



Sevenoaks
DISTRICT COUNCIL

Despatched: 03.10.12

Cabinet
11 October 2012 at 7.00 pm
Conference Room, Argyle Road, Sevenoaks

Agenda



Membership:

Chairman: Cllr. Fleming
Cllrs. Mrs. Bosley, Mrs. Bracken, Mrs. Clark, Mrs. Davison, Hogarth, Mrs. Hunter and
Ramsay


	<u>Pages</u>	<u>Contact</u>
Apologies for Absence.		
1. Minutes Minutes of the meeting held on 13 September 2012.	(Pages 1 - 6)	
2. Declarations of interest Including any interests not already registered		
3. Questions from Members (maximum 15 minutes)		
4. Matters referred from Council None		
5. Matters referred from the Performance and Governance Committee and/or Select Committees (Paragraph 5.20 of Part 4 (Executive) of the Constitution)	(Pages 7 - 8)	
(a) Edenbridge Conservation Area Appraisal and Management Plan (Environment Select Committee – 4 September 2012)		
(b) Annual Treasury Management Report 2011/12 (Performance and Governance - 18 September 2012)		
(c) Argyle Road Offices, Accommodation for Outside Organisations (Performance and Governance - 18 September 2012)		

- (d) Universal Credit Scrutiny Board – Findings
(Services Select Committee – 25 September
2012)

(Allocations and Development Management DPD
(Environment Select Committee - 4 September 2012) will
be submitted along with the report at the meeting on 8
November 2012.

- | | | | |
|-----|------------------------------------------------------------------------------------|----------------------|------------------------------------------|
| 6. | Argyle Road Offices, Accommodation for Outside Organisations | (Pages 9 - 16) | Jim Latheron
Tel: 01732
227209 |
| 7. | Annual Treasury Management Report 2011/12 | (Pages 17 - 34) | Adrian Rowbotham
Tel: 01732
227153 |
| 8. | Universal Credit In-Depth Scrutiny Board - Findings | (Pages 35 - 78) | |
| 9. | Performance Report | (Pages 79 - 98) | Lee Banks
Tel: 01732
227161 |
| 10. | Shared Services Environmental Health Enforcement Policy | (Pages 99 -
116) | Ann Sargent
Tel: 01322
343129 |
| |  | | |
| 11. | 10 Year Budget Savings Options | (Pages 117 -
120) | Councillor Peter
Fleming |
| |  | | |

 Indicates a Key Decision

 indicates a matter to be referred to Council

To assist in the speedy and efficient despatch of business, Members wishing to obtain factual information on items included on the Agenda are asked to enquire of the appropriate Director or Contact Officer named on a report prior to the day of the meeting.

Should you require a copy of this agenda or any of the reports listed on it in another format please do not hesitate to contact the Democratic Services Team as set out below.

For any other queries concerning this agenda or the meeting please contact:

The Democratic Services Team (01732 227241)

CABINET

Minutes of the meeting of the held on 13 September 2012 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllrs. Mrs. Bosley, Mrs. Bracken, Mrs. Clark, Mrs. Davison, Mrs. Hunter and Ramsay

Apologies for absence: Cllr. Hogarth

Cllr. Cllr T Searles were also present.

21. Minutes

Resolved: That the minutes of the Cabinet meeting held on 12 July be approved and signed as a correct record.

22. Declarations of interest

There were no declarations of interest.

23. Questions from Members (maximum 15 minutes)

There were no questions.

24. Matters referred from Council

No matters were referred from Council.

25. Matters referred from the Performance and Governance Committee and/or Select Committees (Paragraph 5.20 of Part 4 (Executive) of the Constitution)

There were no references from the Performance and Governance Committee or from Select Committees.

26. Financial Prospects and Budget Strategy 2012/13 and Beyond

Members considered a report setting out the major financial pressures the Council is likely to face over the next four years, together with a proposed strategy for setting a balanced and sustainable budget for 2013/14 and beyond. In light of the challenging financial position facing all authorities two years ago, for 2011/12 the Council produced a 10-year budget together with a four-year savings plan.

The Portfolio Holder for Finance and Value for Money introduced the report and highlighted that the budget for the next financial year was still in its very early stages. A significant amount of information from central government was still outstanding and would have to be built into the budget over the coming months. He also highlighted that

there was likely to be a shortfall in meeting the 4 year savings plan but this was still being evaluated.

