plant filter Vessel Refurbishments at Honiton and Sidmouth Swimming Pools  
Recommended – To recommend to the capital allocation group provision of £40,000.
5. Camperdown Depot and Phear Park – Premises Improvements  
Recommended – To agree provision of £106,000.
6. Exmouth Town Hall – External Repairs 2017  
Recommended – To recommend to the capital allocation group provision of £60,000. NB Not part of relocation budget.
7. Magnolia Centre, Exmouth – Replacement of Exmouth Magnolia Centre Public Clock  
Recommended – that there be no capital contribution to this project as EDDC should not be prepared to fund the replacement or maintenance of this clock

and it should be offered to Exmouth Town Council. If they do not accept responsibility for it, it should be removed.

8. Various – Re-roofing of seaside tenanted properties 2017-19  
Recommended – To recommend to the capital allocation group provision of £85,000, provided there are no regeneration implications.
9. Allhallows Changing Rooms, Honiton  
Recommended – that no support with capital funding for this project be given, but that negotiations be entered with Honiton Rugby Club with the idea of providing them with a long term lease of the premises. The alternative would be to demolish at a cost of £10,000.
10. Exmouth Town Centre – replacement/upgrade of Exmouth Town Centre CCTV System  
Recommended – that there be no capital contribution but that in future years this should be the responsibility of Exmouth Town Council and the Police, with EDDC making only a small contribution towards running costs.
11. Public Conveniences – Refurbishment of Public Conveniences 2018-20  
Recommended – that there be no capital funding contribution at present awaiting the outcome of the Street Scene report into Public Convenience provision in East Devon.
12. Energy Saving/Renewables Initiatives at LED sites  
Recommended – to recommend to the capital allocation group provision of £312,500 for this initiative.

Donna Best, Principal Estates Surveyor, reported that there had been two subsequent bids for Capital Programme funding – East Devon Business Centre Phase 3 development, which was subject to a number of external funding bids. Also the development of Workshop Space Provisions at the two sites in Seaton. £517,000 already in the programme for Seaton workshops.

\*6 **Date of next meeting**

The next meeting of the Asset Management Forum would be held on **Thursday 15 December 2016** at 9.30am in the Committee Room, Knowle, Sidmouth.



## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a meeting of the Scrutiny Committee held at Knowle, Sidmouth on 24 November 2016**

#### **Attendance list at end of document**

The meeting started at 6.00pm and ended at 9.39pm

#### **\*26 Public speaking**

Speakers reserved their questions for the relevant items as heard at the meeting.

#### **\*27 Minutes**

The minutes of the Scrutiny Committee held on the 3 November 2016 were confirmed as a true record subject to an amendment to minute 24 being amended as "Start the planned work on the review of the process of producing the Local Plan; for example on how sites are identified and brought forward for potential inclusion on the Local Plan."

#### **\*28 NEW Devon CCG Consultation "Your Future Care"**

The Chairman welcomed Rob Sainsbury, Chief Operating Officer of the NEW Devon Clinical Commissioning Group.

Robert Crick, representing the Patient participation Group of Sid Valley, welcomed the recent Conservative group press release calling for a second opinion on Devon NHS funding crisis treatment. He felt that none of the options presented by the CCG in the consultation were appropriate; he felt they were unconvincing and unethical. He asked the committee to call on MPs to reverse their earlier decisions on funding and reinstate the NHS as it had once been.

The committee received a short presentation from the CCG outlining the consultation, covering:

- Severe financial pressure on the NHS
- Evidence that changing the way people are cared for is beneficial to the individual and provides efficiencies
- The proposed model of care was to transfer resource and staff from community hospitals to providing home based care services
- There is a disproportionate number of community inpatient beds in Eastern Devon
- An example given was based on a 16 bedded community hospital unit at a cost of £75k per month equated to caring for around 21 people; moving to the new model of care at the same cost would provide 12 nurses, 8 therapists, 7 support workers plus some night sits totalling care for around 82 people
- No changes to services would be made until the tests derived by local clinicians have been undertaken to ensure the changes are safe and reliable

The options set out in the consultation were:

- Option A Tiverton 32 beds; Seaton 24 beds; Exmouth 16 beds
- Option B Tiverton 32 beds; Sidmouth 24 beds; Exmouth 16 beds
- Option C Tiverton 32 beds; Seaton 24 beds; Exeter 16
- Option D Tiverton 32 beds; Sidmouth 24 beds; Exeter 16 beds

The CCG preferred option was A, as this combination was considered by the CCG to result in the smallest changes in travel time and has the greatest whole system impact.

The Council had already passed a motion on the 26 October 2016 "that this Council register its extreme concern at the impending loss of 71 Community beds in this part of Devon. It is

a well-known fact, particularly in coastal and rural Devon, that there is an above average population of elderly people. Older people take longer to recuperate from illness, hospital admission and operations. Community services are already overstretched and there is an acute lack of appropriate carers to care for people in their own homes. Our District General Hospitals increasingly find it difficult to keep up with demand due to the fact that they cannot discharge people when they are ready because of the lack of community services. All the Government advice has been to encourage the care of people close to their homes. We thank Devon MPs, including Sir Hugo Swire and Neil Parish, who secured a debate at Westminster on the 18 of October, to air their concerns about proposed changes to community bed provision in East Devon, and that this Council write to them urging them to continue speaking on behalf of all residents in East Devon, so that an ill thought out decision which has come about only for financial reasons, is urgently re-considered by the Devon CCG.”

A letter had been sent to Sir Hugo Swire MP and Neil Parish MP on behalf of the Council from the Chief Executive on the 4 November in respect of this resolution by the Council on the 26 October 2016.

Before questions and debate commenced, the Chairman reminded the committee of the recent comments made in Parliament by Neil Parish MP in taking action to “fight all closures across East Devon”. The Chairman hoped that the committee would adopt the approach of unified front rather than raising arguments between the towns where community hospitals are located.

Questions raised by Councillors and responses from Mr Sainsbury covered issues including:

- Any change to a new model of care would not be implemented unless it was proven that the new model was safe to implement; this included there being sufficient clinical staff available;
- There was recognition that in some community hospitals an aging staff base was a concern and training both new staff and existing staff was required; it was also possible that not all staff would want to train in administering care outside of hospital as a visiting clinician;
- Carers could be provided via private care, or from Devon County Council, but there was also the possibility that by moving to a new model of care, some carer provision could be made by the NHS to help towards filling the current care gap; recognised that community hospitals should not be a substitute for care homes;
- Travelling clinicians could be vulnerable in having to travel in rural areas and in dealing with vulnerable patients in their own homes. Risks to NHS staff was a high priority and mitigated for where possible in current working practices, and would continue under the new model of working; this included the resilience of staff in dealing with extreme weather conditions;
- Concern that the model proposed would not be a suitable model for the aging demographic of the District and their often complex care needs, including mental health issues;
- Concern about privatisation of the NHS service. Mr Sainsbury commented that the consultation was not a procurement exercise;
- Tiverton PFI Hospital (Private Finance Initiative) has a long term arrangement and therefore felt sensible by the NEW Devon CCG to retain inpatient beds; but the hospital also scored highly in assessment, so was not included purely as a financial component;
- Recognition that the staff bill for NHS services in the area was large, particularly with the use of agency staff. Nursing costs had increased year on year. Moving to a new

- model of care could reduce the level of agency staff used;
- Night sits were quoted as part of the new model of care, but Councillors felt that the provision of “some night sits” was not enough to cope with the demand that existed;
  - Northern Devon locality has already introduced the new model of care, providing the NEW Devon CCG with evidence that this does have a positive impact on the care delivered;
  - Devolving some lower level care from District Nurse level to other carers was being considered;
  - One Councillor who trained nursing undergraduates did not recognise the evidence provided of an aging profile of nursing staff; good care in the community came at a high cost and one of the issues was the lack of time they could devote to each patient and that; national training currently had a focus on acute hospitals, as there are few community hospitals nationally;
  - Evidence presented in the report had been collated independently; however Councillors had received differing figures for bed use from different representatives of the NEW Devon CCG, and therefore found it difficult to trust any statistics presented;
  - The consultation does not infer that any of the hospitals are closing – only in consulting on the closure of in-patient beds;
  - Many Councillors felt that to make changes to in-patient bed numbers now was premature if local care packages were not set up first;
  - Costings presented were still not backed up with detail; there was general agreement that the NEW Devon CCG needed to look to find savings at an administrative and managerial level rather than the small level of savings that closing in-patient beds would bring;
  - Challenging that evidence exists to show that there is harm to patients who remain in hospital; no evidence of clear clinical trials that the new model of care works;
  - There was no proposal to close Barnstaple Accident and Emergency unit;
  - Concerns were recognised over using a central contact number – the example of the problems around 101 and 111 was used – this “single point of access” related to a professional point of access for practitioners to use, as had worked successfully in Northern Devon area;
  - The model of care suggested was not a new innovation – it was working elsewhere in the country and the NEW Devon CCG had looked at 17 examples nationally;
  - Royal Devon & Exeter NHS Trust were exploring how they could make community hospitals into real community assets – Budleigh Salterton hospital “Hub” was an example, but appeared to have lacked some joint working in order to plan what could be provided from the building before it was closed;

A proposal to include in the response to the NEW Devon CCG to stop the privatisation of the NHS was put to the vote and lost.

**RESOLVED** that a response from the Scrutiny Committee to the NEW Devon CCG “Your Future Care” consultation contains the following comments:

1. Asks that the New Devon CCG presents an outline of how care delivery integrates health, social, and mental care, as well as physiotherapy, and how it is provided to patients;
2. Consider that the comparison with Northern and Western Devon areas is unfair as the demographics were not the same as Eastern Devon;
3. The committee considers that the models proposed in the consultation will not meet the needs of the District because of the local issues of social isolation, and the support that carers need;

4. The NEW Devon CCG should review the expenditure on management and administration as a means to realise savings that could be used to provide care rather than divert funding from in-patient beds;
5. The committee considers that the evidence presented to date by the NEW Devon CCG is not sufficient to convince them that the new model of care will be successful;
6. The Committee does not accept Options A – D, but recommends that the NEW Devon CCG should retain the current level of in-patient beds in community hospitals in the Eastern Devon locality;
7. Should a decision be made to close in-patients beds, the Committee insists that this is not undertaken until the replacement model of care is recognised as safe and in place; subject to the provision of evidence that the model of care has resulted in no bed blocking at acute hospitals, non occupancy of beds in community hospitals, and full care in the community.

The Chairman thanked Mr Sainsbury for attending to answer questions.

### **\*29 NHS Property Services**

12 Community hospitals are transferring from Northern Devon Healthcare Trust ownership to NHS Property Services; in the District this relates to Axminster Community Hospital, Honiton Hospital, Seaton Community Hospital, Budleigh Salterton Community Hospital, Exmouth Community Hospital, Sidmouth Hospital and Ottery St Mary Hospital. The transfer will complete on the 1 December 2016. Some GP surgeries will also transfer in ownership.

The committee considered a report submitted by NHS Property Services to the Health and Wellbeing Scrutiny Committee on the 19 September 2016, which outlined the role that the service provides in managing some of the NHS estate.

The Chairman voiced his disappointment in a lack of response from NHS Property Services to attend and respond to questions.

Concerns on the transfer of ownership from Councillors included:

- Impact on League of Friends organisations, who had tirelessly worked to fund improvements to their local community hospitals;
- No guarantee, if a property was sold, of the capital being used in the area the property was situated;
- Issues with local surgery at Sidmouth where there was pressure from NHS Property Services for the surgery to relocate to the hospital; this option was not acceptable by the local GPs, nor was the proposed increase in rent from NHS Property Services;
- How can a realistic market rate be calculated for a medical facility? Standard commercial rents were not considered by Councillors as a fair comparison, if that is the measure used to establish a market rate;
- Councillors felt that the exercise was a process of asset stripping;
- Does the increase in rent to a “market level” therefore mean that voluntary donations – such as from League of Friends organisations – were no longer required?
- The commitment from the Department of Health to meet any increased property costs for 2016/17 arising from the introduction of market rent should be continue to be applied for future years.

**RESOLVED** that the Chairman of the Scrutiny Committee writes to NHS Property Services, expressing:

1. Disappointment at the lack of response to the request to attend;

2. A request for attendance at a future meeting;
3. Questions raised by the Scrutiny Committee at their meeting on the 24 November 2016;

and that this letter is copied to the Health and Wellbeing Scrutiny Committee of Devon County Council; the three local MPs; and the Secretary of State.

**\*30 Financial Plan 2017 - 2022**

The Chairman welcomed the Portfolio Holder for Finance, Ian Thomas, and the Strategic Lead - Finance, Simon Davey.

The committee had before them the agreed Financial Plan for 2017 – 2022, which set out the longer term view of how the Council will structure and manage its finances over the next five years in order to deliver the Council Plan.

An understanding of the medium term financial model will assist the Committee when considering the draft budget for 2017/18 on the 18 January 2017.

Questions and discussion by Councillors included:

- Explanation of Tariff Payments as a payment back to the government from the business rates collected;
- No direct impact on current plan from the Autumn Statement;
- Financial pressures were set to continue and the plan helped to mitigate for that pressure;
- Evidence of the effectiveness of the transformation strategy was apparent from the savings achieved by specific initiatives in the strategy already undertaken for 2016/17, monitored throughout the year through the budget monitoring reported to Cabinet;
- The council tax support grant to towns and parishes was currently fixed for future years, but was under discussion, perhaps to ring fence, but would be explored further in a future report to Cabinet;
- Retention of business rates was explained with recognition of the benefits that the regeneration and growth point areas brought; Councillors were reminded of the paper issued by the Portfolio Holder for Finance explaining business rates;
- The cost of relocation and getting the maximum value from the sale of the current Council offices was raised; an explanation was given of the tender process and valuations but details on overage could not be given;
- In response to a question from Chairman about who is responsible for getting the best value for such projects as the relocation; the process was set out of approval through Cabinet and Council, with checking of the business case by the Audit and Governance Committee and external auditors Grant Thornton.

**RESOLVED** that the Financial Plan be noted.

**\*31 Quarterly monitoring of performance – second quarter 2016/17**

The committee noted that there were two service objectives showing a status of concern:

- **Promote inspection outcomes under the Food Hygiene Rating Scheme and to improve the ways in which we draw attention to those outcomes. To provide a clear incentive for businesses to improve their compliance with regulatory standards we will clearly and expressly identify businesses who have achieved improved scores and those who have not - Real time "changes" to food hygiene**

scores remains something that we are keen to promote and we are working with Strata to see if this IT related work is possible in the current schedule of work. In the meantime anyone can view the current food hygiene rating score of any restaurant, café and pub - in fact any caterer or food retailer in our area via the EAST DEVON APP.

- **Promoting use of Council assets as potential locations for joint venture energy generation with private energy company.** The Limited opportunities available are currently being explored;

The performance indicators are showing on track with two showing a status of concern:

- **Number of random vehicle licence checks** – Licensing service operates with reduced staffing in 2016 impacting upon number of checks conducted. Recruitment was now complete with staffing being up to capacity from January 2017.
- **Percentage of Other planning applications determined within 8 weeks** – Development Management are aware that the target for the quarter has not been met. This is partly due to heavy workloads and the focus on improving performance on Major applications, but in any case improved performance is being addressed as part of the current Systems Thinking review into the service where a number of changes to the way the service process “Other” applications is about to be trialed. It should be noted that for the Government Returns for the quarter we were at 77.5%.

In discussion on the performance indicators, Councillors felt that budget resource questions needed to be asked relating to staffing levels for Development Management (in dealing with application volumes) and for Property and Estates (in actioning projects).

Clarification was also requested for the legal requirements of market stalls in displaying inspection outcomes under the Food Hygiene Rating Scheme.

**RESOLVED** that

1. The Service Lead for Planning consider if additional staffing resource should form part of the Draft Budget 2017/18 to help resolve the performance on determination of planning applications within 8 weeks;
2. The Asset Management Forum be asked to consider if additional staffing resource should form part of the Draft Budget 2017/18 to help deliver projects.

### **\*32 Scrutiny Forward Plan**

The forward plan was noted.

The issue of cost implications, and the lifting of a standing order, was recently raised at Audit and Governance Committee, but reported to be an issue that may fall to the remit of the Scrutiny Committee. This will be investigated by the Democratic Services Officer to see if it does fall to the remit of the committee.

**Attendance list (present for all or part of the meeting):**

**Scrutiny Members present:**

Roger Giles  
Alan Dent  
Colin Brown  
Simon Grundy  
Bruce de Saram  
Cathy Gardner  
Douglas Hull

Bill Nash  
Val Ranger  
Marianne Rixson

**Other Members**

Paul Carter  
Dawn Manley  
Andrew Moulding  
Jill Elson  
Peter Faithfull  
Geoff Jung  
Megan Armstrong  
John Dyson  
Pauline Stott  
Tom Wright  
Susie Bond  
Ian Thomas  
David Barratt  
Brenda Taylor  
Steve Gazzard  
Brian Bailey  
Ian Hall  
Helen Parr  
Peter Burrows

**Officers present:**

Simon Davey, Strategic Lead Finance  
Giles Salter, Solicitor  
Debbie Meakin, Democratic Services Officer

**Scrutiny Member apologies:**

Dean Barrow  
Darryl Nicholas  
Cherry Nicholas  
Marcus Hartnell  
Douglas Hull

**Other Member apologies:**

Ben Ingham  
Rob Longhurst  
Phil Twiss  
Stuart Hughes  
Eileen Wragg  
Peter Bowden

Chairman .....

Date.....

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Overview Committee held at Knowle, Sidmouth on 29 November 2016**

#### **Attendance list at end of document**

The meeting started at 6.00pm and ended at 7.05pm.

#### **\*15 Public speaking**

There were no public speakers at the meeting.

#### **\*16 Minute confirmation**

The minutes of the Overview Committee held on the 27 September 2016, were confirmed as a true record.

#### **\*17 Declarations of interest**

Councillor Rob Longhurst

Minute 19

Personal Interest – runs a craft fair in Exmouth Pavilion

Councillor Pat Graham

Minute 19

Personal Interest – Member of Exmouth in Bloom who run stall located in the Strand

#### **18 Street markets and trading consultation**

The committee considered the findings of the street markets and street trading consultation exercise. The results of the consultation showed overall that there is a desire to extend street trading opportunities in East Devon, with an exception of Sidmouth (where the response was overwhelmingly against any relaxation of existing restrictions) and some businesses with fixed premises.

During discussions, the following points and questions were raised:

- 'Consent' street meant that consent had to be sought from the Council for trading;
- This was an opportunity for the council to rescind all previous designations of streets to start again;
- Definition of a 'street' was set out clearly as "including any road, footway, beach or other area to which the public have access without payment; and a service area as defined in section 329 of the Highways Act 1980, and also includes any part of a street";
- A time limited 'consent' designation for Folk Week in Sidmouth was possible with the remaining time each year being a designation of 'prohibited';
- Resource implications would come forward in a future report once the next round of consultation was complete. The intention was for the service to be cost neutral, by means of setting the appropriate fee to cover the administration. In response to a question on transferring this responsibility to town and parish councils, advice was that legislation currently provides for consent to be given by the District Council; and that even by manipulation of block consent to town or parish councils, this would only shift the administrative burden to those town or parish councils with considerably less resource to deal with individual applications;
- Town and parish councils would continue to be involved in being a consultee for an application;
- Introduction of the proposed changes to designated streets would allow the Council to better regulate some current trading that does not have consent;



- The draft Street trading Consents policy and application guidance sets out the criteria that an application must meet. This includes factoring in the quality of the product the trader is offering, and how they may impact on nearby businesses in fixed premises;
- Consideration will be given to the practicalities of a 'Chairman delegation scheme', as is utilised by the Development Management service;
- Undertaking a pilot scheme would incur the same level of cost and legalities as the change proposed, thereby increasing the overall cost if including a pilot;
- Applications could be made for block consents as well as individual stall consents.

The Licensing and Enforcement Committee Chairman spoke in support of the proposal to change the designation of streets, commenting on the past evidence that demonstrated the benefits street trading can provide to towns. He also felt that the proposed policy was sufficiently robust in giving protection to towns and parishes.

An amendment to the recommendation to remove the reference to Sidmouth, thereby recommending that the whole District was consulted upon to have all streets designated as 'consent' was put to the vote and lost.

**RECOMMENDED** to Cabinet, and to Licensing and Enforcement Committee:

1. That the Licensing and Enforcement Committee authorise public consultation (in accordance with the legislative requirements) on a proposal to:
  - a. Rescind all the Council's previous resolutions to designate streets as 'Prohibited Streets' within the District, and
  - b. Resolve to designate all 'streets' in East Devon as 'Consent Streets' as defined in Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982 save for certain streets in Sidmouth (as listed) which shall be 'Prohibited Streets' except during Folk Week.
2. That the Licensing and Enforcement Committee receive a further report which considers the representations made during the public consultation exercise and which makes further recommendations as to the approach to be adopted by the Council to street trading. Should this approach be to resolve to make additional consent streets then the report shall also detail for the Committee to consider; the likely resource implications, fees to be charged for consent, the Street Trading policy proposed to be adopted and standard conditions to be imposed on any consent granted.

## **\*19 Overview forward plan**

The Chairman encouraged the committee to attend the next meeting on Draft Budgets on the 18 January 2017.

The Chairman and Vice Chairman would also consult to bring forward future items for the committee to consider.

### **Attendance list**

#### **Councillors Present:**

Peter Bowden (Chairman)  
Graham Godbeer (Vice Chairman)  
Peter Faithfull  
Ian Hall

Rob Longhurst  
Pat Graham  
John Humphreys

**Councillors Also Present:**

Steve Hall  
Pauline Stott  
Geoff Jung  
John Dyson

**Officers**

Richard Cohen, Deputy Chief Executive  
Henry Gordon Lennox, Strategic Lead - Legal, Licensing & Democratic Services  
Debbie Meakin, Democratic Services Officer

**Councillor Apologies:**

Mike Allen  
Tom Wright  
Jill Elson

Chairman ..... Date.....

**Report to:** Cabinet  
**Date of Meeting:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None



**Agenda item:** 13

**Subject:** Proposed changes to the working age Council Tax Reduction Scheme (known as Council Tax Support) from 1<sup>st</sup> April 2017.

**Purpose of report:** To consider the proposed changes to the working age Council Tax Reduction Scheme (known as Council Tax Support) from 1 April 2017 and the updated Council Tax Discretionary Discount and Exceptional Hardship Fund Policy.

**Recommendation:**

1. **Members of the Finance Think Tank recommend adopting the following changes to the Council Tax Support Scheme from 1 April 2017:**
  - a. **Removal of the family premium for all new claims or break in claims made after 1 April 2017, or where this premium would apply for the first time to existing claims.**
  - b. **Reduce backdating from 6 months to 1 month.**
  - c. **Introduce a Minimum Income Floor for self-employed.**
  - d. **Additional temporary absence rules for absence from Great Britain for 4 weeks or more.**
  - e. **Removal of the Employment and Support Allowance (ESA) Work Related Activity Component for all new ESA claims.**
  - f. **To limit the number of dependent children additions within the calculation for CTS to a maximum of two.\***
  - g. **To remove the entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them.**
  - h. **Remove the additional earnings disregard for Universal Credit claims only and apply the standard disregards to all applicants that are in employment, regardless of hours.**

**\* Members of the Finance Think Tank recommend deferring the implementation of proposal 1f above to 1**

**April 2018 if this policy is introduced to Housing Benefit legislation from a date after 1 April 2017.**

**2. To adopt the updated Council Tax Discretionary Discount and Exceptional Hardship Fund Policy.**

**Reason for recommendation:**

To align the Council Tax Reduction scheme for working age with changes to national benefits and also to remove some of the unintended consequences of these changes it is recommended that the proposals outlined are adopted.

The Council Tax Discretionary Discount and Exceptional Hardship Fund Policy (appendix 3) has been updated to specify additional financial assistance is available to customers affected by the introduction of these proposals.

**Officer:**

Libby Jarrett, Service Lead - Revenues and Benefits  
[ljarrett@eastdevon.gov.uk](mailto:ljarrett@eastdevon.gov.uk) tel:01395 517450

**Financial implications:**

The financial implications are explained and detailed in Section 7 of the report. In addition by amending the scheme as proposed this does assist in administration by aligning the local scheme to the national scheme.

**Legal implications:**

The proposed scheme appears legally compliant.

Section 13A of the Local Government Finance Act 1992, amended by the Local Government Finance Act 2012, required the Council to approve a council tax reduction scheme by 31 January 2013, which was done. Schedule 1A requires that the Council must decide, for each financial year thereafter, whether to revise its scheme or to replace it with another scheme. The recommendation of the finance team is to confirm the existing scheme with revisions (which could be all or some of those set out). The legislation requires that any changes should be consulted upon prior to adoption. This has been carried out and the detail of the exercise is contained within the report. Full Council must approve any revision to its scheme by 31 January 2016.

The public sector equality duty in section 149 of the Equality Act 2010 requires the Council to have due regard to the need to (in relation to nine protected characteristics of age, race/ethnicity, religion/belief and sexual orientation, disability, gender re-assignment, pregnancy/maternity and marriage/civil partnership):

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

The finance team has carried out a detailed equality impact assessment (see Appendix 2); members should consider and

take into account this updated assessment and officer conclusions before approving the scheme and any revisions to it which will operate next year. Further, the officers responsible for implementation are aware of the need to comply with council tax statute, regulations (and, where appropriate, guidance) in implementing the scheme.

**Equalities impact:** Medium Impact

As this Council Tax Reduction scheme is for working age customers it has a negative impact on age. There are also impacts on some of the proposals on disability and socio-economic factors. A full Equalities Impact Assessment is included in Appendix 2.

Members must fully consider the equality impact when considering changes to the council tax reduction scheme when determining whether to approve the proposed Council Tax Support Scheme (including following the guidance from [the Havering case](#)).

In this case Havering's Equality Impact Assessment (EIA) was challenged on the grounds of age and/or disability under Article 14 of the European Court of Human Rights and under the Equality Act although the outcome was that the EIA was not defective but highlights the requirement to ensure the process is robust.

**Risk:** Medium Risk

Scheme and process may be subject to legal challenge

Shortfall on the collection fund – scheme costs may outstrip budgeted forecasts

Customer dissatisfaction by those affected by the changes.

Exceptional hardship fund costs may outstrip budgeted costs.

**Links to background information:**

- [Draft Council Tax Support Scheme Policy 2017-18](#)
- [Vulnerability statement](#)
- <http://eastdevon.gov.uk/media/1732386/080616-combined-final-cabinet-agenda.pdf>

**Link to Council Plan:** Continuously improving to be an outstanding Council

## 1.0 Background

1.1 Council Tax Reduction (known as Council Tax Support) was introduced from 1<sup>st</sup> April 2013. It is a means-tested reduction/discount for council tax payers who are on a low income.

1.2 For working-age applicants the scheme is determined by local policy and for pension-age applicants it is a national scheme prescribed by legislation.

- 1.3 Local schemes must take account of:
- Support work incentives and in particular avoid disincentives for those moving into work
  - Our duties to protect vulnerable people (these duties already exist under the Equality Act 2010, Child Poverty Act, the Housing Act and responsibility to protect those that are disabled).
  - Armed forces covenant
- 1.4 The East Devon Council Tax Support (CTS) scheme for working-age retained the main elements of the former national council tax benefit scheme but with the following changes:
- Liability limit (maximum support) of 80%. This means that all customers have to pay the first 20% of their Council Tax bill.
  - Capital limit of £8,000
  - Limits to a Council Tax band D charge
  - No second adult reduction
  - An Exceptional Hardship Fund
- 1.4 Our scheme allows for the annual upratings in line with those used in Housing Benefit and/or pension age council tax reduction scheme.
- 1.5 There have been no changes made to our scheme since it was introduced in April 2013.
- 1.6 Our vulnerability and incentivising work statement [Vulnerability statement](#) which forms part of our Council tax Support Scheme sets out the various protections within our scheme for children, disabled, carers, war pensioners. The protections that exist within our scheme such as disregarding child benefit, child maintenance, disability income (Disability Living Allowance & Personal Independence Payments), War pensions, etc will continue to be provided.
- 2.0 Reviewing our scheme**
- 2.1 Every year the Council must decide, for each financial year, whether to revise its scheme or to replace it with another scheme. Members must review and agree a CTS Scheme by 31 January of the preceding financial year.
- 2.2 There were a number of welfare changes announced in the 2015 Summer Budget and Autumn Statement. It would make sense to reflect these changes in our CTS working age scheme, in order to keep the scheme aligned with Housing Benefit (HB), Pension age CTS and Universal Credit (UC).
- 2.3 The Devon Local Government Steering Group (DLGSG) met on 15 April 2016 to consider a report from County and District Heads of Finance on Council Tax – Future Strategy. In this report they were asked to consider whether changes should be made to the council tax support scheme for 2017/18. All members of the group agreed to the option of taking forward to consultation the administration changes to align the scheme with Housing Benefit and/or Universal Credit as well as introducing a minimum income floor for self employed. This comprised of 8 changes.
- 2.4 At the Cabinet meeting on 8 June 2016 Members approved to go out to consultation on the 8 proposed changes. It was also agreed that a meeting of

the Finance Think Tank should be held to agree the recommendations to be presented back to Cabinet.

- 2.5 Members of the Finance Think Tank met on 9<sup>th</sup> November 2016 where they went through each proposal to understand what they mean, the equality impact of the change as well as giving consideration to the outcome of the consultation. The recommendation was that the proposals be adopted into the Council Tax Support scheme from 1 April 2017 except for proposal 6 to limit the number of dependent children additions within the calculation of CTS to a maximum of two. This recommendation is to defer this implementation of proposal to 1 April 2018 if the policy is introduced to Housing Benefit from a date after 1 April 2017, until this change is implemented within Housing Benefit legislation.

### **3.0 Consideration of the proposed changes**

- 3.1 Following previous legal challenges concerning other local authorities' council tax reductions schemes, it is important that Members, when considering adopting the council tax reduction scheme, must give due regard to the following:

- ensuring the consultation exercise is legally compliant (including following the guidance from the [Supreme Court in the Moseley case](#)) (see Section 5 and Appendix 1).
- the equality impact assessment when determining whether to approve the proposed Council Tax Support Scheme (including following the guidance from [the Havering case](#)) . See Appendix 2.

### **4.0 Proposed changes to our working age scheme**

- 4.1 Each proposal is not dependent upon another one and can be implemented individually. Each proposal and the equality and financial impact of it has been considered separately.

#### **4.2 Proposal 1: Removal of family premium for all new claims or break in claims made after 1 April 2017, or where this premium would apply for the first time to existing claims.**

- 4.2.1 The Family Premium is an additional £17.45 per week to the CTS applicable amount for an applicant with one or more children that the customer or their partner receives Child Benefit for and/or is responsible for.
- 4.2.2 The applicable amount is used in calculating CTS entitlement for applicants who don't have linked entitlement to maximum CTS as they are in receipt of another income-related benefit (Jobseekers Allowance, Income Support or Employment and Support Allowance).
- 4.2.3 This premium was removed from Housing Benefit (HB) and the pension-age Council Tax Support scheme from 1<sup>st</sup> May 2016. It was removed from HB to promote better work incentives and simplify the administration of HB. There is no family premium in Universal Credit.

- 4.2.4 For example:

An applicant and their partner have 2 children. Their eligible income is £300 per week. Their weekly eligible Council Tax is £23.00 per week.

With the Family Premium their CTS entitlement is £16.22 per week

Without the Family Premium their CTS entitlement is £12.79 per week

#### 4.2.5 Financial impact of this proposal.

- Based on the above example this means for new applicants with one or more children they would have to pay a maximum amount of £3.43 per week more towards their council tax. This amount reduces if not getting maximum CTS.
- As this proposal does not affect existing claims the financial impact can only be estimated based on the number of new claims received in the 2015/16 year which would have been affected had the proposal been in place then.
- From this modelling the estimated saving for 2017/18 is £39,000.
- 220 likely claims will be affected per year.

4.2.6 Results from consultation- agree with proposal: Yes: 62.08% No: 22.5% Don't know: 15.42%

4.2.7 Equality impact – see appendix 2.

### **4.3 Proposal 2: Reducing backdating from 6 months to 1 month.**

4.3.1 The proposal is to reduce this to 1 month for all new claims made on or after 1 April 2017. This change was made in HB from 1 April 2016.

4.3.2 Where good cause is shown for not making a claim at an earlier date a claim can be backdated.

4.3.3 Backdating only applies to working-age applicants, pension-age applicants have a 3 month take on period, and this will remain unaffected.

4.3.4 For example:

Ms C makes a claim for CTS on 5<sup>th</sup> May 2017 and asks for her claim to be backdated to 5<sup>th</sup> December 2016. In her application Ms C did show good reasons why she couldn't claim at an earlier date.

Ms C is entitled to £15.00 per week CTS.

Her backdated award is limited to the period 5<sup>th</sup> April to 5<sup>th</sup> May instead of 6 months.

4.3.5 Financial impact of this proposal:

- The average loss per customer based on the 15/16 cases where a backdate of more than 1 month was awarded is approximately £97.36.
- In 2015/16 49 claims for working age CTS were backdated by more than 1 month. Based upon this number of claims the estimated annual saving is £4,771

4.3.6 Results from consultation – agree with proposal: Yes: 80.74% No: 14.75% Don't know: 4.51%

4.3.7 Equality impact – see appendix 2.



#### **4.4 Proposal 3: Introduce a Minimum Income Floor (MIF) for Self-employed.**

- 4.4.1 The proposed change is that once a self-employed business has had an initial 12 month set up period the MIF is used to calculate weekly earnings from self-employment. This will be the National Living Wage/National Minimum Wage x 35 hours. For UC this is 35 hours per week. If the actual net earnings exceed the MIF then actual earnings are used in the calculation. This mirrors the minimum amount people would earn if in employment.
- 4.4.2 The Government's welfare agenda is about making work pay, which in relation to the self-employed, is also about whether they are gainfully working. This reform mirrors a similar approach for Universal Credit.
- 4.4.3 Universal Credit defines gainful employment is that the self-employment in a trade, profession or vocation which is the customers main occupation. It must also be organised, developed, regular, and carried out in expectation of profit.
- 4.4.3 Under the current council tax support policy (which mirrored the former Benefit rules) a person who says they are self-employed does not need to demonstrate whether they are gainfully employed. Entitlement to council tax support is based on the net profit of their business, so if they declare that they make no profit then this is what we use as their earnings to calculate their council tax support entitlement. This means that a person can year on year declare no profit.
- 4.4.5 The aim of introducing a MIF mirrors the expected level of earnings from someone in employment. This has already been introduced by a number of authorities and there are further authorities looking to introduce this from April 2017.
- 4.4.6 As our scheme has an exceptional hardship fund we can provide additional support to those who genuinely are unable to work 35 hours. This means that we have a safety net but by keeping it simple it also doesn't overcomplicate the administration process, which is important as the Government continue to cut our administration grant.
- 4.4.7 If a self employed person applies for Exceptional Hardship Fund then consideration would also be given on whether the person is gainfully employed. In deciding that we will ask for information about the customer's business and earnings and they will have to provide evidence to support this - things like tax returns, Unique Tax Reference number from Her Majesty's Revenue and Customs (HMRC), a business plan, customer lists, or marketing materials, are all acceptable. To make a decision about whether self-employment is a main occupation, we will look at how many hours are spent undertaking self-employed activity and how much they earn.
- 4.4.8 The MIF will have the following elements:
- All self-employed customers would be given a 12 month start up (from when their business started). So for example; if their business started up on 1 May 2016 then they would be affected from 1 May 2017, where they have earned income below this earning floor.

- The MIF will either be the National Living wage (currently £7.20 per hour for 2016/17 for 25's & over) or the National Minimum wage (currently £6.70 per hour for 21 to 24's and £5.30 for 18 to 20's) multiplied by 35 hours per week, less Tax and National Insurance contributions.
- The Exceptional Hardship fund is available to give extra support where appropriate. For example; where someone might not be able to work 35 hours due to a disability or caring responsibility.
- When dealing with a case for Exceptional Hardship Fund consideration will be given as to whether the self-employed person is gainfully employed.
- Where a customer is employed and self-employed then the difference will be calculated and the MIF applied to that.

#### 4.4.9 For example

Mr D is a lone parent with one child and is self-employed and earns £93.78 per week (net profit). He currently receives £8.20 per week CTS.

From 1<sup>st</sup> April 2017 Mr D's self-employed income is the minimum income floor of £235.18.

He no longer qualifies for CTS.

#### 4.4.10 Financial impact of this proposal

- Currently we have 417 self-employed customers in receipt of CTS. The majority of these would be affected, as they are declaring earnings that are below these levels.
- Of the 417 claims it is estimated that 40 are owner occupiers.
- Based on this number the savings to the CTS scheme would be approximately £258,975.80. These savings are based on existing caseload and the current National Living Wage, which is subject to a review from April 2017.

4.4.11 Results from consultation – agree with proposal: Yes: 71.95% No: 20.73%  
Don't know: 7.32%

4.4.12 Equality impact – see appendix 2.

### **4.5 Proposal 4: Additional temporary absence rules for absence from Great Britain for 4 or more weeks.**

4.5.1 Currently someone can be absent from their home for up to 13 weeks and still remain entitled to CTS. There are additional reasons where this can be extended to 52 weeks, for example, if someone is on remand or receiving medically approved care elsewhere. This will be reduced to 4 weeks for absences outside of Great Britain. This can be extended in cases where the absence is due to:

- receiving medical treatment, or accompanying a child or young person receiving such treatment, in such a way they can continue to be treated as being in Great Britain for up to 26 weeks; or

- the death of a partner, or a child or qualifying young person who normally lives with the applicant, or the death of a close relative of one of these. In these cases they can be treated as being in Great Britain for up to 8 weeks.

4.5.2 The changes to temporary absence rules were made in July 2016 for all HB claims and are due to be made for pension-age CTS claims from April 2017. This proposal brings CTS for working-age into line with this change.

4.5.3 For example

Mr E is away from home for 10 weeks whilst he stays with relatives outside of Great Britain.

His CTS is £10.00 per week. Under the current policy he would be entitled to £100.00 CTS, under the proposed changes his CTS would end from when he went outside of Great Britain (as his absence was going to exceed 4 weeks).

4.5.4 Financial impact of this proposal

- We do not currently capture details of customers who are absent for less than 13 weeks so we are unable to estimate the financial impact of this proposal. It will deliver savings on administration costs and also the cost of 9 weeks CTS per customer.

4.5.5 Results from consultation (appendix 1) – agree with proposal: Yes: 85.31%  
No: 11.43% Don't know: 3.27%

4.5.6 Equality impact – see appendix 2.

#### **4.6 Proposal 5: Removal of Employment and Support Allowance (ESA) Work Related Activity Component for all new ESA claimants.**

4.6.1 ESA is claimed by ill or disabled customers if they are employed, self-employed or unemployed. There are two types of ESA:

- Contribution-based - paid for a maximum of 12 months and is based on the National Insurance records of the customers;
- Income-related ESA which is usually paid on its own or on top of contribution-based ESA, based on a low income

4.6.2 This proposal will only affect new ESA claims from 1<sup>st</sup> April 2017.

4.6.3 The current rate of ESA including the Work Related Activity Component is £109.30 per week. In the CTS calculation £29.05 of this is disregarded as income.

4.6.4 All new claims placed in the Work Related Activity Group from 1<sup>st</sup> April 2017 will receive a fixed amount of £73.10 per week, this is the same as the rate of Jobseekers Allowance.

4.6.5 To align CTS with HB and not to deduct more income than exists the additional £29.05 per week disregard will no longer apply to all ESA customers receiving £73.10 per week.

4.6.6 Financial impact of this proposal

- There are no direct financial savings from this proposal but it does remove the additional administration costs of the scheme.

4.6.7 Results from consultation (appendix 1)- agree with the proposal: Yes: 68.57% No: 15.51% Don't know: 15.92%

4.6.8 Equality impact – see appendix 2.

**4.7 Proposal 6: To limit the number of dependant children additions within the calculation for CTS to a maximum of two.**

4.7.1 When a claim for CTS is calculated an additional dependant's allowance of £66.90 per child per week is included in the applicable amount which is used in the CTS calculation.

4.7.2 The applicable amount is used in calculating CTS entitlement for applicants who don't have linked entitlement to maximum CTS as they are in receipt of another income-related benefit (Jobseekers Allowance, Income Support or Employment and Support Allowance).

4.7.3 To align CTS with proposed HB changes this allowance would no longer apply to 3<sup>rd</sup> or subsequent children born after 1 April 2017. Certain exceptions will apply such as multiple births and rape victims. We will mirror the exceptions which will be introduced in HB regulations.

4.7.4 The Department for Work and Pensions is currently consulting on the proposals for Universal Credit and Tax Credits and the protections which will be needed. **If these proposals are not implemented in Housing Benefit on or before 1<sup>st</sup> April 2017 it is recommended the implementation of this change in CTS will be made at the start of the financial year following the legislative change.**

4.7.5 For example

Miss D and Mr G have 2 children and are getting CTS of £16.22 per week (their weekly eligible council tax is £23.00). Their weekly eligible income is £300. On 1 May 2017 Miss D has a baby.

Their CTS entitlement remains unchanged at £16.22 per week.

If the limit had not been in place on the number of dependant children including their baby in their claim would mean they would have been entitled to £23.00 per week.

4.7.6 Financial impact of this proposal

- As this proposal will not affect existing customers (unless they have an additional child) there will be no initial savings and it is difficult to estimate the savings which could be realised.
- The Department for Work and Pensions has delayed the implementation of this change in Housing Benefit and are currently consulting on the introduction in Universal Credit and Child Tax Credit and the safeguards needed.

4.7.7 Results from consultation – agree with proposal: Yes: 81.22% No: 13.47% Don't know: 5.31%

4.7.8 Equality impact – see appendix 2.

**4.8 Proposal 7: To remove entitlement to the Severe Disability Premium where another person is paid UC (Carers Element) to look after them.**

4.8.1 Currently when another person is paid Carers Allowance to look after the person claiming CTS, the Severe Disability Premium is not included in their applicable amount.

4.8.2 UC includes a Carers Element (similar to Carers Allowance) and the removal of the Severe Disability Premium for the person being cared for will align the CTS scheme with HB.

4.8.3 This proposal will treat HB and CTS customers the same.

4.8.4 For example

Mr I claims CTS and within that calculation it includes the severe disability premium. His weekly eligible council tax is £19.00 per week and he is getting £9.99 per week in council tax support.

Mr T is his carer and receives UC and within that calculation he get a Carers Element because he cares for Mr I. This means that since Universal Credit has come in effectively the payment for care is being awarded twice.

This was an unintended consequence of UC and not the Government's intention and so they have removed this from HB and in order to align our scheme we need to make this change.

Without the severe disability premium Mr I's council tax support would reduce to £4.07 per week.

4.8.5 Financial impact of this proposal

- This will not affect any of our existing UC claims as these types of claims are not yet included in the roll out of UC within East Devon.
- This proposal will not deliver any direct savings.

4.8.6 Results from consultation- agree with proposal: Yes: 68.57% No: 15.1% Don't know: 16.33%

4.8.7 Equality impact – see appendix 2.

**4.9 Proposal 8: Remove the additional earnings disregard for Universal Credit claims only and apply the standard disregards to all applicants that are in employment, regardless of hours.**

4.9.1 Currently where a customer or their partner works in excess of 30 hours (16 hours if they are single parents or disabled) they receive an additional earnings disregard of £17.10 per week in addition to the disregards shown in the table below.

4.9.2 This proposal will remove the additional earnings disregard but allow the standard disregard to apply to all in remunerative work, regardless of hours worked. This change will make any work pay.

4.9.3 The standard disregards (per week) are:

Singles	£5.00
Couples	£10.00
Disabled customers and Carers	£20.00
Single parents	£25.00
Part-time fire/fighters, auxiliary coastguards, lifeboat crew, members of TA or reserve forces	£20.00

4.9.4 The information we receive about the income on a UC claim does not include the number of hours worked and so we have to ask all customers to provide this information to us. This creates additional administrative work and delays, when we could use the information provided by DWP.

4.9.5 Financial impact of this proposal

- There are a small number of customers in receipt of Universal Credit, due to the national delay in the roll out of the Full Service. This proposal will not deliver any direct initial savings, but there will be immediate savings on administration costs, as in all cases affected we currently need to contact each customer.

4.9.6 Results from consultation- agree with proposal: Yes: 70.66% No: 8.26% Don't know: 21.07%

4.9.10 Equality impact – see appendix 2.

## **5.0 Consultation – methodology and outcomes**

- 5.1 Devon County Council took the lead on the Devon wide consultation questionnaire. The consultation ran for 10 weeks from 27 June 2016 to 4 September 2016.
- 5.2 To inform residents and stakeholders about the consultation, press releases and tweets were sent out by the Communications Team and background information and an online questionnaire were available on the EDDC website.
- 5.3 In June 2016 paper questionnaires and leaflets were sent to 1,500 randomly selected households in East Devon and 464 paper questionnaires and leaflets were sent to working age self-employed customers who were receiving Council Tax Support at the time, and who were likely to be directly impacted by these proposals. Reminders were sent in August to all self employed customers. Questionnaires were also sent to stakeholders including Citizens Advice, Chambers of Commerce, Housing Associations, Disability Groups and Children's centres.
- 5.4 Leaflets and paper questionnaires were also available at our Benefits reception areas at Sidmouth, Exmouth and at our outreach surgeries. Customers who attended during the consultation period were asked to complete the questionnaire.
- 5.5 Leaflets and paper questionnaires were also given to Citizens Advice for them to distribute to their customers at their offices in Exmouth, Honiton, Seaton, Cranbrook and Sidmouth.
- 5.6 We received 249 completed questionnaires. These have now been analysed and the detailed analysis of these responses are shown in Appendix 1.

5.7 The majority of respondents agreed with the introduction of all 8 proposals.

5.8 The results across the rest of Devon have been collated, see below:

District	Total No of Responses	Question1 Farm Prem			Question2 Limit Backdating			Question3 MIF			Question4 Absent >4wk		
		Yes	No	DantKnow	Yes	No	DantKnow	Yes	No	DantKnow	Yes	No	DantKnow
		%	%	%	%	%	%	%	%	%	%	%	%
East Devon	249	62.08	22.5	15.42	80.74	14.75	4.51	71.95	20.73	7.32	85.31	11.43	3.27
Exeter	79	69.74	21.05	9.21	75	22.37	2.63	78.95	13.16	7.89	89.47	10.53	0
Mid Devon	19	38.89	50	11.11	38.89	55.56	5.56	33.33	55.56	11.11	77.78	11.11	11.11
North Devon	82	63.41	29.27	7.32	83.95	11.11	4.94	71.95	24.39	3.66	91.46	7.32	1.22
South Hams	18	71.43	28.5	0	71.43	21.43	7.14	64.29	35.7	0	71.43	21.43	7.14
Teignbridge	156	60.53	24.34	15.13	66.45	25	8.55	66.67	22.88	10.46	84.11	11.26	4.64
Tarridge	81	59.26	33.33	7.41	75.31	16.05	8.64	61.73	28.4	9.88	90.12	3.7	6.17
West Devon	22	47.83	26.09	26.09	68.18	27.27	4.55	69.57	26.09	4.35	73.91	17.39	8.7

District	Question5 Remove wrac			Question6 2 dep limit			Question7 UC Carer Elem			Question8 UC Addtl learn dis		
	Yes	No	DantKnow	Yes	No	DantKnow	Yes	No	DantKnow	Yes	No	DantKnow
	%	%	%	%	%	%	%	%	%	%	%	%
East Devon	68.57	15.51	15.92	81.22	13.47	5.31	68.57	15.1	16.33	70.66	8.26	21.07
Exeter	76.32	10.53	13.16	76.32	15.79	7.89	74.67	12	13.33	82.89	7.89	9.21
Mid Devon	50	16.67	33.33	50	44.44	5.56	55.56	33.33	11.11	41.18	47.06	11.76
North Devon	69.51	12.2	18.29	78.05	18.29	3.66	78.05	10.98	10.98	71.6	9.88	18.52
South Hams	57.14	14.26	28.57	69.23	15.38	15.38	64.29	28.57	7.14	57.14	7.14	35.71
Teignbridge	69.74	11.18	19.08	79.47	13.25	7.28	70.59	9.15	20.26	70.59	9.15	20.26
Tarridge	58.02	14.81	27.16	79.01	19.75	1.23	65	12.5	22.5	58.75	16.25	25
West Devon	56.52	30.43	13.04	65.22	34.78	0	56.52	30.43	13.04	65.22	17.39	17.39

5.9 Jamie Buckley, our Engagement and Funding officer has reviewed the evidence from the consultation responses and the methodology used. Based on this information she is able to give assurance that the consultation has followed an appropriate methodology. It is significant that our methodology received a lot more responses than those of other local authorities, with 249 completed questionnaires.

5.10 For best practice statistical reliability comes with over 400 responses from a random sample. However we wanted to give people affected by the changes extra opportunity to respond, and this would have been a difficult response level to get from such a technical topic. Good spread of respondents that are benefits claimants compared to those that aren't claimants.

5.11 If we take our response of 249 and look at the next most meaningful lot of data from 156 respondents from Teignbridge (which makes 401 responses in total) the results are very similar, usually within 1 or 2%. The exception is question 2 about limiting backdating where there is a 14.29% difference – however the majority of respondents still agree with the change.

5.12 When you look at other local authorities the only one vastly different to ours are the responses from Mid and West Devon, who only had 19 and 22 responses respectively. You cannot draw anything meaningful from their results because of such a low response.