The Deputy Chief Executive and Director for Corporate Resources outlined a number of issues that could have an impact on the budget process including changes to Council Tax Support and the introduction of Universal Credit. The latter would have implications for a number of departments across the Council. Whilst some financial modelling had been undertaken this had proved to be challenging and the implications of the change to Universal Credit had not yet been built into the budget. Cabinet was reminded that the Services Select Committee had established a Universal Credit Scrutiny Board to review this issue. In addition to the challenges outlined above, the Deputy Chief Executive and Director of Corporate Resources also highlighted issues surrounding income, future valuations of the Pension fund and future pay settlements.

Members highlighted that that new relaxation of residential planning regulations would have an impact on the budget process as it was highly likely that as a result of the changes the Council would receive less funding.

Cabinet considered the budget timetable outlined at Appendix A of the report. Members noted that there were concerns surrounding the Government timetable for Council Tax Support legislation. It was likely that some information may be provided late and this would place pressure on the timetable. Members agreed that the timetable should be presented to the Performance and Governance Committee in order to alert Members to the tight timescales involved.

Resolved: that

- (a) the ten-year financial planning approach and principles set out in this report be endorsed and officers be requested to carry out a further review and provide an update once the government grant settlement has been finalised and a review of the 4-year savings plan has been undertaken and report back to Cabinet on 10 January 2013;
- (b) the budget timetable set out in Appendix A of the report be noted.

27. Business Rates Retention

Members considered a report providing an update on the introduction of the Business Rates Retention Scheme due to be implemented from 2013/14.

The Portfolio Holder for Finance and Value for Money introduced the report and highlighted that from next year, Business Rates Retention would be the Council's largest funding stream from Central Government replacing the current Formula Grant. This would represent one of the most significant changes made to local authority funding in recent years. The exact details of the funding methodology were still being finalised and it was unlikely that provisional funding figures for the first two years would be received until December.

The Group Manager, Financial Services, explained that currently all businesses paid business rates to their local authority, this was then passed onto Government who

redistributed it back to local authorities via a formula. Members heard that the system did not encourage local authorities to increase new business.

The new scheme aimed to reward local authorities for business growth but only to a certain degree.

The change to Business Rates Retention would affect this Council in two stages.

- Initial funding levels
- Future funding levels that will be affected by business growth or reduction.

Stage One - Initial funding levels

The initial settlement would be based on a 5 year average Business Rate (07/08-11/12) amount but there would then be adjustments to ensure that the change did not have any real effect on the level of funding distributed to each authority.

This “baseline” figure for SDC and all billing authorities would be less than the actual amount of Business Rates collected, therefore a ‘tariff’ would be applied to remove the excess Business Rates. Non billing authorities would receive a ‘top up’ from this amount.

Stage Two – future funding levels

Local authorities would keep 50% of the additional Business Rates they generated (split SDC 40%, others 10%). However, the scheme would include a ‘levy’ on authorities who had significant growth which would be used as the ‘safety net’ for local authorities who had reduced Business Rates.

As a result of this, it was very difficult to accurately predict the level of funding that the Council would receive from this new scheme.

The Deputy Chief Executive and Director of Corporate Resources explained that the situation in Sevenoaks was made worse as a result of changes that were taking place within the District. These changes would mean that the Council would be starting with a baseline figure that would diminish, creating a difficult growth gap need for extra funding.

Members agreed that there were a number of authorities in the same position as SDC and that the situation would have to be kept under review.

Resolved: that the report be noted.

28. Planning Policy Team Leader (Maternity Cover): Appointment of Consultant

Members considered a report outlining consultancy options surrounding maternity cover for the Planning Policy Team Leader post which would be vacant from the end of September. The post would need to be filled in order to maintain the work programme of the team which in the next year would include taking the Allocations and Development Management Plan and the CIL Charging Schedule through publication, submission and examination and would also include consultation on the options for the Gypsies and Travellers Plan. An advertisement for a one year contract for maternity cover had yielded only two applications, neither of which was suitable.

The following two options were rejected:

1. To re-advertise the post. This would have resulted in a delay in filling the post and offered no guarantee that any additional suitable candidate would come forward.
2. Not to fill the post. This would leave the Planning Policy Team short-staffed and without an experienced team leader at an important time for plan preparation. The work programme would have to be substantially revised which would have delayed some or all of the plans that were under way.

The Portfolio Holder for Planning and Improvement introduced the report and noted that the current Planning Policy Team Leader would take a great deal of time to replace however, the recommended consultant had previously worked with the Council and knew the District.

The Chairman noted that there were a unique set of circumstances and there were a number of pressures on the Team who were currently developing the scheme for the Local Development Framework. Having reviewed the options available, the proposals appeared to represent a pragmatic solution.