5.13 In addition to the 8 proposed changes the consultation included a question on suggestions for alternatives to the proposals. The most alternatives were ranked by respondents in the following order:

Item	Total Score	Overall Rank
Introduce the 8 changes proposed	754	1
Keep the Scheme as it is now	629	2
Use Council savings	597	3
Find savings from cutting other Council Services	584	4
Increase the level of Council Tax	451	5
Other	429	6

## 6.0 Transitional protection

6.1 The Local Government Act 1992 (as amended) requires the Council to consider transitional protection for any changes that will reduce a person's entitlement. Besides the introduction of the minimum income floor for self employed, all changes will only affect new claims to CTS or existing claims when their household circumstance change. It is not therefore necessary to apply any transitional protection. Any cases of hardship, including in the short term, will be managed through the Exceptional Hardship scheme. The minimum income floor proposal allows a set up period of 12 months from the commencement of a self-employment before the minimum income would be applied. For existing claims where the business has already been running for 12 months or more, this proposal will reduce entitlement from April 2017. Hardship fund applications will be considered for any cases that need help to manage the transition.

## 7.0 Overall financial impact of the proposed scheme

7.1 Modelling has been carried out on implementing the proposals and the impact this may have on the overall scheme costs.

The following table sets out the annual expenditure

	Working age expenditure £	Pension age expenditure £	Total expenditure £
Sept 2012	3,639,339	5,244,560	8,883,899
2013/14	2,630,582	5,009,593	7,640,175
2014/15	2,595,781	4,848,092	7,443,873
2015/16	2,656,249	4,597,690	7,253,939
2016/17 (as at 30/9/16)	2,633,135	4,588,874	7,222,009
2017/18 with no changes	2,735,827	4,767,840	7,503,667
2017/18 with all 8 proposed changes	2,433,080	4,767,840	7,200,920
2017/18 with 7 proposed changes	2,433,080	4,767,840	7,200,920



*(excluding proposal 6)			
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The 2017/18 figures assume a 3.9% increase in Council Tax but does not take account of other changes, such as an increase in caseload due to economic downturn which will in turn increase scheme costs.

\*The costs for not implementing proposal 6 (limit to 2 dependant children) will only apply to new claims made during 2017/18 therefore it is not possible to calculate the impact of this.

## **8.0 Council tax Discretionary Discount & Exceptional Hardship Fund Policy**

- 8.1 In order to ensure that we can provide additional financial support to those customers who will be affected by these changes we need to update our policy, see appendix 3.
- 8.2 The policy has been widened to take account of these changes including self employed customers who no longer qualify for council tax support to still be eligible to receive an exceptional hardship fund payment. These are contained under section 3.7 of the policy.
- 8.3 Our recommendation is that Members approve these changes to the policy in order to ensure that we have appropriate safeguards in place as identified within the equality impact assessment on the scheme changes (see appendix 2).

## **9.0 How we will support customers through the changes**

- 9.1 If Members approve the changes (some or all) what we will do to support/prepare customers for the changes
- Continue to fund independent money advice
  - Write to customers directly (mainly self employed) affected in January with an indication of the amount of council tax support they are likely to lose.
  - Provide additional financial support through our Exceptional Hardship Fund for those who may need it.
  - Will monitor the impact of these reforms
  - Will update our website, advise our stakeholders of the changes, etc.

## **10.0 What the rest of Devon is doing**

- 10.1 All of non-unitary Devon used the same consultation questionnaire.
- 10.2 Plymouth City Council used the same proposals as the rest of Devon, but undertook their own consultation.
- 10.3 Torbay Council consulted on 10 proposed changes to their CTS scheme. Their proposals included 7 of the 8 proposals for all of Devon (the proposal omitted was proposal 8 - removing the additional earnings disregards for Universal Credit claims). They have also consulted on introducing a liability reduction of 45%, restricting CTS to a band C charge and introducing a £3,000 savings limit.
- 10.4 At a Devon Benefits officer meeting on 10 November 2016 the latest progress on the proposals were discussed. As the final adopted schemes are subject to




Full Council approval, at this stage of writing the report we do not know the outcome. The current indication from officers is that most authorities are progressing with most/all these proposed changes.




## **11.0 Conclusion**




- 11.1 The CTS scheme has not been changed for four years. As there have been a large number of recent national welfare changes then it makes sense to update our scheme. Each year we continue to see a reduction in our administration grants for both Council Tax Support (CTS) and HB which is why it is important to keep the schemes aligned so that we are not creating additional administration. It also reduces the risk of error being made when assessing claims and less confusing for customers when applying for Housing Benefit and CTS.
- 11.2 In preparation for the expanded roll out of UC it also ensures that we minimise the administrative process, meaning that we can deal with these claims more efficiently.
- 11.3 It also addresses the unintended consequences of some of the welfare changes on our CTS scheme.

## Appendix 1




### East Devon District Council - Draft Council Tax Reduction Scheme Consultation Responses

1. Do you agree with the Proposal 1 to remove the Family Premium for all new working age applicants?				
			Response Percent	Response Total
1	Yes		62.08%	149
2	No		22.50%	54
3	Don't know		15.42%	37




2. Do you agree with the Proposal 2 to reduce the backdating to 1 month?				
			Response Percent	Response Total
1	Yes		80.74%	197
2	No		14.75%	36
3	Don't know		4.51%	11

3. Do you agree with the Proposal 3 to use a set Minimum Income Floor for self-employed earners after 1 year's self-employment?				
			Response Percent	Response Total
1	Yes		71.95%	177
2	No		20.73%	51
3	Don't know		7.32%	18




**4. Do you agree with the Proposal 4 to reduce the period a person can be absent from Great Britain, and still receive Council Tax Reduction to 4 weeks?**

			<b>Response Percent</b>	<b>Response Total</b>
1	Yes		85.31%	209
2	No		11.43%	28
3	Don't know		3.27%	8

**5. Do you agree with the Proposal 5 – To remove the element of Work Related Activity Component for the calculation of the current Scheme for the new Employment and Support Allowance applicants?**

			<b>Response Percent</b>	<b>Response Total</b>
1	Yes		68.57%	168
2	No		15.51%	38
3	Don't know		15.92%	39

**6. Do you agree with the Proposal 6 – To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of 2?**

			<b>Response Percent</b>	<b>Response Total</b>
1	Yes		81.22%	199
2	No		13.47%	33
3	Don't know		5.31%	13

**7. Do you agree with the Proposal 7 – Where someone is already paid Universal Credit (Carers Element) to look after someone with a disability, to remove entitlement to the Severe Disability Premium?**

			<b>Response Percent</b>	<b>Response Total</b>
1	Yes		68.57%	168
2	No		15.10%	37

**7. Do you agree with the Proposal 7 – Where someone is already paid Universal Credit (Carers Element) to look after someone with a disability, to remove entitlement to the Severe Disability Premium?**

		Response Percent	Response Total
3	Don't know	16.33%	40

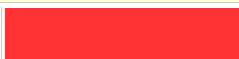


**8. Do you agree with the Proposal 8 – To remove the additional earnings disregard and apply the standard disregards irrespective of hours worked to those applicants also claiming Universal Credit?**




		Response Percent	Response Total
1	Yes	70.66%	171
2	No	8.26%	20
3	Don't know	21.07%	51




**9. Our preferred option is to adopt the changes proposed above, which options do you think we should consider?**




	Yes	No	Don't know	Response Total
Introduce the 8 changes proposed	64.4% (139)	22.7% (49)	13.0% (28)	216
Keep the Scheme as it is now	29.7% (44)	55.4% (82)	14.9% (22)	148
Increase the level of Council Tax	19.2% (28)	71.2% (104)	9.6% (14)	146
Find savings from cutting other Council Services	26.5% (39)	58.5% (86)	15.0% (22)	147
Use Council savings	40.1% (59)	46.3% (68)	13.6% (20)	147
Other	33.7% (31)	39.1% (36)	27.2% (25)	92




9.1. Introduce the 8 changes proposed	Response Percent	Response Total
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9.1. Introduce the 8 changes proposed			Response Percent	Response Total
1	Yes		64.4%	139
2	No		22.7%	49
3	Don't know		13.0%	28

9.2. Keep the Scheme as it is now			Response Percent	Response Total
1	Yes		29.7%	44
2	No		55.4%	82
3	Don't know		14.9%	22

9.3. Increase the level of Council Tax			Response Percent	Response Total
1	Yes		19.2%	28
2	No		71.2%	104
3	Don't know		9.6%	14

9..4. Find savings from cutting other Council Services			Response Percent	Response Total
1	Yes		26.5%	39
2	No		58.5%	86
3	Don't know		15.0%	22

9.5. Use Council savings			Response Percent	Response Total
1	Yes		40.1%	59
2	No		46.3%	68
3	Don't know		13.6%	20

9.6. Other			Response Percent	Response Total
1	Yes		33.7%	31
2	No		39.1%	36
3	Don't know		27.2%	25

**10. Which is your preferred option? (Choose order of preference ranking from 1 to 6 with 1 being your most preferred option and 6 your least)**

Item	Total Score	Overall Rank
Introduce the 8 changes proposed	754	1
Keep the Scheme as it is now	629	2
Use Council savings	597	3
Find savings from cutting other Council Services	584	4
Increase the level of Council Tax	451	5
Other	429	6




**11. Are you completing this questionnaire as:**

		Response Percent	Response Total
1	A resident of East Devon	98.74%	235
2	An organisation (please write the organisation you are representing in box below)	0.00%	0
3	A voluntary/community group (please write the group you are representing in box below)	0.00%	0
4	A business	0.42%	1
5	A Landlord	0.42%	1
6	Other (please specify):	0.42%	1




**12. Do you pay your Council tax to East Devon District Council?**

		Response Percent	Response Total
1	Yes	98.74%	235
2	No	1.26%	3











**13. Are you, or someone in your household, getting a Council Tax Reduction at this time?**

			Response Percent	Response Total
1	Yes		41.45%	97
2	No		57.69%	135
3	Don't know/Not sure		0.85%	2

#### 14. What is your sex?





			Response Percent	Response Total
1	Male		44.07%	104
2	Female		51.69%	122
3	Transgender		0.00%	0
4	Prefer not to say		4.24%	10
5	Other (please specify):		0.00%	0

#### 15. Age



			Response Percent	Response Total
1	Under 18		0.43%	1
2	18-24		1.28%	3
3	25-34		5.53%	13
4	35-44		11.49%	27
5	45-54		21.70%	51
6	55-64		20.85%	49
7	65-74		20.85%	49
8	75-84		11.49%	27
9	85+		2.98%	7
10	Prefer not to say		3.40%	8

**16. Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?**






			Response Percent	Response Total
1	Yes		11.16%	26
2	No		82.83%	193
3	Don't know/Not sure		2.58%	6
4	Prefer not to say		3.43%	8



### 17. Are you currently:

			Response Percent	Response Total
1	Single		38.96%	90
2	Sharing a home as part of a couple		61.04%	141

### 18. How many children?

			Response Percent	Response Total
1	None		51.33%	116
2	1 to 2		36.28%	82
3	3 to 4		12.39%	28
4	5 or more		0.00%	0

### 19. Are you a carer?

			Response Percent	Response Total
1	Yes		8.12%	19
2	No		91.88%	215

### 20. Which of these would best describe your current status

			Response Percent	Response Total
1	Employed part-time		9.48%	22
2	Employed full-time		19.40%	45

**20. Which of these would best describe your current status**

		Response Percent	Response Total
3	Self employed part-time	10.78%	25
4	Self employed full-time	12.93%	30
5	Unemployed	2.59%	6
6	Permanently sick/disabled	1.72%	4
7	Retired from work	40.95%	95
8	Doing something else	2.16%	5

**21. Ethnic Origin: What is your ethnic group?(please select the option that best describes you)**

		Response Percent	Response Total
1	Asian or Asian British	0.00%	0
2	Black or Black British	0.00%	0
3	Chinese	0.00%	0
4	Gypsy or Traveller	0.00%	0
5	Mixed heritage or multiple ethnic groups	0.86%	2
6	White British	91.38%	212
7	White Other	5.60%	13
8	Other ethnic origin (please describe):	2.16%	5

## Appendix2

### Equality Impact Assessment Equality Analysis Form Stage 1 Screening for relevance

Name of service, policy or process	<b>Draft Council Tax Reduction Scheme (Council Tax Support) for 2017/18</b>
Main purpose of service, policy or process	See summary below
Equality relevance	High
Owner	Strategic Lead for Finance and Service Lead for Revenues & Benefits
Date	October 2016

### Summary

This Equality Analysis covers the equalities impact of the draft Council Tax Reduction Scheme, known as Council Tax Support proposed from 1<sup>st</sup> April 2017.

Council Tax Support (CTS) was introduced in April 2013 by the Welfare Reform Act 2012 and the Local Government Finance Act 2012, and replaced the national Council Tax Benefit scheme.

The CTS scheme which was adopted included the main elements of Council Tax Benefit, but with the following changes:

- Capital limit of £8,000, (previously £16,000). This means that if a customer has savings above this limit they will not qualify for CTS.
- Liability limit of 80%. This means that everyone pays at least the 20% of their Council Tax.
- Limiting CTS to a Band D Council Tax charge. This means that customers living in a home with a Council Tax band greater than D must pay the additional charge.
- No second adult reduction.
- An Exceptional Hardship fund to provide additional financial help for those who need additional support

In localising support for Council Tax the Government considered the situation for low income pensioners (these are customers who have reached the age at which they can qualify for State Pension Credit). Unlike most other groups pensioners cannot be expected to seek paid employment to increase their income. The Government has therefore protected this group from any reduction in support.

This means that the scheme disproportionately affects working age customers and will also discriminate on grounds of age, because of the requirement to protect pensioners.

An Equality Impact Assessment of the changes in 2012/13 to local support for Council Tax at a national level was undertaken by the Department for Communities and Local Government, and is available at:

<http://www.communities.gov.uk/documents/localgovernment/pdf/2063707.pdf>

The Council Tax Support scheme has not been changed since its introduction in April 2013. However before the start of each financial year Full Council must review and adopt the scheme. As part of this review and to assist the decision making process a new EIA is produced each year.

This Equality Impact Assessment looks at the 8 proposed changes to the working-age CTS scheme. It does not affect pension-age applicants, as their scheme is prescribed by legislation.

The draft scheme, which has been subject to consultation, has the following changes to the current scheme for all working-age CTS customers:

1. Removal of the family premium for all new claims or break in claims made on or after 1 April 2017.
2. Reduce backdating from 6 months to 1 month
3. Introduce a Minimum Income Floor for self-employed.
4. Additional temporary absence rule for absence from Great Britain for 4 or more weeks.
5. Removal of Employment and Support Allowance (ESA) Work Related Activity Component for all new ESA claims
6. Limit the number of dependant children additions for CTS to a maximum of 2.
7. Remove the entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them.
8. Remove the additional earnings disregard and apply the standard disregards to all applicants that are in employment, regardless of hours for Universal Credit customers only.

When developing policy, procedures, practices or services we need to consider any potential impact on affected groups in relation to the responsibilities to, and awareness of, the most vulnerable groups and individuals.

Our Vulnerability Statement, which forms part of the Council Tax Support policy provides details of how the scheme supports customers who have children, caring responsibilities, disabilities and war pensions. It also provides how the scheme encourages and supports people both into employment and those already employed. See [Vulnerability statement](#)

This should be read in conjunction with this Equality Impact as there are in-built protections within the scheme for some protected characteristics.

These duties and responsibilities are included in:

- The Child Poverty Act 2010, which imposes a duty on local authorities to have regard to and address child poverty and their partners, to reduce and mitigate effects of child poverty in their local areas;
- The Disabled Persons (Services, Consultation and Representation) Act 1986 and Chronically Sick and Disabled Persons Act 1970, which include a range of duties relating to the welfare needs of disabled people;
- Armed Forces Covenant; and
- The Housing Act 1996, which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups.

This Equality Impact Assessment considers the impact of the CTS scheme on the relevant protected characteristics, as defined by the Equality Duty, which are:

- Age (including children and young people)
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)
- An additional East Devon District Council local factor of community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights.

## **Consultation**

Devon County Council took the lead on the Devon wide consultation questionnaire.

The consultation ran from 27 June 2016 to 4 September 2016.

To inform residents and stakeholders about the consultation, press releases and tweets were sent out by the Communications Team and background information and an online questionnaire were available on the EDDC website.

Leaflets and paper questionnaires were also available at our Benefits reception counter at Sidmouth, Exmouth and at our outreach surgeries. Customers who attended during the consultation period were asked to complete the questionnaire.

Leaflets and paper questionnaires were also given to Citizens Advice Bureau for them to distribute at Exmouth, Honiton, Seaton, Cranbrook & Sidmouth.



In June 2016 1,500 paper questionnaires and leaflets were sent to randomly selected households in East Devon and 464 paper questionnaires and leaflets were sent to working age self employed customers who were receiving CTS and who were likely to be directly impacted by these proposals. Reminders were sent in August 2016 to all self employed customers. Questionnaires were also sent to stakeholders including Citizens Advice, Chambers of Commerce, Housing Associations, Disability Groups and Children’s centres.

We received 249 completed questionnaires. These have now been analysed and the results are shown against each proposed change.

The questionnaire included questions on protected characteristic groups so that as part of the evaluation of the consultation consideration can also be given against the groups and the responses to the proposed changes.

The majority of respondents agreed with the proposals and also when asked to rank the proposed changes and 5 alternative options to the proposal the majority ranked implement the changes as their 1<sup>st</sup> preference followed by keep the scheme as it is (see pages 7 and 8).

### Evaluation of completed questionnaires by protected characteristic

What is your sex?				
			Response Percent	Response Total
1	Male		44.07%	104
2	Female		51.69%	122

### What is your sex?

		Response Percent	Response Total
3	Transgender	0.00%	0
4	Prefer not to say	4.24%	10
5	Other (please specify):	0.00%	0

### Age

		Response Percent	Response Total
1	Under 18	0.43%	1
2	18-24	1.28%	3
3	25-34	5.53%	13
4	35-44	11.49%	27
5	45-54	21.70%	51
6	55-64	20.85%	49
7	65-74	20.85%	49
8	75-84	11.49%	27
9	85+	2.98%	7
10	Prefer not to say	3.40%	8

### Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

		Response Percent	Response Total
1	Yes	11.16%	26
2	No	82.83%	193
3	Don't know/Not sure	2.58%	6
4	Prefer not to say	3.43%	8

### Are you currently:

			Response Percent	Response Total
1	Single		38.96%	90
2	Sharing a home as part of a couple		61.04%	141

### How many children?

			Response Percent	Response Total
1	None		51.33%	116
2	1 to 2		36.28%	82
3	3 to 4		12.39%	28
4	5 or more		0.00%	0

### Are you a carer?

			Response Percent	Response Total
1	Yes		8.12%	19
2	No		91.88%	215

### Which of these would best describe your current status

			Response Percent	Response Total
1	Employed part-time		9.48%	22
2	Employed full-time		19.40%	45
3	Self employed part-time		10.78%	25
4	Self employed full-time		12.93%	30
5	Unemployed		2.59%	6
6	Permanently sick/disabled		1.72%	4
7	Retired from work		40.95%	95
8	Doing something else		2.16%	5



**Ethnic Origin: What is your ethnic group?(please select the option that best describes you)**

		Response Percent	Response Total
1	Asian or Asian British	0.00%	0
2	Black or Black British	0.00%	0
3	Chinese	0.00%	0
4	Gypsy or Traveller	0.00%	0
5	Mixed heritage or multiple ethnic groups	0.86%	2
6	White British	91.38%	212
7	White Other	5.60%	13
8	Other ethnic origin (please describe):	2.16%	5

The majority of respondents agreed with the introduction of all 8 proposals.

As well as asking for responses on whether they agreed with the 8 proposed changes, questions included whether it would be better not to introduce these changes and do something else and also ranking these options in order of preference.

**Our preferred option is to adopt the changes proposed above, which options do you think we should consider?**

	Yes	No	Don't know	Response Total
Introduce the 8 changes proposed	64.4% (139)	22.7% (49)	13.0% (28)	216
Keep the Scheme as it is now	29.7% (44)	55.4% (82)	14.9% (22)	148
Increase the level of Council Tax	19.2% (28)	71.2% (104)	9.6% (14)	146
Find savings from cutting other Council Services	26.5% (39)	58.5% (86)	15.0% (22)	147
Use Council savings	40.1% (59)	46.3% (68)	13.6% (20)	147
Other	33.7% (31)	39.1% (36)	27.2% (25)	92

**Which is your preferred option? (Choose order of preference ranking from 1 to 6 with 1 being your most preferred option and 6 your least)**

<b>Item</b>	<b>Total Score</b>	<b>Overall Rank</b>
Introduce the 8 changes proposed	754	1
Keep the Scheme as it is now	629	2
Use Council savings	597	3
Find savings from cutting other Council Services	584	4
Increase the level of Council Tax	451	5
Other	429	6

**Timescale**

This is the Equality Impact Assessment for the draft CTS scheme for 2017/18, which has been subject to public and stakeholder consultation. The revised scheme, if adopted, would come into force on 1 April 2017. The legislation requires that it is agreed by Full Council before 31 January 2017.

**Stage 2 – Reviewing the evidence**

This Equality Analysis is based on existing data and modelling this data to understand the impact these proposals will have on these protected characteristics.

I have reviewed the evidence for all of the protected characteristics and provided a further analysis below for the protected characteristics which are either positively or negatively impacted by this scheme. For those characteristics where the impact is neutral evidence has not been included.

Since April 2013 our working age caseload has been reducing due to improvements in the economic situation.

The scheme does not impact on criminal convictions or Human Rights.

We monitor the number of reminders, summons and cases passed to our Enforcement Agents for customers who are receiving CTS.

The draft working-age CTS scheme, will by its definition disproportionately impact working-age applicants as only this customer group are affected by this scheme. No specific protected characteristic customer grouping will be disproportionately impacted by these changes.

In East Devon we currently have 67,798 council tax banded properties and there are currently 8,229 households (pension and working age) in receipt of CTS which equates to approximately 12%. Our working age who are in receipt of council tax support as a proportion of our households represents 5.5%.

Details of our demographics are shown in the [Knowing East Devon report - East Devon](#).

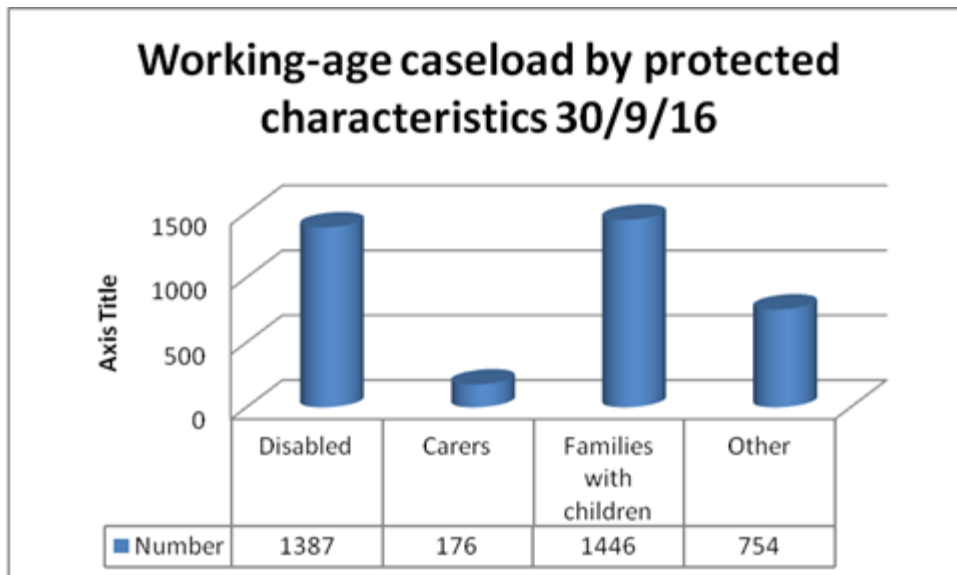
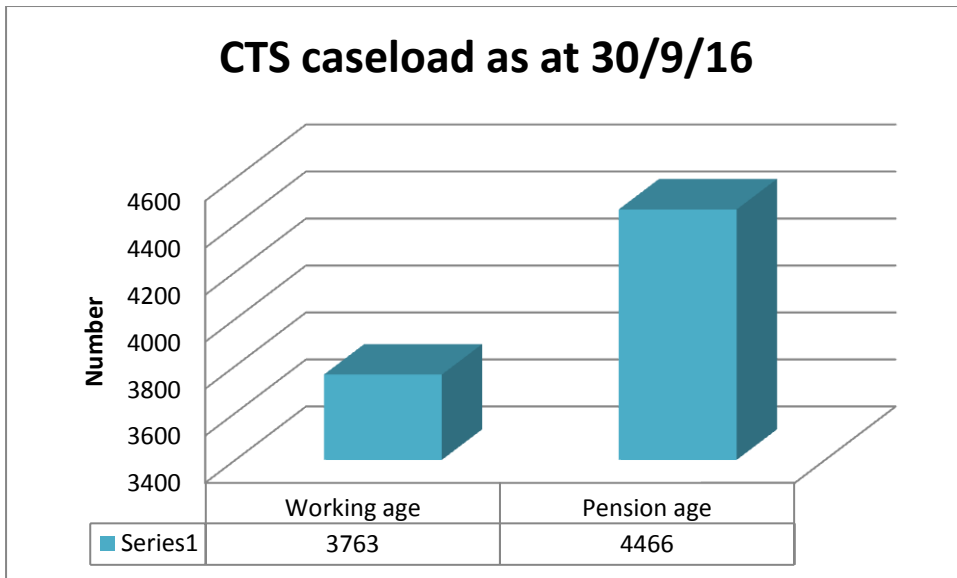
Based upon our existing caseload the numbers of customers that could be impacted is likely to be less than 1% of the total households in East Devon. However, because

some of the changes are for new claims or when people’s circumstances change then the actual impact cannot be fully determined. For example the decision of a low income family to have a third child after 1 April 2017 is not something that we can predict.

Based on census 2011 data it is estimated that in East Devon that 66% of our households are working age and the impact of the proposed changes against our working age households equates to approximately 1.5%.

Approximately 17.5% of our existing working-age CTS customers are likely to be impacted by some of these changes.

A customer is defined as pension-age if they have reached the age to claim Pension Credits, this age is increasing and is currently 65, increasing to 66.



Working age caseload is split between those on passported benefits and standard claims:

Working age	
Passported Benefits	2,075
Standard claims	1,688

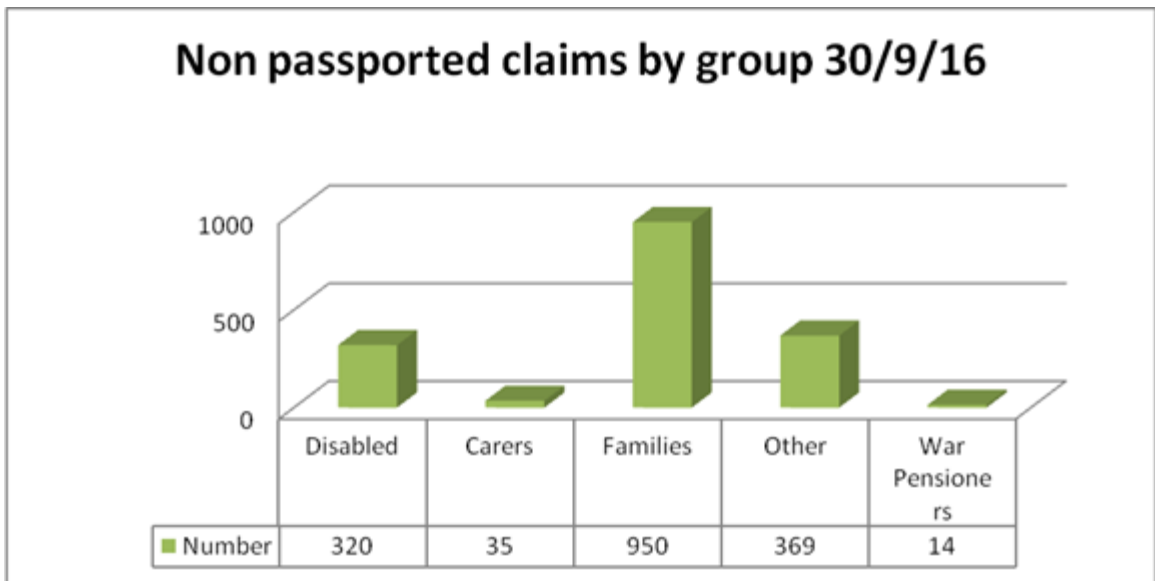
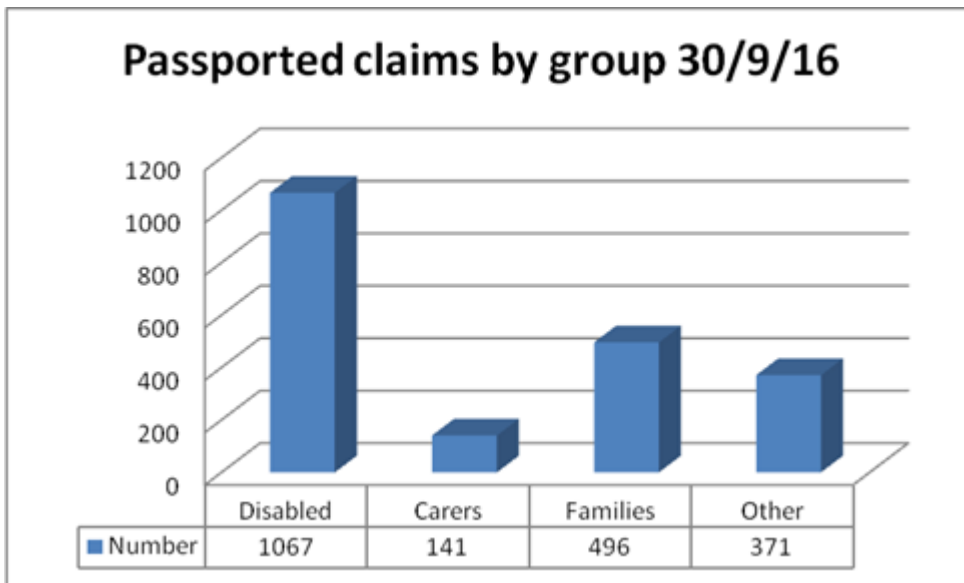
Total	3,763
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Customers in receipt of passported benefits from Jobcentre Plus which are receiving either:

- Income based Jobseekers Allowance,
- Income related Employment and Support Allowance,
- Income Support

CTS is paid at the maximum amount and the 8 proposals do not affect any of the customers in this group.

Customers not in receipt of a passported benefit may be subject to the proposed changes, depending on their circumstances and household.



As each of the 8 proposed changes can be implemented individually this Equality Impact Analysis will consider the impact of each change individually. Although a

range of proposals may affect one customer depending on their household circumstances.

**Proposal 1. Removal of the Family Premium for all new claims or break in claims made after 1 April 2017, or where this premium would apply for the first time to existing claims.**

**Reviewing the evidence**

Based on 2015/16 evidence we received 4,629 new applications in the financial year and of these 220 families (4.75%) would have been affected and had this proposal been in force then they would not receive the Family Premium which they would previously have been entitled to receive.

Customers who do not have a break in their claim and are entitled to the Family Premium on 1<sup>st</sup> April 2017 will retain this premium.

**Results from Consultation: Agree with proposal** Yes: 62.08% No: 22.5% Don't know: 15.42%

Looking at the impact of this proposal on each protected characteristic:

**Identifying the risks and benefits/opportunities**

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Any changes to the CTS scheme must be made to working-age customers. For this reason the scheme has a negative impact on working-age customers. This is mitigated in part with providing budgeting and money advice support and having an Exceptional Hardship Fund to help our most vulnerable customers cope with the changes.
Disability	✓			This proposal does not directly affect this protected characteristic.
Sex including issues relating to pregnancy and maternity	✓			There are no elements of this proposal which impact this protected characteristic.
Sexual orientation	✓			There are no elements of the scheme which impact this protected characteristic.

Marriage or civil partnership status	✓			There are no elements of this proposed change which impact this protected characteristic.
Race	✓			There are no elements of this proposal which impact this protected characteristic.
Religion or belief	✓			There are no elements of this proposal which impact this protected characteristic.
Transgender	✓			There are no elements of this proposal which impact this protected characteristic.
Community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights		✓		This proposal will have a negative impact on some of our low income families. The risks are that customers will fall into arrears with their Council Tax bills. We will provide budgeting and money advice support and our vulnerability/ hardship fund to provide additional financial help

This proposal will have a negative impact on families and is likely to impact 220 families each year.

The mitigation for the impact of this change is set out in the improvement/action plan.

## **Proposal 2: Reducing backdating from 6 months to 1 month**

### **Reviewing the evidence**

All customers can request a backdate for their claim because of a delay in submitting their application form.

Based on 2015/16 applications for backdate 49 were backdated for more than 1 month and so this would be reduced.

As the percentage of backdate claims is so small (1%) in relation to the number of claims received in 15/16 there is no identifiable impact on any particular protected characteristic.

A breakdown by customer group of these 49 claims is shown below. But it is impossible to predict if the same distribution of groupings would be repeated.

	Number	%
Disabled	9	18.37
Child Under 5	6	12.24
Family premium	11	22.45
Lone Parent	8	16.33
Working	5	10.20
Other	10	20.41
Total	49	

This proposal does not have any specific impact on any equality groups apart from age, which affects the entire working age customer group.

**Results from Consultation: Agree with proposal** Yes: 80.74 % No: 14.75% Don't know: 4.51%

#### Identifying the risks and benefits/opportunities

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Any changes to the CTS scheme must be made to working-age customers. For this reason the scheme has a negative impact on working-age customers. This is mitigated with providing budgeting and money advice support and having an Exceptional Hardship Fund to help our most vulnerable customers cope with the changes.
Disability	✓			This proposal does not directly affect this protected characteristic.
Sex including issues relating to pregnancy and maternity	✓			There are no elements of this proposal which impact this protected characteristic.
Sexual orientation	✓			There are no elements of this proposal which impact this protected characteristic.

Marriage or civil partnership status	✓			There are no elements of this proposal which impact this protected characteristic.
Race	✓			There are no elements of this proposal which impact this protected characteristic.
Religion or belief	✓			There are no elements of this proposal which impact this protected characteristic.
Transgender	✓			There are no elements of this proposal which impact this protected characteristic.
Community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights		✓		This proposed change will have a negative impact on our working-age community. The risks are that customers will fall into arrears with their Council Tax bills. We will provide budgeting and money advice support and our vulnerability/ hardship fund to provide additional financial help

### **Proposal 3 : Introduce a Minimum Income Floor (MIF) for self-employed**

#### **Reviewing the evidence**

The introduction of the Minimum Income Floor for self-employed will affect all working-age self employed customers who do not currently have earnings at or above the income floor. There are currently 417 customers with their claims are based on either themselves or their partners being self-employed. If the Minimum Income Floor is introduced self employed impact and this proposal could affect approximately 390 of them, 364 of whom have dependant children.

Looking at the total number of working-age caseload the percentage of those who may be affected by the proposal are shown below:

	<b>Number of claims</b>
Total working-age CTS caseload	3763
Non Passported/Standard claims	1688 (44.86%)
Self employed claims	417 (24.7%)



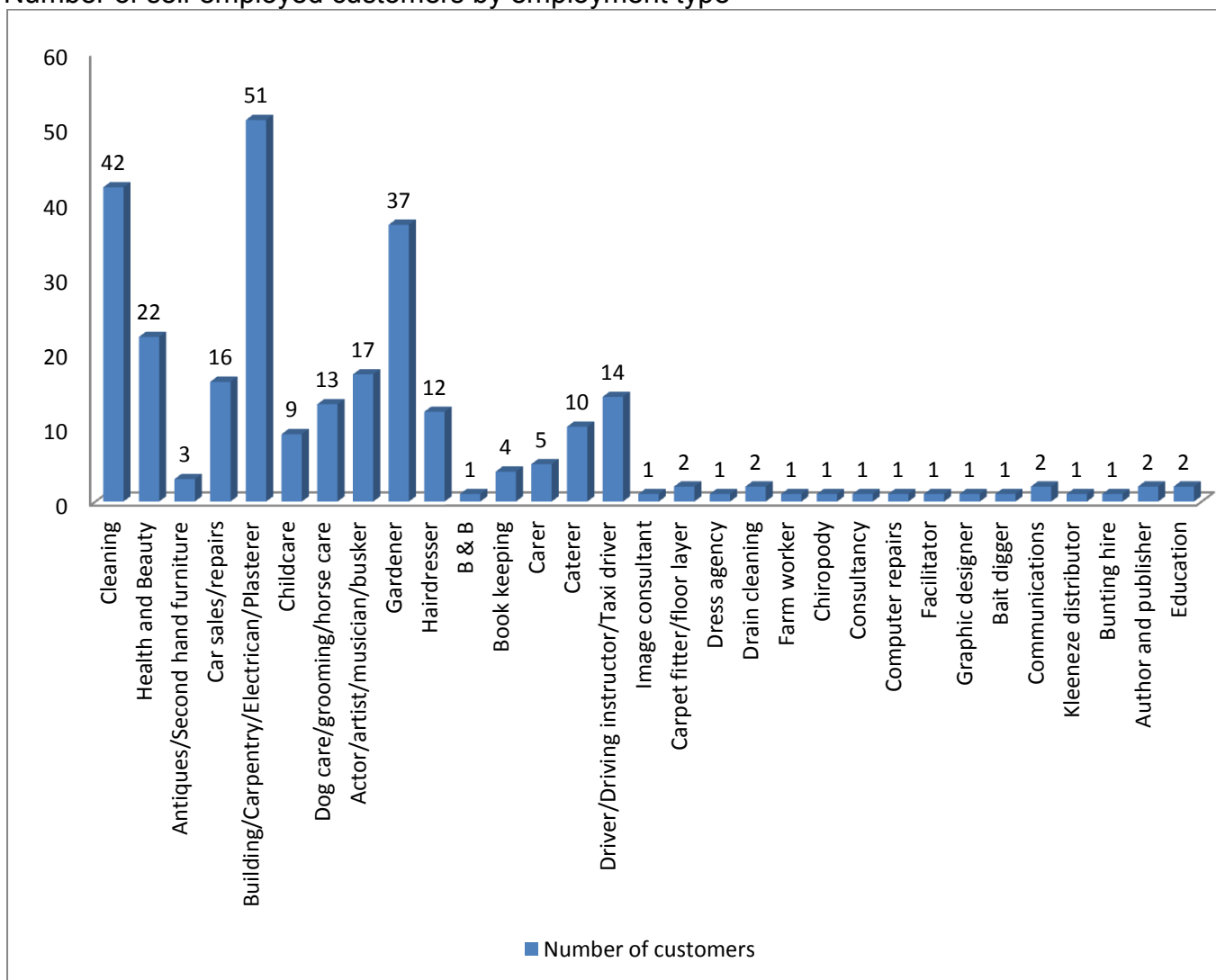
To protect claims having this protected characteristic we will offer budgeting and money advice support and also signpost customers to our vulnerability/hardship fund to provide additional financial help. For those self employed customers who have been trading for less than 3 years we can also look to signpost them to the Business Boost program, being delivered by BIP (Business Information Point).

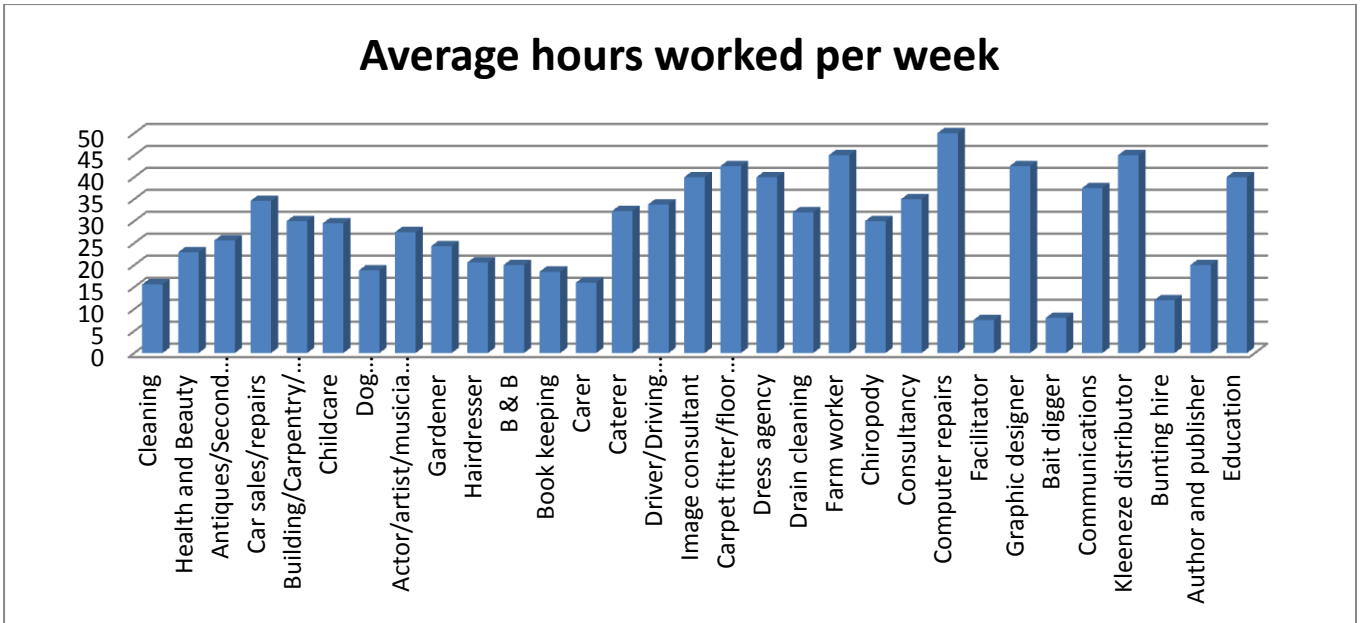
Our CTS scheme includes elements to increase entitlement to CTS for households where someone receives Disability Living Allowance (DLA), Personal Independence Payment (PIP) or Attendance Allowance.

The proposed changes may impact families and self employed applicants and partners who are receiving these benefits, although this is not disproportionate.

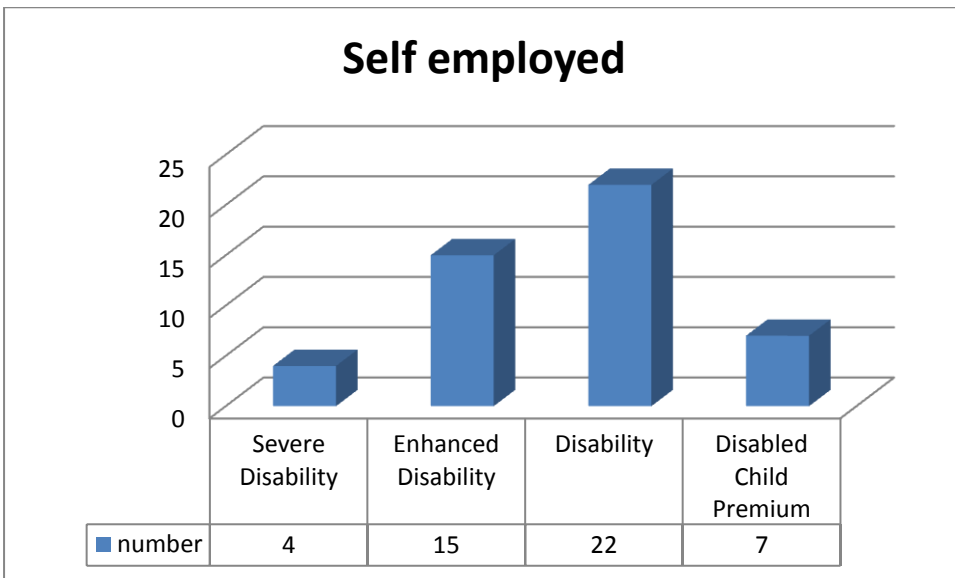
An analysis of our current self employed customers shows the following range of employment activities and range of employed hours:

Number of self employed customers by employment type



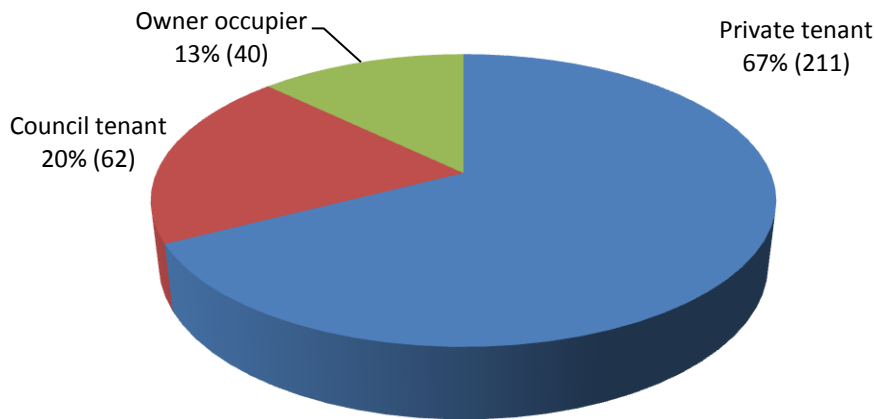


The average hours worked for all customers is 28.94 per week. The majority have declared working less than 35 hours per week.

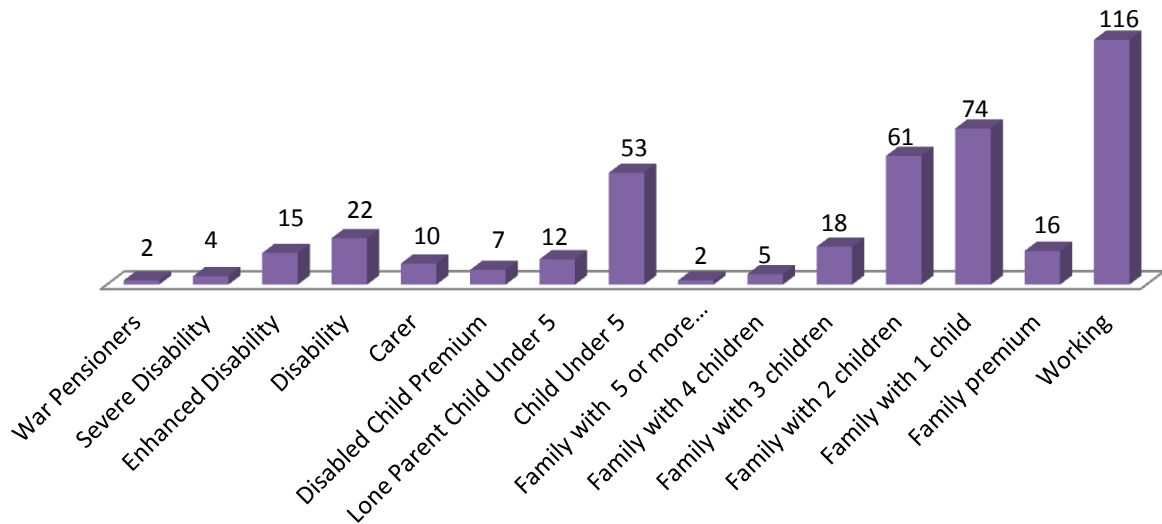


This shows that the majority of customers (87%) pay rent for their home, only 13% are owner occupiers.

### Tenure type for self-employed

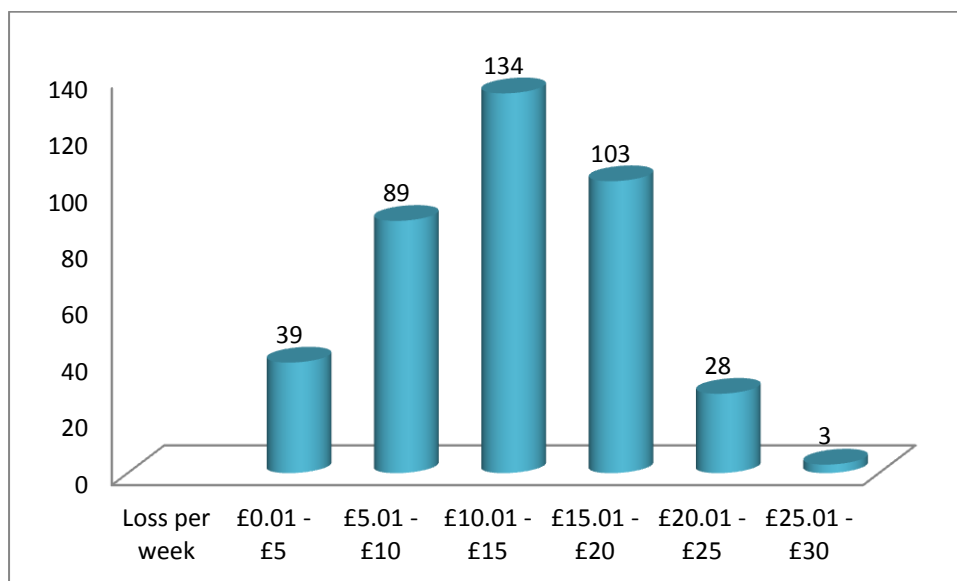


### Household composition



This shows that the majority of claims are not in protected groups and the majority of claims are from customers renting their homes privately. This shows that the majority of families affected have one or two children or a child under 5.

### Range of Council Tax Support losses per week.



**Results from Consultation: Agree with proposal** Yes: 71.95% No: 20.73% Don't know: 7.32%

### Identifying the risks and benefits/opportunities

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Any changes to the CTS scheme must be made to working-age customers. For this reason this proposed change has a negative impact on working-age customers. This is mitigated in part with providing budgeting and money advice support and having an Exceptional Hardship Fund to help our most vulnerable customers cope with the changes.
Disability	✓			This proposal does not directly affect this protected characteristic.
Sex including issues relating to pregnancy and maternity	✓			There are no elements of the scheme which impact this protected characteristic.
Sexual	✓			There are no elements of

orientation				the scheme which impact this protected characteristic.
Marriage or civil partnership status	✓			There are no elements of the scheme which impact this protected characteristic.
Race	✓			There are no elements of the scheme which impact this protected characteristic.
Religion or belief	✓			There are no elements of the scheme which impact this protected characteristic.
Transgender	✓			There are no elements of the scheme which impact this protected characteristic.
Community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights		✓		The scheme impacts on our working-age self employed in our community. The risks are that customers may fall into arrears with their Council Tax bills. We will provide budgeting and money advice support and our vulnerability/hardship fund to provide additional financial help.

**Proposal 4: Additional temporary absence rules for absence from Great Britain for 4 or more weeks.**

**Reviewing the evidence**

This proposal does not have a direct impact on any particular protected characteristic.

Regulations in Housing Benefit were introduced in July 2016. For pension age Council Tax Support this change will be introduced nationally from 1 April 2017. Prior to this date no data was collated. We do not have sufficient data to model on future temporary absence cases but any customer group can be absent from their home. Where they are receiving care or medical treatment outside of Great Britain then this absence period is up to 52 weeks and also an extension to 8 weeks absence is available to customers who have travelled outside Great Britain following a bereavement of a relative overseas.

**Results from Consultation: Agree with proposal** Yes: 85.31% No: 11.43% Don't know: 3.27%

### Identifying the risks and benefits/opportunities

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Any changes to the CTS scheme must be made to working-age customers. For this reason the scheme has a negative impact on working-age customers. This is mitigated in part with providing budgeting and money advice support and having an Exceptional Hardship Fund to help our most vulnerable customers cope with the changes.
Disability	✓			This proposal does not directly affect this protected characteristic.
Sex including issues relating to pregnancy and maternity	✓			There are no elements of the scheme which impact this protected characteristic.
Sexual orientation	✓			There are no elements of the scheme which impact this protected characteristic.
Marriage or civil partnership status	✓			There are no elements of the scheme which impact this protected characteristic.
Race	✓			There are no elements of the scheme which impact this protected characteristic.
Religion or belief	✓			There are no elements of the scheme which impact this protected

				characteristic.
Transgender	✓			There are no elements of the scheme which impact this protected characteristic.
Community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights		✓		The scheme impacts on our working-age community. The risks are that customers may fall into arrears with their Council Tax bills. We will provide budgeting and money advice support and our vulnerability/hardship fund to provide additional financial help

**Proposal 5: Removal of Employment and Support Allowance (ESA) Work related activity component for all new ESA claims**

**Reviewing the evidence**

Our CTS scheme includes elements to increase entitlement to CTS for households where someone receives Disability Living Allowance (DLA), Personal Independence Payment (PIP) or Attendance Allowance.

The scheme provides, amongst other things for the following additional protection for this customer group:

- ✓ A complete disregard of the DLA, PIP or AA from the calculation of income for CTS.
- ✓ Disability premiums for disabled children and applicants and partners which increase the entitlement to CTS.
- ✓ No non dependant deductions for applicants and partners in receipt of AA, DLA or PIP.
- ✓ A Carers Premium for applicants and partners who receive Carers Allowance.

Included in our scheme is vulnerability and incentivising work statement which sets out this additional protection.

The proposed changes to the scheme do not change these protections.

Aligns with changes to ESA from 1 April 2017 that are coming into force where the work related activity component is being abolished for all new claims to align with the same income as JSA.

As its being abolished then we need to remove this disregard from our scheme otherwise we are disregarding from a lower amount which was never the intention as it was only ever there to offset the higher level of ESA income.

There is no financial impact on this – customers will continue to receive the same level of CTS support.

In terms of equality impact – again age but has there is no financial disadvantage then there is real impact.

**Results from Consultation: Agree with proposal Yes: 68.57% No: 15.51% Don't know: 15.92%**

### Identifying the risks and benefits/opportunities

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Any changes to the CTS scheme must be made to working-age customers. For this reason the scheme has a negative impact on working-age customers. This is mitigated in part with providing budgeting and money advice support and having an Exceptional Hardship Fund to help our most vulnerable customers cope with the changes.
Disability	✓			Customers in receipt of Employment and Support Allowance may have a disability. This proposal has a neutral impact on them as if implemented they will not lose any CTS.
Sex including issues relating to pregnancy and maternity	✓			There are no elements of the scheme which impact this protected characteristic.
Sexual orientation	✓			There are no elements of the scheme which impact this protected characteristic.
Marriage or	✓			There are no elements of



civil partnership status				the scheme which impact this protected characteristic.
Race	✓			There are no elements of the scheme which impact this protected characteristic.
Religion or belief	✓			There are no elements of the scheme which impact this protected characteristic.
Transgender	✓			There are no elements of the scheme which impact this protected characteristic.
Community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights	✓			Customers will not be worse off because the same level of Council tax support will be given as currently. This is correcting an unintentional consequence as a result of a Government change that comes in from 1 April 2017

**Proposal 6: To limit the number of dependant additions within the calculation to a maximum of two.**

**Reviewing the evidence**

As this proposal does not affect existing customers (unless they have an additional child) and also has protections for children born in multiple births and other circumstances it is difficult to estimate the number of families which will be affected by this change.

The scheme will have to ensure that it is fair and consistent in whether or not a child should be included as part of a household.

Exceptional Hardship Payments will be available to vulnerable customers who are in financial need with their Council Tax bills.

**Results from Consultation: Agree with proposal** Yes: 81.22% No: 13.47% Don't know: 5.31%

**Identifying the risks and benefits/opportunities**

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Any changes to the CTS

				scheme must be made to working-age customers. For this reason the scheme has a negative impact on working-age customers. This is mitigated in part with providing budgeting and money advice support and having an Exceptional Hardship Fund to help our most vulnerable customers cope with the changes.
Disability	✓			This proposal has a neutral impact on them as if implemented it will not deduct more than
Sex including issues relating to pregnancy and maternity	✓			There are no elements of the scheme which impact this protected characteristic.
Sexual orientation	✓			There are no elements of the scheme which impact this protected characteristic.
Marriage or civil partnership status	✓			There are no elements of the scheme which impact this protected characteristic.
Race	✓			There are no elements of the scheme which impact this protected characteristic.
Religion or belief	✓			There are no elements of the scheme which impact this protected characteristic.
Transgender	✓			There are no elements of the scheme which impact this protected characteristic.
Community considerations such as socio-economic factors, criminal convictions, rural living or		✓		The scheme impacts on our working-age community. The risks are that customers may fall into arrears with their Council Tax bills. We will provide budgeting and money advice support

Human Rights				and our vulnerability/ hardship fund to provide additional financial help
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**Proposal 7: To remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them**

**Reviewing the evidence**

Currently we do not have any customers where their carers are receiving Universal Credit. This proposal brings Universal Credit into line with Housing Benefit and Council Tax Support and ensures that the benefits system does not pay for the care of the person twice.

**Results from Consultation: Agree with proposal** Yes: 68.57% No: 15.1% Don't know: 16.33%

**Identifying the risks and benefits/opportunities**

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Any changes to the CTS scheme must be made to working-age customers. For this reason the scheme has a negative impact on working-age customers. This is mitigated in part with providing budgeting and money advice support and having an Exceptional Hardship Fund to help our most vulnerable customers cope with the changes.
Disability		✓		The person being cared for by the person in receipt of the Carers Element of Universal Credit will not receive as much Council Tax Support as they would have done had this proposal not been introduced. Exceptional

				Hardship Fund payments are available to assist vulnerable customers in meeting the shortfall in their Council Tax.
Sex including issues relating to pregnancy and maternity	✓			There are no elements of the scheme which impact this protected characteristic.
Sexual orientation	✓			There are no elements of the scheme which impact this protected characteristic.
Marriage or civil partnership status	✓			There are no elements of the scheme which impact this protected characteristic.
Race	✓			There are no elements of the scheme which impact this protected characteristic.
Religion or belief	✓			There are no elements of the scheme which impact this protected characteristic.
Transgender	✓			There are no elements of the scheme which impact this protected characteristic.
Community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights	✓			The scheme impacts on our working-age community. The risks are that customers may fall into arrears with their Council Tax bills. We will also provide budgeting and money advice support and our vulnerability/ hardship fund to provide additional financial help

**Proposal 8: Remove the additional earnings disregard for Universal Credit claims only and apply the standard disregards to all applicants that are in employment, regardless of hours.**

**Reviewing the evidence**

There are currently 121 customers claiming Universal Credit and Council Tax Support. Within this group there are only a small number who are also in employment.

This proposal treats all customer groups equally and so does not have a direct impact on a particular protected characteristic.

**Results from Consultation: Agree with proposal** Yes: 70.66% No: 8.26% Don't know: 21.07%

### Identifying the risks and benefits/opportunities

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Any changes to the CTS scheme must be made to working-age customers. For this reason the scheme has a negative impact on working-age customers. This is mitigated in part with providing budgeting and money advice support and having an Exceptional Hardship Fund to help our most vulnerable customers cope with the changes.
Disability	✓			This proposal does not directly impact this protected characteristic.
Sex including issues relating to pregnancy and maternity	✓			There are no elements of the scheme which impact this protected characteristic.
Sexual orientation	✓			There are no elements of the scheme which impact this protected characteristic.
Marriage or civil partnership status	✓			There are no elements of the scheme which impact this protected characteristic.
Race	✓			There are no elements of the scheme which impact this protected characteristic.
Religion or belief	✓			There are no elements of the scheme which impact

				this protected characteristic.
Transgender	✓			There are no elements of the scheme which impact this protected characteristic.
Community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights		✓		This proposed change does not affect any of our existing customers on UC. This will have a negative impact on any new UC cases where they are working in excess of 30 hours. It will have a positive impact on those working less than 16 hours when they go onto UC. Neutral impact for those working between 16-29 hours. The scheme impacts on our working-age community. The risks are for those that are negatively impacted is that they may fall into arrears with their Council Tax. We will provide budgeting and money advice support and our vulnerability/hardship fund to provide additional financial help.

## Conclusion

It is our view that following this desktop Equality Analysis of our draft CTS policy, based upon current evidence and the outcome of our consultation, that there is no disproportionate impact on groups within the protected characteristics, however as this scheme is just for low income working-age customers there will always be a disproportionate impact on this section of our community. However, this equates to less than 1% of the total households in East Devon.

The mitigations against the impact of these changes have taken account of this fact and are set out in our action/improvement plan.

## Reference Material

The detail of the housing benefit scheme is prescribed in statutory instruments and regulations made under primary legislation including:-

- The Social Security Contributions and Benefits Act 1992
- The Child Support, Pensions and Social Security Act 2000

- The Welfare Reform Act 2007 and 2012

**Outcome and identifying actions, where appropriate**

The outcomes should be evaluated against the following framework from the Equality and Human Rights Commission’s guidance on ‘Making fair financial decisions’.

**Outcome 1:** No major change required. The assessment has not identified any potential for discrimination or adverse impact and all opportunities to advance equality have been taken.

**Outcome 2:** Adjustments to remove barriers identified by the assessment or to better advance equality.

**Outcome 3:** Continue despite having identified some potential adverse impacts of missed opportunities to advance equality. In this case, the justification will be included in the assessment and will be in line with the duty to have ‘due regard’. This will include sufficient details on how the impacts are being reduced and how this will be monitored.

**Outcome 4:** Stop and rethink. If you have concluded that there is an adverse impact and discrimination which could be illegal, speak to legal services. You must take action to remedy this immediately. Please outline the action that you will be taking and include it in your improvement plan.

If you have identified that the service/function is having or might have an adverse impact, is it justifiable or legitimate? Please give details of this

I would categorise these changes as falling within Outcome 2. Actions taken to remove barriers for customer groups have been identified and are shown below:

	<b>Justifiable/legitimate Yes/No</b>	<b>Comments</b>
Money management and budgeting advice. This will include staff training and access to trained resources.	Yes	Continued funding of independent money/ budgeting advice will be provided.
Robust monitoring programme	Yes	The impact of the scheme will be robustly monitored from different angles. We will take a holistic view of all of this information to shape future schemes and will bring information back to Members for their consideration.
Exceptional Hardship Fund	Yes	This forms part of our scheme and our policy will be updated to take account of these proposed changes to ensure customers can

		access this.
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If you have concluded that the adverse impact of the discrimination is justifiable or legitimate, you will need to explain your action and reasons to people. This is because we have a statutory duty to promote equality of access, opportunity and treatment of people. You will need to think what action could be taken to mitigate the adverse impact on people and details this in the Action/Improvement Plan.



<b>Action/ Improvement Plan</b>	<b>Implementation Details</b>	<b>Owner</b>	<b>Review Date</b>
Publicity to customers and stakeholders in advance of scheme changes –advising of the changes. Various communication channels will be used, such as website, leaflets, social media, emailing stakeholders, etc.	Dec 2016	Libby Jarrett, Service Lead	April 2017
We will provide training to internal staff that may come into contact with customers who are affected, such as Revenues & Benefits, Housing, Outreach officers, etc.	January/February 2017	Libby Jarrett	March 2017
We will send out personalised letters in advance of the changes to those that are directly affected setting out the financial impact & what we can do to help them, such as money advice, instalments plan, EHF, etc	January/February 2017	Libby Jarrett	March 2017
Update Council tax discretionary discount & EHF policy to include assistance for customers who need to claim additional financial assistance to help cope with the changes to their Council Tax Support	Dec 2016 for approval by Full Council	Libby Jarrett	
Monitor CTS customers in arrears with Council Tax.	April 2017	Libby Jarrett,	November 2017
Monitor complaints and appeals	April 2017	Libby Jarrett	November 2017
Monitor EHF applications against the protected characteristics	April 2017	Libby Jarrett	November 2017

Assessor	Libby Jarrett	Signature:	Line Manager	Simon Davey	Signature:
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## East Devon District Council

### Council Tax Discretionary Discount & Exceptional Hardship Fund Policy

Issue details	
<b>Title:</b>	<b>Council Tax Discretionary Discount and Exceptional Hardship Fund Policy</b>
<b>Version number</b>	<b>Version 2.0</b>
<b>Officer responsible:</b>	<b>Libby Jarrett, Revenues and Benefits Service Lead</b>
<b>Authorisation by:</b>	<b>Full Council</b>
<b>Authorisation date:</b>	

## 1 Previous Policies/Strategies

1.1 This is an updated policy to take into account the changes proposed to the Council Tax Support scheme for working-age customers from April 2017 and to allow financial assistance to be given to customers who are affected by these changes.

## 2 Why has the council introduced this policy?

2.1 This policy sets out the criteria that needs to be met and the type of information to be provided when a Council Taxpayer applies for a reduction in their Council Tax under East Devon District Council's (EDDC) discretionary powers.

2.2 There are two ways by which EDDC can use its discretionary powers to give a reduction in Council Tax:

2.2.1 S13a1c of the Local Government Finance Act 1992 (as amended) provides the billing authority with additional discretionary powers to reduce the council tax liability where national discounts and exemptions cannot be applied:

**a.** Where a person is liable to pay council tax in respect of any chargeable dwelling and day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.

**b.** The power under subsection 1) above includes the power to reduce an amount to nil.

**c.** The power under subsection 1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

This is referred to in our policy as a Section 13a1c discretionary Council Tax reduction. This is wholly funded by EDDC, except when Central Government has used this provision to provide grant funding for specific issues, for example the winter 2013/14 flooding.

- 2.2.2 In addition to our Council Tax Reduction Scheme Policy (Section 13a1a of the Local Government Finance Act 1992, as amended), EDDC has an Exceptional Hardship Fund (EHF). The EHF is available to cover the shortfall between Council Tax liability and payments of Council Tax Support. The funding of EHF is through the collection fund and is paid for by all preceptors in proportion to their share of Council Tax
- 2.3 The purpose of bringing the two discretionary schemes under the one policy allows for applications to be considered under the one framework and therefore removes the requirement for the Council Taxpayer having to apply under both discretionary provisions. It also means that EDDC has one financial assessment criteria ensuring that applicants are treated fairly and consistently.

### **3 What is EDDC's policy?**

- 3.1 This policy meets the corporate priorities of living in this outstanding place by looking after our residents' health and wellbeing. It supports these priorities by delivering the following outcomes:
- A safety net to protect our most vulnerable Council Taxpayers who need additional financial assistance.
  - Enables support to be given to Council Taxpayers who are in financial or other crisis where no other legislative discounts or reliefs exist.
  - Helps Council Taxpayers through personal crisis, difficult events or where there are exceptional circumstances which impacts on their ability to pay.
  - Prevents exceptional hardship
  - Alleviates poverty
  - Helps those who are trying to help themselves
  - Sustains tenancies and prevention of homelessness
  - Keeps families together
  - Encourages and supports people to obtain and remain in employment
- 3.2 Officers applying this policy will consider whether all other statutory discounts or reliefs have been applied. This policy will normally only consider exceptional circumstances, due to financial need or crisis, where it is appropriate and fair to give a discretionary discount or reduction.
- 3.3 An application for financial hardship will only need to be made once. Where the Council Taxpayer is in receipt of Council Tax support this will be dealt with under the EHF provision. The same assessment criteria used under the EHF

will also be used for all non Council Tax support customers who are applying for a reduction under Section 13a1c on the grounds of financial hardship.

- 3.4 When considering an application on financial grounds, the Council Taxpayer will be required to provide details of household income and expenditure, savings, capital, debts, etc. The assessment we will make for determining financial hardship will take account of only reasonable priority expenditure \* against income but will not take account of any non essential expenditure, as Council Tax is a priority bill. Part of the assessment may include referral to an independent money advice and budgeting advice service.

*\* Priority expenditure is based upon Citizens Advice Bureau guidance.*

- 3.5 Where funding has been provided by Central Government any discretionary discounts that are made will be based upon the guidance and criteria that the Government issues, subject to EDDC agreeing to adopt this.

### **3.6 Section 13a 1c Discretionary Council Tax reduction**

- 3.6.1 Every Council Taxpayer is entitled to make an application for a discretionary Council Tax reduction. It is anticipated that a discretionary reduction will only be granted to Council Taxpayers in exceptional circumstances and will normally be for a short term period. An application for a further award can be made and there will be a review of the application and what actions have been taken since the last award.

- 3.6.2 When considering an application the following factors will be taken into account:

- There must be evidence of financial hardship or unforeseen, exceptional circumstances to justify any reduction.
- Whether changing payment methods, reprofiling Council Tax instalments or setting alternative payment arrangements in order to make them more affordable.
- An award may not be made until the Council Taxpayer has accepted assistance either through EDDC or a third party, such as; Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including termination of non-essential expenditure.
- The Council Taxpayer has experienced a crisis or event that has made their property uninhabitable eg due to fire or flooding, where they remain liable to pay Council Tax and for which they have no recourse for compensation.
- The Council Taxpayer must satisfy EDDC that all reasonable steps have been taken to resolve their situation prior to an application.
- If the Council Taxpayer is on a low income, whether they have applied for a Council Tax Reduction (EDDC's scheme is called Council Tax Support). The Council Tax Support scheme exists to ensure that those on low incomes receive financial assistance with their Council Tax.

- All other eligible discounts/reliefs have been explored prior to an application being made.
- The Council Taxpayer does not have access to other funds/assets that could be used to pay Council Tax.
- All other legitimate means of resolving the situation have been investigated and exhausted by the applicant. If they have not been, it is unlikely that an award will be made.
- The payment record history of the Council Taxpayer.
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect.
- Relief will only apply to council tax payer's primary home.

3.6.3 Discretionary reductions will be withdrawn if the:

- conditions or circumstances on which the reduction was granted change or fail to materialise,
- information submitted as part of the application proves to be misleading.
- applicant ceases to be the Council Taxpayer.

3.6.4 Where the reduction is cancelled this will normally take effect from the actual date of change. However, in certain circumstances this may be withdrawn in full. A revised Council Tax bill will be issued for payment.

### **3.6.5 Administering the scheme**

3.6.6 Discretionary Council Tax reductions must be applied for in writing from the Council Taxpayer, their advocate/appointee or a recognised third party acting on their behalf. Where the application is on the grounds of financial hardship a standard form is available which can be obtained via the telephone, in person at one of EDDC's offices or on EDDC's website.

3.6.7 The application should normally relate to the current Council Tax year, unless the Council Taxpayer has only recently received a bill following a retrospective change to a previous year.

3.6.8 It is expected that the Council Taxpayer will need to provide:

- The period and amount of reduction being sought.
- Reasons why a discretionary reduction should be given, and how this meets our policy.
- What action(s) the applicant has taken to alleviate the situation

3.6.9 EDDC may request any reasonable evidence in support of an application.

3.6.10 The Revenues and Benefits Service Lead will normally determine Discretionary Discount applications and in their absence this will be passed to the Finance Strategic Lead.

- 3.6.11 Successful applicants will be notified in writing of the amount and period a Discretionary Council Tax reduction has been awarded for. Any entitlement is applied to the Council Tax account and a revised bill is sent. Awards are limited to the end of the financial year in which the application is made.
- 3.6.12 If a reduction has been made as a result of a false or fraudulent claim EDDC reserves the right to withdraw the award. EDDC will consider prosecuting any applicant who makes a false statement or provides fraudulent evidence in support of an application.
- 3.6.13 Unsuccessful applicants will be notified in writing together with the reason for the decision.
- 3.6.14 EDDC will aim to make a decision within 14 days of receiving all the information required.
- 3.6.15 Applicants who are receiving a Council Tax discretionary reduction must report changes in their circumstances within 21 days of the change occurring.

### **3.7 Exceptional Hardship Fund (EHF) Awards**

- 3.7.1 Every Council Taxpayer who has made a claim for Council Tax Support and who has a shortfall is entitled to make a claim for help from EHF. It is normally a short-term emergency fund, whilst the Council Taxpayer seeks alternative solutions.
- 3.7.2 The main features of the Fund are that:
- EHF awards are discretionary
  - Council Taxpayers do not have a statutory right to an award
  - EHF awards are not a payment of Council Tax Support
  - Council Tax Support application must have been made in order to consider an award for EHF.
  - EDDC may decide that a backdated EHF award is appropriate; which could then settle Council Tax arrears. This would be the only circumstance where the EHF could be used to facilitate payment of Council Tax arrears.
  - EHF awards cannot be made to settle arrears of Council Tax unless due to an award of backdated EHF as set out above.
- 3.7.3 EHF cannot be awarded for the following circumstances:
- Where full Council Tax liability is being met by Council Tax Support.
  - For any other reason, other than to reduce Council Tax liability.
  - Where EDDC considers that there are unnecessary expenses/debts etc and that the Council Taxpayer has not taken reasonable steps to reduce these.
  - To reduce any Council Tax Support recoverable overpayment.
  - To cover previous years Council Tax arrears.

- A shortfall caused by a Department for Work and Pensions sanction or suspension has been applied because the Council Taxpayer has turned down work/interview/training opportunities.

3.7.4 It should be noted that an Exceptional Hardship Policy is intended to help in cases of **extreme** financial hardship and not support a lifestyle or lifestyle choice. Whilst the definition 'Exceptional Hardship' is not exactly defined by this policy, it is accepted that changes to the level of support generally will cause financial hardship and any payment made will be at the total discretion of the Council. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered'

3.7.4 The Revenues and Benefits Service will determine whether or not to make an EHF award, and how much any award might be.

When making this decision the Revenues and Benefits Service will consider the following before making an award:

- The shortfall between Council Tax Support and Council Tax liability.
- The steps taken by the Council Taxpayer to reduce their Council Tax liability.
- Changing payment methods, reprofiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable.
- Ensure that all appropriate discounts, exemptions and reductions are granted.
- Steps taken by the Council Taxpayer to establish whether they are entitled to other welfare benefits.
- Steps taken by the Council Taxpayer in considering and identifying where possible the most economical tariffs for supply of utilities.
- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent.
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the Council Taxpayer, their partner and any dependants and any other occupants of the Council Taxpayer's home.
- The difficulty experienced by the Council Taxpayer, which prohibits them from being able to meet their Council Tax liability, and the likely length of time this difficulty will exist.
- Shortfalls due to non-dependant deductions.
- The income and expenditure of the Council Taxpayer, their partner and any dependants or other occupants of the Council Taxpayer's home.
- How deemed reasonable expenditure exceeds income.
- All income may be taken into account when working out entitlement to EHF.
- Whether an existing claimant is affected by changes to our scheme which means we need to consider whether transitional protection should be awarded under this policy.
- In the case of a self-employed applicant (or their partner), whether they are in gainful employment. This can be defined as that they are carrying on their activity as their main employment, the earnings from it are

genuinely self-employed earnings, and it is organised, developed, regular and carried on in expectation of profit.

- In the case of self-employed applicants cases where the minimum income floor applies each case will be looked at individually. Factors which we will consider will include:
  - The reason the application for EHF being made, and why the customer is unable to work 35 hours per week
  - Whether the customer is vulnerable
  - Whether the customer has caring responsibilities, disabilities or other factors to consider.
- Any savings or capital that might be held by the Council Taxpayer or their partner.
- Other debts outstanding for the Council Taxpayer and their partner.
- Whether the Council Taxpayer has already accessed or is engaging for assistance with budgeting and financial/debt management advice. An EHF award may not be made until the Council Taxpayer has accepted assistance either from EDDC or third party, such as the Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including the termination of non essential expenditure.
- The exceptional nature of the Council Taxpayer and/or their family's circumstances that impact on finances.
- The length of time they have lived in the property.

The list is not exhaustive and other relevant factors and special circumstances will be considered.

3.7.5 An application for a further EHF award can be made and there will be a review of the application and what actions have been taken since the last award.

3.7.6 An EHF award may be less than the difference between the Council Tax liability and the amount of Council Tax Support paid.

### **3.7.7 Administering EHF**

3.7.7.1 The Council Taxpayer must make a claim for an EHF award by submitting an application to EDDC. The application form can be obtained via the telephone, in person at one of EDDC's offices and EDDC's website. Council Taxpayers can get assistance with the completion of the form from the Revenues and Benefits Service or Housing Services at EDDC.

3.7.7.2 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by EDDC.

3.7.7.3 In most cases the person who claims the EHF award will be the person entitled to Council Tax Support. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.



3.7.7.4 The Revenues and Benefits Service may revise an award from the EHF where the Council Taxpayer's circumstances have changed, which either increases or reduces their Council Tax Support entitlement.

3.7.7.5 A person claiming an EHF Payment is required to:

- Give EDDC such information as it may require to make a decision.
- Tell EDDC of any changes in circumstances that may be relevant to their ongoing claim.
- Give EDDC such other information, as it may require, in connection with their claim.

3.7.7.6 Both the amount and the duration of the award are determined at the discretion of EDDC, and will be done so on the basis of the evidence supplied and the circumstances of the claim

- The start date will usually be the Monday after the written claim for an EHF award is received by the Revenues and Benefits Service, although in some cases it may be possible to backdate this award, based upon individual circumstances of each case.
- The EHF will normally be awarded for a minimum of one week
- The maximum length of the award will not exceed the end of the financial year in which the award is given.

3.7.7.7 Any EHF award will be made directly to the Council Tax account, thus reducing the amount of Council Tax payable.

3.7.7.8 Overpaid EHF awards will generally be recovered directly from the Council Taxpayers Council Tax account, increasing the amount of Council Tax due and payable.

3.7.7.9 EDDC will notify the outcome of each application in writing. The notification will include the reason for the decision and advise the Council Taxpayer of their appeal rights.

### **3.8 Publicity of discretionary reductions and discounts**

3.8.1 The Revenues and Benefits Service will publicise this policy and will work with interested parties to achieve the stated outcomes. A copy of this policy will be made available for inspection and will be published on EDDC's website.

### **3.9 Right to appeal**

3.9.1 Decisions about discretionary discounts and reductions are subject to the statutory appeal process.

3.9.2 If the Council Taxpayer is not satisfied with a decision in respect of:

- an application for a discretionary reduction

- a decision not grant a discretionary reduction
- a decision to award a reduced amount of discretionary reduction
- a decision not to backdate a discretionary reduction

they may request a review in writing. In these cases EDDC will look at the decision again.

- 3.9.3 An officer, other than the original decision maker, will consider the dispute by reviewing the original application and any additional information and/or representation made and will make a decision within 14 days of referral or as soon as practicable thereafter.
- 3.9.4 Any request for a review must be made in writing, within two months of the date of the notification letter confirming the original decision.
- 3.9.5 The outcome of the review will be given in writing by the Council, detailing the reasons for changing or upholding the original decision.
- 3.9.6 If EDDC does not respond within two months to the Council Taxpayer's request for a review or the Council Taxpayer considers that EDDC's decision is wrong, they can appeal directly to the Valuation Tribunal

### **3.10 Fraud**

- 3.10.1 EDDC is committed to protect public funds and ensure funds are awarded to the people who are rightly eligible to them.
- 3.10.2 An applicant who tries to fraudulently claim a discretionary discount or Exceptional Hardship Fund payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application may have committed an offence under The Fraud Act 2006 or the Theft Act 1968.
- 3.10.3 Where the Council suspects that fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **4 Equality impact considerations – the policy is high relevance to equality if it has a big impact on residents and users of the service**

### **Low**

- 4.1 This Equality Impact Assessment considers the impact of this policy on the relevant protected characteristics, as defined by the Equality Duty, which are:
- Age (including children and young people)
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex
  - Sexual orientation

- Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)
- An additional EDDC local factor of community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights

- 4.2 This policy has a positive or neutral impact on all protected characteristics.
- 4.3 The protected characteristics which are positively impacted are age, disability and EDDC local factors. This is because the policy, when considering EHF awards, considers household composition and disability related expenditure when looking at expenditure calculations.
- 4.4 The positive impact on local factors is high as the EH awards support vulnerable Council Taxpayers who may not otherwise be able to pay their Council Tax. Also the discretionary discounts help to support local areas which may be affected by natural disasters which affect the households.

[See](#)

## **5 Appendices and other relevant information**

None

## **6 Who authorised the policy/strategy and date of authorisation.**

Full Council –

## **7 Related Policies/Strategies, Procedures and Legislation**

### **7.1 Related policies**

Corporate debt policy

Discretionary Housing Payments policy

Council Tax Reduction Scheme (Council Tax Support) Policy

Non Domestic Rates local discretionary rate relief policy

### **7.2 Legislation**

Local Government Finance Act 1992, as amended

## **8 Policy date for review and responsible officer**

- 8.1 This policy will be reviewed by the Revenues and Benefits Service Lead periodically but no later than 2019.

**Report to:** Cabinet  
**Date of Meeting:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None



**Agenda item:** 15

**Subject:** **Review of the Local Code of Corporate Governance**

**Purpose of report:** The Council's adopted Code of Corporate Governance, which sets out our overarching approach to our corporate governance arrangements, was adopted in January 2012 and is now overdue for review. Following changes to relevant guidance there have been revisions to the Code which are explained below. The revised Code has been presented to Audit and Governance who have recommended to Cabinet that the revised Code be adopted.

**Recommendation:** **That Cabinet adopt the revised Local Code of Corporate Governance attached at Appendix 1.**

**Reason for recommendation:** The current Code of Corporate Governance (see background link) provides the overarching framework for the Council's Corporate Governance. It follows the guidance of CIPFA/SOLACE. It is not a standalone document but rather identifies the key principles that the Council agrees to follow in establishing our governance framework. It is supported by a number of other documents, being our key policies, which in combination seek to ensure that the Council has systems, processes, culture and values that we engage with and act by and are accountable in respect of. Ultimately the Code is about ensuring that the Council does the right things, in the right way for the right people in a timely, inclusive, open, honest and accountable manner.

The CIPFA/SOLACE guidance was updated in April 2016 and this new guidance, which is aimed specifically at local authorities, has been used as the basis for the revised Code. As a general point to note, the guidance identifies key principles that should underpin governance arrangements. The guidance itself acknowledges there is a degree of flux over time as to what constitutes good governance as perceptions, expectations and other priorities change. While the overall thrust of the key principles remains very similar, there are nonetheless some quite significant textual changes as the guidance has changed the focus and language of the key principles. These are too many to set out in a report but can be seen from a comparison between the two documents. However the main point to note is that overall thrust of those key principles, which are carried through in to the new Code, remain very similar.

The new Code reflects the current approach to what constitutes good governance but notwithstanding this the Code should be reviewed regularly to ensure that the Council's approach remains relevant and effective to ensure the overall aims continue to be achieved. The review processes are identified in the Code and include the publication of the

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annual governance assurance statement which comes before this Committee for approval.

For the above reasons the revised Code is recommended for adoption.

**Officer:** Henry Gordon Lennox, Strategic Lead Legal, Licensing, Democratic Services & Monitoring Officer [hgordonlennox@eastdevon.gov.uk](mailto:hgordonlennox@eastdevon.gov.uk) 01395 517401

**Financial implications:** There are no direct financial implications.

**Legal implications:** The Code has been revised to accord with the CIPFA/SOLACE guidance. The Corporate Governance framework is a fundamental control element to the Council's activities. This document is the overarching document which sets out our overall approach to governance. It is supported and expanded upon by our key policies and the other monitoring activities set out therein. It is important that the Council has an up to date Code of Corporate Governance, not least because it helps inform the production of the statutory Annual Governance Assurance Statement but also because it helps demonstrate to the public that there are appropriate internal controls and accountability for actions. Naturally in adopting such a Code, the Council must have regard to it when formulating related policies or when considering governance related matters. Otherwise there are no legal implications arising.

**Equalities impact:** Low Impact

**Risk:** High Risk  
As this document provides the overarching framework for governance, to not adopt this Code could mean that the Council was not adhering to the latest guidance in respect of its governance arrangements. This in turn could lead to our arrangements being inadequate or being perceived as inadequate by the public.

**Links to background information:** • [Current Code of Corporate Governance](#)

**Link to Council Plan:** Encouraging communities to be outstanding and Continuously improving to be an outstanding council

## Local Code of Corporate Governance

Issue details	
<b>Title:</b>	<b>Local Code of Corporate Governance</b>
<b>Officer responsible:</b>	<b>Monitoring Officer</b>
<b>Authorisation by:</b>	<b>Cabinet</b>
<b>Authorisation date:</b>	<b>January 2016</b>
<b>Review date:</b>	<b>January 2018</b>

# East Devon District Council's Code of Corporate Governance

## 1 Previous Policy

Code of Corporate Governance adopted January 2012

## 2 Purpose and scope of the Policy

The CIPFA/SOLACE Joint Working Group advocate use of their Guidance Document entitled 'Delivering Good Governance in Local Government: Framework' ("the Framework") published in April 2016.

The Framework observes;

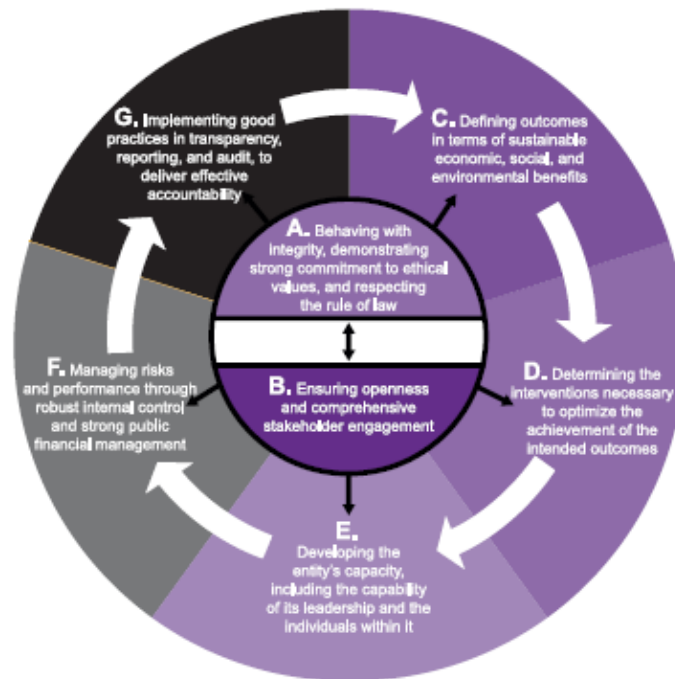
*'Governance arrangements in the public services are keenly observed and sometimes criticised. Significant governance failings attract huge attention – as they should – and one significant failing can taint a whole sector. Local government organisations are big business and are vitally important to tax payers and service users. They need to ensure that they meet the highest standards and that governance arrangements are not only sound but are seen to be sound.'*

The Framework is intended to assist authorities in reviewing and accounting for their own unique approach. The overall aim is to;

*'ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.'*

The 'International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014)' identifies the key principles which should underpin the governance arrangements of local authorities to ensure that the overarching requirement of '*achieving the intended outcomes while acting in the public interest at all times*' is delivered.

The diagram below demonstrates the various principles of good governance in the public sector and how they relate to each other. In this regard it is important to note that Principles A and B permeate the other 5 core principles (C-G) and moreover that '*good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.*'



Source: International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014)

In essence, governance is about how we make sure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Governance comprises our systems and processes, culture and values by which we act and account to, engage with and, where appropriate, lead our community.

This document forms the basis of our Local Code of Corporate Governance and identifies the overarching principles in respect of our corporate governance arrangements and sets out our objectives in respect of them. It should be noted that while this Policy sets out the basis of our corporate governance arrangements it does form part of a wider set of local documents and policies that overall constitute the Council's Corporate Governance Framework.

Accordingly, our commitments are to:

- Accept the seven core principles of the Framework as the overarching basis for our Corporate Governance Framework.
- Publish an Annual Corporate Governance Assurance Statement with the annual Statement of Accounts – this is because such a statement if prepared and published in accordance with the Framework will fulfil the statutory duty for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control.
- Where necessary, produce an action plan of improvements to our Corporate Governance Framework, which will be monitored by the Council's Cabinet assisted by Audit and Governance Committee.



## **4 Specific Policy Areas**

### **4.1 Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

We will:

- Ensure members and officer behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council.
- Ensure members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood – building on the Seven Principles of Public Life (the Nolan Principles).
- Lead by example and use the above standard operating principles or values as a framework for decision making and other actions.
- Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.
- Seek to establish, monitor and maintain the Council's ethical standards and performance.
- Underpin personal behaviour with ethical values and ensure they permeate all aspects of the Council's culture and operation.
- Develop and maintain robust policies and procedures which place emphasis on agreed ethical values.
- Ensure that external providers of services on behalf of the Council are required to act with integrity and in compliance with ethical standards expected by the Council.
- Ensure members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
- Create the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
- Strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.
- Deal with breaches of legal and regulatory provisions effectively.
- Ensure corruption and misuse of power are dealt with effectively.

### **4.2 Principle B – Ensuring openness and comprehensive stakeholder engagement.**

We will:

- Ensure an open culture through demonstrating, documenting and communicating the Council's commitment to openness.
- Make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. Our presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential will be provided.

- Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and be explicit about the criteria, rationale and considerations used. In due course, ensure that the impact and consequences of those decisions are clear.
- Use formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.
- Effectively engage with institutional stakeholders (*being those other organisations that we need to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable*) to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
- Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
- Ensure that partnerships are based on:
  - trust
  - a shared commitment to change
  - a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.
- Establish a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
- Ensure that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.
- Encourage, collect and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
- Implement effective feedback mechanisms in order to demonstrate how views have been taken into account.
- Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
- Take account of the impact of decisions on future generations of tax payers and service users.

#### **4.3 Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits.**

We will:

- Have a clear vision, which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the Council's overall strategy, planning and other decisions.
- Specify the intended impact on, or changes for, stakeholders including citizens and service users. This could be immediately or over the course of a year or longer.

- Deliver defined outcomes on a sustainable basis within the resources that will be available.
- Identify and manage risks to achieve outcomes.
- Manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
- Consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision.
- Take a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints.
- Determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
- Ensure fair access to services.

#### **4.4 Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes**

We will:

- Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensure best value is achieved however services are provided.
- Consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
- Establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets.
- Engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
- Consider and monitor risks facing each partner when working collaboratively, including shared risks.
- Ensure arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.
- Establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
- Ensure capacity exists to generate the information required to review service quality regularly.
- Prepare budgets in accordance with objectives, strategies and the medium term financial plan.

- Inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
- Ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.
- Ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
- Ensure the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
- Ensure the achievement of 'social value' through service planning and commissioning.

#### **4.5 Principle E - Developing the entity's capacity including the capability of its leadership and the individuals within it.**

We will:

- Review operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.
- Improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.
- Recognise the benefits of partnerships and collaborative working where added value can be achieved.
- Develop and maintain an effective workforce plan to enhance the strategic allocation of resources.
- Develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
- Publish a document that specifies the types of decisions that are delegated and those reserved for the collective decision making of the Council.
- Ensure the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
- Develop the capabilities of members and senior management to achieve effective leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:
  - ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and Council requirements is available and encouraged,
  - ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and

- responsibilities and ensure that they are able to update their knowledge on a continuing basis,
  - ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.
- Ensure that there are structures in place to encourage public participation.
- Take steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
- Hold staff to account through regular performance reviews which take account of training or development needs.
- Ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

#### **4.6 Principal F – Managing risks and performance through robust internal control and strong public financial management.**

We will:

- Recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making.
- Implement robust and integrated risk management arrangements and ensure that they are working effectively.
- Ensure that responsibilities for managing individual risks are clearly allocated.
- Monitor service delivery effectively including planning, specification, execution and independent post implementation review.
- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook.
- Ensure an effective scrutiny and overview function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible.
- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements).
- Align the risk management strategy and policies on internal control with achieving objectives.
- Evaluate and monitor risk management and internal control on a regular basis.
- Ensure effective counter fraud and anti-corruption arrangements are in place.
- Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.

- Ensure an audit committee or equivalent group/ function, which is independent of the Cabinet and accountable to the Council;
  - provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment,
  - that its recommendations are listened to and acted upon.
- Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
- Ensure effective arrangements are in place and operating effectively when sharing data with other bodies.
- Review and audit regularly the quality and accuracy of data used in decision making and performance monitoring.
- Ensure financial management supports both long term achievement of outcomes and short-term financial and operational performance.
- Ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

#### 4.7 **Principal G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

We will:

- Write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
- Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
- Report at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.
- Ensure members and senior management own the results reported.
- Ensure robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).
- Ensure that the Framework is applied to jointly managed or shared service organisations as appropriate.
- Ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.
- Ensure that recommendations for corrective action made by external audit are acted upon.
- Ensure an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.

- Welcome peer challenge, reviews and inspections from regulatory bodies and implement recommendations.
- Gain assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
- Ensure that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.

## **5 Outcomes**

As stated above, governance is about how we make sure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Governance comprises our systems and processes, culture and values by which we act and account to, engage with and, where appropriate, lead our community. The Cabinet and Audit and Governance Committee monitor the Council's commitment to this Strategy to make sure we achieve these objectives.

## **6 Who is responsible for delivery?**

The review of our corporate governance arrangements is an ongoing process and work is planned strategically throughout the year to test and verify our compliance with our Corporate Governance Framework.

In addition to this, an annual review of our governance arrangements is made to determine how we are meeting the core principles. This review culminates in the production of a Corporate Governance Assurance Statement and associated action plan. Each year the Leader and the Chief Executive are required to sign the Assurance Statement confirming the effectiveness of our Corporate Governance Framework. The action plan is monitored 6 monthly by the Audit and Governance Committee. The Assurance Statement is on our website and a summary is included in the Council's Statement of Accounts.

The Chief Executive and his Strategic Management Team play a key role in this assessment process and monitoring any action plan for improvements on the governance arrangements.

## **7 Performance Monitoring**

In addition to the annual assurance process our governance arrangements are regularly monitored by managers, directors and members in the form of:

- Frequent financial and performance monitoring reports to Cabinet
- Quarterly Council Plan monitoring reports to Cabinet
- Quarterly scrutiny of detailed performance measures
- Monitoring of service plans by responsible managers
- Performance Excellence Reviews encompassing a competency framework for staff
- Annual personal development reviews for members

- SWAP reviews of governance arrangements through its corporate governance work programme and through operational audits
- Regular review of our risk management arrangements
- External Auditor review of corporate governance arrangements including the assurance statements, the risk management process and other auditable activities
- A bi-annual review of this Code of Corporate Governance by the Monitoring Officer.

## **8 Policy/Strategy Consultation**

This policy has been discussed at the Strategic Management Team and with colleagues in SWAP – our internal auditor.

## **9 Equality Impact Considerations**

The core principles take into account equality impacts.

## **10 Policy/Strategy Review**

Monitoring Officer.

## **11 Related Policies/Strategies, Procedures and Legislation**

As indicated above there is a wider set of local documents and policies that contribute to the overall Corporate Governance Framework. However the key policies that underpin our governance arrangements can be found [here](#).



**Report to:** Cabinet  
**Date:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None  
  
**Review date for release** None  
**Agenda item:** 16



**Subject:** **Treasury Management Performance 2016/17 – 1 April 2016 to 30 September 2016**

**Purpose of report:** This report details the overall position and performance of the Council's investment portfolio for the first six months of 2016/17.

**Recommendation:** **Cabinet is requested to review and note the investment values and performance for the period to 30 September 2016.**

**Reason for recommendation:** The Council is required by regulations issued under the Local Government Act 2003 and the Code of Practice on Treasury Management in Public Services published by the Chartered Institute of Public Finance & Accounting (CIPFA) to produce a half yearly review of its treasury management activities and performance.

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Extension 2033

**Financial implications:** Contained within the report.

**Legal implications:** As is indicated in the report, financial management of this type is subject to a range of controls and accounting conventions, which the finance team manage on a day to day basis. Otherwise the Council has discretion in terms of its financial strategies, acting reasonably.

**Equalities impact:** Low Impact  
The report is for information only.

**Risk:** Low Risk  
Any depositing of surplus funds exposes the Council to a certain degree of risk relating to the security of deposits and investment return. However, through the Council's Treasury Management Strategy, the level of risk is proactively managed to an acceptable level.

**Links to background information:** .

## **1. Background**

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

## **2. Introduction**

- 2.1 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
  - A review of the Council's investment portfolio and performance for 2016/17;
  - A review of the Council's borrowing strategy for 2016/17;
  - A review of any debt rescheduling undertaken during 2016/17;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
  - An economic update for the first part of the 2016/17 financial year.

## **3. Valuation and Performance**

- 3.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. It is currently a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.25% Bank Rate, (which decreased from 0.50% in August 2016). The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.
- 3.2 For 2016/17, the General Fund was budgeted to generate £395,350 income from its investments and pay out a total of £133,290 interest in relation to borrowings.
- 3.3 The Housing Revenue Account (HRA) was budgeted to receive £34,720 from investments and pay out £4,038,330 in net interest and capital in relation to borrowings, resulting in a net payment of £4,003,610.
- 3.4 The average 7-day rate used in the report is the London Interbank Bid (LIBID) rate. This rate was 0.28% for the period and is referred to as a benchmark for comparison purposes.

The following table shows the investments held.

<b>Fund</b>	<b>30 Sept 2015 £000</b>	<b>31 March 2016 £000</b>	<b>30 Sept 2016 £000</b>
<b>External Investments</b>			
Payden and Rygel (at cost)	15,459	15,459	15,459
Royal London Asset Management (at cost)	15,459	15,459	15,459
<b>Internal Investments</b>			
Bank of Scotland	2,000	2,000	1,000
CCLA Money Market Fund	125	750	0
Goldman Sachs Money Market Fund	1,300	100	0
Morgan Stanley Money Market Fund	0	0	1,750
Fixed Deposits	6,000	2,000	7,200
<b>Total</b>	<b>40,343</b>	<b>35,768</b>	<b>40,868</b>

3.5 The internal investments are held to meet internal short term cash flow requirements and therefore fluctuate on that basis. Note the above does not include as investments those loans obtained from PWLB which are recharged to third parties and are reflective of political decisions, as opposed to meeting the treasury management requirements of the Council.

Below is a table of the half yearly net rate of return on investments as at 30 September 2016. The LIBID rates were obtained from Capita Asset Services.