Resolved: that Tony Fullwood be appointed as a consultant to provide maternity cover for the Planning Policy Team Leader.

29. Strategy for Under-Occupation in the Social Sector

The Portfolio Holder for Housing and Balanced Communities introduced a report outlining the findings from an in-depth scrutiny review of social sector under occupation undertaken by the Services Select Committee. With an acute shortage of affordable housing and the financial imperative for down-sizing as a result of upcoming welfare reform, under occupation would be a key and timely issue to consider and re-approach as a local housing strategy priority.

The key finding and recommendations from the review were outlined in the strategy for Under-Occupation in the Social Sector attached at appendix A to the report. If approved, the Strategy would also provide the framework for future policy development in relation to social sector under-occupation.

Members stressed that tenants would not be forced to move, instead, support would be provided to those who may require more specialist housing to find appropriate accommodation.

Members also highlighted the geographic barriers facing the Council. As Sevenoaks was such a large district it was important to consider the distances that people would be moving. It was important to ensure that people were not moved away from their friends, families and local communities.

A visiting Member noted that in the last year, only 15 affordable homes have been built in Sevenoaks. The Member suggested that planning policy needed to enable more affordable housing to be built. The Chairman also suggested that developers should also be encouraged to build good quality 2 or 3 bedroom houses.

Resolved: that the Strategy for Under-Occupation in the Social Sector be adopted as District Council policy to support the delivery of key housing objectives contained in

the Housing Strategy Action Plan; to make effective use of the existing housing stock; and to minimise negative impacts as related welfare reform is introduced.

30. London Road, Sevenoaks - Update

Members considered a report providing an update on the development of land at London Road, Sevenoaks. Reef Developments had submitted a planning application for the redevelopment of three sites to provide a 42,300 square foot retail unit (provisionally let to Marks and Spencer Plc.) and 22 one and two bed residential units including 6 social residential units.

The proposal, subject to a satisfactory planning consent being granted, was for the Council to transfer its land interests to Reef Developments. Chase and Partners, who had advised the council in respect of the adjoining Blighs Meadow Compulsory Purchase Order and redevelopment, had been retained to represent the Council's interest in this matter.

Members agreed that it was important to be responsive in the current market and felt that the decision taken by Marks and Spencer's to continue to pursue the Sevenoaks proposals demonstrated the faith they had in the town.

The Chairman stressed that the recommendations before Members related to the financial terms for selling the land was not about the planning process or the Council's responsibilities as a community leader.

Resolved: that the Chief Executive in consultation with the Leader of the Council and the relevant Portfolio Holder be authorised to agree the terms of the transfer of the Council's interests in the site in order to secure the development of land at London Road.

THE MEETING WAS CONCLUDED AT 8.10 PM

CHAIRMAN

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MATTERS REFERRED BY PERFORMANCE AND GOVERNANCE COMMITTEE AND/OR SELECT COMMITTEES

- a) Argyle Road Offices, Accommodation for Outside Organisations
(Performance & Governance Committee – 18 September 2012 – Minute 83)

Members considered the report of the Property Services Manager.

Resolved: That it be RECOMMENDED to Cabinet that capital reserves are used to provide office accommodation for Moat Housing and Kent County Council on the terms and conditions detailed in the report and to such other conditions as the Council's legal advisors consider necessary to protect the Council's interests.

- b) Annual Treasury Management Report 2011-12
(Performance & Governance Committee – 18 September 2012 – Minute 93)

The report provided the customary review of investment activity during 2011/12 as required by the Council's Financial Procedure Rules. It outlined the strategy adopted during the year, showed the position of the investment portfolio at the beginning and the end of the year and gave details of how the fund performed in comparison with previous years and against various benchmarks.

Resolved: That the Annual Treasury Management Report for 2011/12 be commended to Cabinet.

- c) Universal Credit Scrutiny Board – Final Report
(Services Select Committee – 25 September 2012 – Minute 17)

The Group Manager – Financial Services, introduced the report. He advised that both he and the Director of Corporate Resources, Deputy Chief Executive, were extremely grateful for the work that the Members' Working Group had carried out, the clarity it had provided and the action plan that it was putting forward. It placed the Council in a strong position going forward in what could only be described as an uncertain period.

The Chairman and Vice Chairman of the Universal Credit in Depth Scrutiny Board gave a comprehensive presentation outlining the background to Universal Credits, the uncertainties, possible consequences and future role of local councils.

The Chairman thanked them for a comprehensive and excellent report. He recommended that the Committee place a review of the Action Plan, if adopted by Cabinet, on the Work Plan for June 2014.

The Leader of the Council was invited to speak by the Chairman, he congratulated the Board on their excellent work and responded to some issues raised. With regards to making work pay he commented that this was the principle of the Universal Credits, however Council Tax Benefit could negate the desired effect. He advised that the issue of whether TUPE should apply was likely to be pursued in the courts. If Cabinet agreed to adoption of the Strategy, he requested that the Board help him present the Strategy to Dartford Borough Council's Cabinet. In response to questioning from the Chairman he

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stated that, if adopted, Cabinet would lead on the issue but welcomed support from the Board.

In preparing for the changes Members discussed and it was suggested that the recommendation to partial involvement be made clearer.

A Member pointed out that more would need to be done to improve rural broadband.

The Director of Corporate Resources, Deputy Chief Executive, was grateful to the Universal Credit Scrutiny Board for all the work they had done. It provided the Council with the ability to potentially manage and plan for uncertainties. It appeared it had also gone some way to reassuring staff who were more confident to stay at the Council for the time being.

Members conveyed their thanks to all staff involved especially the Benefits Team for their continued commitment to the Council.

Resolved: That the adoption of the Strategy, subject to the additions discussed, be RECOMMENDED to Cabinet.

ARGYLE ROAD OFFICES, ACCOMMODATION FOR OUTSIDE ORGANISATIONS

Cabinet – 11 October 2012

Report of the: Deputy Chief Executive and Director of Corporate Resources

Status: For Consideration

Also considered by: Finance Advisory Group – 25 July 2012

Performance & Governance Committee – 18 September 2012

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Head of Service Head of Legal & Democratic Services – Mrs Christine Nuttall

Recommendation: that capital reserves are used to provide office accommodation for Moat Housing and Kent County Council on the terms and conditions detailed in the report and to such other conditions as the Council's legal advisors consider necessary to protect the Council's interests.

Introduction

1. Following the relocation of Environmental Health to Dartford uses of the vacated accommodation have been considered.
2. The District Council has been approached by Moat Housing which currently rents 12 desk spaces located on the second floor between the Elections section and the Property section. Due to an internal reorganisation Moat Housing would like to have 15 desks but these cannot be accommodated on the second floor without a major redesign of the existing layout.
3. It is possible to fit 15 desks into the area vacated by Environmental Health on the first floor as shown on the attached plan (Option 2). This layout provides:
 - Environmental Health 8 hot desks as existing with no changes proposed.
 - The 15 desks for Moat which have been accommodated in reduced space following a meeting with Moat where they agreed to reduce the amount of storage required
 - Three dedicated hot desks for Community Development and the Police Community Support Unit.

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4. Moat currently pays £8,500p.a. rent and £14,400p.a service charge and if the proposed changes precede these payments will increase to £9,200 and £18,000 respectively.
5. Officers are also in discussion with Kent County Council Social Services who are looking for accommodation for 6 staff; these staff could be accommodated within the second floor area currently occupied by Moat Housing with the remaining 6 desks being used as corporate hot desks until an alternative occupier is identified. (Option 2b)
6. To achieve this capital expenditure in the sum of £7,000 is needed to be invested by the District Council in respect of furniture and alterations to the power supply (each proposed tenant will be responsible for providing their own IT and telephony systems at no cost to the District Council).
7. KCC will pay £4,700 p.a. rent and £7,200 p.a. service charge
8. The total income from Moat and KCC will increase from £22,900 p.a. to £39,100 p.a.
9. All these figures are subject to the final agreement of all parties and the draft Heads of Terms are appended to this report for information.
10. The rental indicated above reflects a rental of £15 per square foot per annum which reflects favourably with commercial office rents in central Sevenoaks given that the accommodation in Argyle Road is not self contained, does not have air conditioning, has no allocated parking and is only available for use 5 days/week during normal office hours. Central Sevenoaks purpose built self contained air conditioned offices with parking tend to attract a rent of between £16 and £21 per square foot per annum with high specification offices reaching £23 per square foot. The Community Infrastructure Levy indicates that rents for town centre, self contained, air conditioned offices in Sevenoaks range from £15.80 to £21.50 per square foot and the District Valuers average rent for similar offices is £16.73 per square foot.
11. The service charge is based on actual costs incurred in the preceding year in respect of building repairs, plant maintenance, power and water, fire safety, business rates, insurance, cleaning etc. and photocopying usage. The cost for 2011/12 has been calculated at £1,200 per desk per year this equates to £24 per square foot of usable office space or £8.50 per square foot of total accommodation

Key Implications

Financial

12. This project will enable some of the Council capital to be converted into a revenue stream and will also go some way to mitigating the cost of operating the Argyle Road offices.