<b>Half Year Rate of Return</b>	<b>2015/16 Annualised (net)</b>	<b>2016/17 Annualised (net)</b>
External Investment Fund	0.83%	0.72%
In House Investment	0.40%	0.43%
7 Day LIBID	0.36%	0.28%
1 Month LIBID	0.38%	0.31%
3 Month LIBID	0.46%	0.38%
6 Month LIBID	0.62%	0.51%
12 Month LIBID	0.93%	0.76%

3.6 The table below shows the return breakdown for the General Fund:

<b>General fund (GF)</b>	<b>2015/16 Actual for Year  £000</b>	<b>2016/17 Budget for year  £000</b>	<b>2016/17 Actual Months 1-6  £000</b>	<b>2016/17 Variance Months 1-6  £000</b>
<b>Internal Investments</b>				
Interest on Market Investments	(74)	(95)	(39)	9
Other Investment Interest *	36	(65)	(25)	6
<b>Return on Internal Investments</b>	<b>(38)</b>	<b>(160)</b>	<b>(64)</b>	<b>15</b>
<b>Externally Managed Investments</b>				
Interest Received net of fees	(258)	(236)	(123)	(5)
Fair Value (Gains)/Losses**	0	0	0	0
<b>Return on External investments</b>	<b>(258)</b>	<b>(236)</b>	<b>(123)</b>	<b>(5)</b>
<b>Total Return on Investments</b>				
	<b>(296)</b>	<b>(396)</b>	<b>(187)</b>	<b>10</b>
<b>Borrowing</b>				
Temporary Borrowing	1	1	0	(1)
Long Term Borrowing - PWLB interest etc.	72	133	4	(88)
<b>Payable on Borrowings</b>	<b>73</b>	<b>134</b>	<b>4</b>	<b>(89)</b>
<b>Net Return on Treasury Activities</b>				
	<b>(223)</b>	<b>(262)</b>	<b>(183)</b>	<b>(79)</b>

\* includes net transfer of interest to the Housing Revenue Account

\*\* this is the gain on loss in value from selling an investment before maturity

- 3.7 Interest on Market Investments' and Other Investments' results do not vary significantly at £9,000 and £6,000 less than budget respectively. On Market Investments, this is most likely due to the cut in bank base rate that occurred in early August 2016 affecting interest earned on subsequent non-fixed interest investments. On Other investments, this is due to the third tranche of LED loan not being drawn down yet.
- 3.8 The externally managed funds have returned approximately £5,000 more than expected in the budget. The actual year to date compared between this year and last is not significantly different.
- 3.9 The £88,000 difference between budget and actual on interest on long term PWLB borrowings is partially due to the timing of the loan tranches to LED. The third tranche for £400,000 is not likely to be drawn down in December 2016. Other borrowings planned in the budget did not materialise.
- 3.10 Note this table does not include the principal element in relation to the repayment to PWLB of the first Beer CLT loan of £305,000. See the Debt Rescheduling paragraph below.

3.11 The 2016/17 budget estimated a net payment of £4,003,610 (2015 Budget: £3,550,860) for the HRA. The table below shows the payment breakdown:

Housing Revenue Account (HRA)	Actual for Year 2015/16 £000	Budget for Year 2016/17 £000	Actual 2016/17 Months 1-6 £000	Out Turn Variance 2016/17 £000
<b>Interest Receivable</b>				
Other Investment Interest – on balances	(35)	(35)	0	0
Other Investment Interest – on house sales	0	0	0	0
<b>Return on Investments</b>	<b>(35)</b>	<b>(35)</b>	<b>0</b>	<b>0</b>
<b>Long Term Debt</b>				
PWLB/ PWLB Self Financing Borrowing	1,029	1,490	0	0
PWLB/ PWLB Self Financing Loans – Interest	2,559	2,548	0	0
<b>Payable on Borrowings</b>	<b>3,588</b>	<b>4,038</b>	<b>0</b>	<b>0</b>
<b>Net Payment for Treasury Activities</b>	<b>3,553</b>	<b>4,003</b>	<b>0</b>	<b>0</b>

3.12 There are no significant variances. This is in line with expectations given that no new loans were anticipated in relation to the HRA.

#### 4. External Investments

4.1 The amount receivable in relation to external investments with Royal London Asset Management's Cash Plus Fund and the Payden and Rygel Sterling Reserve Fund during the period is £122,762. This is an annualised return on investment of 0.72% after fees have been deducted. At the same point in 2015/16 the net return was £128,031, 0.83%.

4.2 The following performance summaries have been compiled using information from the fund managers' quarterly performance reviews for the period in question.

##### ***Royal London Asset Management – Cash Plus Fund***

- *The portfolio holds longer-dated Certificates of Deposit (CDs), offering good rates of interest, as well as covered/ corporate and supranational bonds (both fixed and floating rate notes (FRNs)).*
- *The Fund holds around 57% of its assets in CDs, yielding 0.51%.*

- *Covered bond assets continued to perform well, yielding 0.76%. At the 30 September 2016, approximately 30% of the portfolio was invested in covered bonds.*
- *Short-dated corporate bond assets and FRNs performed well, yielding 0.85%. At 30 September 2016, approximately 10% of the portfolio was invested in corporate bonds.*
- *Supranational bonds account for 0.8% of Fund assets, yielding 0.56% with the remainder of the portfolio invested in ultra-short dated gilts.*

### ***Payden and Rygel Global Ltd – Sterling Reserve Fund***

*The fund remained invested in a diversified range of sterling-denominated, high credit quality, liquid government, agency and corporate bonds with both fixed- and floating-rate coupons.*

*We allowed duration to age slightly through August before maintaining it around 0.7 for the remainder of the quarter. Over the same period, UK 2-year Gilt yields moved broadly sideways, ending the quarter at 0.10%.*

*The Fund's sector allocation remained roughly constant, with one-third exposure to high quality corporate bonds and one-quarter split between covered bonds and high-quality asset-backed securities. With the remainder, we preferred government agency holdings over UK Gilts for their higher yield and greater diversity. Spread markets recovered strongly from the initial shock of Brexit and were buoyed by the Bank of England's quantitative easing programme.*

*Interest rate duration had limited impact on relative returns. Therefore, our allocation to high quality corporate was the primary contributor to positive relative performance.*

## **5. Internal Investments**

- 5.1 Up to 30 September 2016 internal investments have generated an income of £38,591; this includes an accrual for interest of £13,334 for broker deals taken out earlier in the year but which did not mature until after 30 September 2016.
- 5.2 The repayment terms varied from call (instantly repayable), to fixed periods of up to 193 days; (147 days in 2015/16). The net interest rate on internal investments averaged 0.43% compared to 0.40% in 2015/16, with a range of 0.2% to 1.05% this year. The policy of placing funds for longer periods enabled better rates to be obtained e.g. several investments were placed at the end of 2015/16 or early in 2016/17 at around 0.7% – 0.79% for up to 6 months and one investment was placed for 364 days at a rate of 1.05%.
- 5.3 The average rate of return achieved via cash flow management, at 0.43%, is 0.15% above the 7 Day LIBID rate for the half year of 0.28%. This is despite market rates being historically low and the duration and amount of funds available being dependent on the timing of precept payments, receipt of grants and expenditure on the Capital Programme.
- 5.4 No internal investments were held with a maturity date of more than one year, and although the Treasury Management Strategy does permit the external funds to be invested for more than one year the reality is that the Council can access this money with 3 days notice.

## **6. Borrowing**

- 6.1 So far this year EDDC has not had to borrow to cover cash flow, and based on current cash flow forecasts there is no indication that it will need to borrow during the remainder of the current financial year in order to meet its short-term cash requirements.
- 6.2 A summary of the capital programme is included in the regular Financial Monitoring Report. This also includes a detailed breakdown of the capital financing requirements which have therefore not been reiterated here.

## **7. Debt Rescheduling**

- 7.1 Debt rescheduling opportunities have been limited in the current economic climate, due to the consequent structure of interest rates. During the first six months of the year, the only debt restructuring related to the early repayment by EDDC to PWLB of the first Beer CLT loan of £305,000. (The second Beer CLT loan of £755,000 was repaid to PWLB in 2015/16). In turn, Beer CLT repaid £15,000 of the £305,000 owing to EDDC and the balance of £290,000 of the loan owing to EDDC has been refinanced internally until 2021 for up to 5 years, at an interest rate payable by Beer CLT of 3.24%.

## **8. Treasury Management Strategy Statement and Annual Investment Strategy Update**

- 8.1 In line with the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in Public Services, local authorities are required to have a Treasury Management Strategy and they are required to formally review that strategy on an annual basis. The Treasury Management Strategy Statement (TMSS) for 2016/17 was approved by Council during February 2016.
- 8.2 The 2017/18 EDDC Strategy is due to be presented to Cabinet in February 2017 at the latest in order to meet this requirement, and research is currently being undertaken to ascertain whether the EDDC Treasury Management Strategy continues to be fit for purpose in the current financial environment.
- 8.3 There is opportunity to develop the strategy in order to allow increased operational flexibility in managing the funds without creating a negative impact on the current levels of security, liquidity and yield. For example, Certificates of Deposit, (CDs), are negotiable forms of fixed deposit. They have all the benefits of fixed deposits but with the difference that there is no obligation to hold the CD to maturity. It is therefore possible to liquidate a lower yielding investment to re-invest the funds in a higher yielding CD. This may be a useful form of investment if interest rates start to rise again. There are also other forms of financial instrument available that can be useful for treasury management purposes.
- 8.4 One important development on the horizon is MiFID II. The Markets in Financial Instruments Directive (MiFID) is the EU legislation that regulates firms who provide services to clients linked to “financial instruments” (shares, bonds, units in collective investment schemes and derivatives) and the venues where they are traded. The new MiFID is set to commence early in January 2018. There is a key change affecting Local Authorities. Under the new regime, Local Authorities will be deemed “Retail” clients by default. They will have the option to “opt-up” to “Professional” client status, or remain as “Retail”. In order to opt-up, clients will need to meet qualitative and quantitative test criteria. The test criteria are provided as guidance and it will be down to each investment counterparty to set its own criteria. There are likely to be differences in approach from each individual financial institution so it is not a one-off exercise and could be a time consuming

process. The decision to remain as a “Retail” client or opt-in to “Professional” status may rest on what options are available to EDDC as client under each status, however, the key point to be aware of is that the decision to maintain “Retail” status may limit the investment options available to EDDC, compared to “Professional” status.

- 8.5 The capital plan and the financing of that plan is currently being developed as part of the 2017/18 budget setting process and further details of the proposed treasury management strategy, reflective of that plan, will be presented to Members within the 2017/18 Treasury Management Strategy.
- 8.6 The EDDC treasury management team is a member of the South West Treasury Management Benchmarking Group hosted by Capita Asset Services. This group currently has 14 members from a number of authorities and provides a forum for interpreting treasury management data across the area and sharing best practice. The group also allows the opportunity to consider any potential forthcoming treasury management risks, the early identification of which can aid proactive investment management.
- 8.7 Capita Asset Services Benchmarking Report for the period to 30 September 2016 indicates that the weighted average rate of return expected for the range of investments which EDDC is party to should be between 0.38% and 0.50%. EDDC’s net weighted average return is above this at 0.75% which indicates that EDDC is outperforming market expectations.
- 8.8 As noted at paragraph 5.2 above the treasury management team has been further extending the periods of fixed term deposits placed in order to achieve as much return as possible without compromising fund liquidity.
- 8.9 In April 2016 and August 2016 third and fourth money market funds were opened to allow the Council more flexibility in managing its short term cash flow requirements and to take advantage of the interest rates being offered. As EDDC’s Treasury Management Strategy requires all money market funds used to be AAA rated, these also help reduce the credit risk in the Council’s portfolio.

## 9. Economic Update

The Council’s treasury advisor, Capita Asset Services, has provided the following economic update and interest rate forecasts:

### ***November quarterly inflation report and post US Presidential election review***

- *We have updated our forecasts of 9 August to take into account the Bank of England quarterly Inflation Report for November 2016, the decision of the MPC meeting of 3 November, and the US Presidential election of 8 November. We also felt that we should allow financial markets to settle down for a few days after the result of that election, which provided a surprise outcome. We therefore undertook a review of our forecasts on 15 November.*
- *Despite many ominous warnings that there could be significant turbulence in financial markets if **Donald Trump won the election**, markets have surprised by their lack of such a reaction. In fact, stock markets in America have hit a new record high in the first few days since the election. However, Treasury yields have risen sharply in expectation of a significant rise in inflation, as an economy which is already working near to full capacity could be in line for a significant boost to economic growth if Trump’s expansion of infrastructure expenditure plans become a reality.*



- *His plans to cut taxes, at the same time as boosting expenditure, could also lead to a sharp rise in total debt issuance from the current level of around 72% of GDP towards 100% during his term in office. However, although the Republicans now have a monopoly of power for the first time since the 1920s, in having a President and a majority in both Congress and the Senate, there is by no means any certainty that the politicians and advisers he has been appointing to his team, and both houses, will implement the more extreme policies that Trump outlined during his election campaign. Indeed, Trump may even rein back on some of those policies himself.*
- *The **MPC meeting of 3 November** left Bank Rate unchanged at 0.25% and other monetary policy measures also remained unaltered. This was in line with market expectations, but a major change from the previous quarterly Inflation Report MPC meeting of 4 August, which had given a strong steer in its forward guidance that it was likely to cut Bank Rate again, probably by the end of the year if economic data turned out as forecast by the Bank.*
- *The latest MPC decision included a forward view that **Bank Rate** could go either up or down depending on how economic data evolve in the coming months. Our central view remains that Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in June 2019 (unchanged from our previous forecast). However, we would not, as yet, discount the risk of a cut in Bank Rate if economic growth were to take a significant dip downwards, though we think this is unlikely. We would also point out that forecasting as far ahead as mid 2019 is highly fraught as there are many potential economic headwinds which could blow the UK economy one way or the other as well as political developments in the UK, (especially over the terms of Brexit), EU, US and beyond, which could have a major impact on our forecasts.*
- *The pace of Bank Rate increases in our forecasts has been slightly increased beyond the three year time horizon to reflect higher inflation expectations.*
- *The August quarterly Inflation Report was based on a pessimistic forecast of near to zero **GDP growth** in quarter 3 i.e. a sharp slowdown in growth from +0.7% in quarter 2, in reaction to the shock of the result of the referendum in June. However, consumers have very much stayed in a 'business as usual' mode and there has been no sharp downturn in spending; it is consumer expenditure that underpins the services sector which comprises about 75% of UK GDP. After a fairly flat three months leading up to October, retail sales in October surged at the strongest rate since September 2015. In addition, the GfK consumer confidence index has recovered quite strongly to -3 in October after an initial sharp plunge in July to -12 in reaction to the referendum result.*
- *Bank of England GDP forecasts in the November quarterly Inflation Report were as follows, (August forecasts in brackets) - 2016 +2.2%, (+2.0%); 2017 1.4%, (+0.8%); 2018 +1.5%, (+1.8%). There has, therefore, been a sharp increase in the forecast for 2017, a marginal increase in 2016 and a small decline in growth, now being delayed until 2018, as a result of the impact of Brexit.*
- *Capital Economics' forecasts for economic growth are as follows: 2016 +2.0%; 2017 +1.5%; 2018 +2.5%. They feel that pessimism is still being overdone by the Bank and Brexit will not have as big an effect as initially feared by some commentators.*

- The other key factor in forecasts for Bank Rate is **inflation** where the MPC aims for a target for CPI of 2.0%. The November Inflation Report included an increase in the peak forecast for inflation from 2.3% to 2.7% during 2017; (Capital Economics are forecasting a peak of 3.2% in 2018). This increase was largely due to the effect of the sharp fall in the value of sterling since the referendum, (16% down against the US dollar and 11% down against the Euro); this will feed through into a sharp increase in the cost of imports and materials used in production in the UK. However, the MPC is expected to look through the acceleration in inflation caused by external, (outside of the UK), influences, although it has given a clear warning that if wage inflation were to rise significantly as a result of these cost pressures on consumers, then they would take action to raise Bank Rate.
- What is clear is that **consumer disposable income** will come under pressure, as the latest employers' survey is forecasting median pay rises for the year ahead of only 1.1% at a time when inflation will be rising significantly higher than this. The CPI figure for October surprised by under shooting forecasts at 0.9%. However, producer output prices rose at 2.1% and core inflation was up at 1.4%, confirming the likely future upwards path.
- **Gilt yields, and consequently PwLB rates**, have risen sharply since hitting a low point in mid-August. There has also been huge volatility during 2016 as a whole. The year started with 10 year gilt yields at 1.88%, fell to a low point of 0.53% on 12 August, and have hit a peak on the way up again of 1.46% on 14 November. The rebound since August reflects the initial combination of the yield-depressing effect of the MPC's new round of quantitative easing on 4 August, together with expectations of a sharp downturn in expectations for growth and inflation as per the pessimistic Bank of England Inflation Report forecast, followed by a sharp rise in growth expectations since August when subsequent business surveys, and GDP growth in quarter 3 at +0.5% q/q, confounded the pessimism. Inflation expectations also rose sharply as a result of the continuing fall in the value of sterling.
- **The Chancellor** has said he will do 'whatever is needed' i.e. to promote growth; there are two main options he can follow – fiscal policy e.g. cut taxes, increase investment allowances for businesses and/or increase government expenditure on infrastructure, housing etc. This will mean that the PSBR deficit elimination timetable will need to slip further into the future as promoting growth, (and ultimately boosting tax revenues in the longer term), will be a more urgent priority.
- **Employment** has been continuing to grow steadily, despite initial expectations that the referendum would cause a fall in employment. **House prices** are also continuing to rise at a modest pace; but a downturn in prices could dampen consumer confidence and expenditure.
- **Rising EU and geopolitical risks e.g.**
  - **Greece** continues to cause major stress in the EU due to its tardiness and reluctance in implementing key reforms required by the EU to make the country more efficient and to make significant progress towards the country being able to pay its way – and before the EU is prepared to agree to release further bail out funds.
  - **Spain** has had two general elections in 2015 and 2016, both of which failed to produce a workable government with a majority of the 350 seats. At the eleventh hour on 31 October, before it would have become compulsory to call a third general election, the party with the biggest bloc of seats (130),

was given a majority confidence vote to form a government. This is potentially a highly unstable situation, particularly given the need to deal with an EU demand for implementation of a package of austerity cuts which will be highly unpopular.

- *The under capitalisation of **Italian banks** poses a major risk with state aid firmly ruled out by the EU as a potential way out.*
- ***4 December Italian constitutional referendum** on reforming the Senate and reducing its powers; this has also become a confidence vote on Prime Minister Renzi who originally said he would resign if there is a 'no' vote, but has since back tracked on that in the light of adverse poll predictions. A rejection of these proposals would stop progress to fundamental political and economic reform which is urgently needed to deal with Italy's core problems, especially low growth. They are also intended to give Italy more stable government as no western European country has had such a multiplicity of governments since the Second World War as Italy, due to the equal split of power between the two chambers of the Parliament which are both voted in by the Italian electorate but by using different voting systems. It is unclear if a No vote could bring down the government.*
- ***Dutch general election 15.3.17**; a far right party is currently polling neck and neck with the incumbent ruling party. In addition, anti-big business and anti-EU activists have already collected two thirds of the 300,000 signatures required to force a referendum to be taken on approving the EU – Canada free trade pact. This could delay the pact until a referendum in 2018 which would require unanimous approval by all EU governments before it can be finalised. In April 2016, Dutch voters rejected by 61.1% an EU – Ukraine cooperation pact under the same referendum law. Dutch activists are concerned by the lack of democracy in the institutions of the EU.*
- ***French presidential election**; first round 13 April; second round 7 May 2017.*
- ***French National Assembly election June 2017.***
- ***German Federal election August – 22 October 2017.** This could be affected by significant shifts in voter intentions as a result of terrorist attacks, dealing with a huge influx of immigrants and a rise in anti EU sentiment.*
- *The core EU, (note, not just the Eurozone currency area), principle of free movement of people within the EU is a growing issue leading to major stress and tension between EU states, especially with the Visegrad bloc of former communist states.*
- *Given the number and type of challenges the EU faces in the next eighteen months, there is an identifiable risk for the EU project to be called into fundamental question. The risk of an electoral revolt against the EU establishment has gained traction after the shock results of the UK referendum and the US Presidential election. But it remains to be seen whether any shift in sentiment will gain sufficient traction to produce any further shocks.*
- ***Economic growth in the EU**, (the UK's biggest trading partner), has been lack lustre despite the ECB cutting its main rate to -0.4% and embarking on a massive*

programme of quantitative easing during 2016. Growth could be negatively impacted by political developments which would then also impact on UK exports and growth.

- The **US economy** has been growing strongly in quarter three at 2.9%, (on an annualised basis), after only 1.4% in quarter 2. The election does not appear likely to have much impact on the Fed. in terms of holding back further on increasing the Fed. Rate. Accordingly, the next rate rise is still widely expected to occur in December 2016, followed by sharper increases thereafter, which may also cause Treasury yields to rise further; this could give rise to a growing gap between Treasury and gilt yields over time. If the Trump package of policies is implemented, there is likely to be an increase in inflationary pressures which could then mean that the pace of further Fed. Rate increases will be quicker and stronger than formerly expected.
- In the first week since the US election, there has already been a **major shift in investor sentiment away from bonds to equities**, especially in the US. However, gilt yields and bond yields in the EU have also been dragged higher. Some commentators are saying that this rise has been an overreaction to the US election result which is likely to be reversed. Other commentators take the view that this could well be the start of the long expected eventual unwinding of bond prices propelled upwards to unrealistically high levels by the artificial and temporary power of quantitative easing.
- **Japan** is struggling to gain consistent significant growth, although quarter 3 has come in at +2.2%, (annualised rate). It is also struggling to put deflation firmly behind it and to get inflation up to reasonable levels, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.
- **Chinese economic growth** has been weakening despite successive rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

## **CAPITA ASSET SERVICES' FORWARD VIEW**

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities.

We have pointed out consistently that the Fed. Rate is likely to go up more quickly and more strongly than Bank Rate in the UK and recent events have not changed that view, just that the timing of such increases may well have been deferred somewhat during 2016. While there is normally a high degree of correlation between the two yields, we would expect to see a growing decoupling of yields between the two i.e. we would expect US yields to go up

faster than UK yields. We will need to monitor this area closely and the resulting effect on PWLB rates.

The overall balance of risks to economic recovery in the UK remains to the downside, particularly with the current uncertainty over the final terms of Brexit. We would, as always, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are at present. We are experiencing exceptional levels of volatility which are highly correlated to geo-political and sovereign debt crisis developments. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

	NOW	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
<b>BANK RATE</b>	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.75	0.75
<b>3 month LIBID</b>	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.40	0.50	0.60	0.70	0.80	0.90
<b>6 month LIBID</b>	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.50	0.60	0.70	0.80	0.90	1.00
<b>12 month LIBID</b>	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.80	0.80	0.90	1.00	1.10	1.20	1.30	1.40
<b>5 yr PWLB</b>	1.50	1.60	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	2.00	2.00
<b>10 yr PWLB</b>	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.70
<b>25 yr PWLB</b>	3.00	2.90	2.90	2.90	2.90	3.00	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.30	3.40
<b>50 yr PWLB</b>	2.70	2.70	2.70	2.70	2.70	2.80	2.80	2.80	2.90	2.90	3.00	3.00	3.10	3.10	3.20

BANK RATE	now	previously
Q1 2017	0.25%	0.10%
Q1 2018	0.25%	0.10%
Q1 2019	0.25%	0.25%
Q1 2020	0.75%	-

Our target borrowing rates and the current PWLB (certainty) borrowing rates are set out below.

PWLB debt	Current borrowing rate as at 15.11.16	Target borrowing rate now (Q4 2016)	Target borrowing rate previous (Q4 2016)
5 year	1.53%	1.60%	1.00%
10 year	2.24%	2.30%	1.50%
25 year	2.89%	2.90%	2.30%
50 year	2.63%	2.70%	2.10%

**Borrowing advice:** although yields have risen from their low points, yields are still at historic lows and borrowing should be considered if appropriate to your strategy. We still see value in the 40yr to 50yr range at present but that view would be negated if Bank Rate does not climb to at least 2.5% over the coming years. Accordingly, clients will need to review and assess their risk appetite in terms of any underlying borrowing requirement they may have, and also project forward their position in respect of cash backed resources.

Any new borrowing should also take into account the continuing cost of carry, the difference between investment earnings and borrowing rates, especially as our forecasts indicate that Bank Rate may not rise from 0.25% until June 2019 and then will only rise slowly.

Our suggested budgeted investment earnings rates for investments up to about three months duration in each financial year for the next seven years are as follows: -

Average earnings in each year	Now	Previously
2016/17	0.25%	0.25%
2017/18	0.25%	0.10%
2018/19	0.25%	0.25%
2019/20	0.50%	0.50%
2020/21	0.75%	0.75%
2021/22	1.00%	1.00%
2022/23	1.50%	1.25%
2023/24	1.75%	1.50%
Later years	2.75%	2.50%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is expected to remain unchanged. Negative, (or positive),

*developments could significantly impact safe-haven flows of investor money into UK, US and German bonds and produce shorter term movements away from our central forecasts.*

*Our interest rate forecast for Bank Rate is in steps of 25 bps whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.*

*Naturally, we continue to monitor events and will update our forecasts as and when appropriate.*

**Report to:** Cabinet  
**Date of Meeting:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None



**Agenda item:** 17

**Subject:** EDDC Cultural Plan 2017-2022

**Purpose of report:** The report sets out the need to adopt the refreshed Cultural Plan for East Devon District Council which was last reviewed in 2012 and so is out of date. The report identifies the benefits that can be derived from adopting a Cultural Plan that will help set the ambitions for the Council and its management of its cultural programmes and assets over the next five years.

**Recommendation:** That Cabinet recommends to Council the adoption of the Cultural Plan which will set the vision and ambitions for the Council's future engagement with cultural activities within the district.

**Reason for recommendation:** To provide the Council with a framework for delivering our cultural activities, to help steer future cultural projects and programmes without increasing the current financial support too our cultural assets.

**Officer:** Charlie Plowden, Service Lead – Countryside & Leisure ext: 2068  
[cplowden@eastdevon.gov.uk](mailto:cplowden@eastdevon.gov.uk)

**Financial implications:** Any financial implications are to be funded from the Arts & Culture budgets. The 2017/18 budgets are subject to the current budget process.

**Legal implications:** The Cultural Strategy forms part of the Policy Framework and therefore is for Full Council to adopt. As the report identifies provision or maintenance of cultural activities is not a compulsory statutory function and therefore these activities are carried out by choice. Legally this is permissible, again as identified in the report. If adopted the Strategy will help guide decision making in respect of cultural activities.

**Equalities impact:** High Impact  
If there is a reduction in the level of support in managing our cultural assets it will compromise opportunities for local communities to access those assets which provide physical and mental health benefits to the more vulnerable and socially disadvantaged sectors of our district who would otherwise have limited opportunities to access and enjoy cultural activities.

**Risk:** High Risk  
The increasing pressures on the management of the Council's cultural assets means that without an overarching Plan for their future there could be a decline in both quality and accessibility of and too these sites.

**Links to background information:**

- [EDDC Cultural Plan 2017-21](#)
- [Culture White Paper](#)

**Link to Council Plan:** Delivering and promoting our outstanding environment



## Report in full

### 1. Background

- 1.1 East Devon is a District that has an outstanding natural environment which has defined its cultural heritage through inspiring artists and writers with its dramatic coastline and countryside that has been largely retained and continues to inspire those who live, work and visit the area.
- 1.2 The Council owns and manages a number of cultural assets (theatres, cinemas and a gallery) which form an important part of making our area a very attractive place to live and work. They also draw in visitors from around the country and abroad as part of the wider cultural offer the Council supports. It is a combination of these assets along with our outstanding environment which shapes our current cultural offer that drives the wider economy of East Devon.
- 1.3 It is recognised that culture is not a statutory responsibility of the Council. However, the Local Government Act of 1972 granted local authorities the power to spend money on the arts for public benefit. Cultural activities are often at the heart of Councils' exercising their 'power of well being'. The Council however still owns and manages a number of community venues and green spaces which provide cultural activities across the district.
- 1.4 The recent Culture White paper provides compelling evidence of how cultural activities can help empower communities, help regenerate towns and also celebrate the uniqueness of our cultural heritage and also make links to our health and wellbeing work. Many of the White Paper policy proposals are already being delivered by the Council and the refreshed Plan has sought to integrate the aims of this document within our ambitions.
- 1.5 The value of our cultural work was reviewed extensively by an Arts and Culture TAFF in 2014 and recommendations were made to ensure that our resources were carefully targeted to supporting our strategic cultural assets and taking on a more enabling role through partnerships such as Villages in Action, regeneration projects and helping to promote community led initiatives.
- 1.6 This means that we are able to draw upon officers in our Countryside and Arts based teams to deliver a core "cultural offer" through their service plans but also make a direct link to our Street Scene team, Conservation Officers in planning, Engineers and Leisure East Devon. This enables a more joined up approach to the way we can deliver our ambitions within the Cultural Plan.
- 1.7 The Cultural Plan (in Annex 1) has been scrutinized and approved for recommendation by the Arts and Culture Forum as well as Strategic Management Team. The document will form an important statement of the future work programme of the Arts & Culture Forum helping to shape and guide the Council's future ambitions in this arena. This document has been kept short, focused and realistic in its ambitions.

1.8 The Plan is a high level strategic document that is not seeking to make decisions about our cultural assets. Its purpose is to recognize the value of our cultural work within the setting of our wider corporate agenda and how it is helping to deliver district wide social value, reputational value and through its ambitions can help play a continuing role in the Council's wider corporate priorities.

## 2. Current cultural activities

2.1 The Council currently delivers its wider cultural programme through the Thelma Hulbert Gallery, Manor Pavilion theatre, the Countryside Service, Blackdown Hills AONB Partnership, East Devon AONB Partnership and LED. These are the core "cultural services" which not only provide opportunities to access a wide range of cultural activities and events they provide a valuable outreach service designed to reach the most socially disadvantaged communities who find it difficult to access these activities.

2.2 The cultural offer has had to be refined in the last five years with the loss of the Arts Development Officer post in 2012 and also the Museums Officer post in 2004. This has meant a rationalization of what the Council is able to deliver across all its communities with a greater emphasis on what our cultural assets can deliver within a more limited cultural programme. This has meant withdrawing resources from areas such as developing the District Arts Directory and being represented on various County led cultural partnership arrangements.

2.3 However the comprehensive review of all the Council's activities within the cultural arena led by the Arts & Culture TAFF in 2014 has provided a clear strategic direction for the cultural assets we manage as well as a challenge to deliver a broader outreach and community led programme of activities from within the cultural teams. This approach is reflected within the updated Cultural Plan.

2.4 The recent successes of the Thelma Hulbert Gallery (THG) working with the Memory Café (dementia), ROC (adults with learning difficulties) and MIND clearly demonstrates how our cultural activities can help deliver health and wellbeing priorities for East Devon DC. This is also a core part of the Countryside team's activities with district wide outdoor learning events and activities being delivered into some of our most socially deprived neighbourhoods in Exmouth and Axminster working closely with our Housing team.

2.5 The AONB Partnerships have developed a programme of cultural heritage projects such as the HLF funded Legacy to Landscape project in the Shute and Colyton area and the Dunkeswell war stories project within the Blackdown Hills. Both AONBs work with their local communities to encourage the mapping, recording and participation in their local cultural heritage to keep it alive for future generations.

2.6 The success of these activities has come through the ability of the THG, Countryside and AONB teams to draw in external funding and also drive up income generation to help support their delivery. The teams have also made clear and strong links with national and sub regional priorities in areas such as health and wellbeing, the natural economy and supporting the local economy. This has meant despite the loss of funding and staffing capacity the Council's cultural programme of activities and events are in "good health".

### 3. The Culture White Paper

3.1 The document sets out the Government's vision to embed culture in how we enjoy our lives, how it can transform lives especially through education and reaching socially disadvantaged groups and the economic benefits it can bring to communities.

- Intrinsic value of culture
- Social value of culture (education & health & wellbeing)
- Economic value of culture

3.2 The White Paper clearly outlines what it expects its publically funded cultural assets and services should be delivering. These expectations and how East Devon DC is engaging are being delivered primarily through a wide range "cultural services" – such as the THG, Manor Pavilion Theatre, Led, Housing, Streetscene, Countryside Team and the two AONB Partnerships.

3.3 The White Paper sets out specific areas and opportunities for engagement listing funding streams, partnerships and processes for delivering the ambitions of the White Paper. Listed below are areas where we are meeting those challenges head on and with some success:

- **Increased public participation in culture especially disadvantaged groups** -THG, Led, Community Development & Countryside teams outreach initiatives & collective public events programmes
- **Arts Council England to work with arts sector to help act as brokers between schools and arts facilities** – THG schools outreach programme
- **Provide a pathway for people of all backgrounds to get into the cultural sector especially low income households** – Current apprenticeships and volunteering programmes in place with the THG, Parks & Gardens and Countryside teams
- **Using cultural place making that shapes the development of our communities** – Cranbrook's cultural development work and the Regeneration team in Seaton, Exmouth & Axminster
- **Cultural activate that helps improve health and care outcomes** – THG and its dementia work, Countryside and its work with GP referrals, Led and its walking to health initiative, Community Development and their work with SWITCH.
- **Cultural projects that help unlock funding e.g. Coastal Communities Fund** – supporting the development of Seaton Jurassic
- **LAs to develop Cultural Strategies that are deliverable long term and are sustainable** – EDDC Cultural Plan
- **Cultural partnerships that draw together range of organisations to help deliver the White Paper's ambitions** – SW Museums Alliance brokering funding bids for our local museums and Villages in Action programme working across the district
- **Using our cultural heritage to help bring social benefits with understanding our identity but also boosting our local economy through tourism** – World Heritage Site's economic benefits to east devon , East Devon & Blackdown Hills AONB cultural heritage projects
- **Cultural resilience identified as means of sustaining our cultural offers locally – so reviewing business models, seeking sponsorship, grants and encouraging new**

**approaches such as crowd funding** – THG has gone through a review of their business model and developed new opportunities for increasing income and external funding

- 3.4 These are the key areas that EDDC can help progress the White Paper and where we are already engaging with the resources we have available.
- 3.5 EDDC as highlighted in the bold text above is already meeting some of the challenges being made through the White Paper and is in a strong place to continue to improve its cultural offer through a wide range of programmes and projects. These are being delivered through its directly funded cultural services – THG, Manor Pavilion theatre and the Countryside Team and also through supported partnership arrangements – 2 AONB Partnerships, Led, Villages in Action & SW Museums initiative.
- 3.6 EDDC's Cultural Plan 2017-22 reflects these higher level ambitions at a more local level recognising our own unique culture and through the Plan we have a robust and deliverable programme that meets the issue of remaining "resilient" to future funding challenges.
- 3.7 EDDC has recognised that some of its key corporate priorities around enabling the delivery of a health & wellbeing role, delivering economic wellbeing across its communities and maintaining and promoting our outstanding natural environment can and is being facilitated by our support of our cultural activities. By placing culture at the heart of many aspects of East Devon DC's corporate priorities we are already helping to deliver on The Culture White Paper's vision and priorities.

#### 4. Summary

- 4.1 The ambitions of the Cultural Plan are firmly embedded in the Council's Corporate Plan, Service Plans and the Transformation Plan to continue to keep East Devon an outstanding place to live and work in.
- 4.2 The overarching guidance from the Council's Arts & Culture Forum will continue to help steer and champion all the work of the team's engaged in delivering our cultural priorities to ensure that resources are carefully targeted and that we secure maximum visibility and reputation management for this important area of Council business.
- 4.3 These last five years since the last Plan was adopted has seen a growth in participation of events, a rise in income generation, considerable success in securing external funding, the expansion of outreach programmes and a greater coverage of communities and schools across East Devon accessing areas of our cultural activity. This suggests that we are delivering a strong and well received cultural offer. There is still plenty to do and challenges to face but it is a good place to be in.

**Report to:** Cabinet  
**Date of Meeting:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None



**Agenda item:** 18

**Subject:** Monthly Performance Report October 2016

**Purpose of report:** Performance information for the 2016/17 financial year for October 2016 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.

**Recommendation:** That the Cabinet considers the progress and proposed improvement action for performance measures for the 2016/17 financial year for October 2016.

**Reason for recommendation:** This performance report highlights progress using a monthly snapshot report; SPAR report on monthly performance indicators and system thinking measures in key service areas including Development Management, Housing and Revenues and Benefits.

**Officer:** Karen Jenkins, Strategic Lead – Organisational Development and Transformation

**Financial implications:** [kjenkins@eastdevon.gov.uk](mailto:kjenkins@eastdevon.gov.uk) ext 2762  
There are no direct financial implications

**Legal implications:** There are none arising from the recommendations in this report

**Equalities impact:** Low Impact

**Risk:** Low Risk

A failure to monitor performance may result in customer complaints, poor service delivery and may compromise the Council's reputation.

**Links to background information:**

- [Appendix A – Monthly Performance Snapshot for October 2016](#)
- [Appendix B - The Performance Indicator Monitoring Report for the 2016/17 financial year up to October 2016](#)
- [Appendix C – System Thinking Reports for Housing, Development Management and Streetscene for October 2016](#)

**Link to Council Plan:** Continuously improving to be an outstanding Council

## Report in full

1. Performance information is provided on a monthly basis. In summary most of the measures are showing acceptable performance.

2. There are three indicators that are showing excellent performance:
  - Percentage of planning appeal decisions allowed against the authority's decision to refuse
  - Days taken to process Housing Benefit/Council Tax Benefit new claims and change events
  - Working days lost due to sickness absence
3. There are no performance indicators showing as concern.
4. Monthly Performance Snapshot for August is attached for information in [Appendix A](#).
5. A full report showing more detail for all the performance indicators mentioned above appears in [Appendix B](#).
6. Rolling reports/charts for Housing, Development Management and Streetscene appear in [Appendix C](#).

# Monthly Performance Snapshot – October 2016



This monthly performance snapshot shows our performance over the last month:

- **5 days** to process your Housing or Council Tax Benefit claims
- **94%** of invoices received by us are paid within 10 days
- An estimated **46%** of all waste collected was recycled in October
- Less than **2 days** on average to clear fly tipping cases, dealing with 42 cases in October
- **600** visitors attended THG's Halloween event on 29 October to celebrate Museums At Night **up + 140%** on the last event in May
- We dealt with 192 reactive building maintenance cases at EDDC's public buildings during October, this compares with 220 in September of this year, and 157 in October of last year.

Latest headlines:

- Watch this space poster campaign started in Exmouth at the end of October – raising awareness of the new recycling and waste collection service launching Feb 2017 (Exmouth) and June 2017 for the rest of the district.
- October saw the announcement that we would be running our winter parking special offer again this year. A daily parking tariff of £2, payable after 10am will be available in all of our 39 pay and display car parks from the 1 November 2016 to 31 March 2017.
- Over a hundred representatives of voluntary and community groups, town and parish councils and Councillors came along to our sixth annual Working Together Event held in October, this year's topic was 'Health and Wellbeing'.
- THG delivered 18 workshops coordinating with their Eduardo Paolozzi exhibition engaging and inspiring pupils from 9 local schools
- Advance tickets sales at the Manor Pavilion Theatre, Sidmouth have never been stronger. Four different shows in October were sold out including the New Jersey Boys and James Pellow in a new comedy play.
- Due to public demand the venue is now selling it's very own gift vouchers, sales are expected to see a large increase with the lead up to Christmas.

**Report to:** Cabinet  
**Date of Meeting:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None



**Agenda item:** 19

**Subject:** Proposed Exeter Travel to Work area Board

**Purpose of report:** To seek support for the establishment of formal joint governance arrangements for economic development and strategic planning and infrastructure project management and delivery for the Exeter TTWA to ensure that this functional economic area punches its weight regionally and nationally.

**Recommendation:** That Cabinet approve in principle the setting up of a Greater Exeter Growth and Development Board together with the local authorities covering the Exeter Travel to Work area, namely Devon County Council, East Devon District Council, Mid Devon District Council and Teignbridge District Council.

**Reason for recommendation:** The proposed Board is intended to be an effective vehicle for areas of cross boundary working and strategic projects that promote the interests of the area that couldn't otherwise be pursued by any of the constituent members acting by themselves. There is a strong case that the growing economic, housing and infrastructure pressures and indeed opportunities facing the sub region, definable by the geography of the four District authorities, require a change to the informal voluntary partnerships which have served the area well to date but which will not provide the most effective approach going forward. It will also be the vehicle to simplify and reduce duplication in current areas of cross boundary working.

**Officer:** Mark Williams, Chief Executive [mwilliams@eastdevon.gov.uk](mailto:mwilliams@eastdevon.gov.uk)

**Financial implications:** There are no direct financial implications at this stage, however further progress may require funding but this will have to come to Cabinet for approval.

**Legal implications:** Subject to further discussion and agreement it is contemplated that the Board may be a Joint Committee established under s101 (5) & 102 Local Government Act 1972 and s9EB of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012. All of the above permit the Council to enter into joint arrangements with other authorities. So the recommendation for an 'in principle' decision is acceptable on this basis.

The specific remit of the Committee, its Terms of Reference and Rules of Procedure are yet to be drafted and accordingly, provided 'in principle' approval is given, and all the authorities named in the recommendation agree, further work will be undertaken and the outcomes and recommendations reported back to Cabinet/Council for final approval.



In this regard, the Committee cannot actually be established until its specific remit, Terms of Reference and Rules of Procedure are agreed and all the Council's formally resolve to it being established – in our case this would be a Full Council decision. Amendments to our Constitution may well be required and these would be reported and recommended for approval at the same time.

**Equalities impact:** Low Impact - The outcomes of the proposals are geared towards delivering economic benefit, economic growth raising income levels and securing investment, raising standards of living and creating more confidence and ability for investment to take place in the cultural facilities and infrastructure essential to enabling the area to meet the different needs and aspirations of the diverse groups that make up its residents and businesses.

**Risk:** Low Risk

There is a need to consider the capacity that is available to service the Board from within the resources currently available to the local authorities. Proposals for a more formal joined up approach to delivery of the Board's priorities and programme will follow once the Board is established.

At this stage the two key risks are a change of mind by one or more of the key partners to proceeding with the proposals and secondly insufficient resource is put towards progressing the proposals or the programme of activities. Both are currently the subject of ongoing discussions to try and ensure the proposals have a successful start.

**Links to background information:**

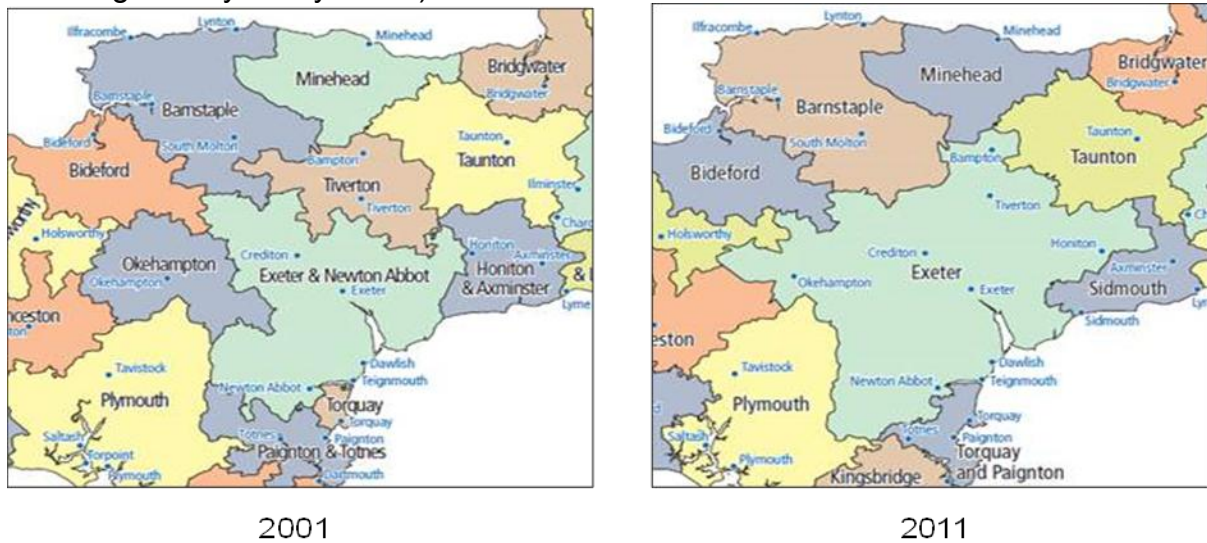
- [The State of the North – published report by Institute for Public policy Research – November 2014](#)
- [Annual Population surveys – ONS published data](#)
- [Report to Cabinet – Heart of the South West Formal Devolution Bid – 13 July 2016 - Item 14.](#)
- [Exeter City Council report to Executive 8 November 2016 – item 9](#)
- [Exeter City Council – minutes of Executive meeting 8 November 2016 – Minute 124](#)

**Link to Council Plan:** Developing an outstanding local economy

## Report in full

1. Background
- 1.1 The local authorities covering Exeter, East Devon, Mid Devon and Teignbridge have a long standing relationship in regards to economic development and tourism promotion under the umbrella of the Heart of Devon. More recently, since 2010, Teignbridge and East Devon District and Exeter City Councils have been working in collaboration under the Exeter and Heart of Devon Growth Board, the remit of which has been to bring forward a major growth programme of housing and infrastructure centred on Exeter and extending into adjoining areas of East Devon and, latterly, Teignbridge.
- 1.2 East Devon, Teignbridge and Exeter have collaborated on the production of strategic housing market assessments and sub regional planning and more recently have established Strata to run ICT services.
- 1.3 The three Councils have been exploring the opportunity for greater collaboration to address the effectiveness and efficiency of arrangements to promote economic development within the wider economic functional area and to address the challenging infrastructure, planning

and funding environment to service the future needs of the area. The functional economic area can be illustrated by the following maps drawn from a comparison of the extent of the travel to work areas derived from the 2001 and 2011 Census. The Exeter sub region has a combined population of some 470,000 people which is 61% of Devon's population (not including Torbay or Plymouth).



- 1.4 There is a shared recognition that the area's economic needs will necessarily and increasingly be met by a focus on the further development and exploitation of key assets in the knowledge economy and complementary developments within and around the city. As well as marked growth in Exeter, Teignbridge and East Devon are growing rapidly both in terms of housing and employment. Newton Abbot has high retail retention and provides significant employment in manufacturing and distribution. East Devon has Cranbrook, Exeter Science Park, Skypark, Exeter Airport and large distribution hub developments within its area. Mid Devon is currently progressing plans for major housing and employment developments notably at Cullompton and also at Junction 27 of the M5.
- 1.5 The growing pressures and opportunities facing the TTWA now require a change to the existing informal voluntary partnerships which have served the area well to date but which will arguably not provide the most effective approach going forward.
- 1.6 In addition, changes to the financing of local government, the reduction of the grant settlement and the incentivising of growth, requires a more collaborative approach to delivering growth and this will serve the interests of our communities and enable us to take opportunities that are presented to make efficiency savings. There is a shared desire to build on this collaboration to unlock the potential for accelerated economic growth and to provide long term confidence in the economy and planning of the sub region.
- 1.7 The Exeter TTWA economy has proved to be resilient against the national economic context. The area has recorded some of the fastest growth rates in the country in recent years, but against the investments being made and improving competitive position of other places in the UK and in an internationally competitive environment, there is no room for complacency. Exeter will be critical to the region's productivity and be a fundamental plank in the delivery of essential economic growth going forward and especially in any devolution deal covering the wider Heart of the South West Local Employment Partnership (HotSW LEP) area .
- 1.8 Exeter sits at the heart of the economy with some 34% growth in employment between 2004 and 2014 (based on the Annual Population Survey). This doesn't just benefit the city as with one of the highest inward commuting patterns in the UK, and real interdependence with the wider area. The city's strength permeates across its expanding TTWA. Eurostat data shows that from 2002-12, despite being in a region with almost the UK's lowest overall GDP per employee, Exeter saw the highest growth in purchasing power per inhabitant of

any city in England and second only to Aberdeen in the UK. This is a sound basis for addressing the more persistent economic issues in the area of low incomes and too low levels of generation of new businesses.

- 1.9 We are now in a position where the housing and labour markets broadly align covering Exeter and large parts of East Devon, Mid Devon and Teignbridge. It is sensible and logical therefore to plan for growth on the basis of the reality of the functional economic geography. The imperative is to work collaboratively to drive the growth of the Exeter TTWA, taking a sub-regional approach, maximising the potential of the area which would benefit Devon as a whole.
- 1.10 It is essential to not only coordinate and combine effort and resources more efficiently around broad economic development activities, but also to take the bold step of addressing productivity growth by securing investment in innovation, skills and new business formation in order to ensure new jobs are created, incomes rise and that the area remains the economic engine of the region. KPMG in a recent study undertaken on behalf of Exeter City, Teignbridge and East Devon District Councils, have identified that there are a number of reasons why an innovation strategy designed specifically for a 'Greater Exeter' is likely to succeed:

#### 1.10.1 Productivity

Exeter is the driver of productivity in a region where productivity growth is the key constraint on faster economic growth. In the decade before the recent financial crisis Exeter and its surrounding area saw economic growth in line with the UK averages, since then it has fallen behind. As Table 1 shows, that is entirely due to low productivity growth, as the growth in jobs has been consistently above the regional and UK average.

Table 1: Growth in GVA per head

	Devon C C		South West		U K	
	2003-2008	2008-2013	2003-2008	2008-2013	2003-2008	2008-2013
GVA per head	4.4%	0.4%	3.9%	1.4%	4.4%	1.4%
Jobs	1.3%	0.5%	1.1%	0.4%	0.9%	0.3%
Productivity	3.8%	0.4%	3.6%	1.7%	4.0%	2.0%
Population	0.7%	0.5%	0.8%	0.7%	0.7%	0.8%

Source: ONS and KPMG analysis.

Note:  $GVA\ per\ head\ growth = job\ growth + productivity\ growth - population\ growth$ , although numbers may not sum due to rounding

The Exeter TTWA is an area of higher productivity within the Devon CC area. Its productivity, proxied by average annual wages, is around 16% higher than for the rest of Devon CC and over the past ten years its productivity has grown significantly faster. It was the driving force of the pre-crisis catch up to the national and regional averages.