Community Impact and Outcomes

13. Moat Housing and Kent Social Services will retain a local presence in Sevenoaks for the convenience of Moat's tenants and this proposal will enable closer joint working with the Housing team whilst maintaining the Social Services presence in Sevenoaks will benefit their local customers.

Legal, Human Rights etc.

14. No legal or human rights issues have been identified.

Value For Money and Asset Management

15. The proposal provides an acceptable return on the capital invested and reduces the cost of operating the offices on the public purse.

Equality Impacts

16. No legal or human rights issues have been identified.

Risk Assessment Statement

Risk 1

17. That Moat Housing or Kent County Council vacate the accommodation early thereby reducing the Council's income. The likelihood is low and the mitigation is that the updated accommodation will remain available for use by other parties/sections of the Council.

Risk 2

18. That generally investment rates increase to a level that renders the return on the capital invested poor. The likelihood of this happening during the first 5 year period is extremely low and mitigation is not considered necessary.

Appendices: Appendix A – Plans of proposed accommodation

Appendix B – Draft Heads of Terms

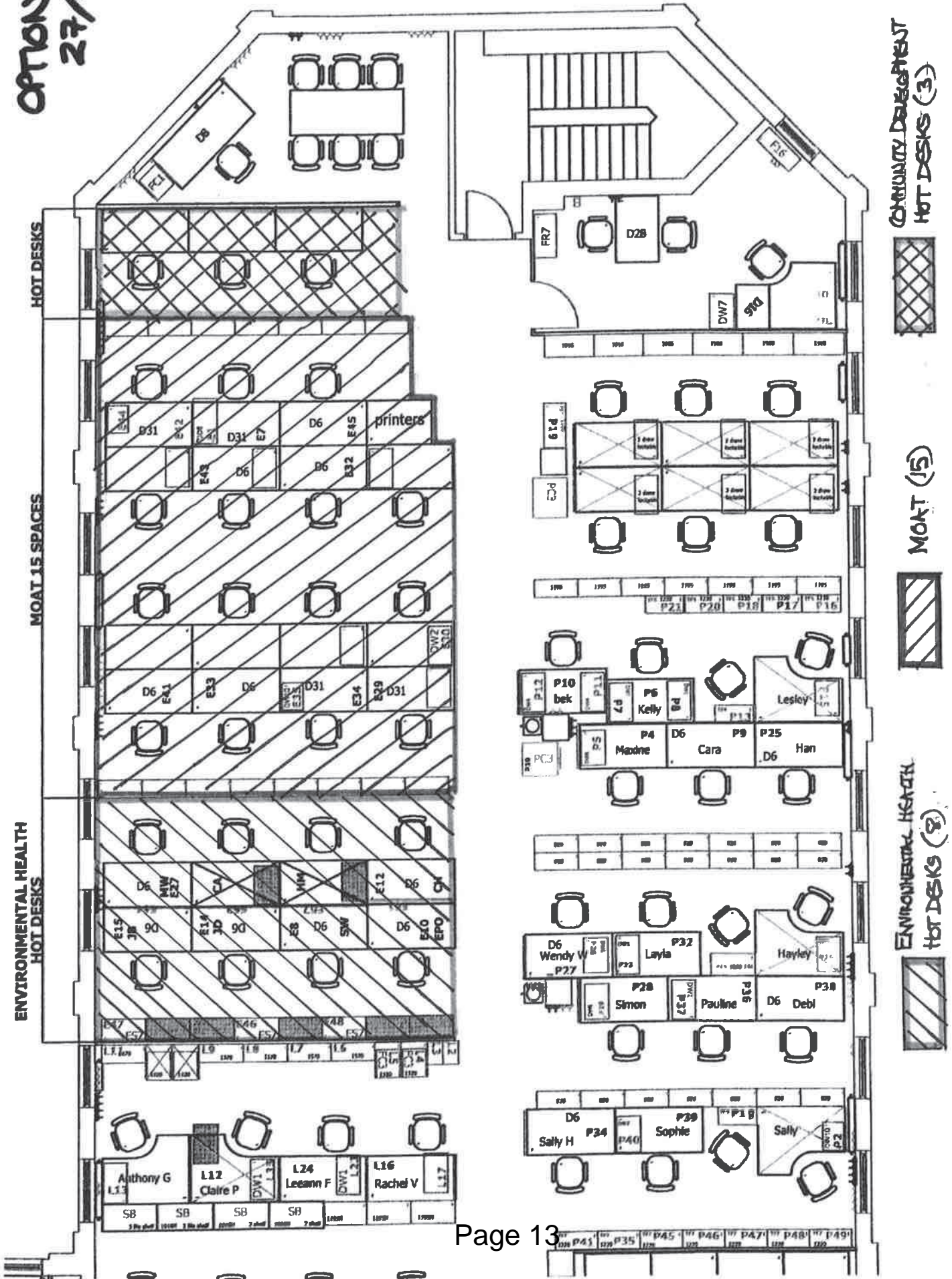
Background Papers: Property file- Argyle Road Office Moves (Current)