As an economic centre of the wider Heart of the South West region, Exeter experiences greater productivity gains from agglomeration. Investing in creating economic activity around Exeter will bring higher total gains for the whole region. Agglomeration economics tells us that the geographic concentration of economic activity leads to greater total gains than if that activity were spread evenly. Research in this area suggests these benefits can be substantial. Productivity gains from agglomeration arise because businesses benefit from having better access to other businesses, their customers and a large pool of potential workers and it is easier for people from different businesses to share ideas. The more

concentrated activity is, the bigger that these effects are, and the bigger the productivity, and employment gains.

### 1.10.2 Rural and Urban

It is often presumed that urban environments are best suited for investment in innovation. However, the Exeter TTWA provides a valuable testing ground as it is formed by a rural economy with a strong city centre at its core with important links to a number of nearby towns and villages providing a different quality of life than congested urban environments. This could prove to be a competitive advantage: the place to live where leading innovations are developed. In addition, the area is perfectly placed to pursue technological developments and innovations in areas such as agriculture, food and what is now being called “Nature-tech”.

Moreover the city is an interesting asset as it has the perfect population size and demographic mix to form a testing bed for product and service innovations having the features of a major city within the confined geography of 18sq miles, for example including the same number of stations as Leeds, an international Airport, a stadium and a major regional hospital.

The fact that the city is based in a rural area, means that it is more isolated from the impacts of other cities and as such is a perfect place for proof of concept testing. To date, innovative companies have already recognised this fact and have invested in an Exeter location for precisely this reason. In addition the Exeter City Futures programme, based on the area’s potential as a test bed, has only just begun to be explored and will engage with the wider area because of the interrelationship with the city on energy, transportation and health issues.

## 2. **The Opportunity**

- 2.1 As well as further improvements to coordinating and pooling the area’s approach to economic development and building on the successes to date in the coordinated delivery of strategic investment and development, there are exciting opportunities to reap considerable economic benefit from focussing on developing the knowledge economy. Many cities across the UK are adopting innovation strategies as a means of accelerating current economic growth and safeguarding the future of this growth. For many years the UK viewed investment in skills improvements as the best way to achieve economic growth through productivity gains. And while skills remain very important needing further investment and coordinated effort, more investment is required in innovative growth as well as attending to the survival and growth of existing businesses. Many countries, including the UK, have entered a period of focussing on accelerated technological and scientific business creation.
- 2.2 KPMG report that small companies are ‘disrupting’ well-established businesses by rethinking technology and reinventing business models. This is important for two reasons. Firstly, the cities and areas that house and nurture these innovations, whether through academic institutions or businesses, will benefit from the creation of net additional high value jobs and related disposable income. Secondly, many stable sectors are at risk of being badly affected as technology changes the nature of jobs. Therefore to future-proof a local economy it will be important to ensure there is investment in new parts of the economy while defending sectors that are established and stable. This is an approach that has been taken successfully by many cities and areas around the world and needs to be at the core of taking forward the sub-regional economy.
- 2.3 Recent research by the Government shows that our sub-region has important comparative advantages in the concentration of environmental scientists in the world. Exeter through the University and the Met Office had more scientific contributors to the most recent globally recognised International Panel on Climate Change (IPCC) report on the impact of climate

change than any other city in the world by a large margin. The location of the Met Office £97m supercomputer on the Exeter Science Park, will enhance its global competitive advantage. It is important to determine how these advantages can be levered for local benefit.

- 2.4 Key economic assets therefore obviously include the University of Exeter and the Met Office. The Innovation Exeter strategy under development aims to harness these and other innovation assets to establish Greater Exeter as one of the UK's leading knowledge economies. Strategic sites like Exeter Science Park and Skypark as well as the airport also have vital roles to play. The area has a concentration of outstanding schools and colleges specialising in maths and ICT and 400 researchers focused on climate and environment-related science. Through Innovation Exeter we intend to have a strong partnership with a common vision, a commitment to joined-up policy making and the political will to deliver this, assisted by a supportive LEP. But while there is much we can build on, there is much that we still need to do collectively to make the most of the opportunity.
- 2.5 In short, the data suggests that Greater Exeter also has a momentum we can build on: a trend towards knowledge-intensive growth resulting from firms locating close to one another to experience the benefits of agglomeration: reduced costs and the better exchange of goods, ideas and people. These benefits have already drawn a cluster of innovative data analytics companies to the city, such as ATASS, Black Swan, Argand, See Data and Crowd Cube. As a result, we now host the largest cluster of digital economy activity south west of Bristol. Exeter has the core assets required to become a national centre for applied environmental science, data analytics and high performance computing.

### **3. Revised Governance**

- 3.1 Robust governance will be critical to the future success of the area. The current “informal” arrangements involving the Exeter and Heart of Devon Growth Board and Greater Exeter Vision Board have been very effective in serving the purpose for which they were established. Triggered by concerns about achieving a more concerted effort towards delivering and dealing with the consequences of the growth ambitions for the wider Exeter economy, discussions have taken place around establishing a more formal joined up agenda and working arrangements between authorities and key players recognising the important priorities, opportunities and challenges facing the functional economic and housing market area. With the work being undertaken to progress the extensive Innovation Exeter agenda and Greater Exeter discussions there is a need to take stock to ensure clear direction and resourcing to take priority projects forward and avoid the consequences of mixed messaging in marketing the area.
- 3.2 Whether or not the devolution proposals lead to a new relationship on planning and economic development matters across the LEP geography or not, there is a need for a formal body that has the advantages of acting as a single organisation with one strategy, plan and decision making process bringing together direction, commitment, effort and resources to remove duplication and address major strategic issues affecting this functional economic area. This is a significant step as it will mark a step away from the current informal arrangements to a robust formal structure that is capable of overseeing strategic decisions affecting economic performance, advocating the development case and pursuing funding for the area, managing the production of key statutory documents and taking collective financial decisions.
- 3.3 To date that “area” has been focussing on Exeter, East Devon and Teignbridge but there is a clear logic to that area being drawn more widely and including Mid Devon to better

represent the reality of the growing functional economic area, as defined by ONS data and the accepted travel to work area. This is more recognisable as a credible economic focus to business and the public rather than administrative boundaries. The HotSW LEP geography in reality consists of five or more recognisable functional economic areas each of which have distinctive priorities which the areas themselves will want to address and have influence over. The need to work across the wider LEP area or the peninsula as required, depending on the issue at hand, will remain a necessity.

- 3.4 The Council agreed at its meeting in July in principle to sign up to the creation of a combined authority for the Heart of the South West. Cabinet's recommendations, agreed by Council were to:
1. Endorse the Leader's current approach to devolution and agree to sign up to the principle of creating a Combined Authority for the Heart of the South West, as set out in the Prospectus for Productivity, as the basis for negotiation with Government towards a Devolution Deal for the area;
  2. Note that giving this endorsement does not commit the Council to entering into a Devolution Deal or becoming a member of a Heart of the South West Combined Authority. This would be subject to future debate and agreement by the Council and subject to negotiations with Government.
- 3.5 When a similar report was referred to Exeter City Council, the principle to sign up to the creation of a combined authority for the heart of South West was agreed subject to:
- a) Exeter and the wider growth area being recognised as the fundamental contributor to improving productivity and this being given due prominence in any proposed devolution proposal or deal,
  - b) The inclusion of appropriate, place-based decision making arrangements that reflect sub-regional geographies (that is the Greater Exeter area), with powers and flexibilities to agree and oversee, for example, the programmes addressing productivity and economic development, including investment in skills and business development,
  - c) Any governance review, consultation on that review and resulting scheme of governance making explicit reference to the principle of subsidiarity and double devolution and that review, consultation and scheme not reviewing, or advocating the review of, the organisation of local authorities in the Heart of the South West area, that is participating local authorities' electoral arrangements, governance arrangements, their constitution and membership, and structural and boundary arrangements,
  - d) The Leader of the Council participating in any meetings or negotiations, including meetings with Government members and officials, that relate to devolution and/or the creation of a combined authority.
- 3.6 In addition, at the Heart of the South West (HotSW) Local Enterprise Partnership Board meeting on 16 November 2016, the Board supported the proposed establishment of a HotSW Joint Committee of the 17 constituent councils as preparation for a devolution deal. This would not commit the partners to establish a Combined Authority or sign up to a devolution deal but would provide the opportunity to do so when the time is right. Reasons given for this approach were:
- a) It would place the development and ownership of the Productivity Plan at the heart of the Partnership's work and provide a formal governance platform to drive this work on behalf of the councils and partners.
  - b) Putting a formal structure around the informal monthly Leaders' meetings would build on the momentum achieved; demonstrate to Government the ongoing

commitment of the partners to work together; provide a governance model to continue negotiations for a future deal and respond to any emerging policy opportunities from Government/public sector reform.

- c) It would provide a low risk, low cost option, give real status and credibility to the work of the Leaders and partners, and would allow work to progress towards meeting the Board's goals against a realistic timeframe.
- d) It would streamline existing HotSW governance arrangements and enable the local authority partners to respond positively to the overtures received from the Local Enterprise Partnership to improve democratic representation on the LEP and bring the LEP and local authority function and governance arrangements closer together.

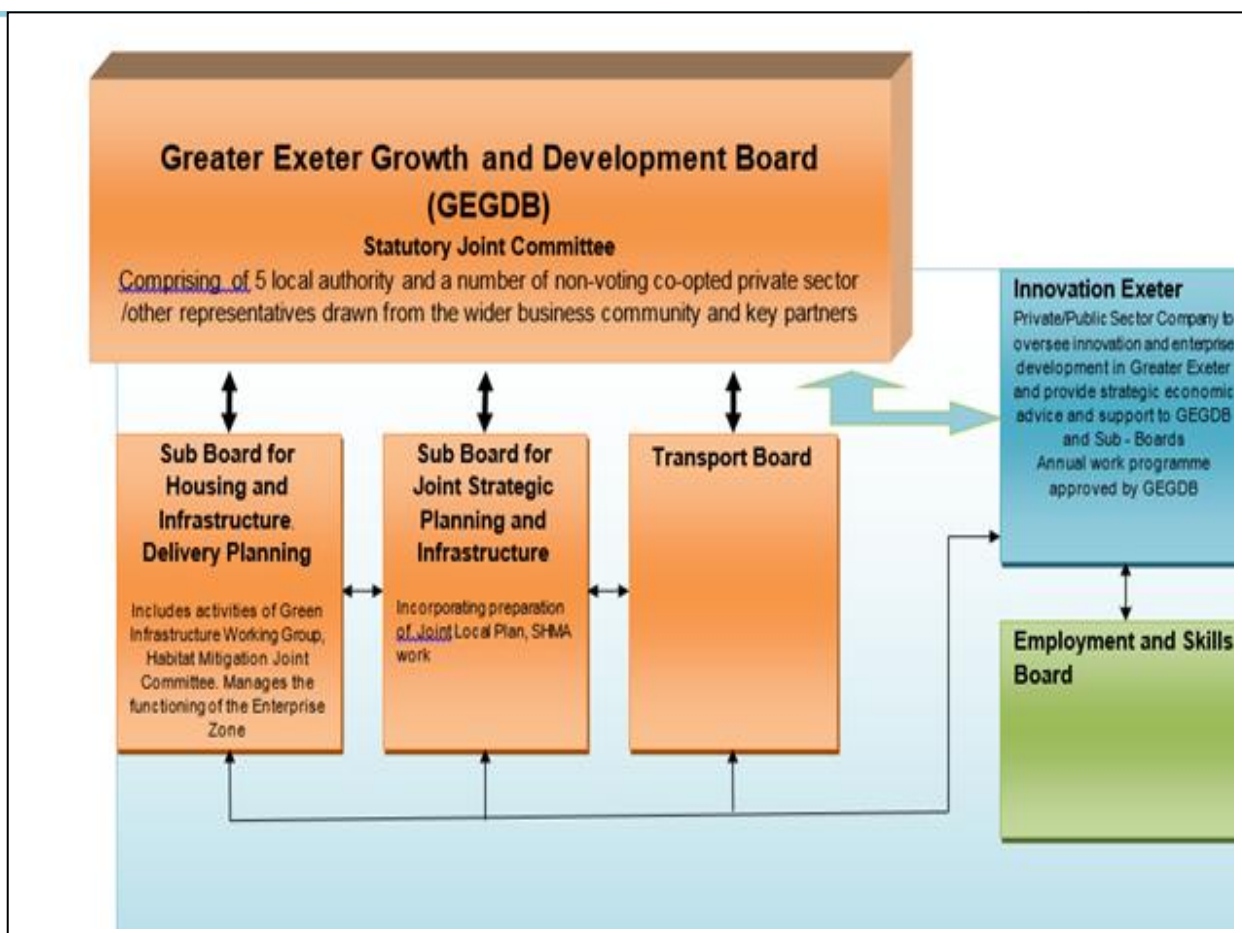
3.7 It is presently proposed that the desired formal body for the Exeter TTWA will be a 'Greater Exeter Growth and Development Board' (GEGDB) including the local authorities covering the Greater Exeter functional economic area. The Board would be a Joint Committee under s101 (5), 102 Local Government Act 1972 and s9EB Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012. It will comprise the 5 local authorities as voting members and a number of non-voting co-opted private sector /other representatives drawn from the wider business community. This approach was agreed by Exeter City Council in principle on 8 November and is now being considered by the other potential partners.

3.8 The Vision and ambitions of the new body would be set out in its own, formally agreed, Growth and Development Strategy (GDS). It will have oversight of the delivery of this Strategy and for bid submissions for the Local Growth Fund and other significant sources including European funding where appropriate. Delivery of the GDS will be underpinned by several key strategies covering the area including an Innovation Exeter Strategy, Skills Strategy, a Transport and Infrastructure Prospectus (possibly as part of a HOTSWS wide integrated Prospectus), Local Plan (joint), Strategic Housing Market Assessment and subsequent Capacity Assessment and Sustainability Appraisal. Formally approved Terms of Reference (TOR) would provide the mandate to deliver the vision and effectively coordinate the delivery of the plans that emanate from these strategies. It is proposed that the objectives and responsibilities of the Board would include at least the following, to;

- facilitate and enable real and effective collaboration between the member local authorities on economic development, strategic planning and promoting growth;
- agree and set the strategy for promoting and enabling the development of a competitive business environment relevant to the ambitions of the functional economic area;
- deliver cross-boundary programmes of work including agreeing specific priorities, plans, and projects;
- lead on and coordinate liaison with the LEP and other key agencies;
- develop and oversee the delivery of a skills strategy to ensure that local people have the skills to compete for jobs in the key sectors that are critical to the growth of the area's economy;
- continue the essential integrated approach to planning the next generation of necessary developments to address housing pressures and the transportation and communication (including ultra-fast broadband) requirements of a successful growing economy;
- support the 'Duty to Cooperate' in its widest sense in the promotion of strategic overview of forward planning across the area;
- seek agreement on alignment between funding streams and prioritise competitive funding bids.



3.9 The Board will necessarily set up sub boards or bodies to inform or undertake these functions on its behalf. Each will exist only for as long as is required. In order that the Board engages with the relevant community of interest and stakeholders in its endeavours, consideration should be given to having a limited number of advisory sub boards to provide expert advice and to explore the opportunities to accelerate or improve delivery or the removal of barriers to progress. The existing Exeter and Heart of Devon Growth Board has performed this function well and could continue as a sub board with its focus on development delivery and infrastructure. There is a discussion to be had over the involvement, continuation, merger or otherwise of existing similar boards in the area. The continuation of other sub boards could be time limited according to the issue or project in hand. The potential relationship between the GEGDB, the sub boards and the proposed economic development company below is depicted in the following diagram.



3.10 Servicing of the Board and coordinating and managing delivery as required by the Board will need resourcing and this is to be the subject of further discussion. We do presently have a number of officers employed in this area and can already effectively contribute to the overall objective.



3.11 In terms of financial/legal Implications, in the absence of the Board being a formal body initially at least then one authority will need to act as the accountable body in the event of bids or contracts for funding and delivery. The accountable body(ies) will provide the Board with regular at least quarterly progress and financial updates as required.

#### **4. Delivery**

4.1 The local authorities currently fund the provision of economic development activity through staffing and initiatives to different levels and East Devon and Exeter provide grant funding for the Exeter and East Devon Growth Point team. Innovation Exeter is supported by the City Council and the University. Local Plan related work is resourced by each authority on a varied basis also.

4.2 Best practice demonstrates that the ability to deliver lasting economic improvements and objectives hinges on strong linkages between the public and private sectors and clarity of purpose. Elsewhere this approach has been formalised to secure commitment and improved coordination and promote investor confidence. Successful examples of this approach are usually built around the establishment of a formal body such as an Economic Development Company (EDC), shown as such in the diagram above to indicate the direct reporting relationship to the Board. Improved outcomes through this approach are intended to include:

- greater private sector participation in delivery and funding of key projects;
- greater emphasis on place shaping and higher value employment;
- increased business productivity through more effective prioritising of key infrastructure and other investment;
- increased growth rate in wealth per head;
- increased number of jobs created;
- better informed planning and supply of employment land to support inward investment;
- an influence on housing supply to support economic growth;

It is important that there is the capacity to provide the strategic economic context for all areas of work including informing the economic policy context of the infrastructure and housing related work undertaken by the GEGDB.

4.3 In addition setting up a company or other formalised delivery mechanism has the distinct advantage of enabling the constituent authorities to:

- aggregate otherwise disparate economic development efforts within one body that can generate real expertise and track record of delivery;
- increase the pace of the Local Government's response to investors/developers increasing the potential for securing investment;
- enlarge the scale of the implementation that is possible, often by enabling delivery on multiple programmes and projects simultaneously by commissioning additional resources quickly
- find appropriate means to share costs and risks between those promoting economic developments and investments.

4.4 The "delivery vehicle" could be operated as a community interest company (CIC). CICs are companies, generally limited by guarantee, whose activities can be shown to be for the community's interest. The company limited by guarantee status would permit the company

to be considered as a community interest company if the Memorandum and Articles of Association clearly demonstrate that the company - i) has social goals ii) will be not for profit and iii) any surpluses it might generate are reinvested towards the social goals.

- 4.5 A further report will be brought in due course setting out the proposed approach to be based on a clear contractual relationship with the public sector partners. Legal advice will need to be sought regarding the nature of the vehicle so that taxation and other legal issues can be resolved to best support the objectives of the GEGDB and be accountable to the partners.
- 4.6 It is expected that the Councils will continue to be responsible for a range of other functions that contribute to economic growth and will also ensure they align these services, wherever possible, to promote the economic prosperity objectives for the Exeter TTWA.

**Report to:** Cabinet  
**Date of Meeting:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None



**Agenda item:** 20

**Subject:** Consultation on draft proposals to introduce new Public Space Protection Orders incorporating existing Dog Controls

**Purpose of report:** To seek Cabinet approval to undertake a consultation process introducing 2 Public Space Protection Orders (PSPOs) to incorporate existing dog control orders. These will include a number of amendments to the existing regime suggested by officers and Town and Parish councils, and a requirement not to feed seagulls on the town beaches and promenades. The facility to introduce PSPOs is included within the Anti-Social Behaviour Crime and Policing Act 2014.

**Recommendation:** To carry out a consultation on the introduction of two new PSPOs as required by the provisions within the Anti-Social Behaviour Crime and Policing Act 2014.

**Reason for recommendation:** In order to meet the requirements to carry out a consultation before introducing a PSPO.

**Officer:** Janet Wallace, Principal Environmental Health Officer,  
[jwallace@eastdevon.gov.uk](mailto:jwallace@eastdevon.gov.uk)

**Financial implications:** The costs of the consultation will be minimal, mainly officer time and met from existing budgets.

**Legal implications:** The Public Space Protection Order (Dog Orders) Anti Social Behaviour Policing and Crime Act 2015 replace the East Devon Dog Control Orders. The full legal implications are set out within the text of the report.

**Equalities impact:** Medium Impact.  
The need for appropriate dog controls throughout the district is necessary in order to encourage responsible dog ownership because problems with poorly controlled dogs can impact on other members of the public using open spaces.

**Risk:** Low risk.  
The consultation is a requirement of the Act and is necessary in order to create the required orders. If the PSPOs are not introduced then existing dog control orders will by default become PSPOs themselves with no opportunity for necessary clarifications and amendments.

**Links to background information:** Anti-Social Behaviour Crime and Policing Act 2014  
<http://www.legislation.gov.uk/ukpga/2014/12/contents/enacted/data.htm>  
Home Office Statutory Guidance on the Act July 2014  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/35](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/35)

**Link to Council Plan:**

Encouraging communities to be outstanding, delivering and promoting our outstanding environment and continuously improving to be an outstanding Council.

## 1. Report

1. A Public Space Protection Order is a new tool under the Anti-Social Behaviour Crime and Policing Act 2014 which is intended to deal with a particular nuisance or problem affecting a specified area that is detrimental to the local community's way of life. They could be used for a wide range of problems. The area may be as small as a play park or as large as the district of the local authority as a whole.
2. A PSPO can be made by the council if it is satisfied on reasonable grounds that the activities carried out, or likely to be carried out, in a public space:
  - Have had, or are likely to have, a detrimental effect on the quality of life of those in the locality;And that the effect or likely effect of the activities:
  - Is or is likely to be persistent or continuing in nature;
  - Is or is likely to be unreasonable and
  - Justifies the restrictions imposed.
3. There is specific provision in the legislation to incorporate existing dog control orders into the new PSPOs, in fact it would happen by default on 20<sup>th</sup> November 2017 if nothing were done. This process provides an opportunity to review those orders, introduce additional controls or remove any that are no longer appropriate. In all there would be 173 public open spaces across East Devon with dog controls in place.
4. PSPOs may be used to control a range of activities where there is evidence of detriment, but the current proposal relates only to the control of dogs and the feeding of seagulls.
  - Control of Dogs – incorporating the existing whole district requirements to clear up after dogs, keep dogs on leads in specified places and designate some areas where dogs are not allowed. It is proposed that this order will incorporate a new requirement to keep dogs on leads whilst on or adjacent to the highway in order to address concerns relating to loose dogs chasing vehicles and pedestrians, particularly in rural areas. This new requirement is supported by more than 87% of respondents to two recent surveys in East Devon (2016 Viewpoint Survey and 2016 Dogs on Beaches survey).
  - Seashores and Promenades – incorporating controls on the beaches and promenades of East Devon including seasonal dog exclusions, dog on lead areas and a new requirement which will prohibit the feeding of seagulls on the town beaches and promenades.

A table of proposed changes with justifications is included below.

5. The PSPOs will remain in force for 3 years at which point they will be reviewed, amended and renewed as appropriate.
6. A person observed not to be complying with the PSPO is liable to receive a fixed penalty notice. This can be up to £100 but we are recommending that the fine is set at £80 which is the same as the existing dog control orders. The alternative is to take enforcement action

in the Magistrates Court. Some council officers and police officers will be authorised to enforce the requirements of the orders.

7. There is a requirement in the legislation for interested parties to be consulted about the proposals. Consultees will include all district councillors, town and parish councils, affected land owners, Devon County Council, Devon and Cornwall Police and the Police and Crime Commissioner. There will be a press release drawing attention to the web based consultation, with paper copies available on request, and there will also be an opportunity for members of the public to comment via the EDDC website.
8. It is proposed to carry out the consultation in the period 12<sup>th</sup> December to 31st January which will allow time for the new orders to be introduced during Spring 2017. Responses will be considered and if appropriate the orders will be amended prior to the final draft being submitted to Cabinet and Council for approval.
9. Table of Proposed Changes

<b>Proposed Change</b>	<b>Justification</b>
<b>Dog Exclusion Areas</b>	
Budleigh Salterton – Norman Crescent play area	To bring this play area in line with other play areas throughout the district.
Exmouth Beach – extend dogs allowed area to 2 <sup>nd</sup> groyne before Orcombe Point	Officer observations have concluded that there is restricted access because there are no steps at the first groyne where the dogs allowed area currently starts. The beach between the first and second groynes is not well used and there are steps onto the beach only at the second groyne. The area of beach where dogs are now allowed is often very crowded. This will still leave over 1 mile of beach with a seasonal dog exclusion.
Exmouth – Redgates play area, Whitman Close play area	To bring these play areas in line with other play areas throughout the district.
Cranbrook – Hayes Square, St Martin’s play area, Londinium Way play park.	These are 3 new play parks and a dog ban has been requested by the town council. This would bring these areas in line with all other play parks within the East Devon district.
Cranbrook – Nature reserve south of old A30.	At the request of EDDC countryside team working with the Cranbrook Consortium to designate one area of the country park free of dogs in order to protect, preserve and enhance the area for wildlife.
Luppitt – Sports Field	The parish council has prohibited dogs on this field for many years and it is appropriate to incorporate this within the PSPO in line with other play areas throughout the district.
Lympstone – Candy’s Field play area	To bring this play area in line with other play areas throughout the district. This area has been designated and signed as a No Dogs area by Lympstone parish council for many years so this change would incorporate this local control into the new PSPOs. The effect of this is that the requirement would become enforceable.
Ottery St Mary Elliot Close MUGA	To bring this sports area in line with other sports areas throughout the district.
Sidford – Bakers Close play area and	To bring these play areas in line with other play

Lindemann Close play area	areas throughout the district.
Sidmouth – The Ham play area	To bring this play area in line with other play areas throughout the district.
Stoke Canon – River Close playing field	Requested by Stoke Canon Parish Council and Primary School and supported by 149 residents (100% of those responding) in a locally organized consultation.
Stoke Canon – River Close play area	Requested by Stoke Canon Parish Council and Primary School and supported by 149 residents (100% of those responding) in a locally organized consultation. This would also bring this play area in line with other play areas throughout the district.
Sidmouth – Jacobs Ladder beach: Start dogs exclusion at a point level with the most westerly beach hut and remove Dog on Lead requirement adjacent to the cliffs	Officer observations during the summer of 2016 concluded that the current arrangement to access the “dogs allowed” area by walking close to the cliff over pebbles is hazardous particularly since the cliff is unstable, the profile of the beach has changed and the pebbles are steep. Officers observed most dog owners taking their dogs safely on a lead across the beach to access the dogs allowed area to the west of the beach huts. Officers received several enquiries from dog owners concerned about the dangers of accessing the “dogs allowed” area via the dangerous cliff base and pebbles. There is no other direct means of access to this area.
<b>Dog on Lead Areas</b>	
Beer - Beer beach from a point immediately below Charlie’s Yard in the west to the last beach hut in the east from 1 <sup>st</sup> May to 30 <sup>th</sup> September every year.	Requested by Beer Parish Council who have consulted with visitors and residents during summer 2016.
Broadclyst – Remove dog on lead restriction at Holly Close Recreation field	Requested by Broadclyst Parish Council and the landowner, the National Trust, and supported by substantial numbers of villagers who have used the land to exercise dogs off the lead for many years.
Exmouth – Carter Avenue – Remove dog on lead restriction on the playing field (retain dog ban in the play park)	Officer observations have concluded that this area is heavily used by local dog owners exercising dogs off the lead. No complaints have been received regarding this use or regarding irresponsible dog ownership in this area.
Lympstone – Candy’s playing field	This area has been designated and signed as a Dog on Lead area by Lympstone parish council for many years so this change would incorporate this local control into the new PSPOs. The effect of this is that the requirement would become enforceable.
Sidmouth – The Ham recreation ground	Officer observations have concluded that the recreation ground is used for a variety of entertainment and recreational purposes with a footpath adjacent, and is close to the east end of the beach where dogs can be exercised off lead. It is considered appropriate for dogs to be kept on leads and therefore under close control so that other users of this area are not affected.
Axmouth – From the B3172 to The Old	Residents and a business on Axmouth Harbour

Harbour House	have requested a dog on lead control because there have been many incidents of dog fouling in this short stretch of path linking to the coast path, and also incidences of dogs running around unaccompanied. This has been evidenced by the Seaton dog warden, but the owners cannot always be identified. A requirement for dogs to be kept on a lead will ensure they are under close control.
Seaton – The walkway adjacent to the beach between Castle Hill and Trevelyan Road between 1 <sup>st</sup> October and 30 <sup>th</sup> April every year.	Requested by Seaton Town Council to bring this walkway in line with the West Walk which has an all year round dog on lead restriction. The winter only control is needed because during the seasonal dog ban period no dogs are allowed on this walkway.
<b>Dogs on Lead on the Highway</b>	
Dogs to be kept on leads whilst on the public highway or on footpaths adjacent to the highway.	Two surveys of East Devon residents, visitors and beach users have been carried out during summer 2016. 23% of households owned dogs and of over 1,000 people responding to the surveys more than 87% supported this proposal.
<b>Feeding of Seagulls on the Seashores and Promenades</b>	
Prohibition on providing or depositing food for consumption by seagulls on the seashores and promenades.	Officers of the council receive complaints throughout the summer regarding minor injuries and stress caused by seagulls taking food or flocking onto food litter actively left for them. Many of these incidents would be avoided if residents and visitors using the promenades and beaches did not actively feed the gulls. Signs have been in place requesting no feeding for many years and this control would strengthen the impact of signage and allow the council to pursue identified offenders.

# Public Space Protection Order 2016 – Control of Dogs. Maps showing existing dog controls and proposed changes.

These maps show the existing orders which will be incorporated into the new PSPO together with a small number of changes proposed. On most maps there will be no changes.

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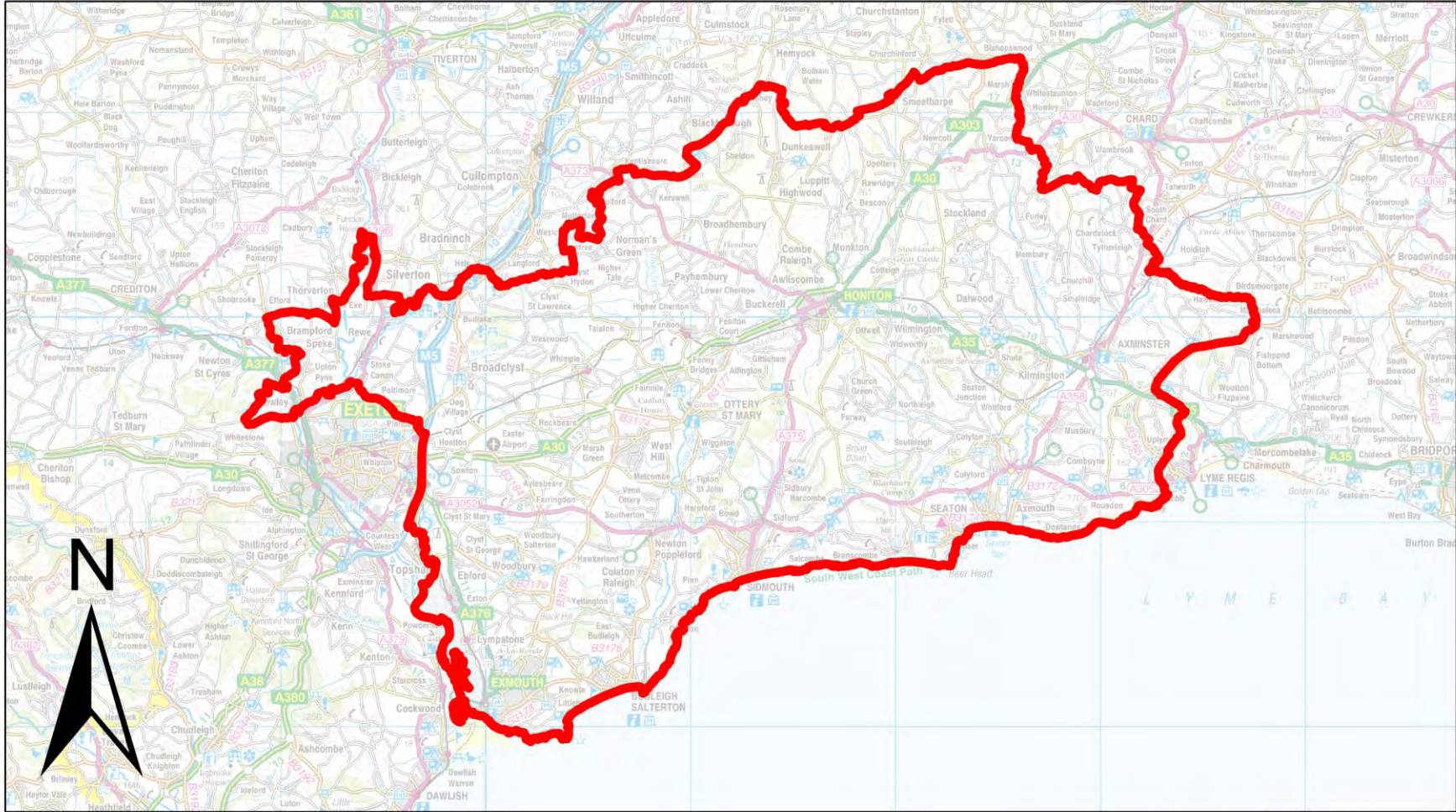


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# 1. East Devon Boundary

## East Devon Boundary



1:250,000

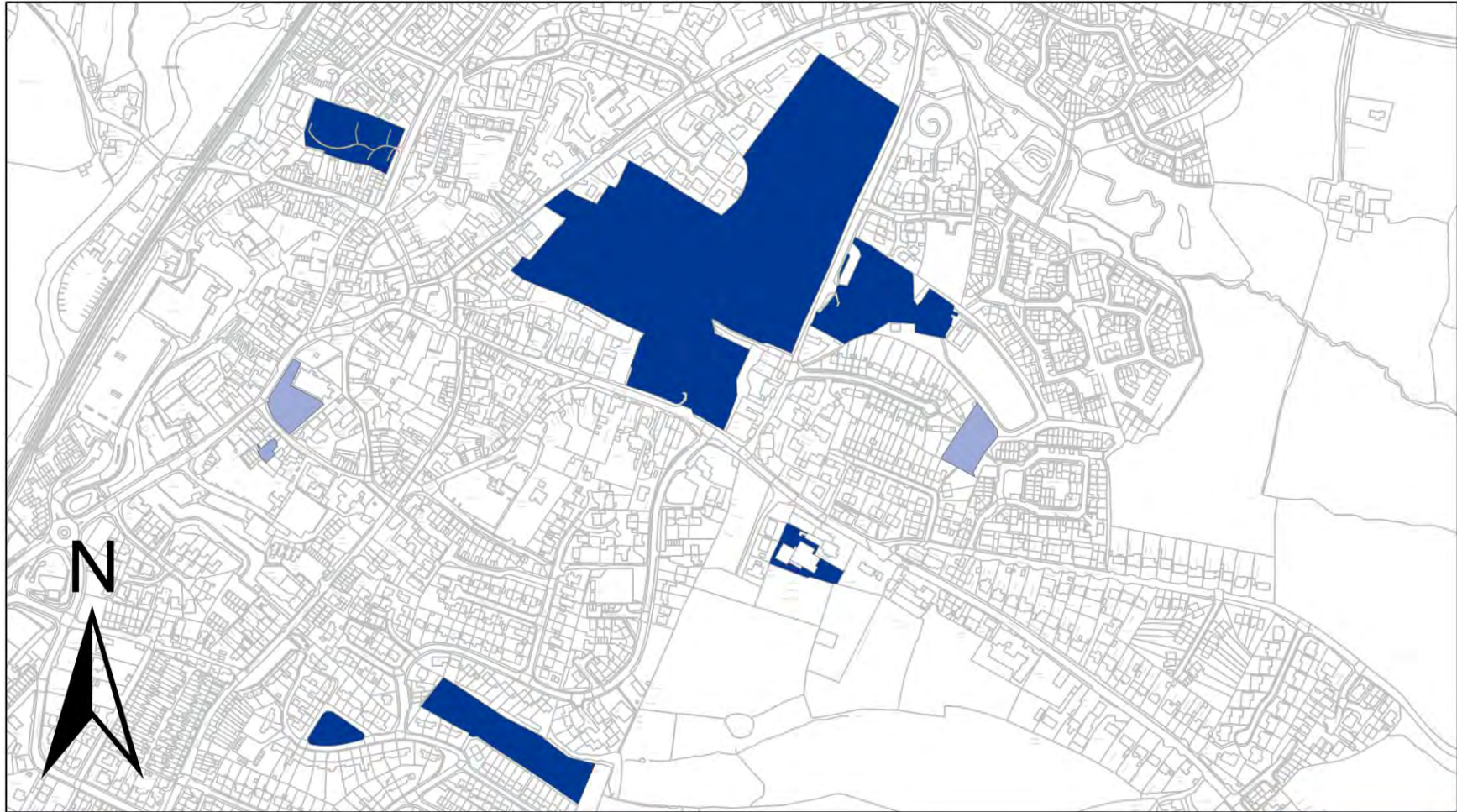


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## 2. Axminster (1 of 2)

### Axminster - Proposed and Existing Orders



 Existing Dogs on Lead



Proposed Changes

1:5,000

 Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

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### 3. Axminster (2 of 2)

#### Axminster - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:5,000

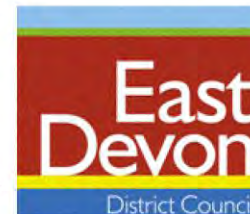


Existing Dog Exclusion Area



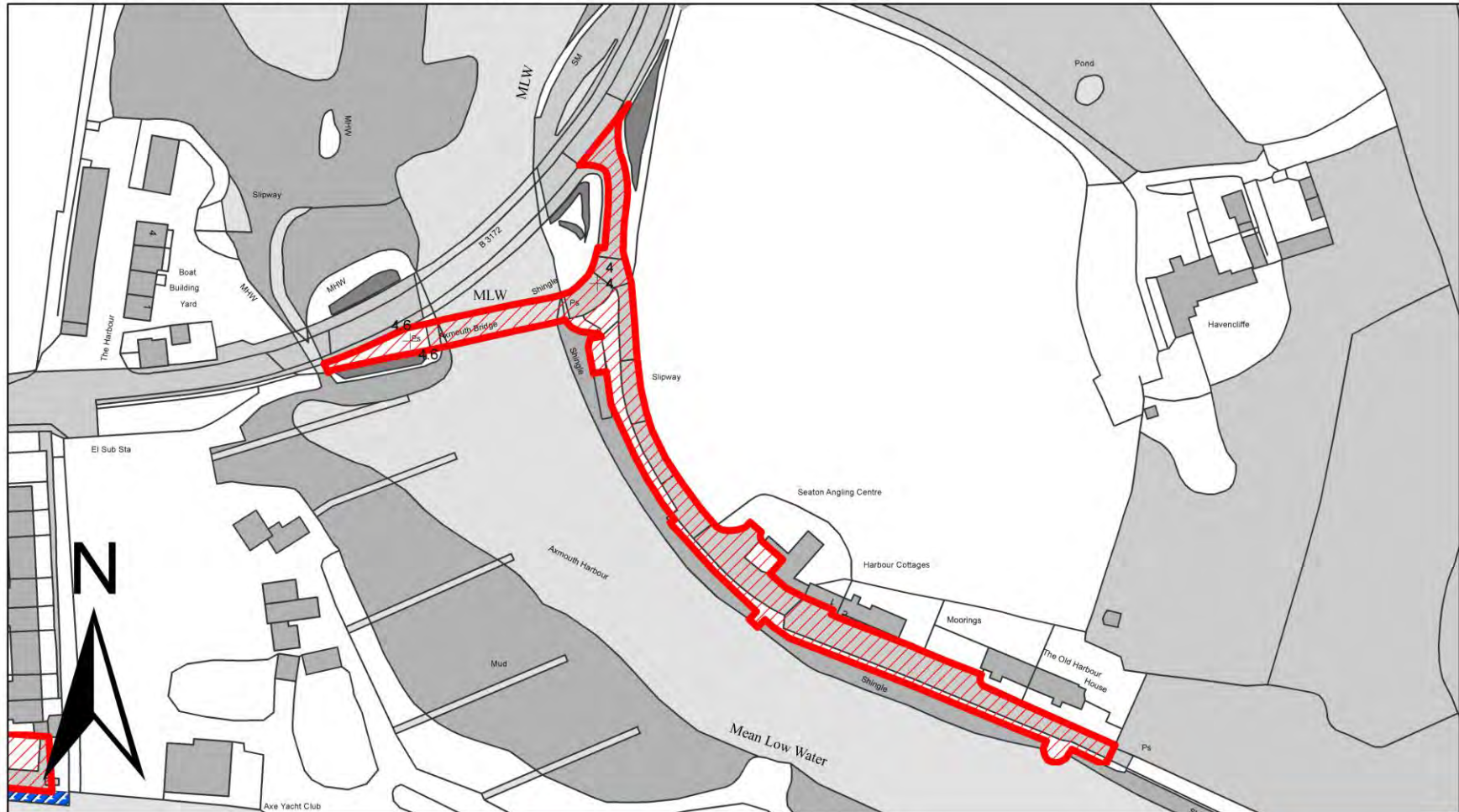
Existing Seasonal Dog Exclusion Area

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## 4. Axmouth

### Axmouth - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:1,500

Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

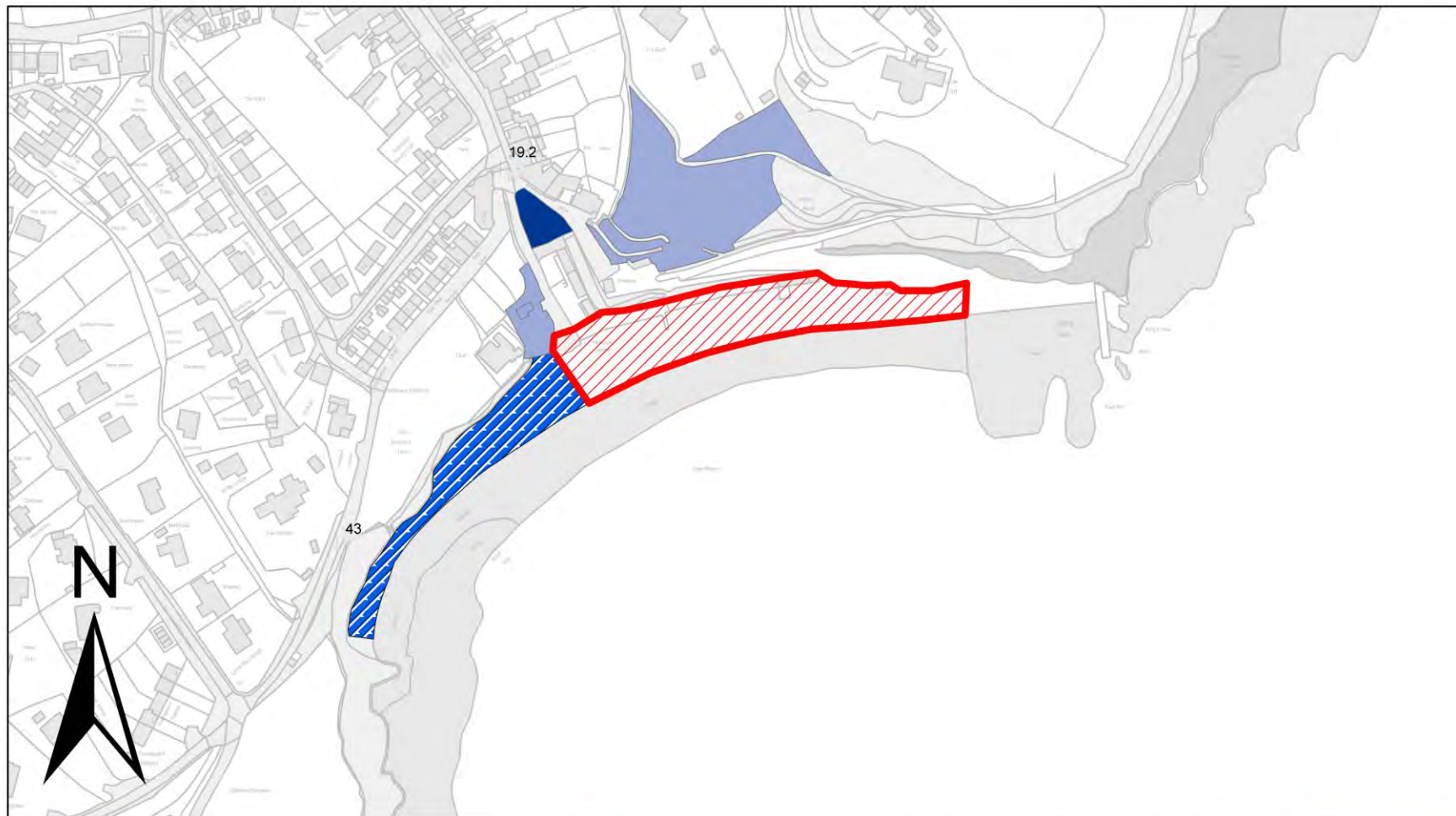
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## 5. Beer (1 of 2)

### Beer - Proposed and Existing Orders



 Existing Dogs on Lead

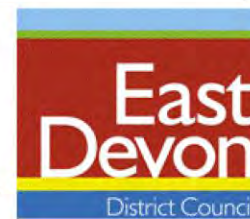
 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

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## 6. Beer (2 of 2)

### Beer - Proposed and Existing Orders



 Existing Dogs on Lead



Proposed Changes

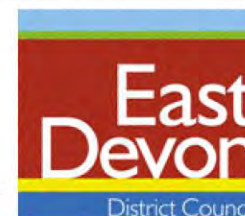
1:2,500

 Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

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## 7. Branscombe

### Branscombe - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:2,500

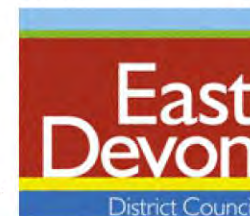


Existing Dog Exclusion Area



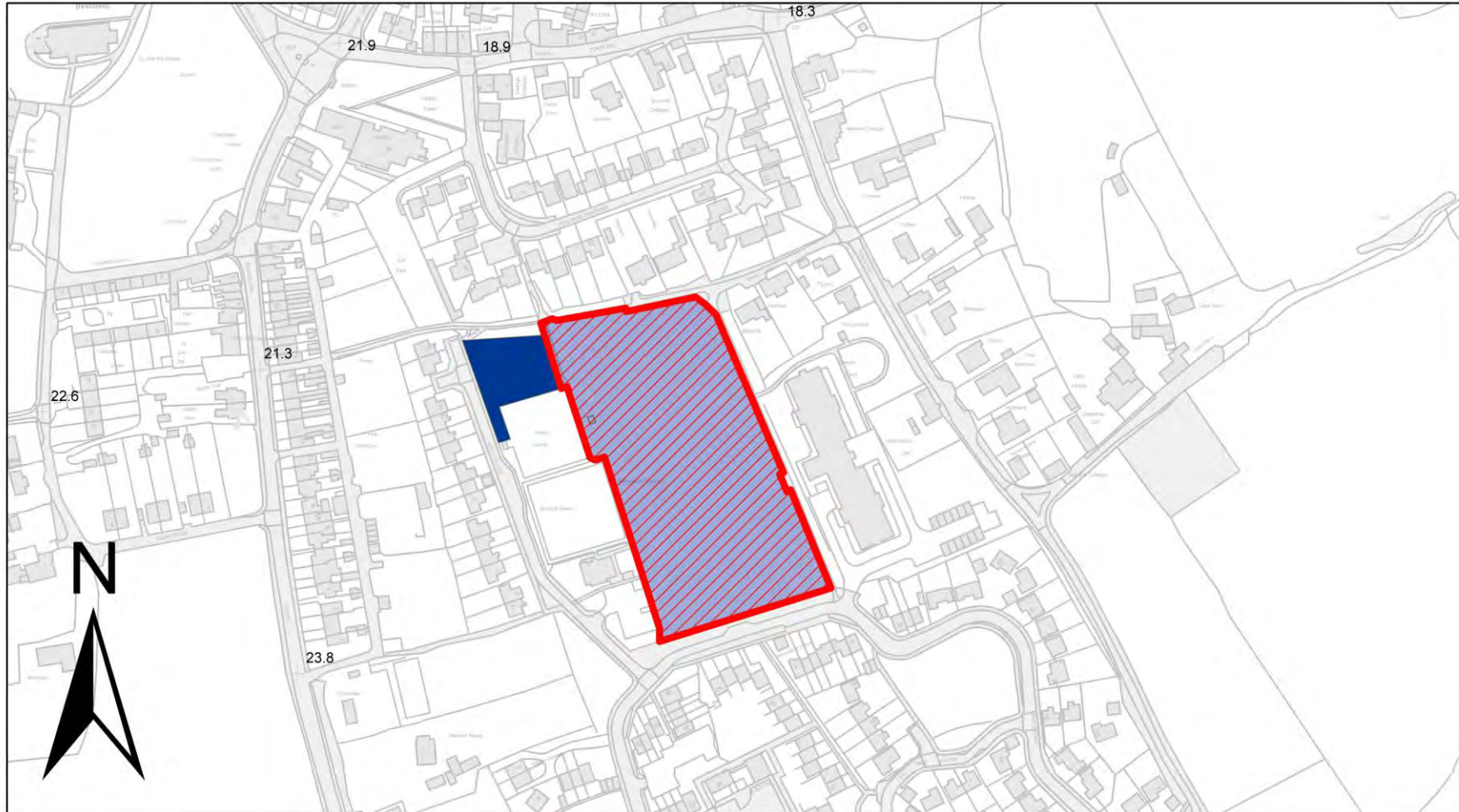
Existing Seasonal Dog Exclusion Area

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## 8. Broadclyst

### Broadclyst - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

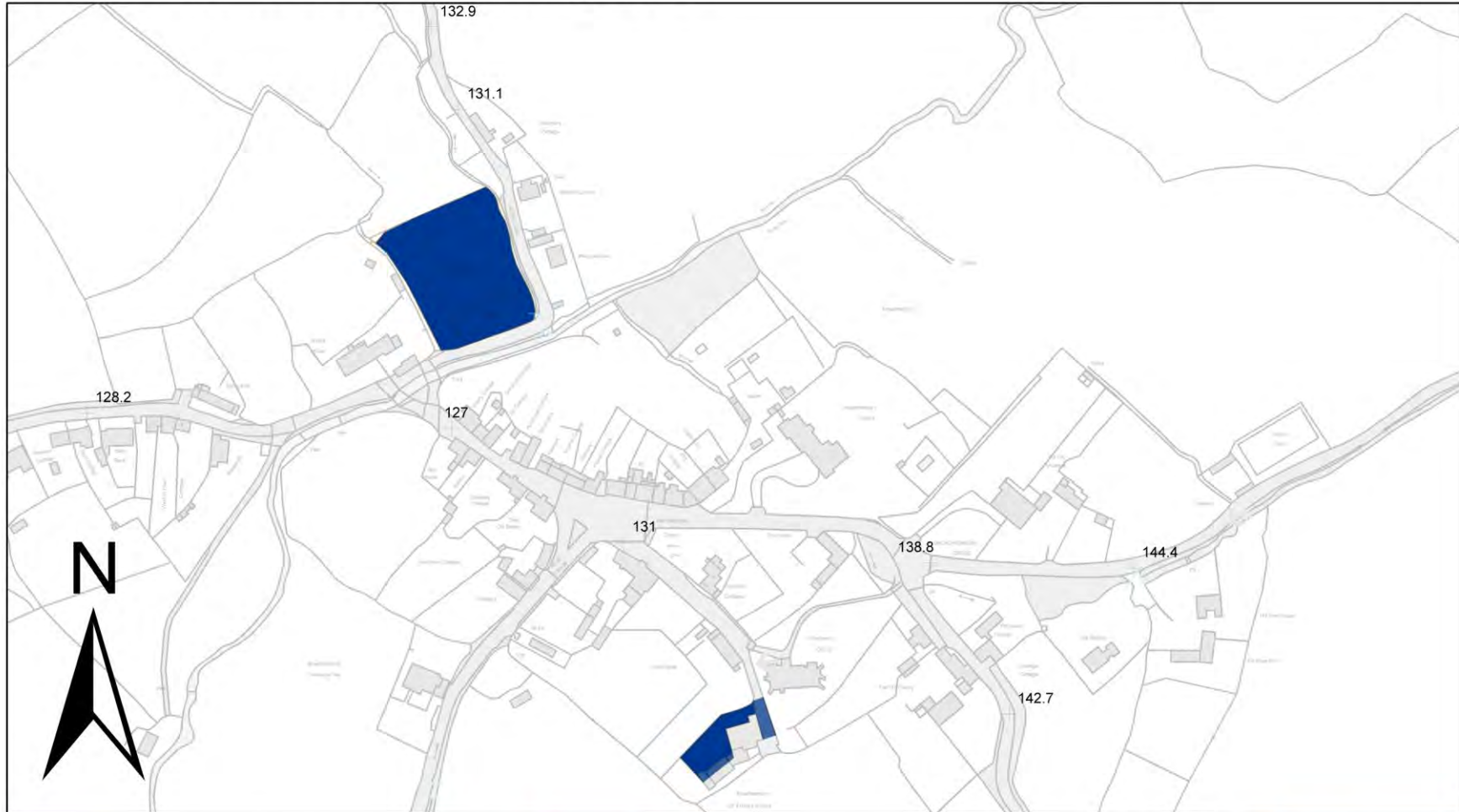
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## 9. Broadhembury

### Broadhembury - Proposed and Existing Orders



 Existing Dogs on Lead



Proposed Changes

1:2,500

 Existing Dog Exclusion Area



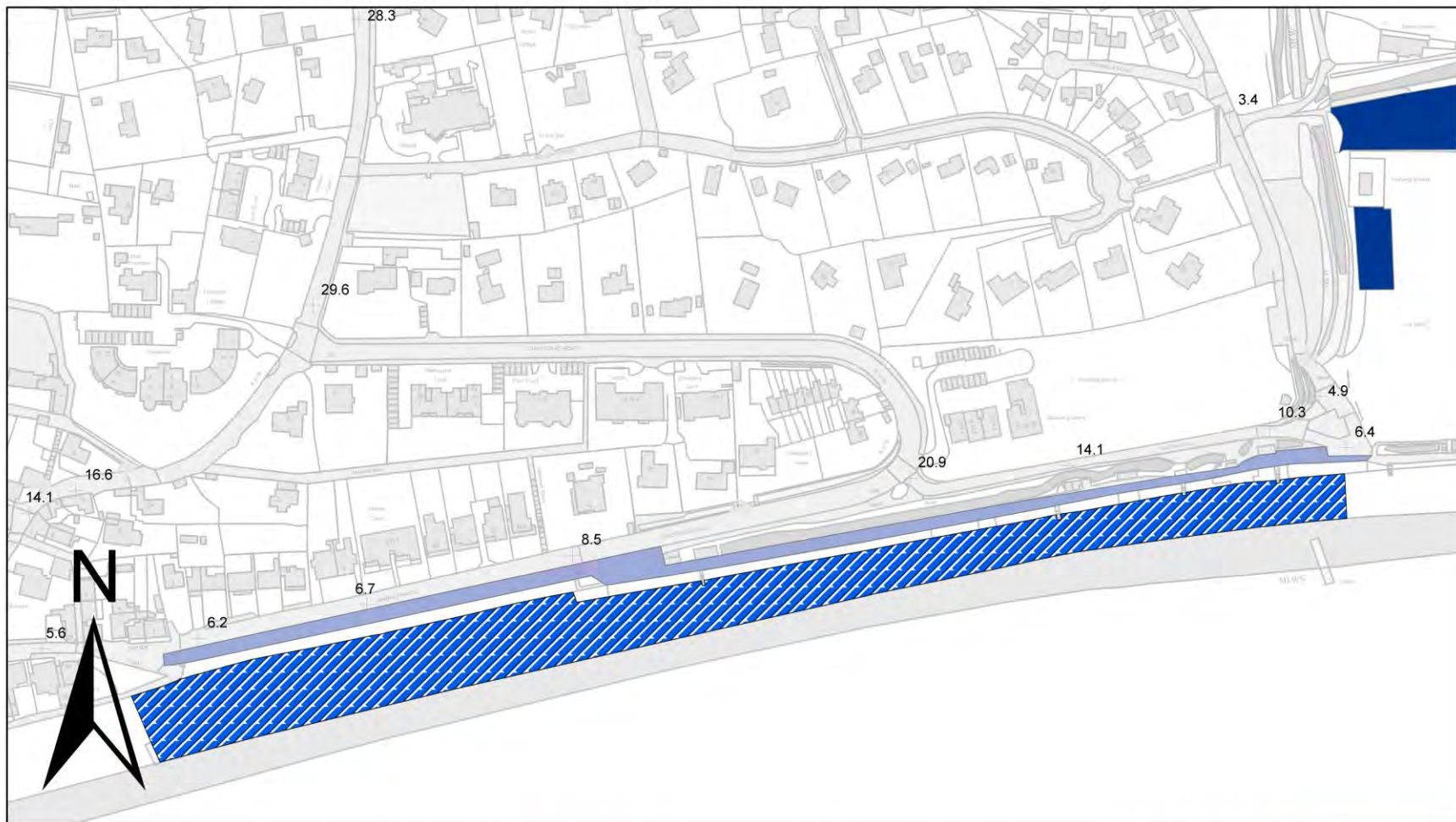
Existing Seasonal Dog Exclusion Area

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# 10. Budleigh Salterton (1 of 2)

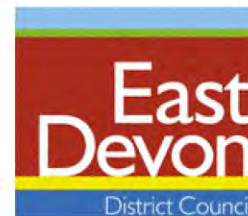
## Budleigh Salterton - Proposed and Existing Orders



- Existing Dogs on Lead
- Existing Dog Exclusion Area
- Proposed Changes
- Existing Seasonal Dog Exclusion Area

1:2,500

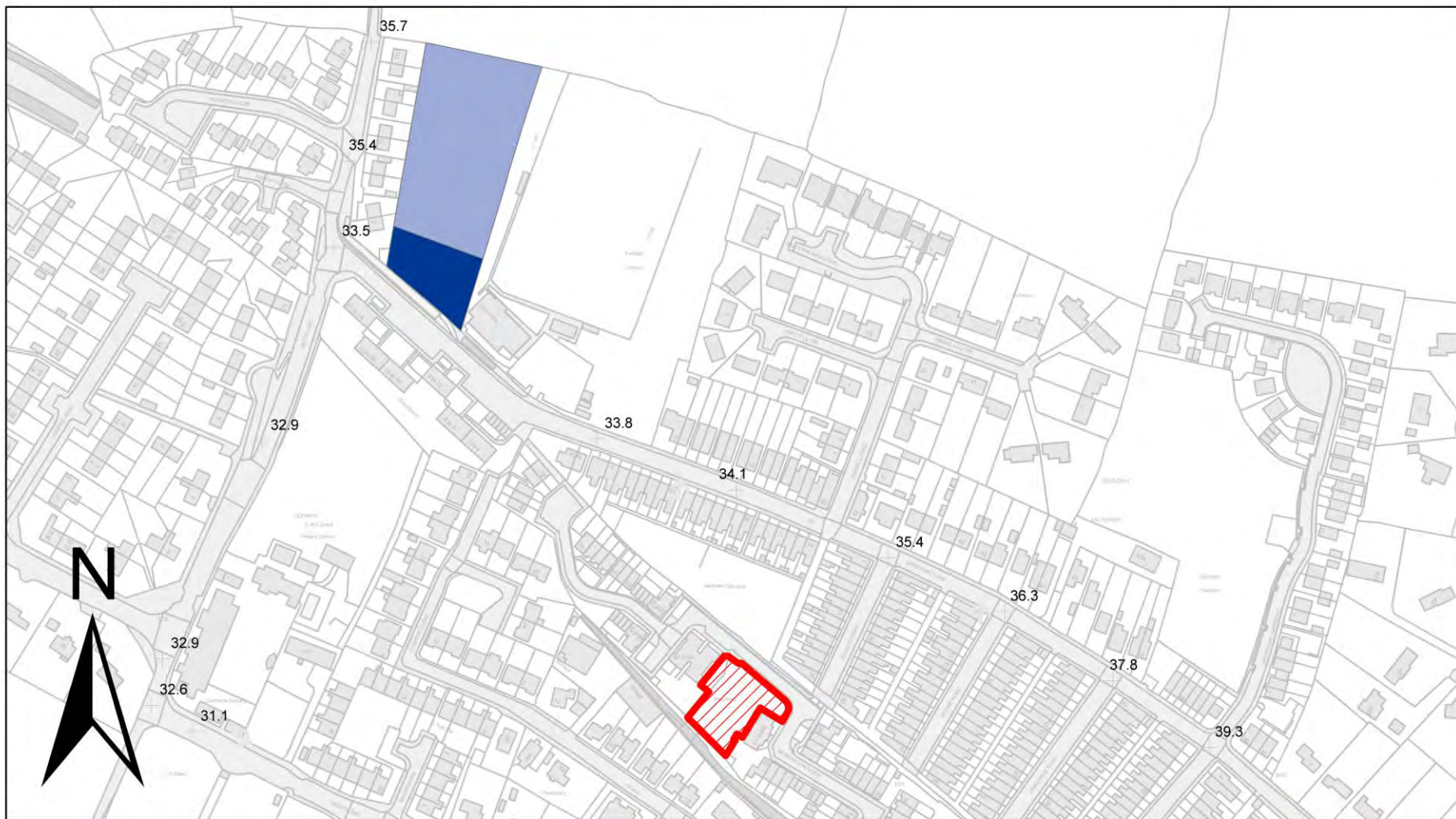
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# 11. Budleigh Salterton (2 of 2)

## Budleigh Salterton - Proposed and Existing Orders



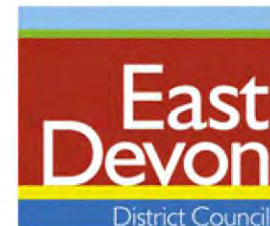
 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

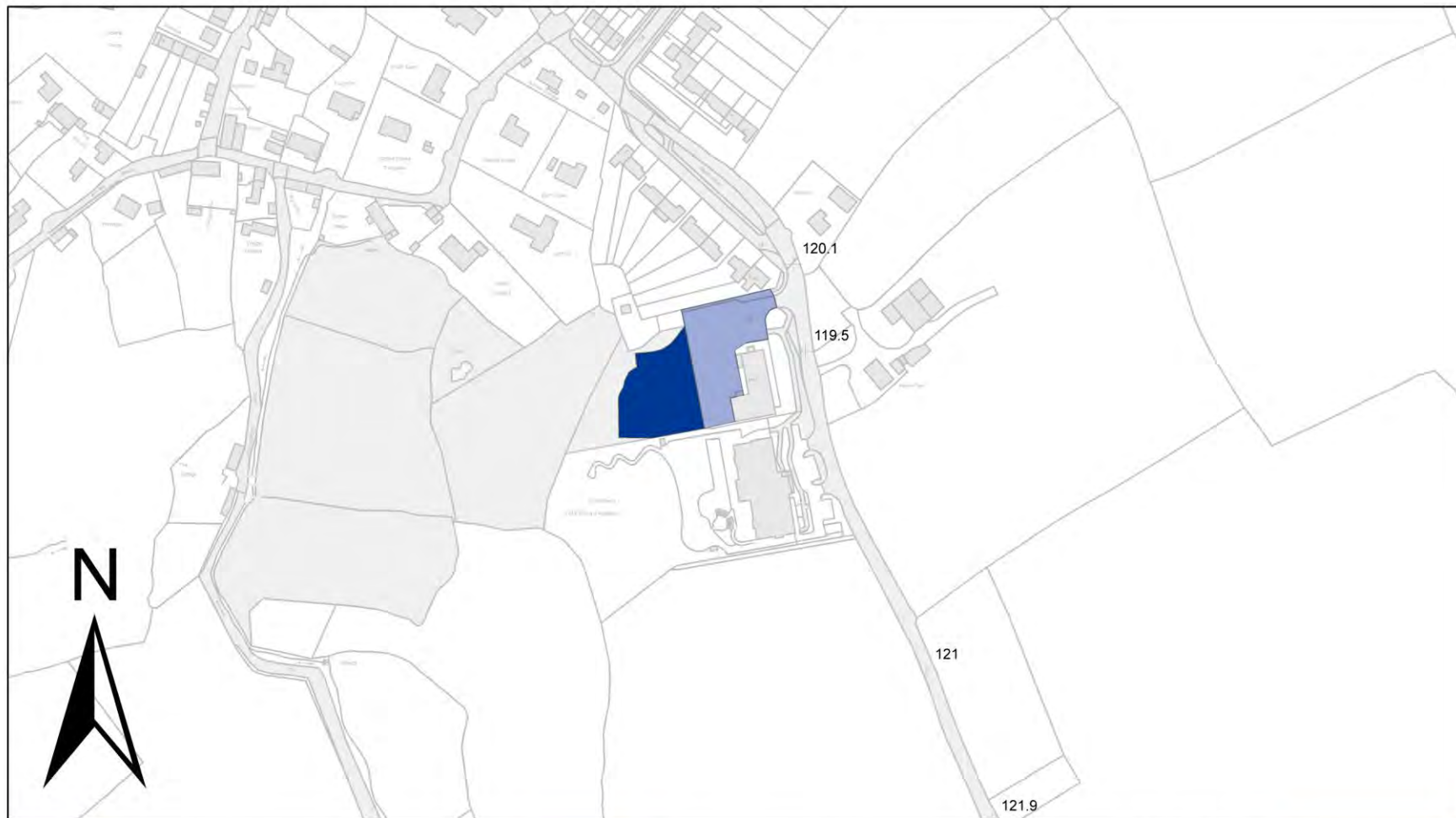
 Existing Seasonal Dog Exclusion Area



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## 12. Chardstock

### Chardstock - Proposed and Existing Orders



 Existing Dogs on Lead



Proposed Changes

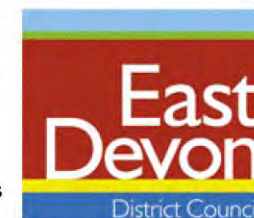
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 Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

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# 13. Clyst St Lawrence

## Clyst St Lawrence - Proposed and Existing Orders



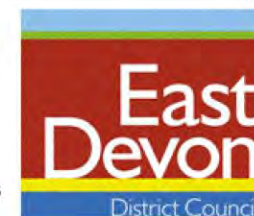
 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area



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# 14. Clyst St Mary

## Clyst St Mary - Proposed and Existing Orders



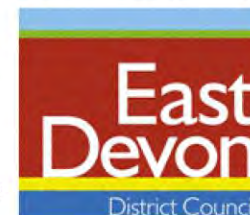
 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

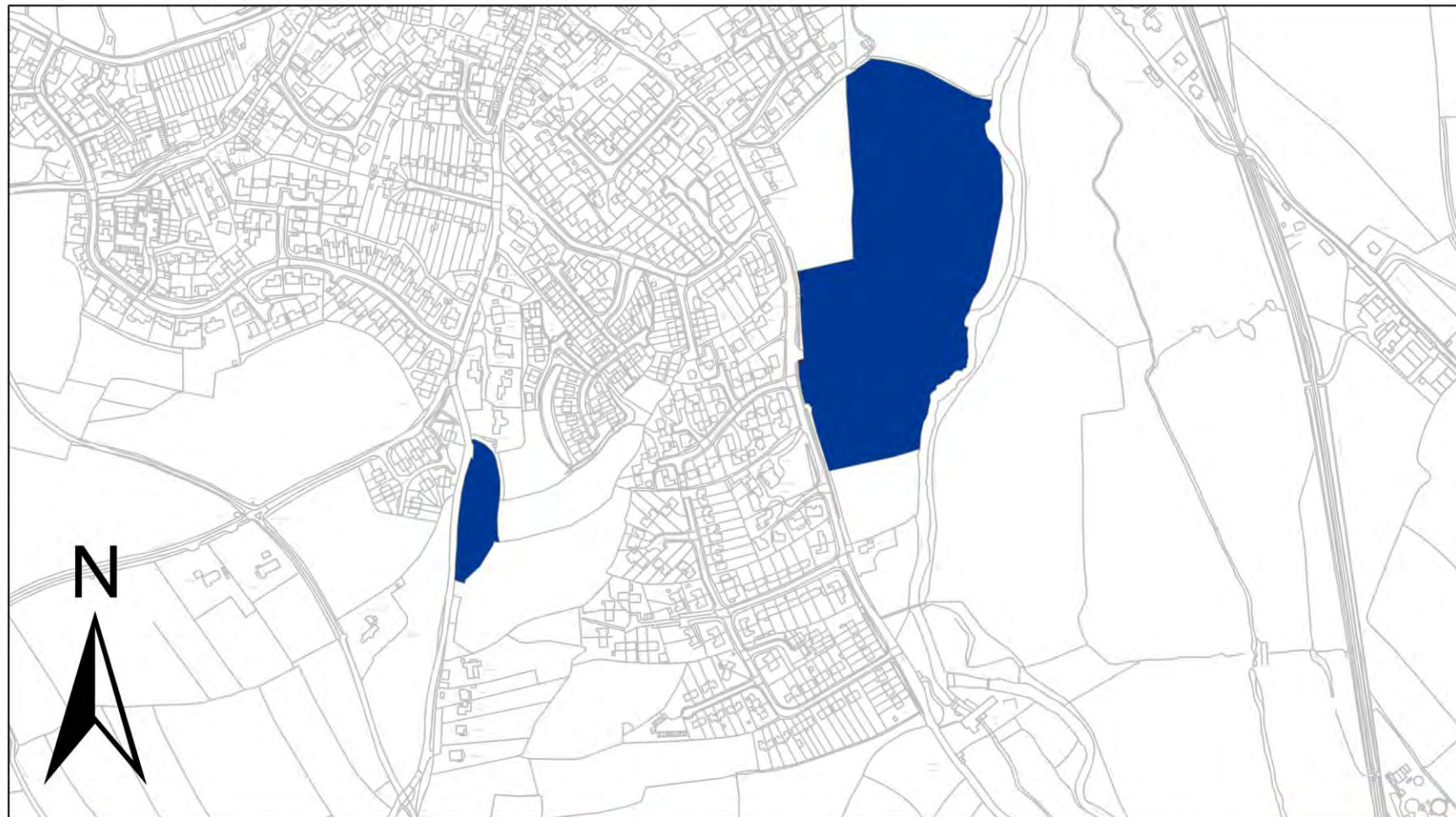


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# 15.Colyton (1 of 2)

## Colyton - Proposed and Existing Orders



Existing Dogs on Lead

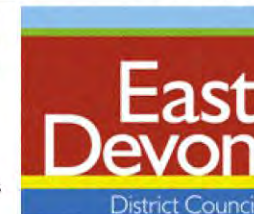
Proposed Changes

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Existing Dog Exclusion Area

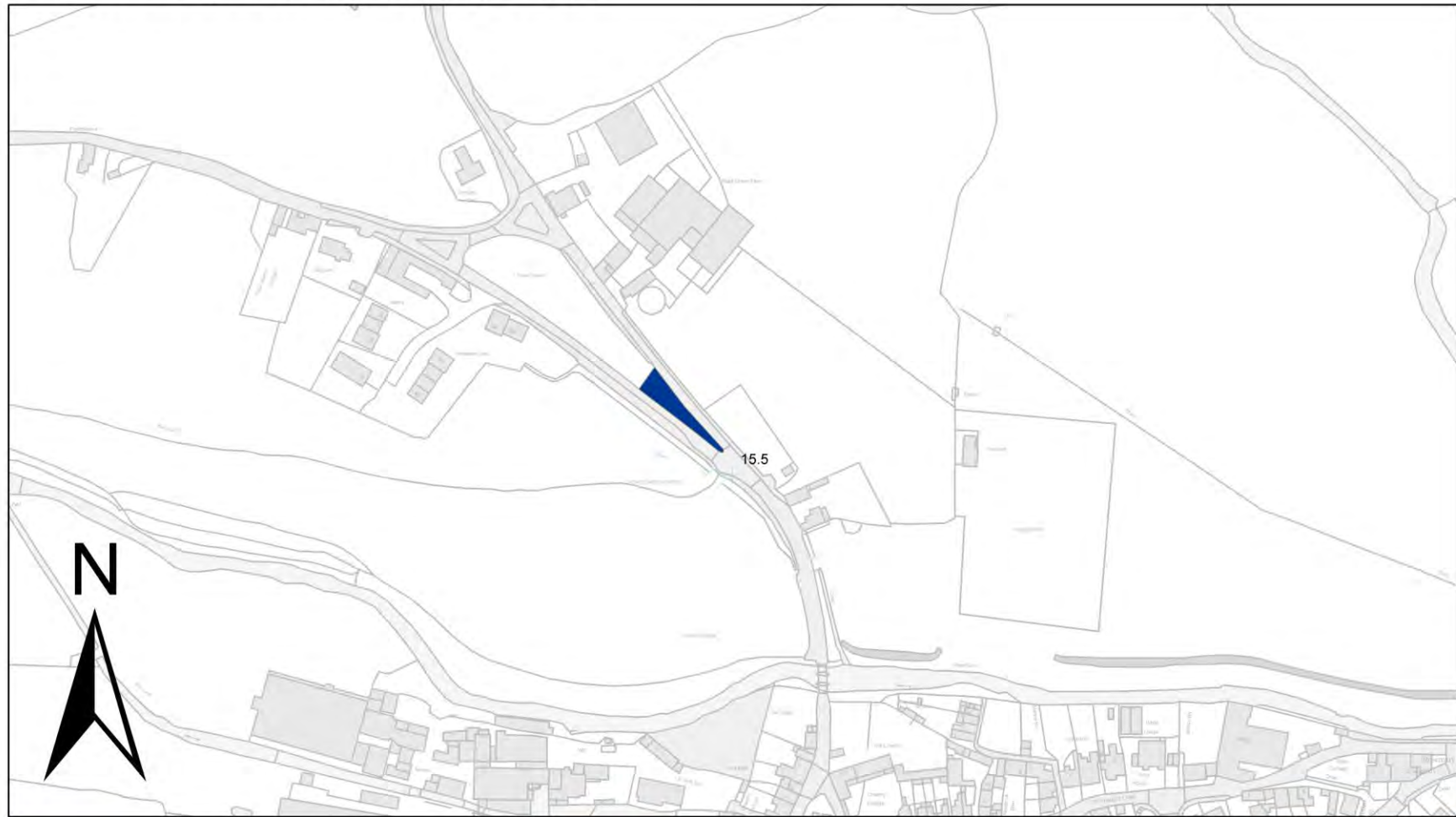
Existing Seasonal Dog Exclusion Area

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# 16. Colyton (2 of 2)

## Colyton - Proposed and Existing Orders




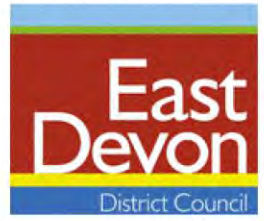
 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

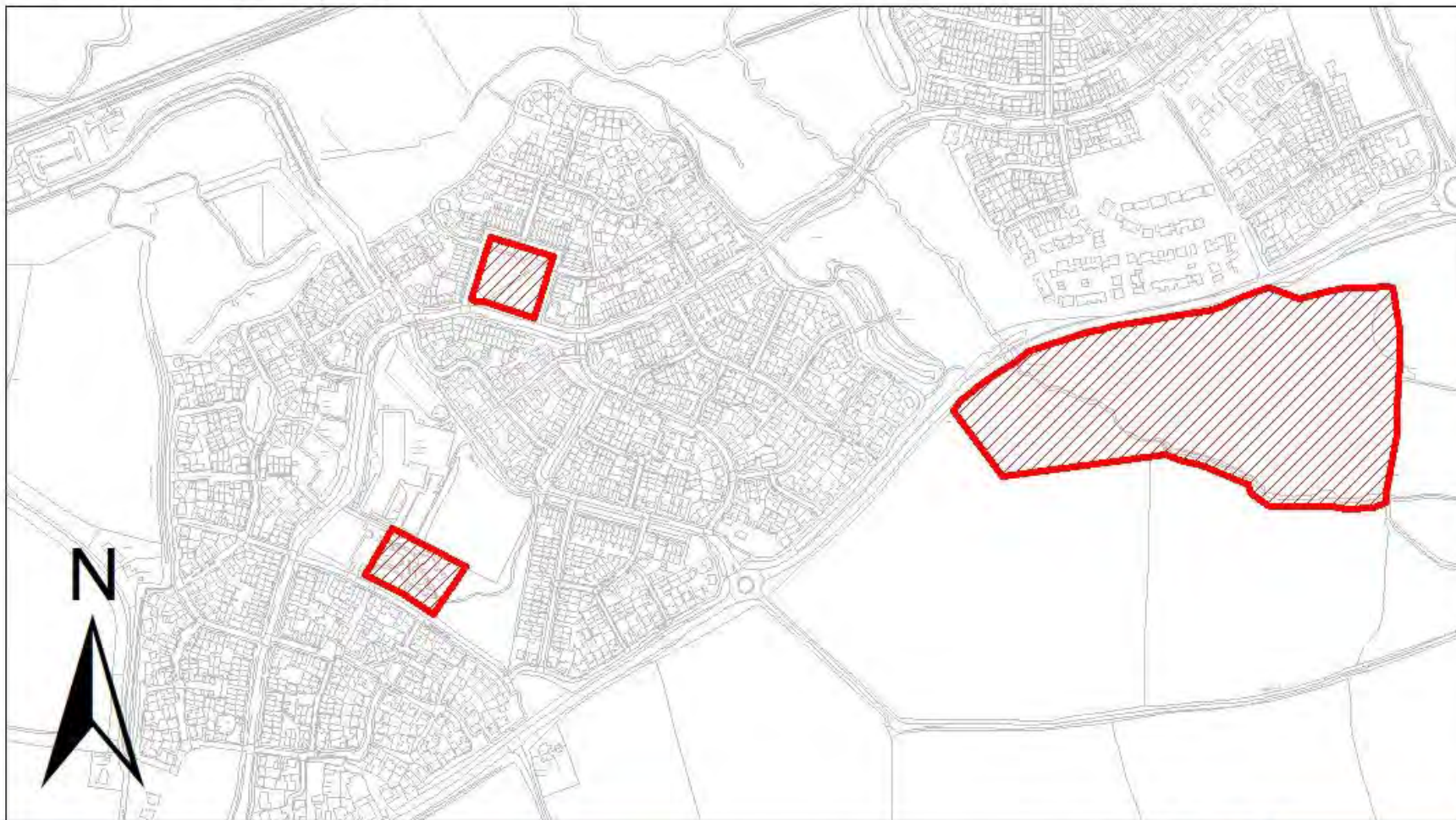






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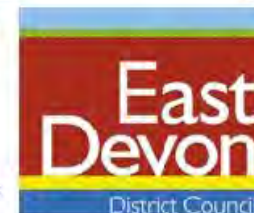
# 17. Cranbrook (1 of 2)

## Cranbrook - Proposed Orders



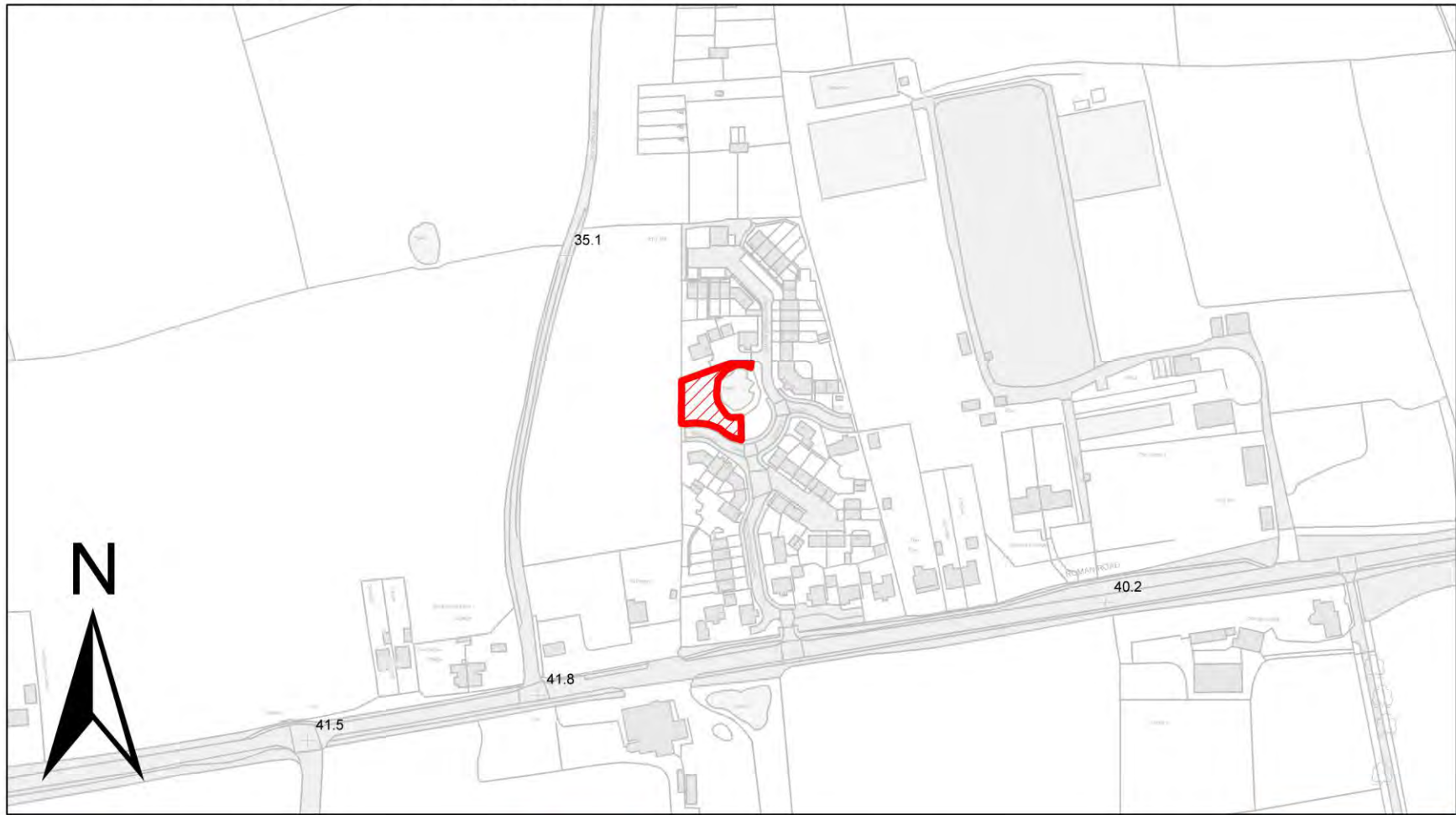
 Existing Dogs on Lead	 Proposed Changes	1:5,000
 Existing Dog Exclusion Area	 Existing Seasonal Dog Exclusion Area	


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# 18. Cranbrook (2 of 2)

## Cranbrook - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

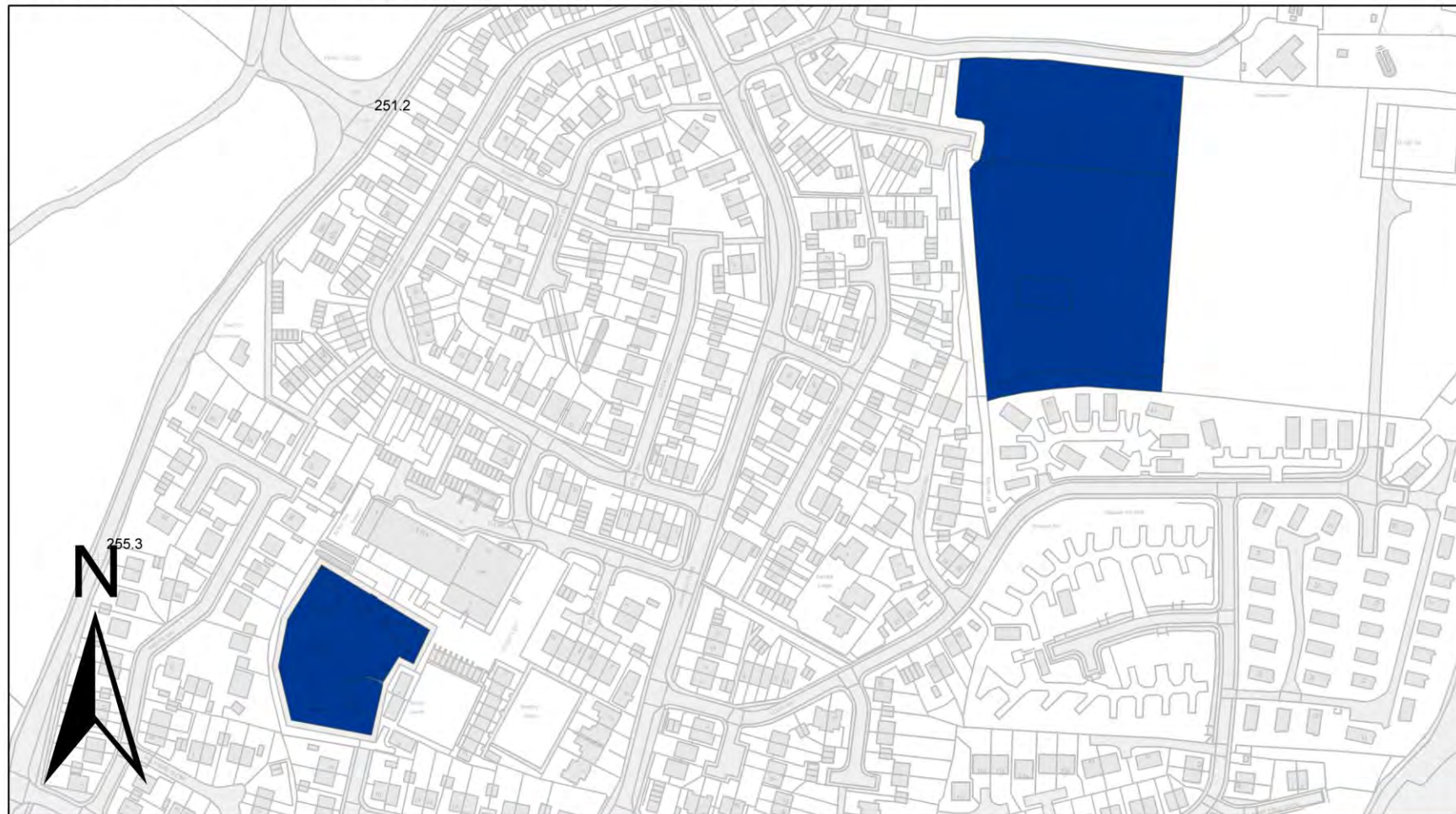


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# 19. Dunkeswell (1 of 2)

## Dunkeswell - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

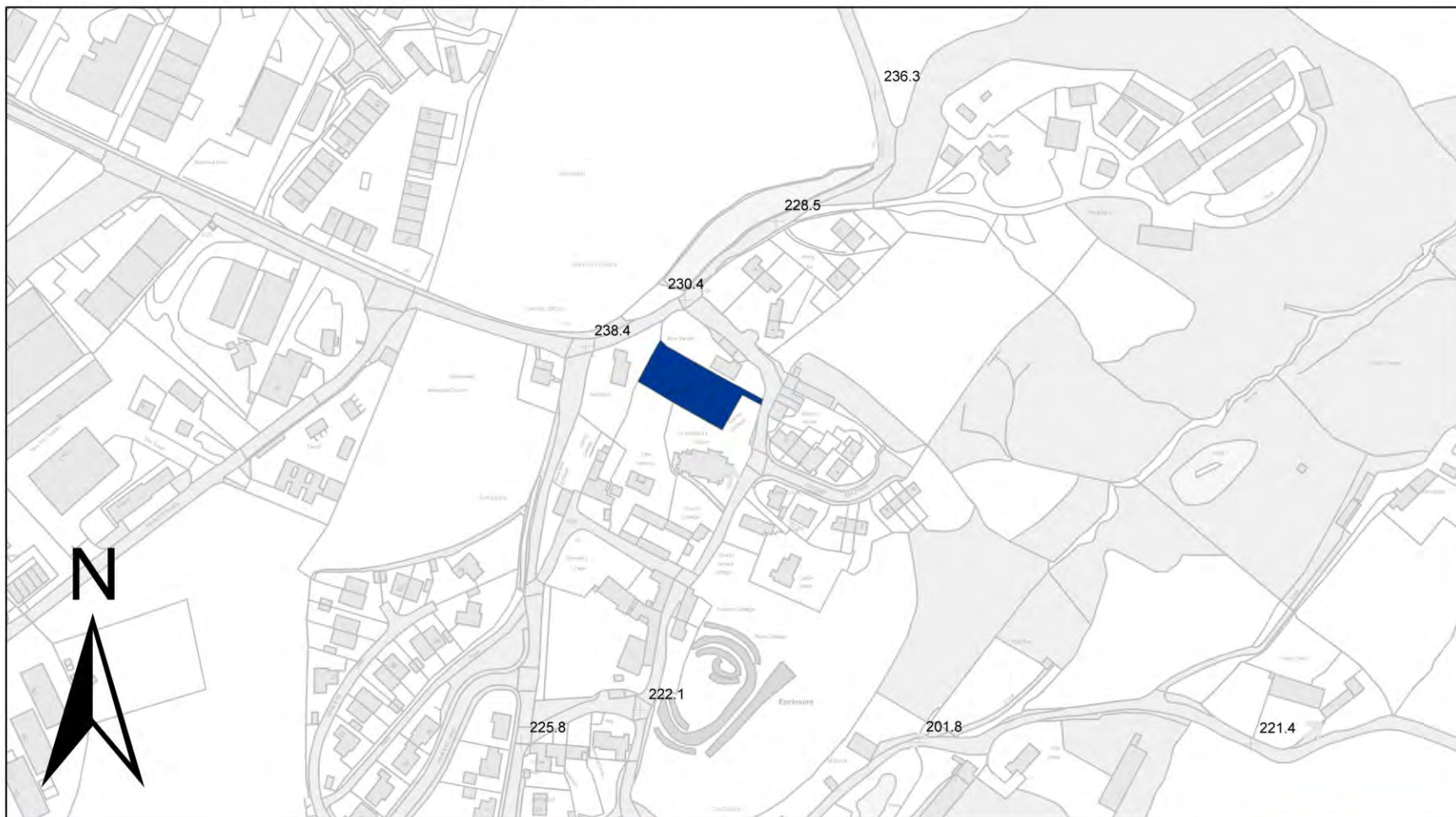
 Existing Seasonal Dog Exclusion Area

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# 20. Dunkeswell (2 of 2)

## Dunkeswell - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

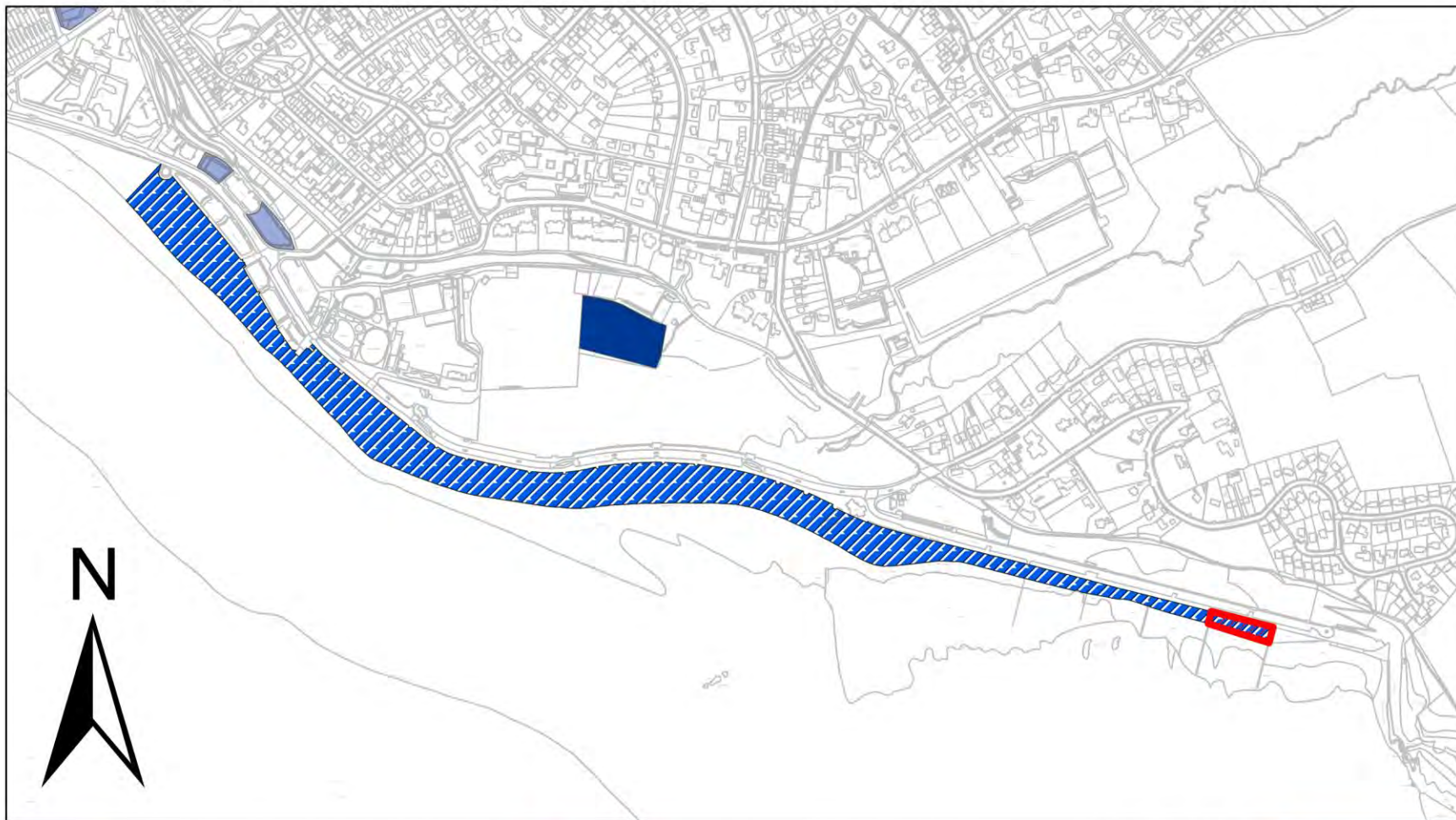
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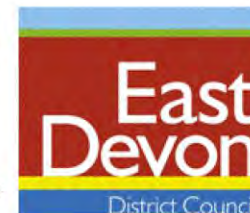
# 21. Exmouth (1 of 7)

## Exmouth - Proposed and Existing Orders



- Existing Dogs on Lead
- Existing Dog Exclusion Area
- Proposed Changes
- Existing Seasonal Dog Exclusion Area

1:7,500



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## 22. Exmouth (2 of 7)

### Exmouth - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:5,000

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

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# 23. Exmouth (3 of 7)

## Exmouth - Proposed and Existing Orders



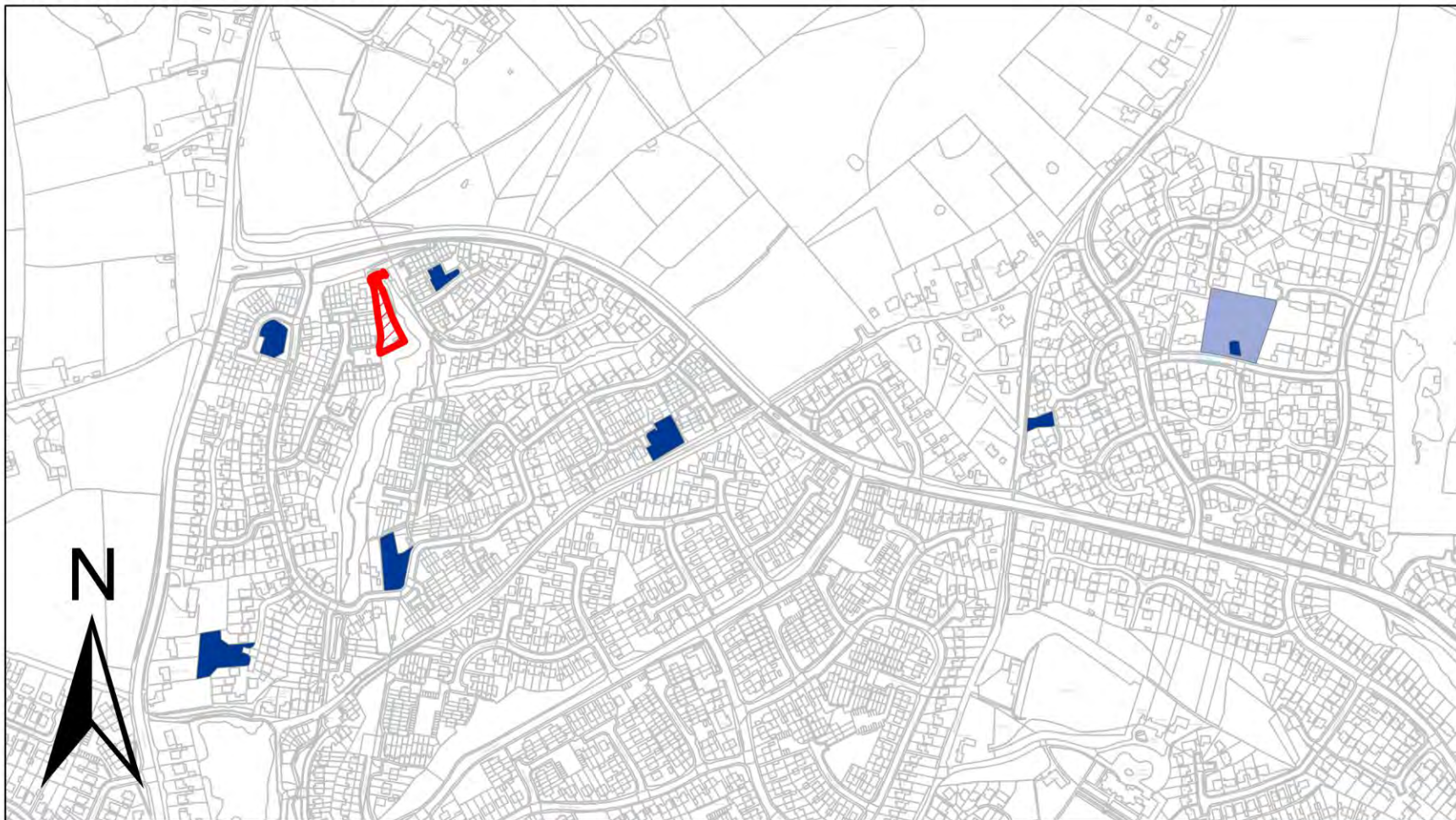
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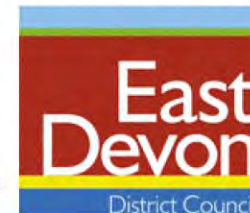
# 24. Exmouth (4 of 7)

## Exmouth - Proposed and Existing Orders



 Existing Dogs on Lead	 Proposed Changes	1:5,000
 Existing Dog Exclusion Area	 Existing Seasonal Dog Exclusion Area	

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# 25. Exmouth (5 of 7)

## Exmouth - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:5,000

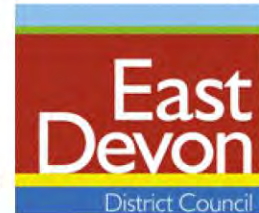


Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

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## 26. Exmouth (6 of 7)