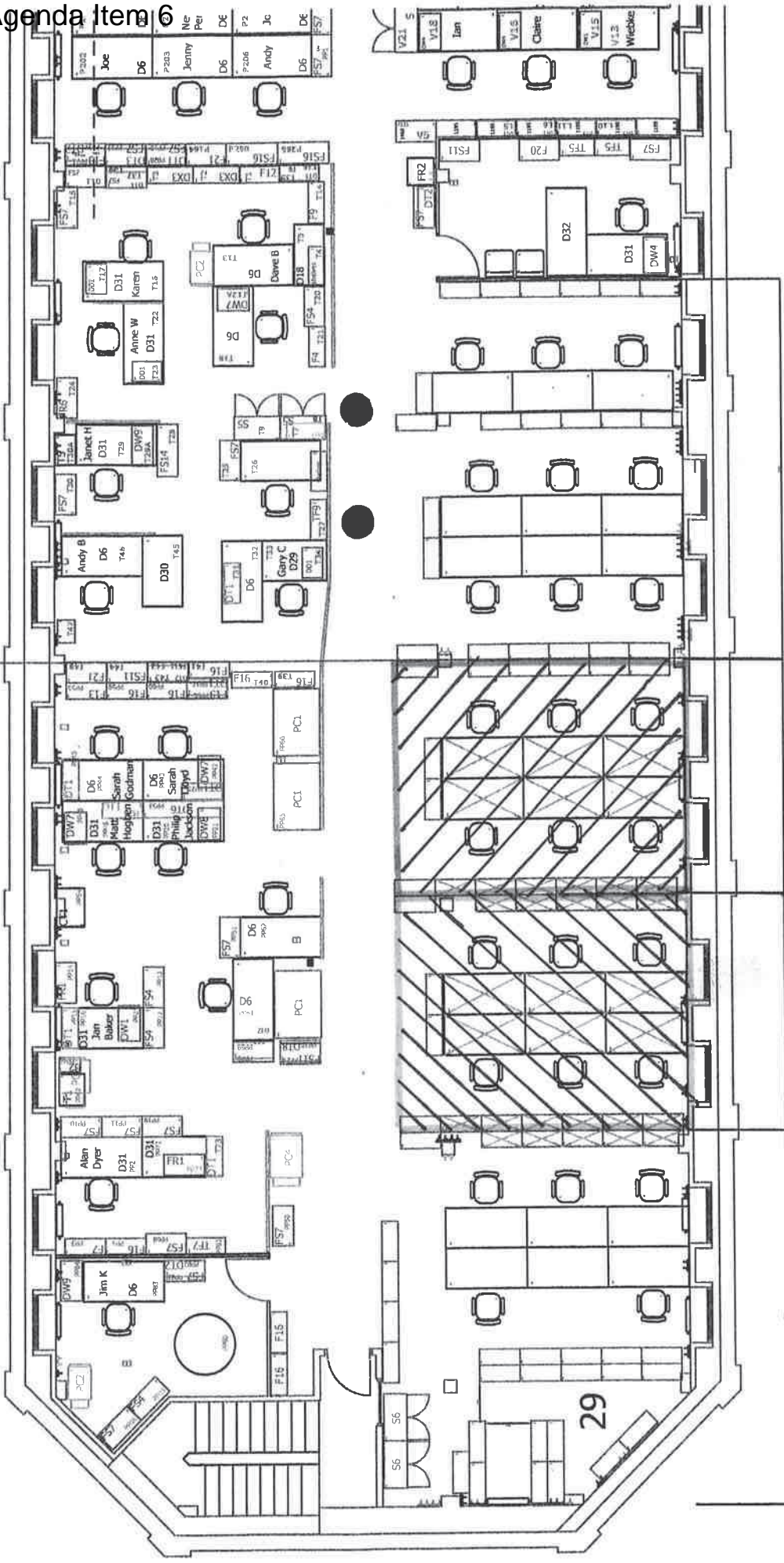
Contact Officer(s): Jim Latheron Extn. 7209

Dr. Pav Ramewal
Corporate Resources Director

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OPTION 2
27/4/12





electoral & LC

hot desks

kcc

property

OPTION 2b

OFFICE ACCOMMODATION FOR MOAT HOUSING AT COUNCIL OFFICES, ARGYLE ROAD, SEVENOAKS, TN13 1HG

PROPOSED HEADS OF TERMS

Proposal: To grant a licence to occupy office accommodation within the Argyle Road offices.