### Exmouth - Proposed and Existing Orders



 Existing Dogs on Lead

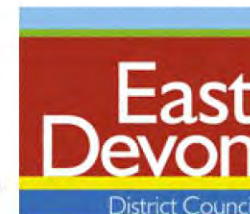
 Proposed Changes

1:5,000

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

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# 27. Exmouth (7 of 7)

## Exmouth - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:5,000

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area



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## 28. Exton

### Exton - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:5,000

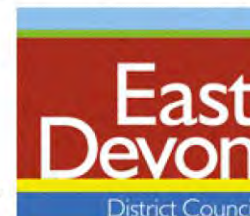


Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

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# 29. Feniton

## Feniton - Proposed and Existing Orders



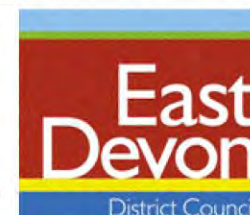
 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

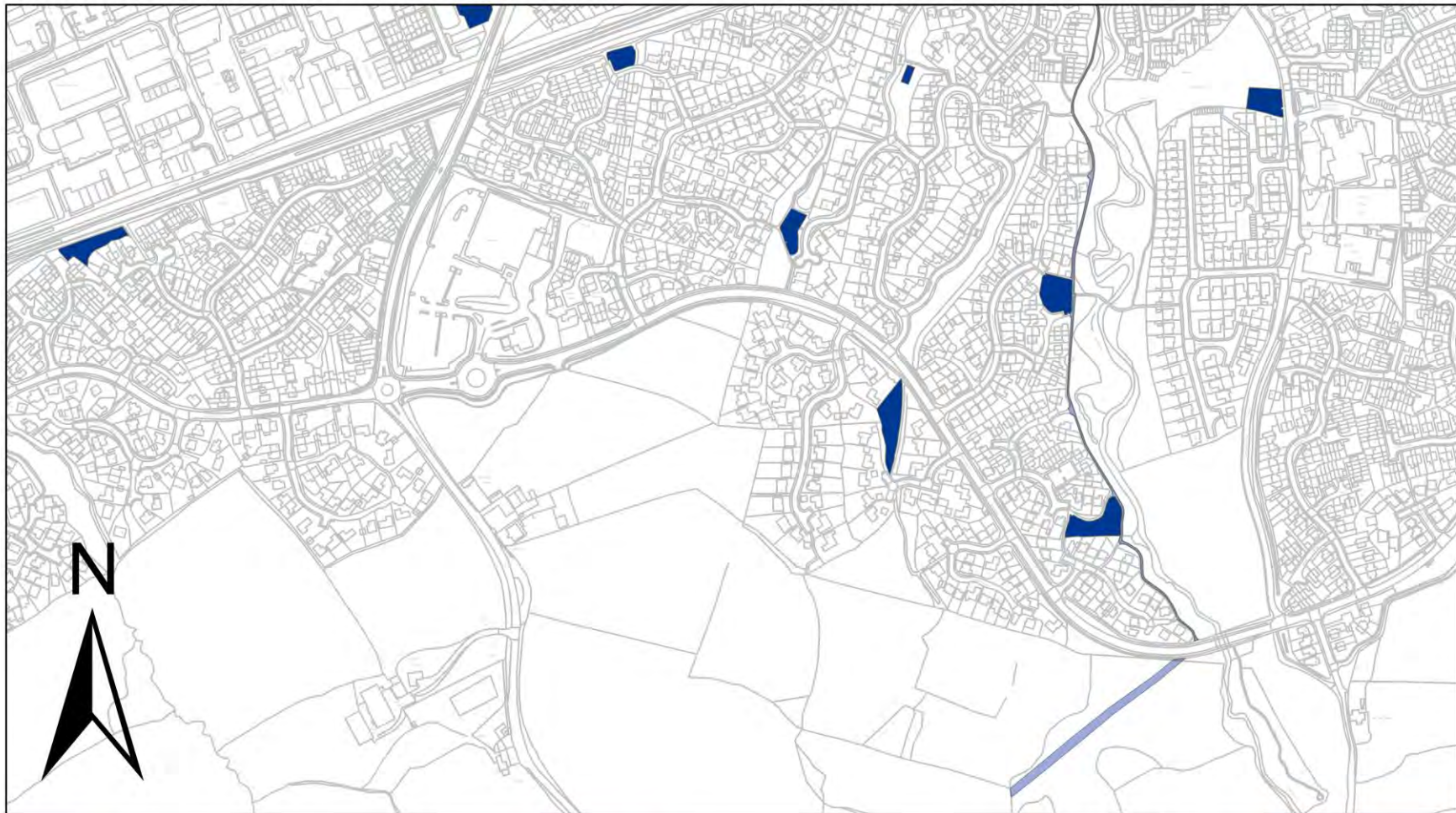


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### 30. Honiton (1 of 5)

#### Honiton - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:5,000



Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

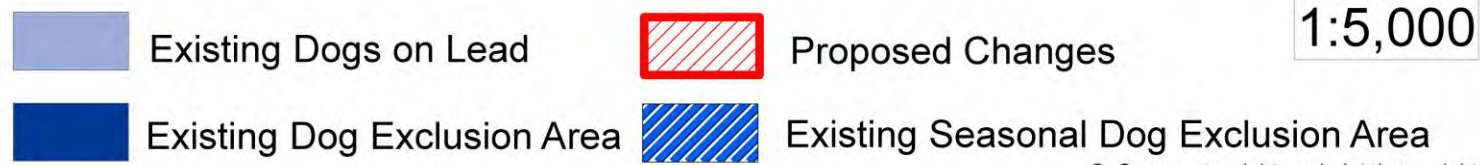
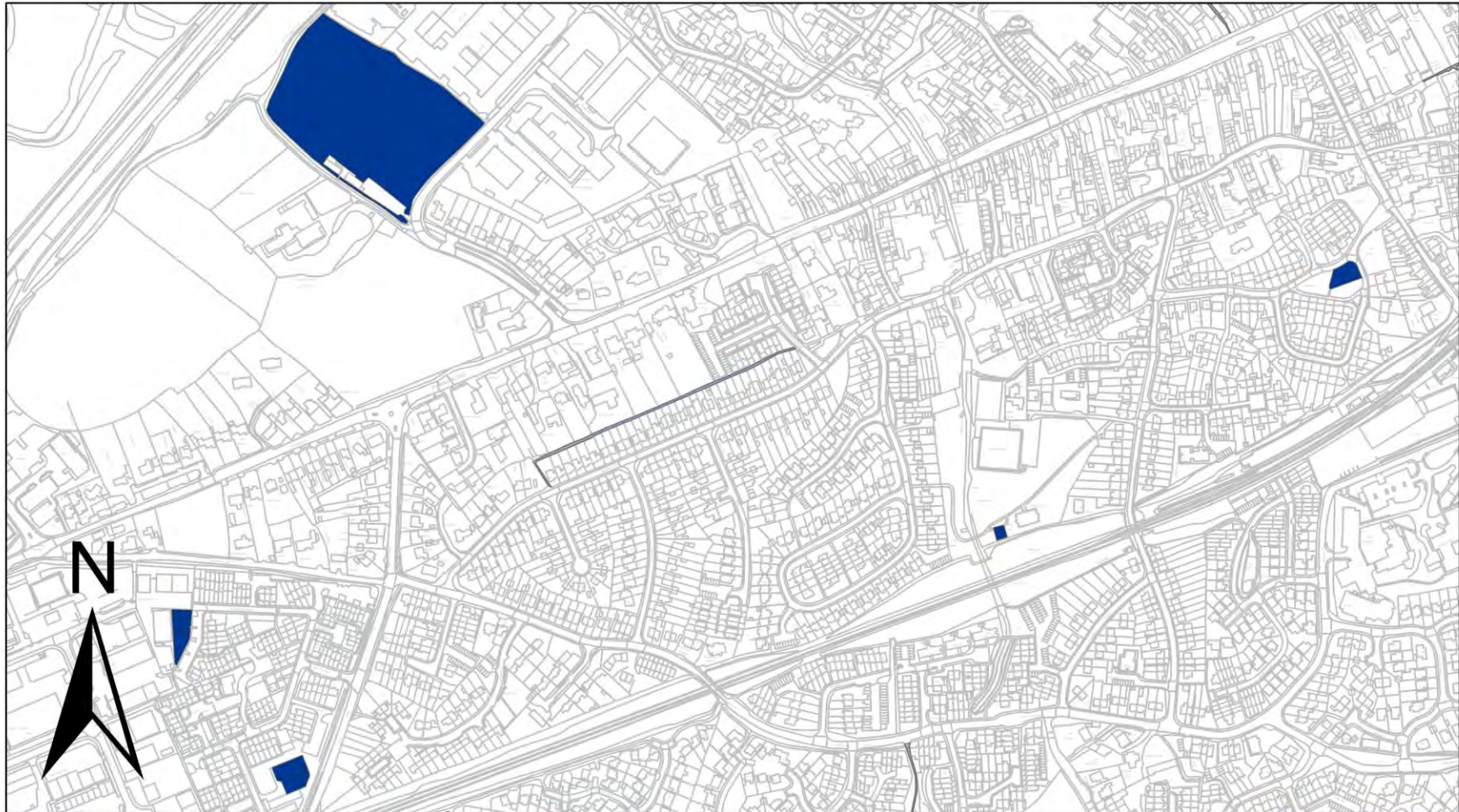
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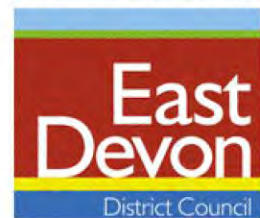


# 31. Honiton (2 of 5)

## Honiton - Proposed and Existing Orders



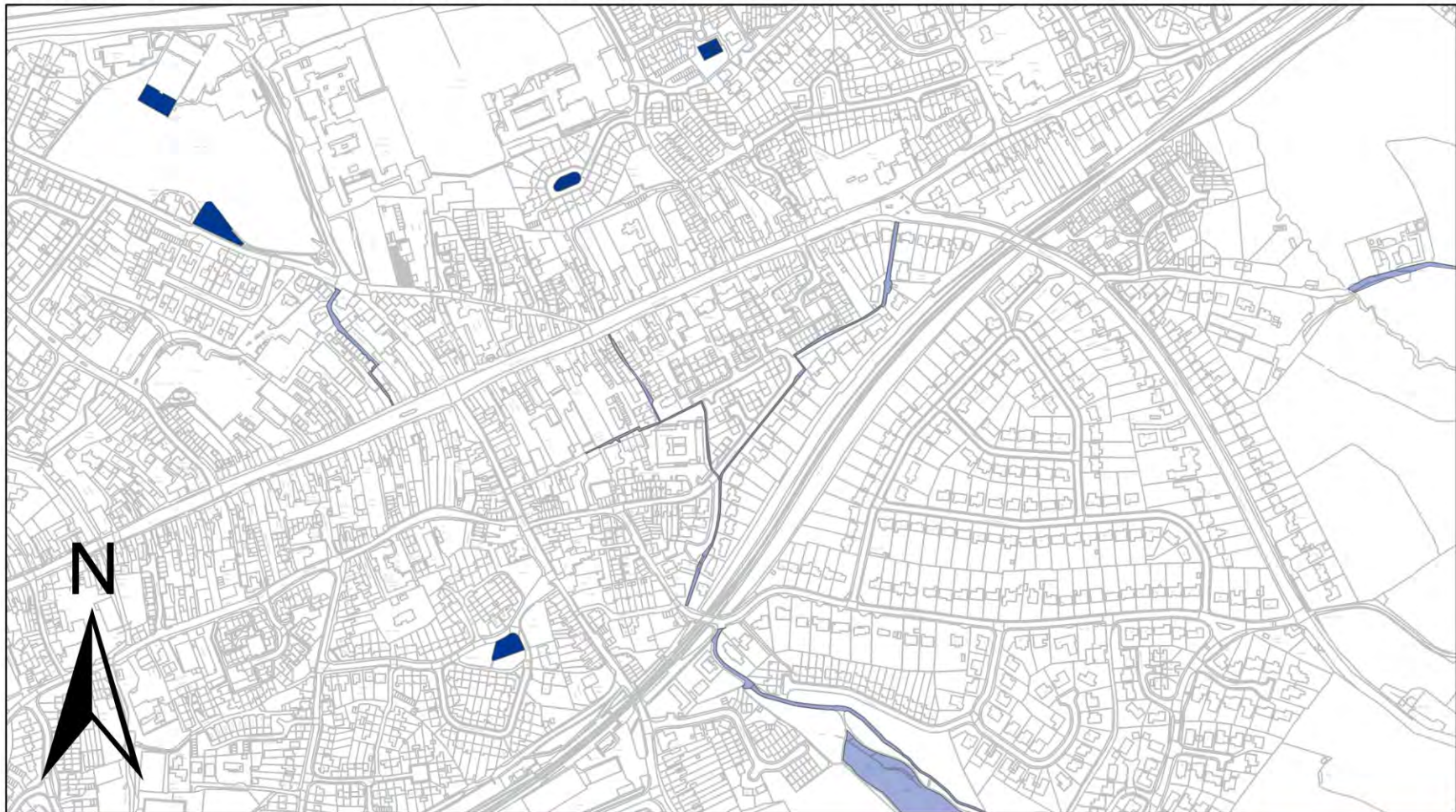
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## 32. Honiton (3 of 5)

### Honiton - Proposed and Existing Orders



1:5,000



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### 33. Honiton (4 of 5)

#### Honiton - Proposed and Existing Orders



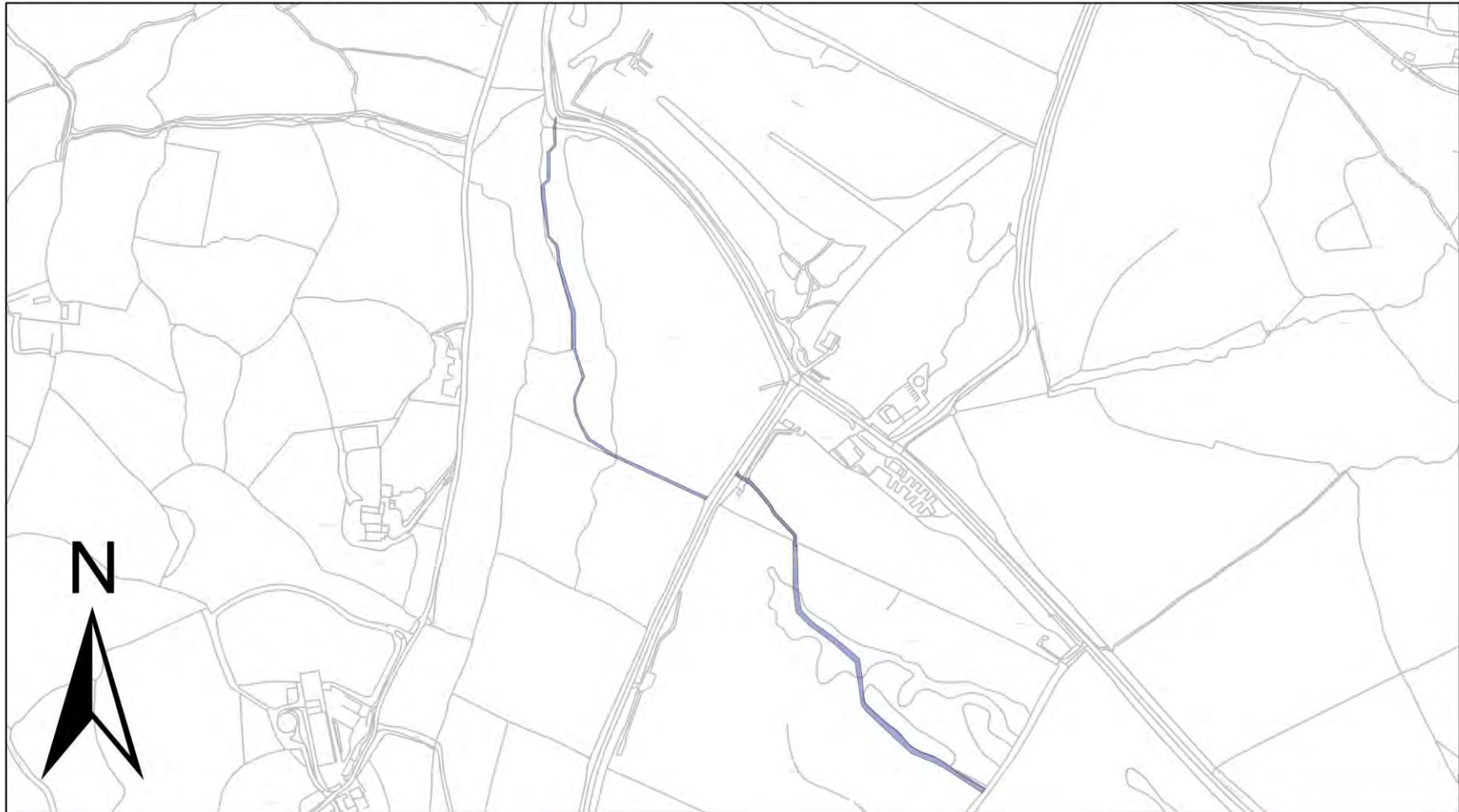
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### 34. Honiton (5 of 5)

#### Honiton - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

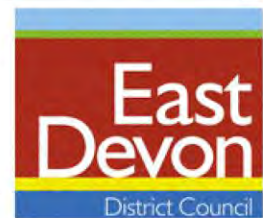
1:5,000

Existing Dog Exclusion Area



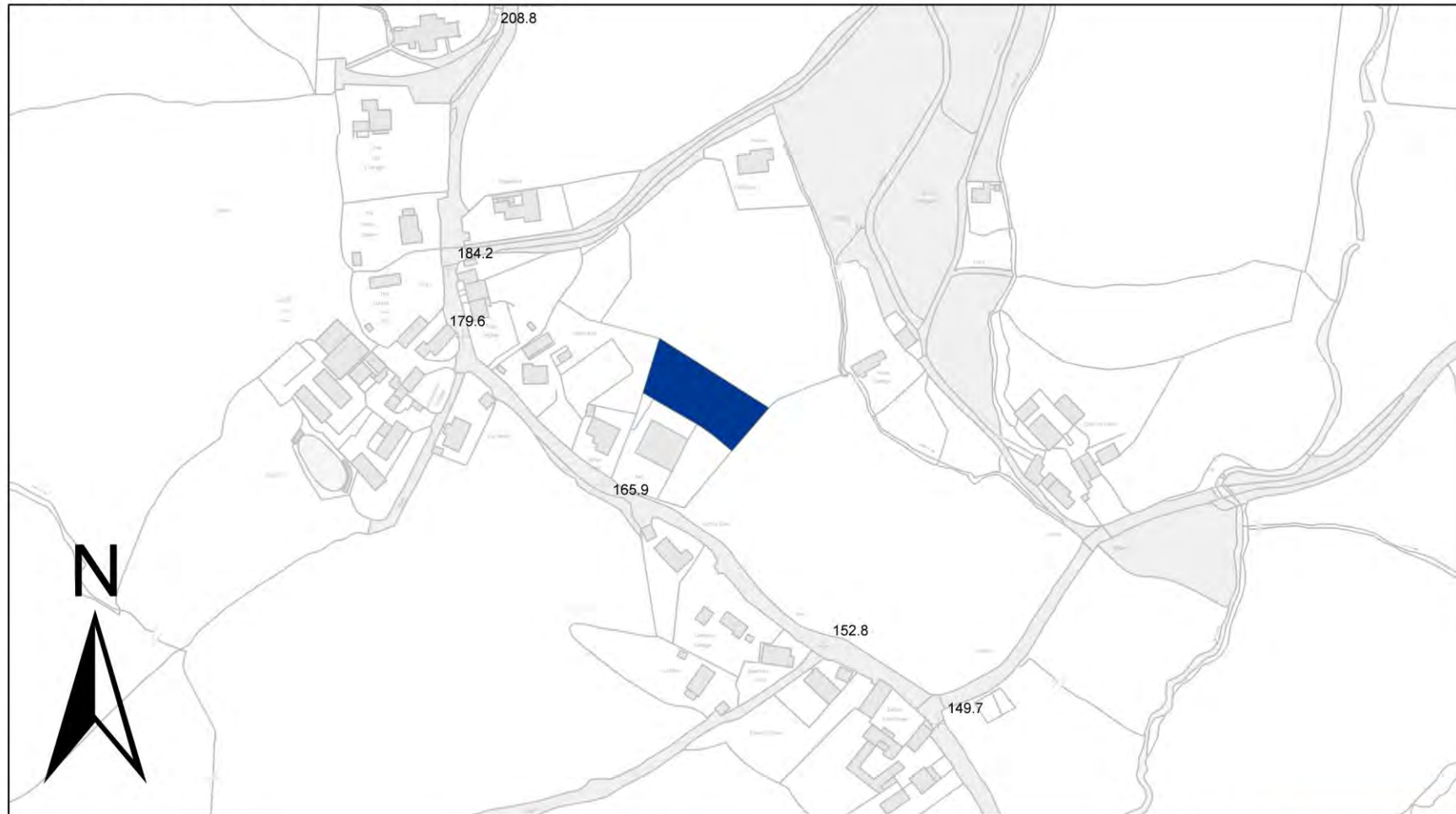
Existing Seasonal Dog Exclusion Area


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# 35. Luppitt

## Luppitt - Proposed and Existing Orders



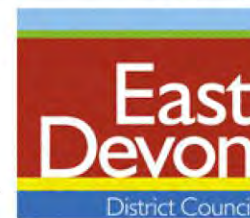
 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

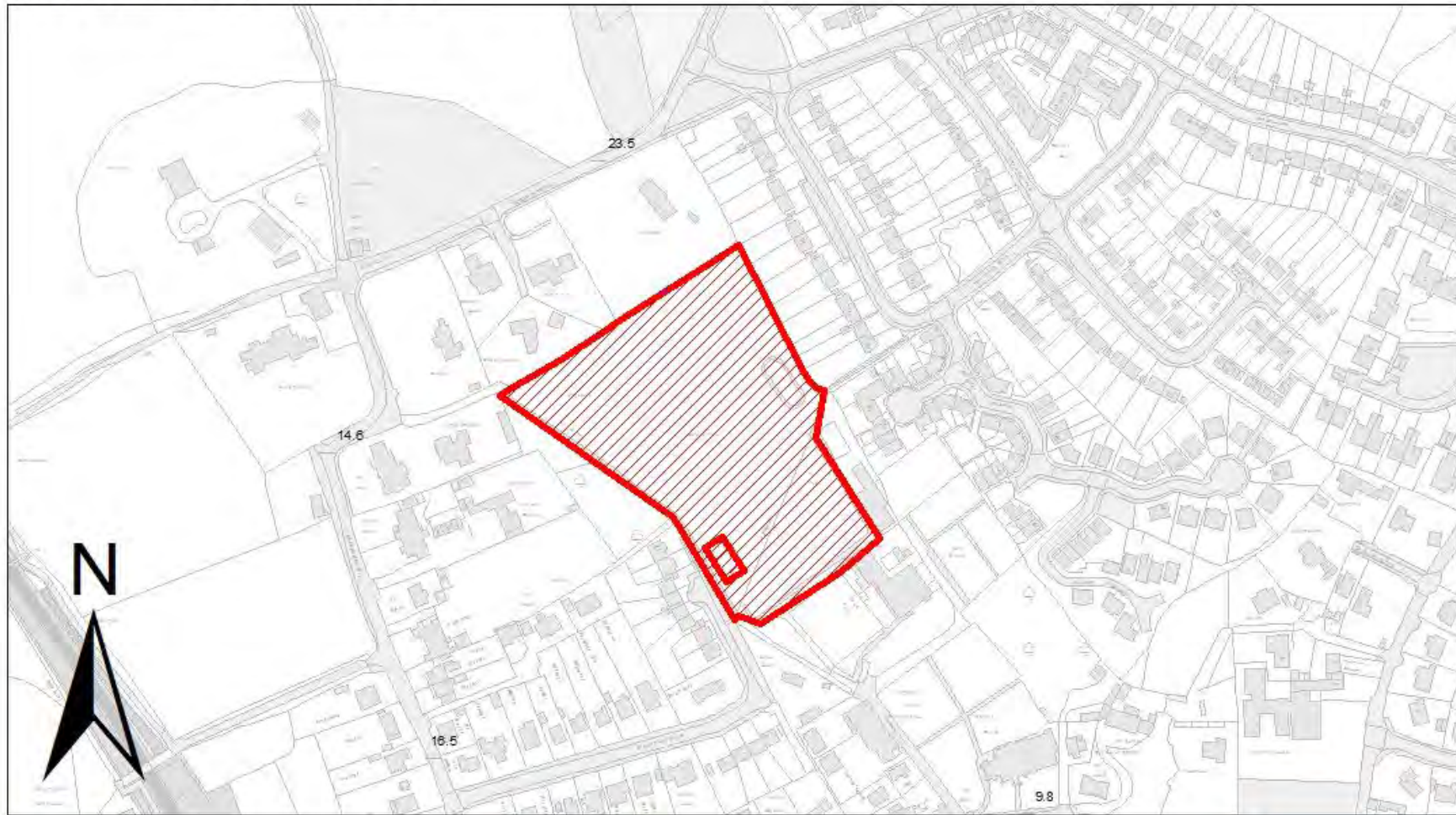






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# 36. Lymestone

## Lymestone - Proposed Orders



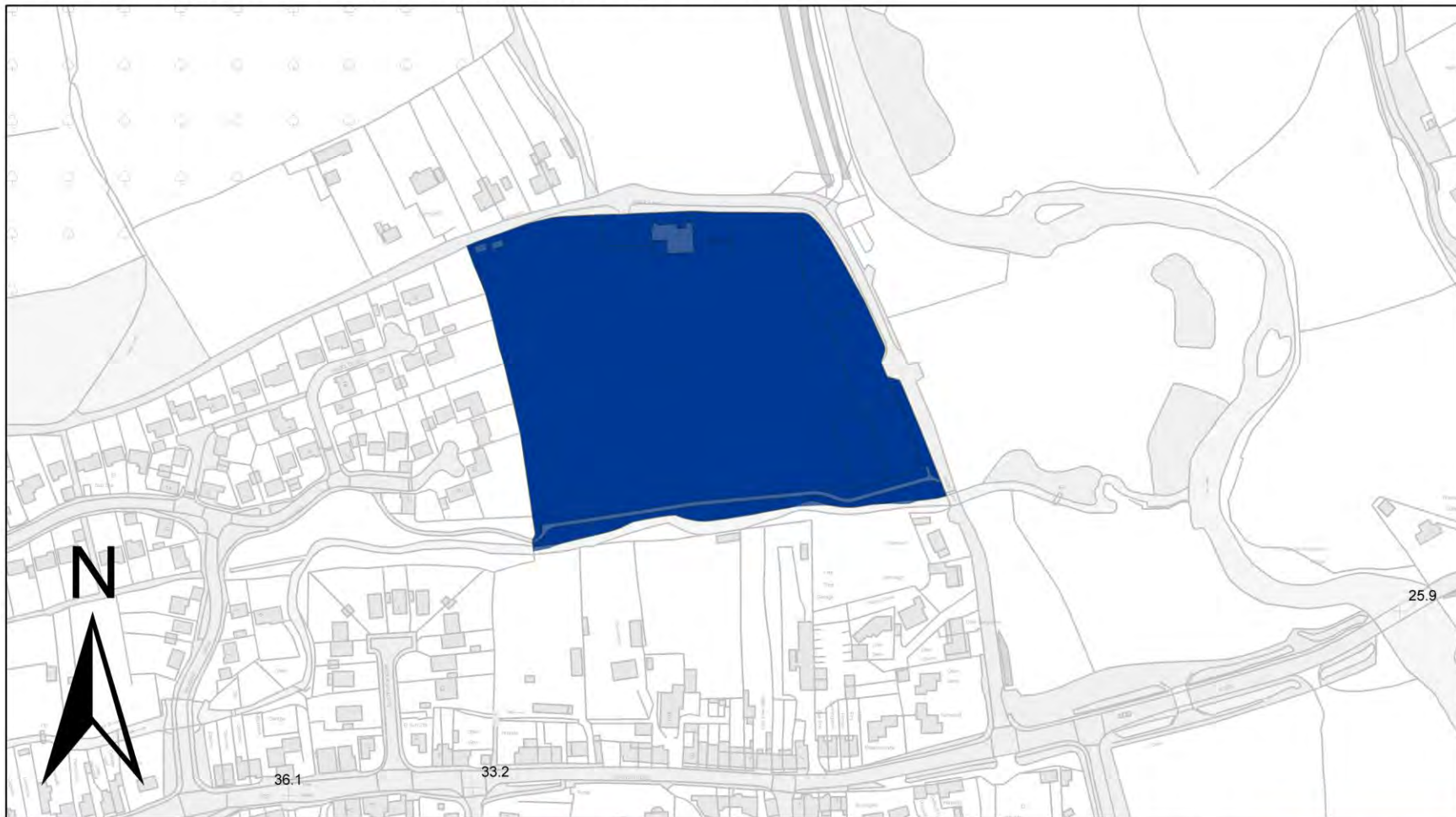
 Existing Dogs on Lead	 Proposed Changes	<b>1:2,500</b>
 Existing Dog Exclusion Area	 Existing Seasonal Dog Exclusion Area	



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# 37. Newton Poppleford

## Newton Poppleford - Proposed and Existing Orders



-  Existing Dogs on Lead
  -  Proposed Changes
  -  Existing Dog Exclusion Area
  -  Existing Seasonal Dog Exclusion Area
- 1:2,500

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# 38. Otterton

## Otterton - Proposed and Existing Orders



 Existing Dogs on Lead

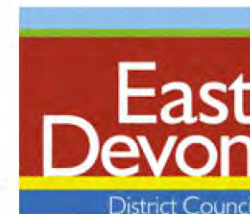
 Proposed Changes

1:5,000

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

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### 39. Ottery St Mary (1 of 2)

#### Ottery St Mary - Proposed and Existing Orders



 Existing Dogs on Lead

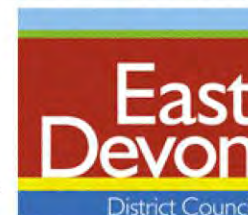
 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

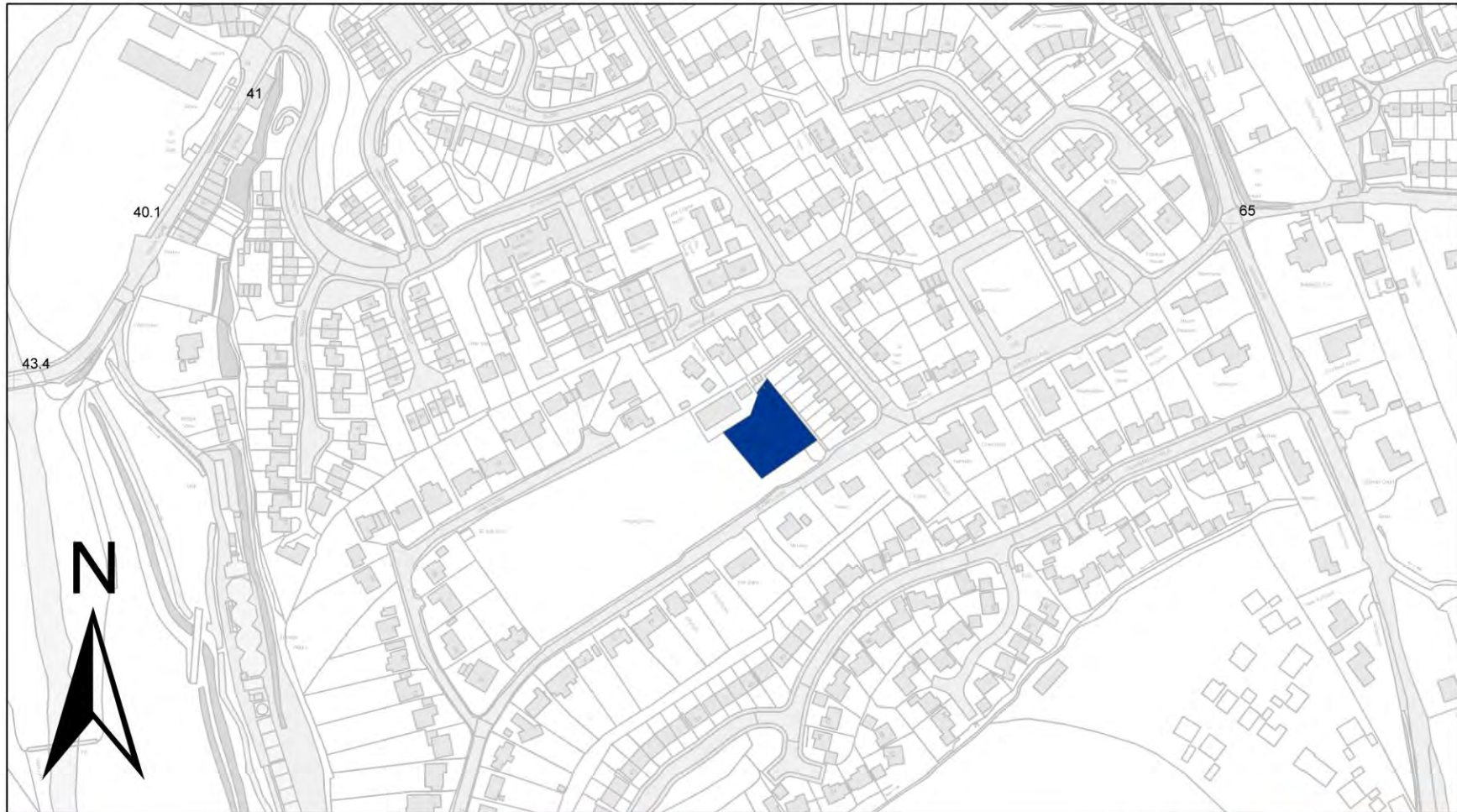
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# 40. Ottery St Mary (2 of 2)

## Ottery St Mary - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

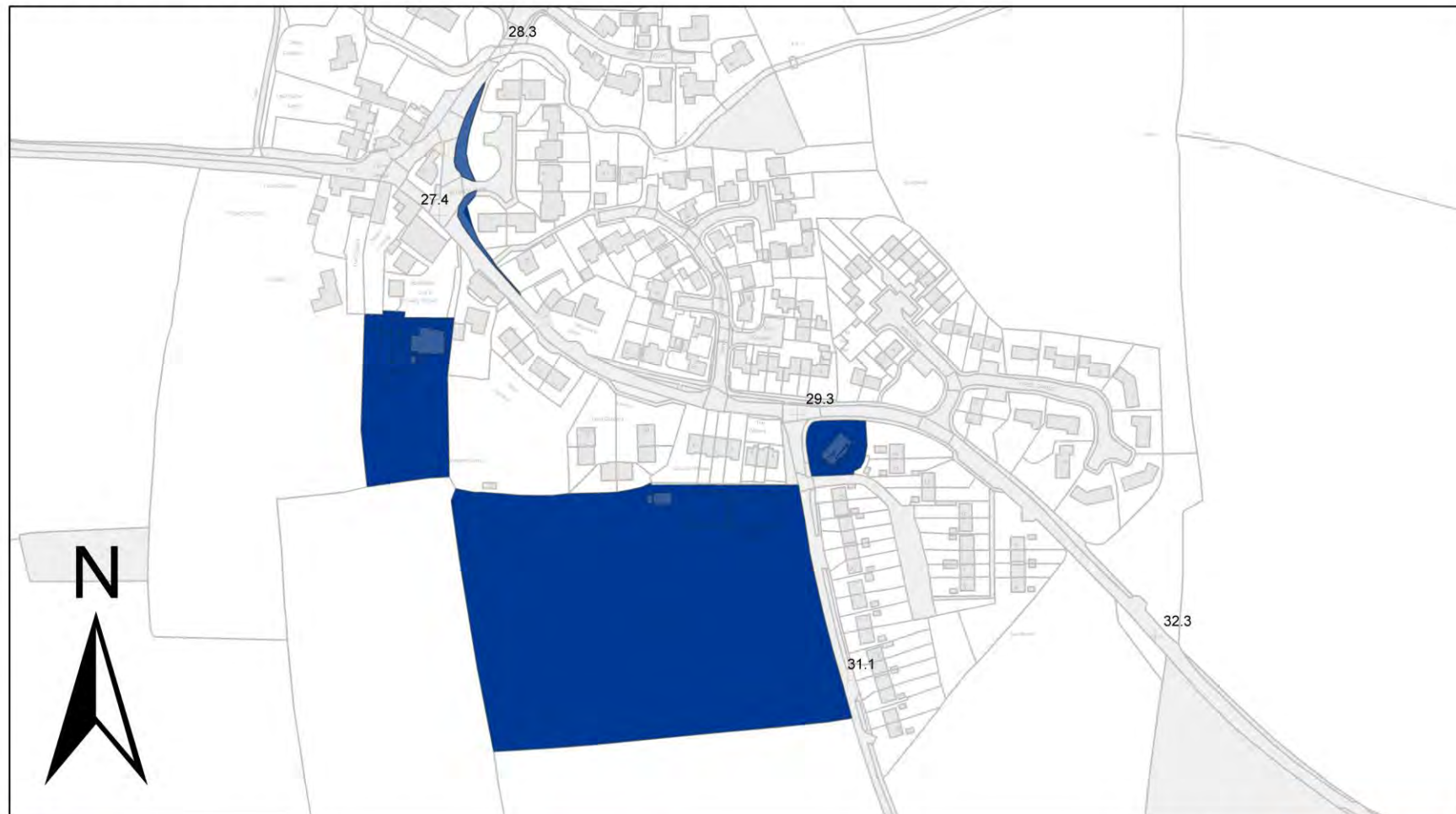
 Existing Seasonal Dog Exclusion Area

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# 41. Rockbeare

## Rockbeare - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:2,500



Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

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## 42. Seaton (1 of 3)

### Seaton - Proposed and Existing Orders



 Existing Dogs on Lead

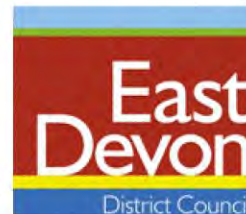
 Proposed Changes

1:5,000

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area





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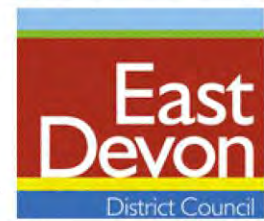


# 43. Seaton (2 of 3)

## Seaton - Proposed and Existing Orders



-  Existing Dogs on Lead
  -  Existing Dog Exclusion Area
  -  Proposed Changes
  -  Existing Seasonal Dog Exclusion Area
- 1:2,500

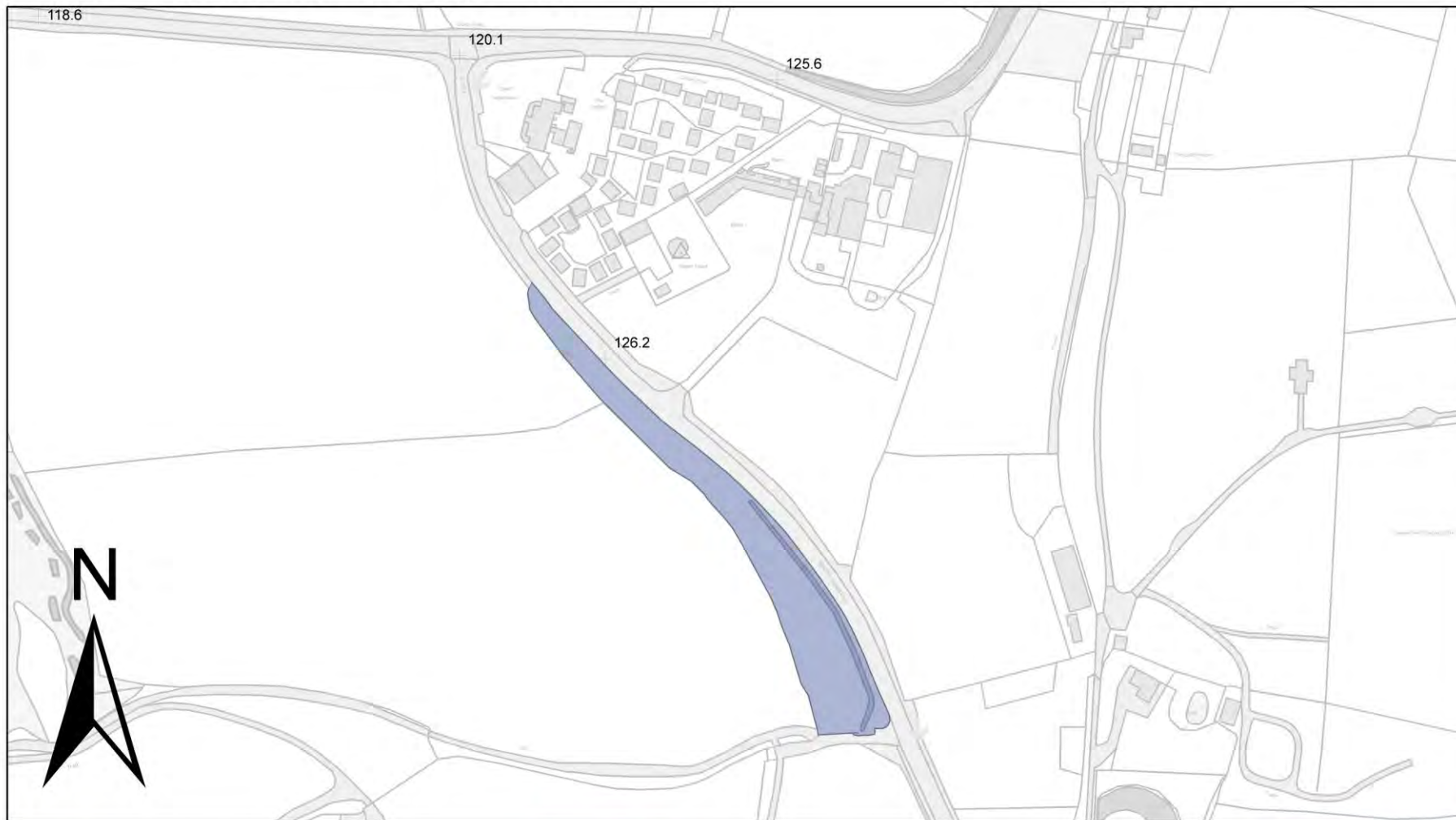


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# 44. Seaton (3 of 3)

## Seaton - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

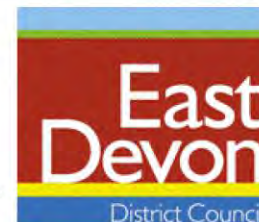


Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

1:2,500



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# 45. Sidbury

## Sidbury - Proposed and Existing Orders



 Existing Dogs on Lead

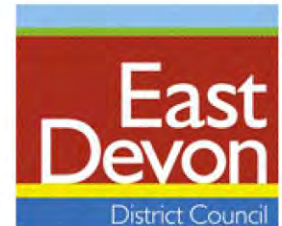
 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

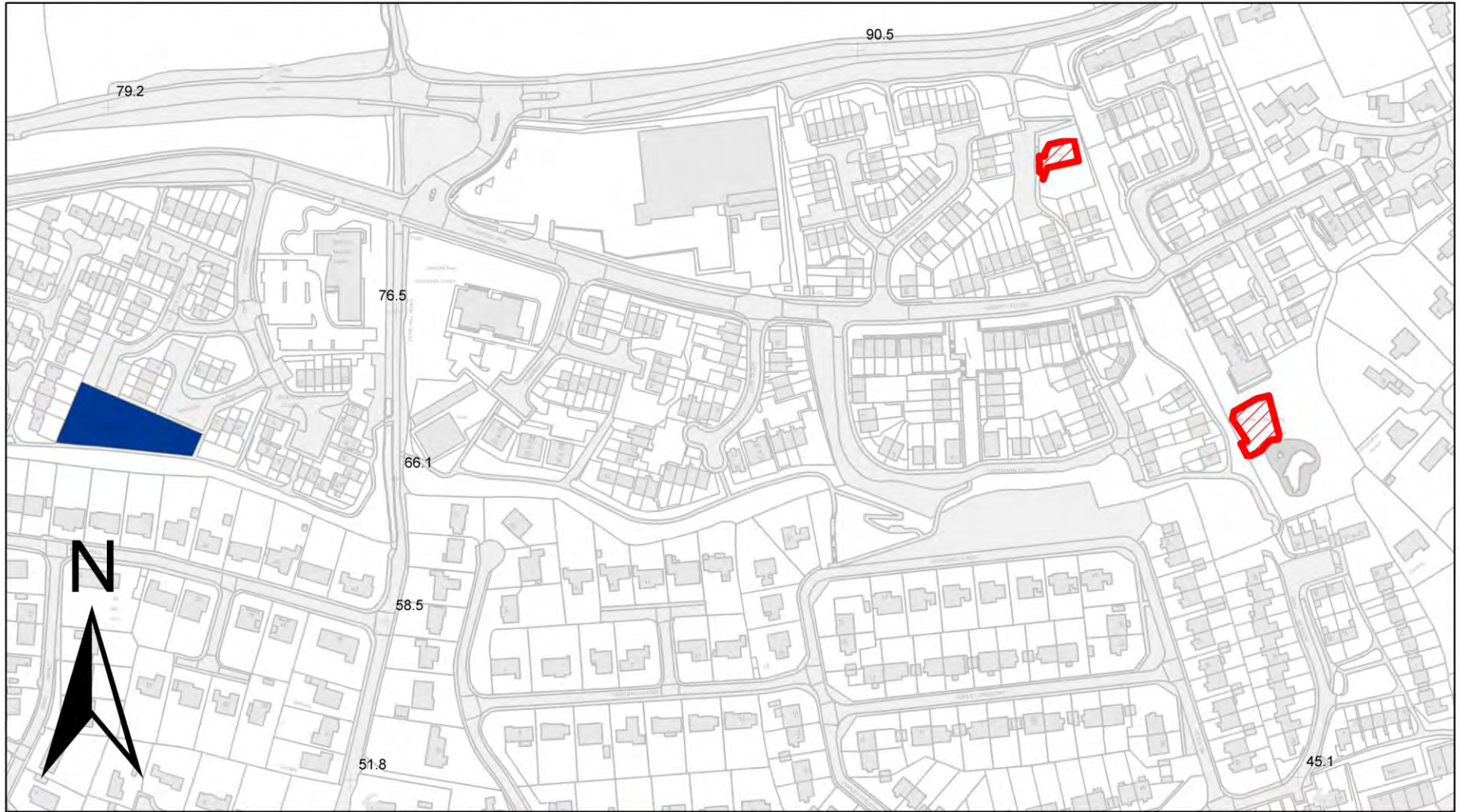
 Existing Seasonal Dog Exclusion Area

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# 46. Sidford (1 of 2)

## Sidford - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

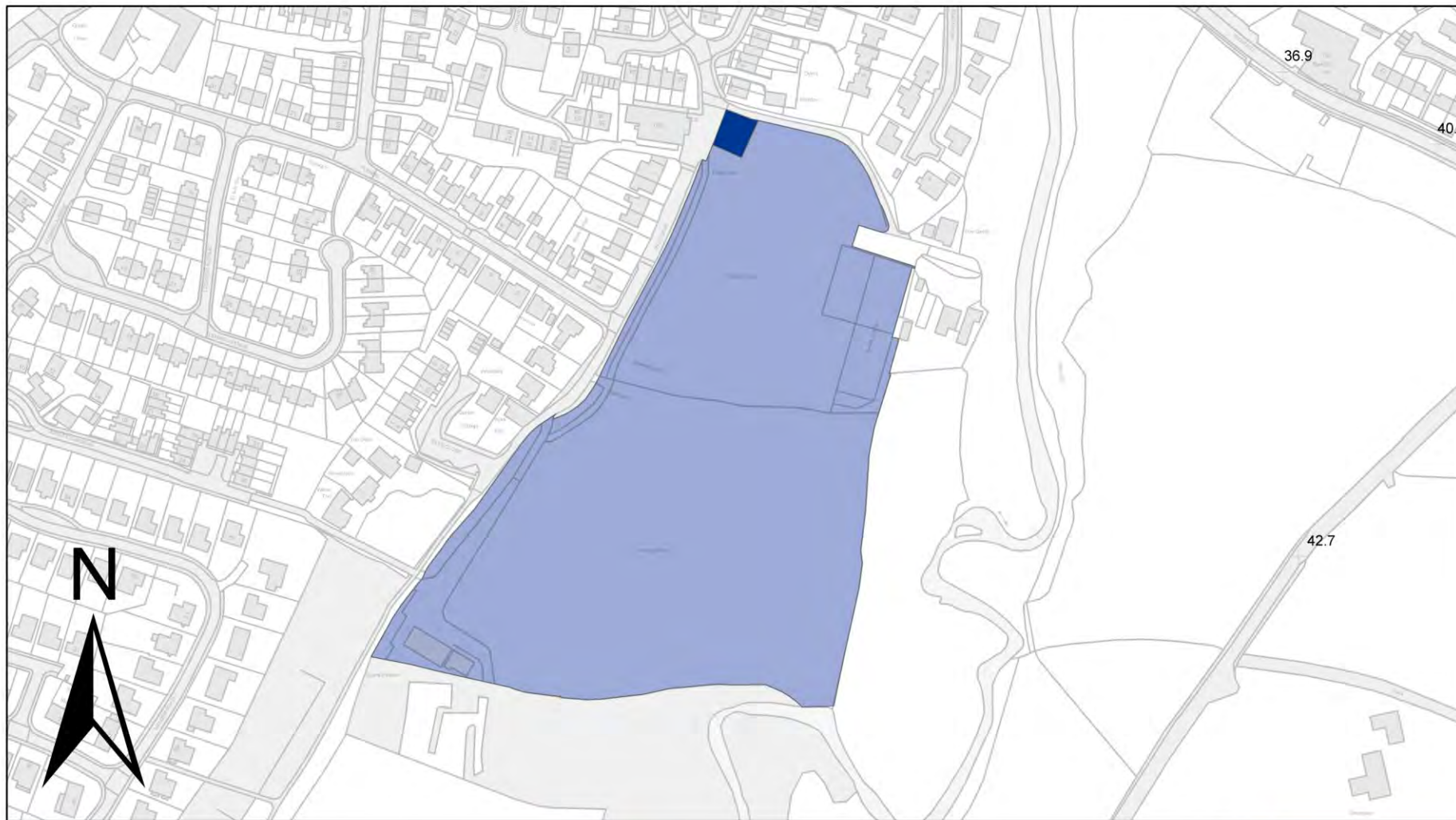
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# 47. Sidford (2 of 2)