Term: 5 years with break clause to be exercised upon 6 months notice by either party after the end of the 3rd year

Rent: £9,500p.a. with no reviews for the first 5 years

Service Charge: Based on 2011/12 expenditure £18,000p.a. to cover rates, insurance, energy, security, office support including use of the photocopying equipment and post room and all related building running costs payable annually in arrears. Subsequent years service charge based on actual costs per square metre calculated on the square meterage of the accommodation occupied by Moat Housing .

Accommodation: The District Council will provide sufficient accommodation for 15 work stations, each workstation comprising a desk, chair and storage cabinet. The location of the accommodation is shown edged red on the attached plan.

Cost of works: Sevenoaks District Council will meet the cost of providing the accommodation and workstations including power supply and furniture. Moat Housing will be responsible for providing their own office equipment, PCs, printers, telephones etc.

Car Parking: No on site car parking will be allowed.

Operating hours: The offices are open for staff from 7am to 7pm Monday to Friday, public access is from 8.45am to 5.15pm. Out of hours working will only be available if security staff are available and any addition cost met by the requesting party.

Indemnity: If Moat Housing withdraws from the proposal it is to reimburse the District Council any costs expended in providing the accommodation. (This is with immediate effect as the District Council will be committing to expenditure prior to Moat taking up the accommodation.

Early surrender: If Moat Housing vacate the accommodation provided within the first 3 years of the agreement it will reimburse the District Council a proportion of the capital cost expended in providing the accommodation on the following scale vacation in year 1 100% reimbursement, year 2 66% reimbursement, year 3 33% reimbursement and after year 3 reimbursement nil.

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OFFICE ACCOMMODATION FOR KENT COUNTY COUNCIL (SOCIAL SERVICES) AT COUNCIL OFFICES, ARGYLE ROAD, SEVENOAKS, KENT, TN13 1HG

PROPOSED HEADS OF TERMS

Proposal: To grant a licence to occupy office accommodation within the Argyle Road offices.

Term: 5 years with break clause to be exercised upon 6 months notice by either party after the end of the 3rd year

Rent: £4,700 p.a. with no reviews for the first 5 years

Service Charge: £7,200 p.a. to cover rates, insurance, energy, security, office support including use of the photocopying equipment and post room and all related building running costs payable annually in arrears. Service charge based on actual costs per square metre calculated on the square meterage of the accommodation occupied by Kent County Council .

Accommodation: The District Council will provide sufficient accommodation for x work stations, each workstation comprising a desk, chair and storage cabinet. The extent of the accommodation will be shown edged red on a plan

Cost of works: Sevenoaks District Council will meet the cost of providing the accommodation and workstations including power supply and furniture. Kent County Council will be responsible for providing their own office equipment, PCs, printers, telephones etc.

Car Parking: No on site car parking will be allowed.

Operating hours: The offices are open for staff from 7am to 7pm Monday to Friday, public access is from 8.45am to 5.15pm. Out of hours working will only be available if security staff are available and any addition cost met by the requesting party.

Indemnity: If Kent County Council withdraws from the proposal it is to reimburse the District Council any costs expended in providing the accommodation. (This is with immediate effect as the District Council will be committing to expenditure prior to KCC taking up the accommodation.

Early surrender: If KCC vacate the accommodation provided within the first 3 years of the agreement it will reimburse the District Council a proportion of the capital cost expended in providing the accommodation on the following scale vacation in year 1 100% reimbursement, year 2 66% reimbursement, year 3 33% reimbursement and after year 3 reimbursement nil.

ANNUAL TREASURY MANAGEMENT REPORT 2011/12

Cabinet – 11 October 2012

Report of the: Deputy Chief Executive and Director of Corporate Resources

Status: For decision

Also considered by: Performance and Governance Committee – 18 September 2012

Key Decision: No

Executive Summary: This report provides the customary review of investment activity during 2011/12 as required by the Council's Financial Procedure Rules. The report outlines the strategy adopted during the year, shows the position of the investment portfolio at the beginning and the end of the year and gives details of how the fund performed in comparison with previous years and against various benchmarks.