## Sidford - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes



Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

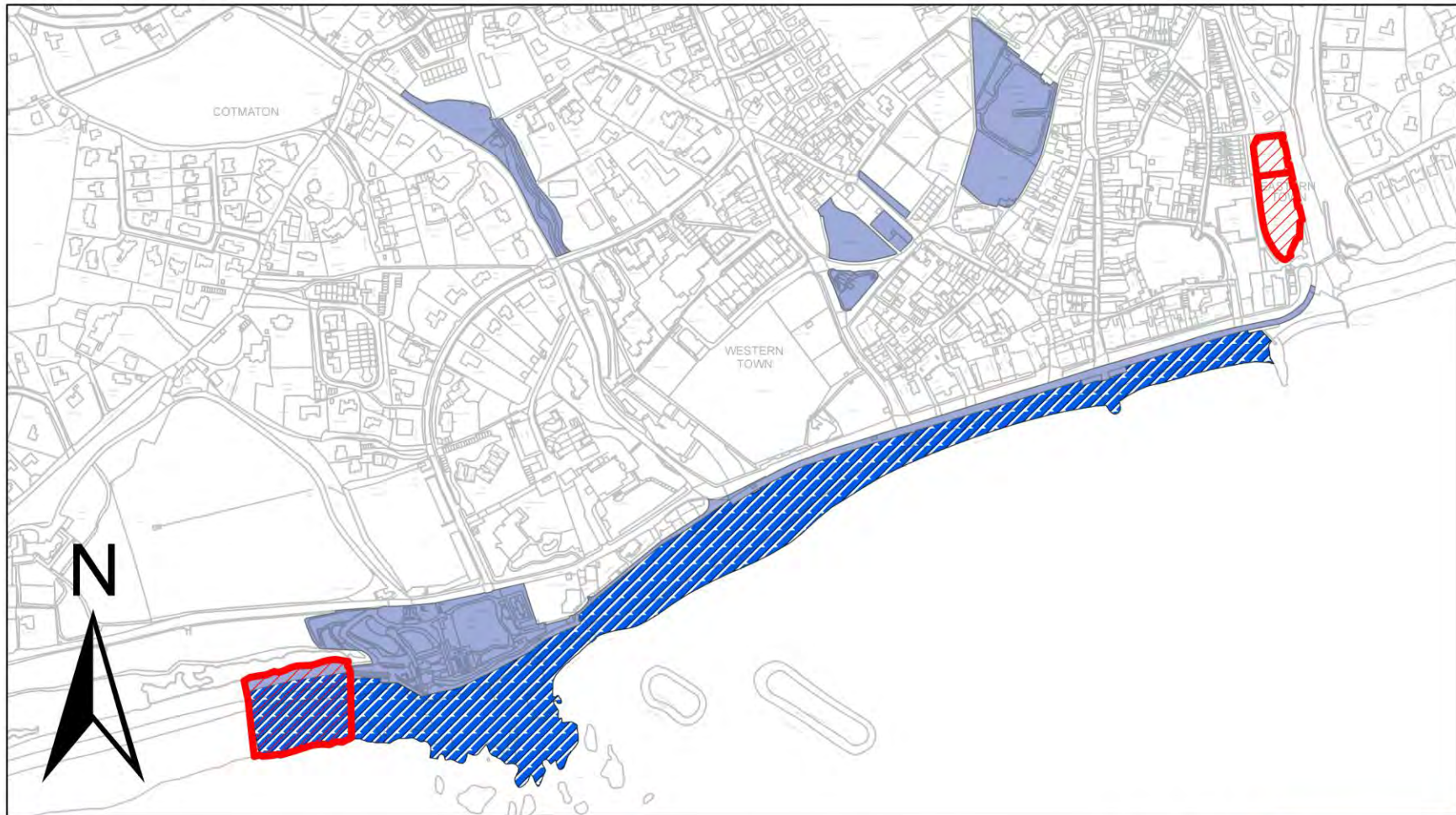
1:2,500



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# 48. Sidmouth (1 of 2)

## Sidmouth - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:5,000

Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area



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# 49. Sidmouth (2 of 2)

## Sidmouth - Proposed and Existing Orders



Existing Dogs on Lead



Proposed Changes

1:2,500



Existing Dog Exclusion Area



Existing Seasonal Dog Exclusion Area

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# 50. Stoke Canon

## Stoke Canon - Proposed and Existing Orders




 Existing Dogs on Lead

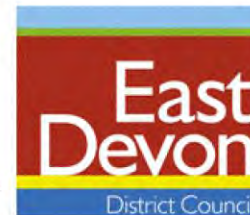
 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

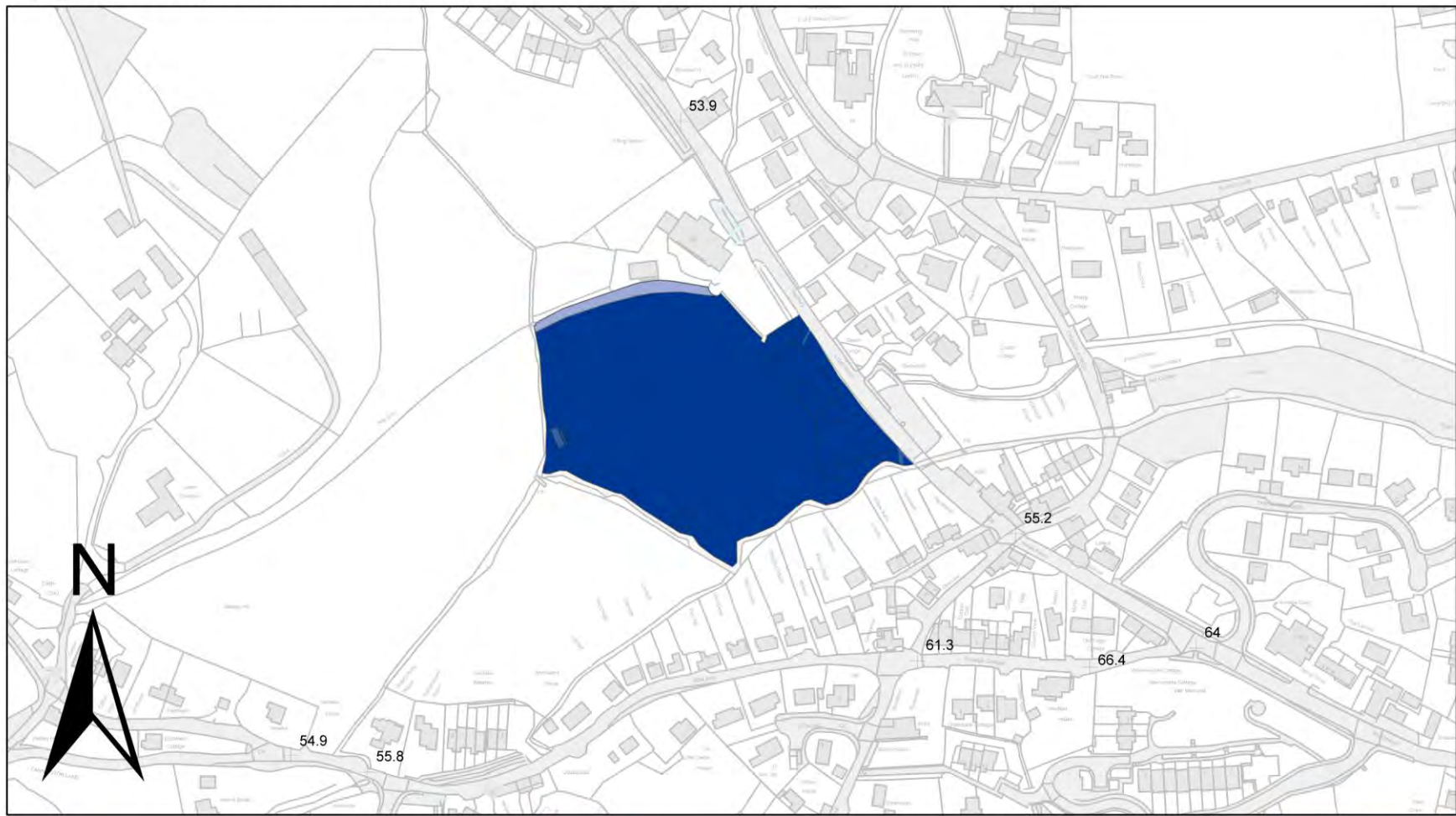
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# 51. Uplyme

## Uplyme - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

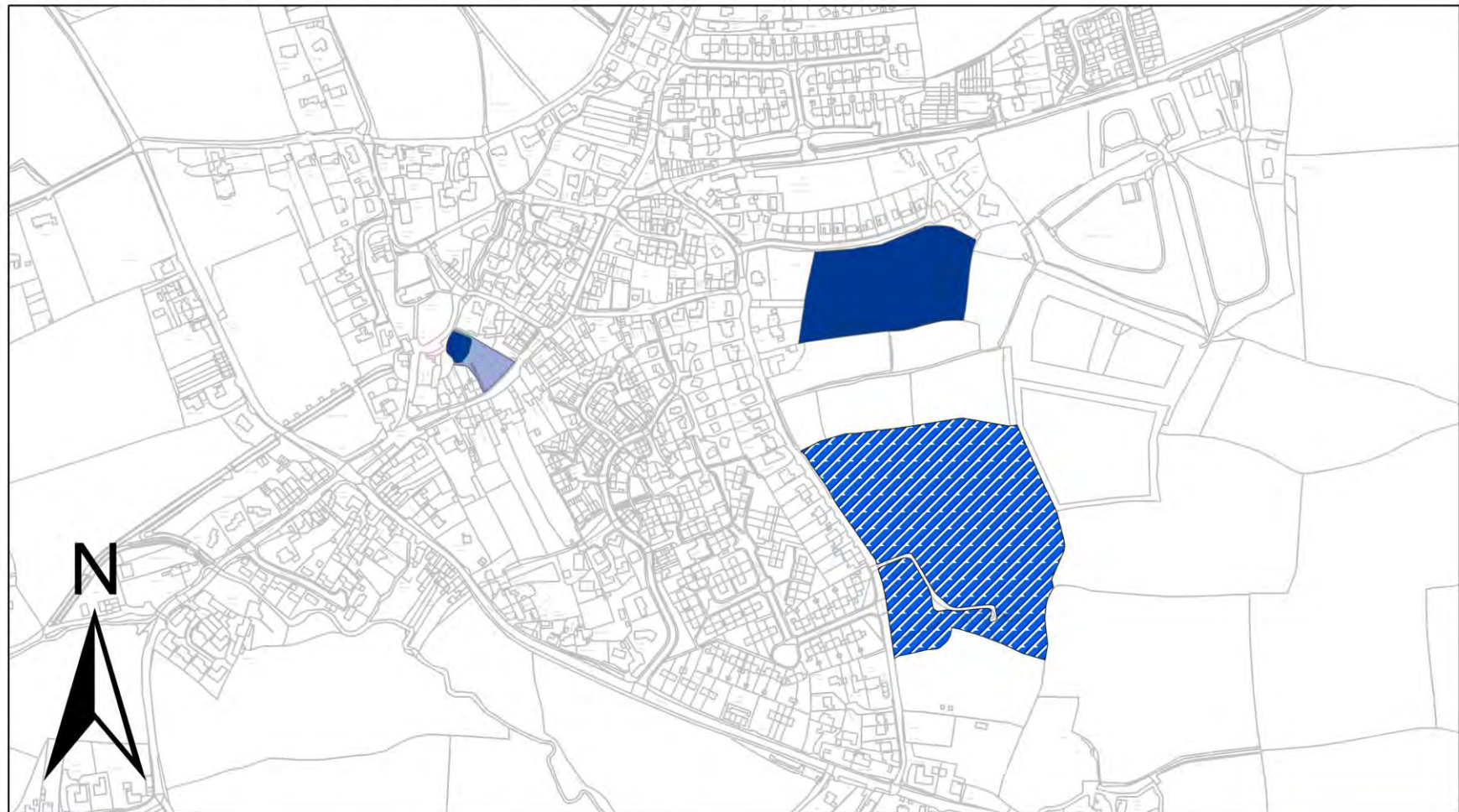
 Existing Seasonal Dog Exclusion Area



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## 52. Woodbury

### Woodbury - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:5,000

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

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# 53. Woodbury Salterton

## Woodbury Salterton - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area

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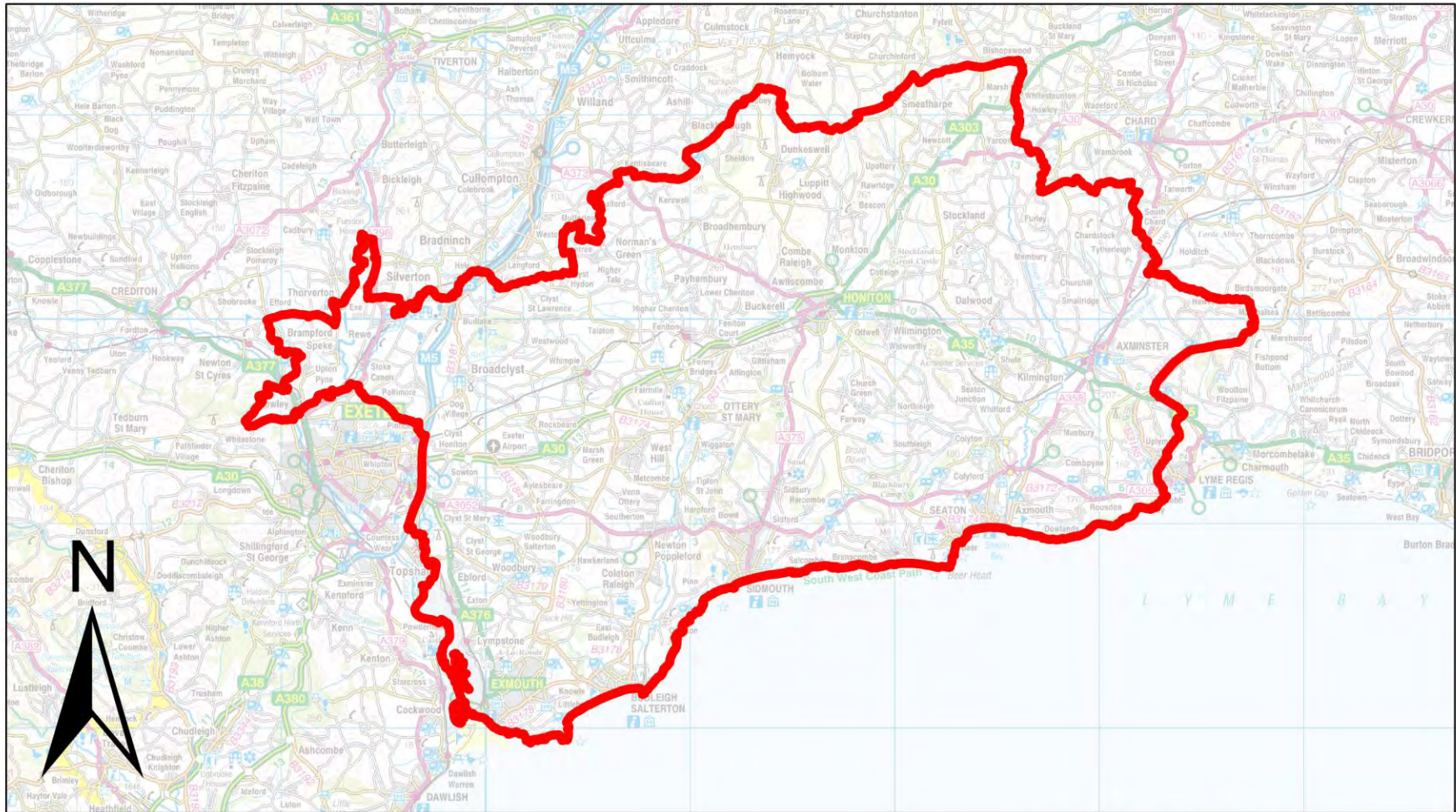
## Public Space Protection Order 2016 – Seashores and Promenades. Maps showing existing dog controls and proposed changes.

These maps show the existing orders which will be incorporated into the new PSPO together with a small number of changes proposed. On most maps there will be no changes.

1.	East Devon Boundary.....	2
2.	Beer.....	3
3.	Budleigh Salterton.....	4
4.	Exmouth.....	5
5.	Seaton.....	5
6.	Sidmouth.....	7

# 1. East Devon Boundary

## East Devon Boundary



1:250,000




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## 2. Beer

### Beer - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

 Existing Seasonal Dog Exclusion Area



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### 3. Budleigh Salterton

#### Budleigh Salterton - Proposed and Existing Orders



 Existing Dogs on Lead

 Proposed Changes

1:2,500

 Existing Dog Exclusion Area

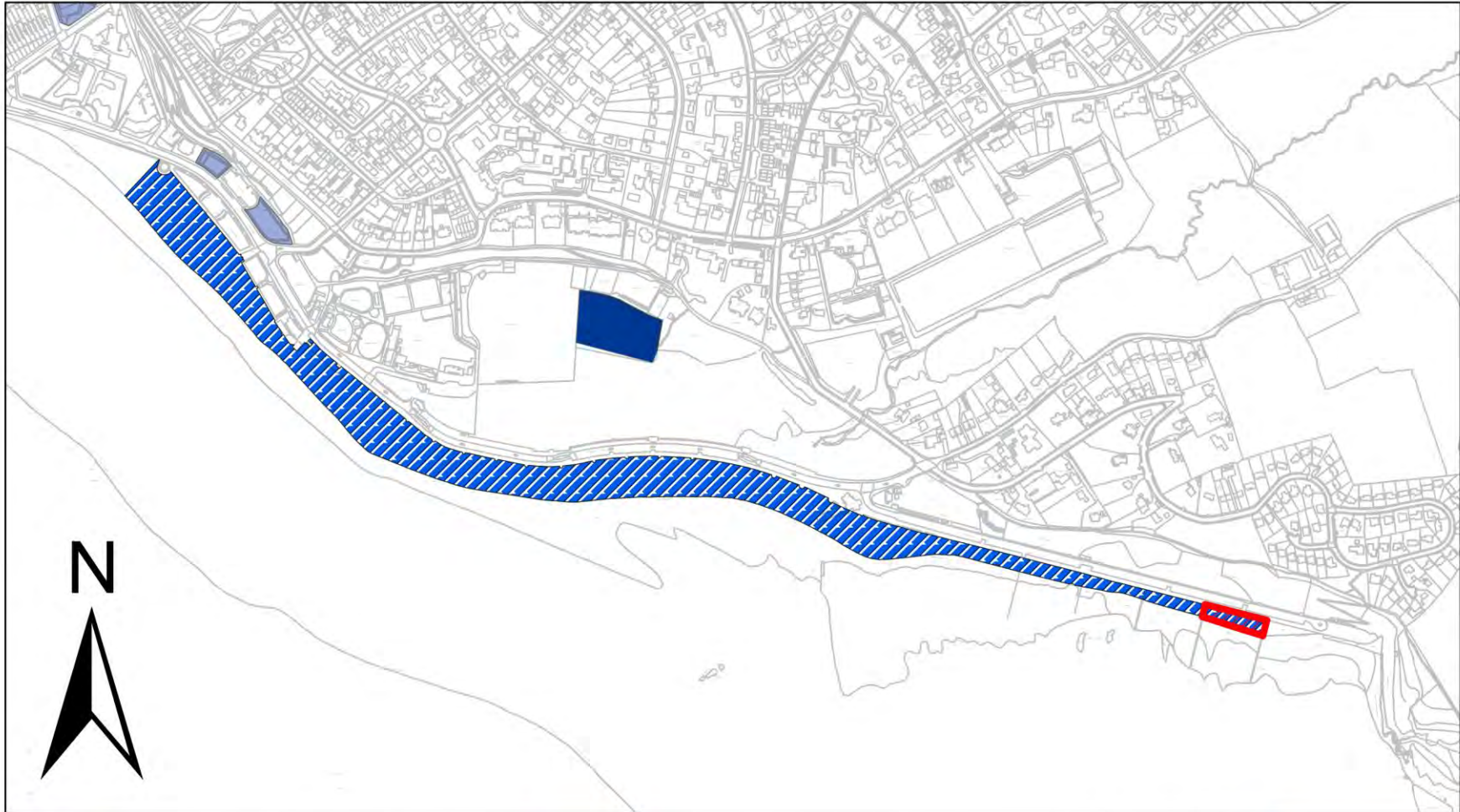
 Existing Seasonal Dog Exclusion Area







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# 4. Exmouth

## Exmouth - Proposed and Existing Orders



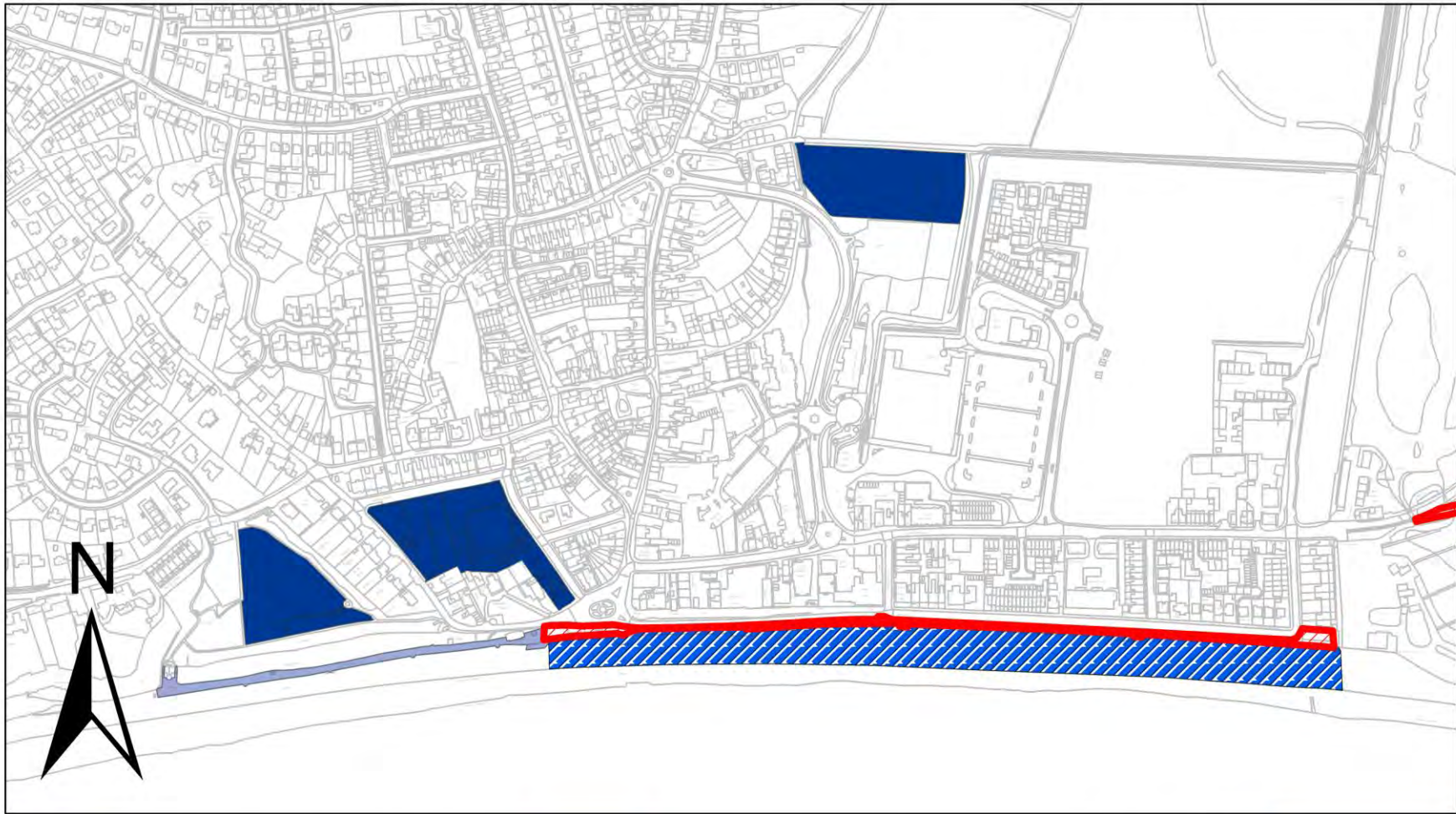
	Existing Dogs on Lead		Proposed Changes	1:7,500
	Existing Dog Exclusion Area		Existing Seasonal Dog Exclusion Area	





# 5. Seaton

## Seaton - Proposed and Existing Orders




 Existing Dogs on Lead

 Proposed Changes

1:5,000

 Existing Dog Exclusion Area

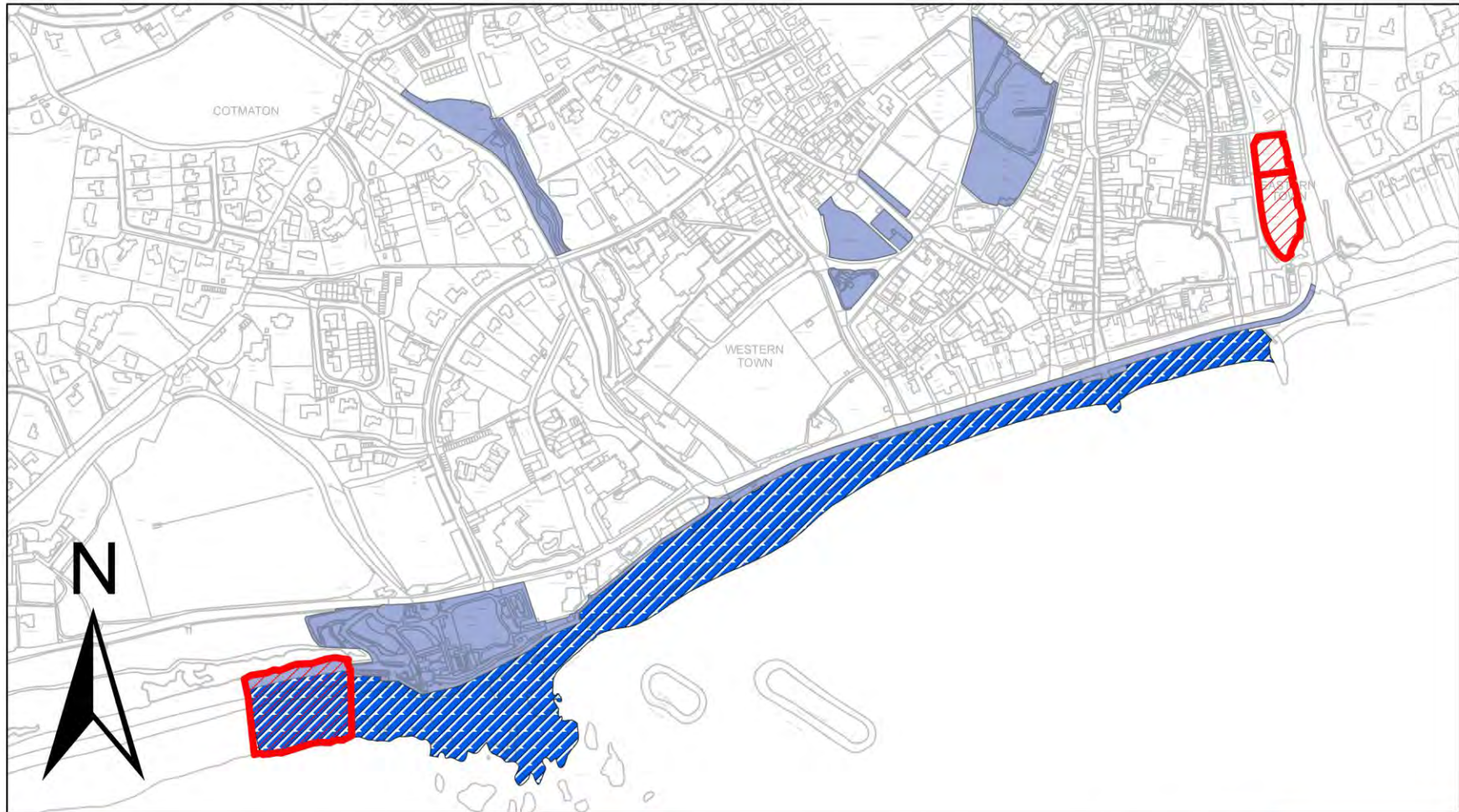
 Existing Seasonal Dog Exclusion Area

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## 6. Sidmouth

### Sidmouth - Proposed and Existing Orders



1:5,000



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**Report to:** Cabinet  
**Date of Meeting:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None



**Review date for release** None

**Agenda item:** 21

**Subject:** **Appointment of Inspector to Examine the East Budleigh with Bicton Neighbourhood Plan**

**Purpose of report:** This report is written to advise Cabinet that exemption to standing orders has been applied in order to appoint an independent examiner to examine the East Budleigh with Bicton Neighbourhood Plan. In order to secure a speedy examination and to accord with the wishes of the plan producers it was seen as desirable to secure the services of Nigel McGurk who has established a track record in Neighbourhood Plan examination work and has undertaken previous Neighbourhood Plan examinations for East Devon District Council at Lymptone, Stockland and Bishops Clyst. Early adoption of the Neighbourhood Plan will help with establish a positive planning policy framework for the parish to inform determination of planning applications in the parish.

**Recommendation:** **To note the exemption to Contract Standing Order to enable the appointment of Nigel McGurk to undertake the Examination of the East Budleigh with Bicton Neighbourhood Plan.**

**Reason for recommendation:** To ensure that an independent examiner is in place and appointed.

**Officer:** Tim Spurway, Neighbourhood Planning Officer,  
[tspurway@eastdevon.gov.uk](mailto:tspurway@eastdevon.gov.uk) tel: 01395 571745

**Financial implications:** Government funding of £20,000 is available to cover the cost of the examination once a date has been set for referendum.

**Legal implications:** The contract value falls below the threshold set out in the Public Contracts Regulations 2015 and therefore the EU procurement procedure does not apply and an exemption can be validly given pursuant to the Council's Contract Standing Orders Rule 3.1.

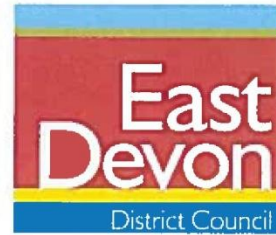
**Equalities impact:** A low impact is identified from the appointment.

**Risk:** Low Risk

**Links to background information:** No background Documents are linked to this report

**Link to Council Plan:** Living in this Outstanding Place.





**REQUEST FOR EXEMPTION TO CONTRACT STANDING ORDERS**

A request for exemption to Contract Standing Orders (CSO) can be made under CSO 3.1 – 3.5. No exemption can be used if the EU Procedure applies.

Name: Tim Spurway	Date: 03/11/16
Service: Planning	Team: Planning Policy
Total contract value: £4,000 – £9,000	

Background (including product and supplier details, costs etc):

East Budleigh with Bicton Parish Council have formally submitted their Neighbourhood Plan to EDDC for consideration. There is a legal requirement for us to appoint an Examiner to assess the Plan. We can use any appropriately qualified person, however to assist the process, the RTPI have established a service (NPIERS) whereby local authorities are supplied with details of three appropriately qualified/experienced examiners at a rate of £750 + VAT per day.

Nigel McGurk is one of the most experienced Examiners in the UK and registered with NPIERS. We can employ him directly at the NPIERS rate of £750 + VAT per day and he could carry out an examination in early September (thus avoiding the need to apply to NPIERS, interview and shortlist and potentially delay the examination around the candidates existing commitments).

A DCLG grant of £20,000 should meet all costs associated with the examination, once a date has been set for referendum of the Neighbourhood Plan.

Business Reasons for an Exemption:

Although the following are justifiably accepted as valid reasons for an exemption to Contract Standing Orders, they are closely monitored and should be applied only in cases where a full procurement exercise is not a viable option. (Tick appropriate boxes)

	✓	Which CSO rule?
An Emergency		
Goods or Services to existing systems or kit		
Purchase or repair of patented or proprietary articles sold only at a fixed price		
Effective competition is prevented by government control		
Goods and/or Services recommended by a Central Government Department		
Extension to an existing contract for the purpose of achieving Best Value		
Purchase or Sale by Auction		
Where the Contract is with a Public Utility Company or other organisation which will assume liability for the works on completion e.g. sewer adoption		

<p>Other Reasons (please provide details)</p> <p>Examiners have a flat rate charge of £750 + VAT when appointed through NPIERS and therefore there is no convincing financial case for going through the contract standing order process.</p>	✓	
---	---	--

Business Benefits for an Exemption:

Directly employing Mr McGurk will enable the examination to proceed without delay. Mr McGurk is very experienced in examining Neighbourhood Plans and he has undertaken previous examinations for us at Lympstone and Stockland. We were happy with his performance and approach and wish to employ him again.

What are the implications to the following:

Finance: Mr McGurk's rate of £750 + VAT (and reasonable expenses) is to be met from the £20,000 DCLG budget. This allows for a maximum of 22 days work. We would anticipate the examination lasting roughly 7 days.

Human Resources:

ICT:


Asset Management:


Strategic and/or Operational Objectives:


Risk Assessment:


Detail risks here: That the Plan does not meet the basic conditions and is rejected (with the potential costs of a further examination). We are unable to claim the £20,000 funding from DCLG unless the examination is successful. That the examination exceeds 22 days.

Or attach print from the RM system

Signature of line manager or service head  


Supporting signature of Corporate Procurement Officer  


Supporting signature of Head of Finance  


Supporting Signature of Corporate Legal & Democratic Services Manager  


**PLEASE NOTE:**

Rule 3.2 requires you to prepare a report for Cabinet to support the action taken. Procurement is required to keep a Register of Exemptions. **Please ensure that your report to Cabinet is copied to Procurement.**

**Report to:** Cabinet  
**Date of Meeting:** 14 December 2016  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None



**Agenda item:** 14

**Subject:** Relocation Update - Exmouth Town Hall

**Purpose of report:** To seek Cabinet agreement to the opportunity to accelerate the refurbishment of Exmouth Town Hall and relocate staff and services to that location.

**Recommendation:**

- 1. Cabinet agree for the reasons set out in the report that the refurbishment of Exmouth Town Hall is an important project in its own right and recommends to Council that this should go ahead at a cost of £1,669,000**
- 2. Cabinet note that it will receive a future report that will update the relocation project cost and betterment using independent modelling to obtain Member's endorsement of the decision in March 2015 to sell the Knowle and the commitment to go ahead with a new HQ construction in Honiton.**

**Reason for recommendation:** In September 2015 the relocation update report to Cabinet identified that, with the encouragement of the Relocation Executive Group, officers had been considering accelerating ETH refurbishment and this opportunity has become increasingly attractive. The planning process for Knowle has taken significantly longer than was originally envisaged and now been subject to a refusal by Development Management Committee on 6 December 2016.

In the meantime, ETH has emptied and services originally offered in a single space for the residents of the town have dissipated, which is less than ideal. The refusal of a planning application for the Knowle site does not need to be a cause for delay of the refurbishment of Exmouth Town Hall. The Council has the opportunity to optimise the available services from ETH and the full occupation of the building at the earliest opportunity. We can do this by accelerating ETH refurbishment from the Council's continued commitment to sell the Knowle site and commit to a Honiton HQ new build. If we can accelerate the refurbishment of ETH then works can be completed and the building can be fully occupied as early as Nov 2017.

**Officer:** Richard Cohen, Deputy Chief Executive  
email: [rcohen@eastdevon.gov.uk](mailto:rcohen@eastdevon.gov.uk)

**Financial implications:** Council agreed in March 2015 to take forward relocation. Members approved the most cost effective option; to refurbish Exmouth Town Hall and a new build office in Honiton at Heathpark. To remind members the financial modelling evidenced that this chosen option over a 20 year period resulted in savings to the District of £2.8m compared to the do nothing option. In comparison it would have cost £3.9m over a 20 year period for the Council to carry out essential repairs and remain at the Knowle.

Council approved a relocation project budget of £9.2m, after deduction of the capital receipt for the sale of the Knowle (of £7.505m) this gave an approved net budget of £2.2m.

The project programme approved by members included a check point (Gateway 7) which was intended to give members a high degree of certainty in the project progressing as planned. This gateway occurs when the Knowle developer received a clear planning approval and thereby the development contract becomes unconditional with certainty over the capital receipt to be received by the Council. The Gateway also includes giving members certainty on contractor costs.

This report asks members to approve the refurbishment of Exmouth Town Hall before Gateway 7 is reached in relation to planning permission on the Knowle site. The request is for a budget of £1.669m, this is an increase of £0.408m for this part of the project but overall net costs are expected to still be within the overall relocation budget.

It is a members' decision whether to decide to proceed and approve the expenditure of £1.669m on Exmouth Town Hall refurbishment for the operational reasons outlined in this report. This decision needs to be under the clear understanding of the financial risk involved; a worst case position of no capital receipt from the Knowle to offset capital costs and no certainty of the associated savings obtained from operating from a new building in Honiton.

The borrowing impact on the Council should no receipt be forthcoming at all would be a £1.669m loan requiring an annual payment of £69,000 over 40 years to fully cover off both the loan sum and interest.

Mitigation against this financial risk is that the Knowle site has been allocated in the Local Plan for housing thereby giving some certainty of a capital receipt, if not now but in the future. Refusal of planning permission for the Pegasus Life proposal will add delay to the project but the Knowle retains a continued Local Plan allocation and capital value as a brownfield site for residential development. On this basis a more reasonable assumption at this point would be the requirement of short term financing until a receipt is forthcoming. On that basis assuming a 3 year period of short term financing this would incur an annual cost of £18,000 a year being interest only, if alternatively internal funds were used this would result in a loss of interest equating to £14,000 a year.

Gateway 7 will need to be considered before any future Heathpark build is progressed and this will take into account overall project costs, but members need to be mindful in adopting the recommendations in this



report that part of the project will already be in progress.

The Council has confirmed the retention of Exmouth Town Hall as an asset in the Town. It is therefore worth reflecting that had a much needed refurbishment request been presented to members as a separate project in its own right for capital budget approval it is likely to have gained significant support as it is seen as a key asset to service delivery and likely to have been given a high priority.

**Legal implications:** The recommendation seeks for refurbishment of Exmouth Town Hall to be fast tracked. Such a decision does not affect the overall authority given by Council back in March 2015 to relocate from the Knowle to twin sites of Exmouth and Honiton and satisfaction of Gateway 7. Accordingly there are no direct legal issues arising in the context of this report and essentially this is a financial decision for Members to take. Clearly there are risks identified in proceeding as recommended but these are essentially financial risks that are addressed elsewhere. Members need to be mindful of the risks when taking the decision.

**Equalities impact:** Low Impact

The Council has a general equality duty to advance equality of opportunity and eliminate discrimination. To that end the Council has carried out an extensive equality and best value consultation across the district to gather the views of residents regarding the provision of our services into the future. Investment in our HQ buildings, mobile working, expanding ways to interact with the Council and a commitment to provide services to people in ways that suit them best are all factors that inform our relocation plans as a means to improve service and accessibility.

**Risk:** Medium Risk

Multiple risks are ongoing in the project. These are managed through a comprehensive risk register that is maintained by dedicated project management and reviewed on a regular basis. Risk is reported to officers where SWAP are present and to the Executive Group of members.

In terms of the recommendations in this report there is a specific risk in relation to the accelerated refurbishment of Exmouth Town Hall (ETH). This is due to reasons explained elsewhere in this report. In summary, the risk involves the agreement to fund and commence refurbishment of ETH while there is delay or failure to the sale of the Knowle site. In that instance the Council would be required to pay for the refurbishment of ETH from reserves or borrowing rather than capital receipt and betterment derived from the sale of the Knowle site.

**Links to background information:** None

**Link to Council Plan:** Continuously improving to be an outstanding council.

## **Report in full:**

### **Progress to Date**

In March 2015 the Council committed to relocation with an independently costed analysis of the project, its future cost savings and efficiencies that selling the Knowle site and moving to Honiton and Exmouth would bring.

This decision was endorsed in June 2015 by the new Council. Since then the Council has been pursuing actions toward the design, planning and preparations for relocation to Honiton and Exmouth and in parallel Pegasus Life Ltd has been designing, consulting and planning its redevelopment of the Knowle site.

In September 2015 the relocation update report to Cabinet identified that, with the encouragement of the Relocation Executive Group, officers had been considering accelerating ETH refurbishment.

The Council has been working closely with Exmouth Town Council and our other tenants to support them in vacating the building thereby clearing the building for when refurbishment works could get underway. Given the delays to the project, the building is now empty of tenants but we are not yet able to commence refurbishment works. As a temporary solution, and in order to ensure a continued presence in the building for customers, the Council's Housing and Benefits service have a presence within the building.

Also during this time, planning permission has been granted for the new HQ building in Honiton and planning permission for the refurbishment of Exmouth Town Hall has also now been approved under officer delegated powers.

However, planning permission for the redevelopment of the Knowle site was refused on 6 December 2016 thereby creating further delay and uncertainty for that element of the relocation project. This also creates a new uncertainty, if we allow it, for our former tenants from ETH as well as the Council's staff in general who were planning to relocate to the refurbished building and those already in situ.

### **Exmouth Town Hall**

Relocation remains the means by which we meet a range of the Council's strategic objectives and commitment to provide high quality services to its communities. As well as the consideration of cost savings and efficiencies, the council has previously sought to understand customer and stakeholder views about our move and to find out if they would want services delivered differently as a result of office relation. The outcome from this was a clear preference to having a presence in Exmouth and a more centrally located HQ – see <http://eastdevon.gov.uk/media/1679106/moving-and-improving-service-delivery-responses.pdf>

Exmouth represents a high demand for the Council's frontline services and ETH continues to stand out as an asset in need of significant investment aside from its role within the relocation project.

Now that planning approval and full detailed contractor costs have been agreed for ETH there are clear benefits of the building being refurbished and there is an increasingly compelling case to move forward with the refurbishment of the building and to occupy the building at the earliest opportunity for the following reasons:

1. Building surveys have identified that ETH is in need of significant repair and updating works including the extensive replacement of utilities and services.
2. The value of ETH to Exmouth either as a Council office or even as another use such as business centre will depend on it being refurbished to as modern a standard as possible.

3. Our tenants have now moved out and we are occupying only the reception area to provide customer services. The building can accommodate ninety of EDDC's staff and provide a much greater service to Exmouth and its surroundings which represent by far the largest population centre in East Devon.
4. In the wider context of Exmouth's public services, the presence of key service providers has been reducing in the town. In contrast and against this trend we can offer an increased permanent presence of EDDC's housing and benefit teams as well as a base for sessional availability of planning, building control, environmental health, estates and other Council services. We hope to add to this with the negotiated return of Exmouth Town Council, Citizens Advice Bureau, Registrar and Volunteers Service. This will create an important service hub for the town.
5. By accelerating the ETH element of the move we have the opportunity to give some certainty to a key element of the project and phase our relocation rather than waiting until a future date to vacate the Knowle site all at once and moving into two buildings simultaneously. A staged rather than one off relocation allows us to maintain continuity of services. This presents a significantly lower risk approach.
6. The planning process for the Knowle site has extended well beyond our original project time predictions for reasons associated with the progress of the planning application between applicant and planning authority and we now have the further delay and uncertainty of a refused application. Exmouth need not be subject to delay arising from Sidmouth's local concerns especially when it is clear that the refurbishment of a service centre for our largest town and customer base can go ahead.
7. Officers working in the reception area of Exmouth Town Hall are keen to see work get underway that will enable them to offer an improved service and allow their colleagues to move into the building at the earliest opportunity as well as the return of our tenants such as the CAB who offer a complimentary service and added value.
8. The Council should also be able to arrange some of its meetings in Exmouth once the Town Hall Chamber and committee space have been redesigned to increase space and improve public access. In that way the Council can offer a more varied and local access for residents to the workings of the Council.

All of our tenants are now out of the building and EDDC itself will continue to provide Housing and Benefits services to residents from the building. These services can continue while works are underway and our staff in Exmouth Town Hall are able to move between ground floor areas. Thereafter we will reopen discussions with the former tenants regarding a return to the refurbished and modernised ETH under new tenancy arrangements. Essentially, the recommendations in this report enables the Council to accelerate the development of ETH to the point that we would be able to move staff and return tenants fully into the building in November next year.

### **Financial Position**

The latest cost figures for the refurbishment of Exmouth Town Hall are £1,669,000. This is an increase of £408,441 on the previous estimate of £1,260,559. The key reasons for the increase are:

- The previous figure was an estimated cost without full survey and confirmed contractor figures. The refined cost reflects the detailed building investigations, requirements of the planning authority and the actual price negotiated with the contractor

- The Town Hall is an old building combining different extensions over time. Costing the works on an existing building is less predictable than new build. Expectations that some existing services could be retained have not been met and detailed surveys and investigations of the building have shown it to be in need of full services replacement alongside repair, redecoration and structural improvements. Key additional cost elements are:
  - Full rewiring
  - Replacement of central heating and boiler system.
  - Improved hot water provision
  - Additional kitchen facilities on first floor
  - Provision of mechanical ventilation
  - Improvement of natural ventilation,
  - Removal of asbestos and dealing with lead paint.
  - Improved security provision.
  - Better access within the building.
  - Improved signage
  - ETH will be refurbished to a high standard. It will be decorated and equipped in the same way as the new HQ. The reception areas in particular will have a similar look and range of facilities for our customers.
  
- The original estimated cost of the refurbishment works was based on an allowance of £450/m<sup>2</sup> plus additional allowances for preliminaries, professional & other associated fees and design & construction risk. This simple method of approximate estimating is used frequently within the industry with the particular rate being based on previous historic evidence from buildings of a similar nature and type with adjustments such as location, specification and inflation being incorporated. The rate of £ 450 / m<sup>2</sup>, as reaffirmed by Gleeds as part of the Grant Thornton Audit Report March 2015.

### **Recommendation and risk**

In light of the above, there is a sound justification for progressing the refurbishment of ETH ahead of a future resolution for the sale of the Knowle and is a position that the Office Accommodation Executive Group wish the Council to consider.

This does present a financial risk if the sale of the Knowle continues to be delayed or because the business case overall is not viable and Members conclude at a future point that they are not persuaded by the financial and betterment analysis to proceed with relocation. In either of these cases, and subject to approval of the recommendation to accelerate ETH investment, the Council will be agreeing to commit to ETH spend but without a capital receipt to pay for it. In this situation, the investment in refurbishment of ETH will have to come from reserves or borrowing. In addition it still remains reasonable to maintain the expectation of a capital receipt at a point in the future given that the site is now allocated in the Local Plan for residential development and the desire and need of the Council to move from the Knowle.

To give Members further reassurance, the current budget and income projections for the project overall (taking Exmouth and Heathpark) remain balanced with the continued expectation of significant betterment on relocation overall when compared to remaining at Knowle.

Should Members agree to the refurbishment of ETH then, as part of our Worksmart and mobile working strategy, we will be allocating a capacity of 90 desks to ETH. To reflect this transfer we will be able to reduce active office floor space at the Knowle we will use the opportunity to close down office space in the Knowle complex.

The Knowle remains a residential allocation in the Local Plan and PegasusLife are considering their options. In November 2016 our Honiton Heathpark HQ site was given the green light by Development Management Committee. At a future date the overall project cost and betterment figures will be revisited independently and reported to Cabinet and Council. The cost of the accelerated refurbishment of ETH will be factored into this report to show overall project finances.

### **Gateway 7 report**

A further report is planned to come forward seeking Cabinet and Council endorsement to continuing with the relocation project in its entirety. This is what is known as Gateway 7 in the project plan and will involve members being presented with a re-run of the business case (including the cost modelling exercise which will be carried out independently by Grant Thornton) to demonstrate that the financial case is still made out and so that Members can endorse their March 2015 decision to sell the Knowle site and their commitment to construction of the new HQ at Honiton Heathpark.

The report on Gateway 7 will factor in the latest project timeline taking account of the state of play regarding any challenges which seek to further delay the project. If Council agrees to accelerate ETH refurbishment then, though works will have already commenced, the cost will still be factored into the cost model and Gateway 7 review. That way, Members will be fully informed of the total project cost.

On the basis of this analysis Cabinet and Council will be asked to endorse their decision to sell the Knowle and build out our new HQ at Honiton.