This report supports the Key Aim of effective management of Council resources.

Portfolio Holder Cllr. Ramsay

Head of Service Group Manager - Financial Services – Mr. Adrian Rowbotham

Recommendation: It be RESOLVED that the Annual Treasury Management Report for 2011/12 be approved.

Background

- 1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2011/12. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 2 During 2011/12 the minimum reporting requirements were that the Council should receive the following reports:
 - an annual treasury strategy in advance of the year (Council 16/12/2010)
 - a mid year (minimum) treasury update report (Performance and Governance Committee 15/11/11, Cabinet 8/12/11)
 - an annual report following the year describing the activity compared to the strategy (this report)
- 3 In addition, the Council received a quarterly treasury management update report (Performance and Governance Committee 27/9/11) and regular reports on progress were presented to the Finance Advisory Group.

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- 4 Recent changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.
- 5 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to treasury management reports before they were reported to the full Council. Member training on treasury management issues was undertaken on 27 January 2010 in order to support Members' scrutiny role.
- 6 The financial year 2011/12 continued the challenging environment of previous years with low investment returns and ongoing counterparty risk.

Introduction

- 7 This **annual treasury report** covers:
 - (a) the Council's treasury position at the beginning and end of the financial year;
 - (b) Investment Strategy for 2011/12;
 - (c) the economy and interest rates in 2011/12;
 - (d) compliance with treasury limits and prudential indicators;
 - (e) investment rates in 2011/12;
 - (f) investment outturn for 2011/12 and performance; and
 - (g) Icelandic bank defaults.

Treasury position at the beginning and end of the financial year

- 8 The Council's investment portfolio at the beginning and end of the financial year appears at Appendix A, whilst an analysis by maturity and repayment due dates appears at Appendix B.

Investment Strategy for 2011/12

- 9 The expectation for interest rates within the strategy for 2011/12 anticipated low but rising Bank Rate (starting in quarter 4 of 2011) with similar gradual rises in medium and longer term fixed interest rates over 2011/12. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 10 The actual movement in gilt yields meant Public Works Loan Board (PWLB) rates fell sharply during the year and to historically very low levels. This was caused by a flight to quality into UK gilts from EU sovereign debt and also from shares as investors became very concerned about the potential for a Lehmans type crisis in the financial markets if the Greek debt crisis were to develop into a precipitous default and exit from the Euro.

- 11 **Change in strategy during the year** – the strategy adopted in the original Treasury Management Strategy Report for 2011/12 approved by the Council on 16 December 2010 was subject to revision during the year due to the downgrading of counterparty credit ratings. The Council's minimum rating criteria for lending were reduced and the counterparty cash limit was increased as a result of a smaller pool of institutions meeting the minimum rating requirement.

The economy and interest rates in 2011/12

- 12 The financial year 2011/12 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk. The original expectation for 2011/12 was that Bank Rate would start gently rising from quarter 4 2011. However, economic growth in the UK was disappointing during the year due to the UK austerity programme, weak consumer confidence and spending, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the European Union (EU). The UK coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Key to retaining this rating will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within the austerity plan timeframe. The USA and France lost their AAA credit ratings from one rating agency during the year. Weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing by £75bn in October and another £50bn in February. Bank Rate therefore ended the year unchanged at 0.5% while CPI inflation peaked in September at 5.2%, finishing at 3.5% in March, with further falls expected to below 2% over the next two years. The EU sovereign debt crisis grew in intensity during the year until February when a second bailout package was eventually agreed for Greece.
- 13 Gilt yields fell for much of the year, until February, as concerns continued building over the EU debt crisis. This resulted in safe haven flows into UK gilts which, together with the two UK packages of quantitative easing during the year, combined to depress PWLB rates to historically low levels.
- 14 As far as investment rates were concerned, risk premiums were a constant factor in raising money market deposit rates for periods longer than 1 month. Widespread and multiple downgrades of the ratings of many banks and sovereigns, continued Eurozone concerns, and the significant funding issues still faced by many financial institutions, meant that investors remained cautious of longer-term commitment.

Compliance with treasury limits and prudential indicators

- 15 During 2011/12, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

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	2010/11 Actual (£000)	2011/12 Original (£000)	2011/12 Actual (£000)
Actual capital expenditure	2,786	2,628	2,348
Total Capital Financing Requirement:			
• Non-HRA	-	-	-
• HRA	-	-	-
• Total	-	-	-
Net borrowing	-	-	-
External debt	-	-	-
Investments			
• Longer than 1 year	2,000		-
• Under 1 year	19,300		24,231
• Total	21,300		24,231

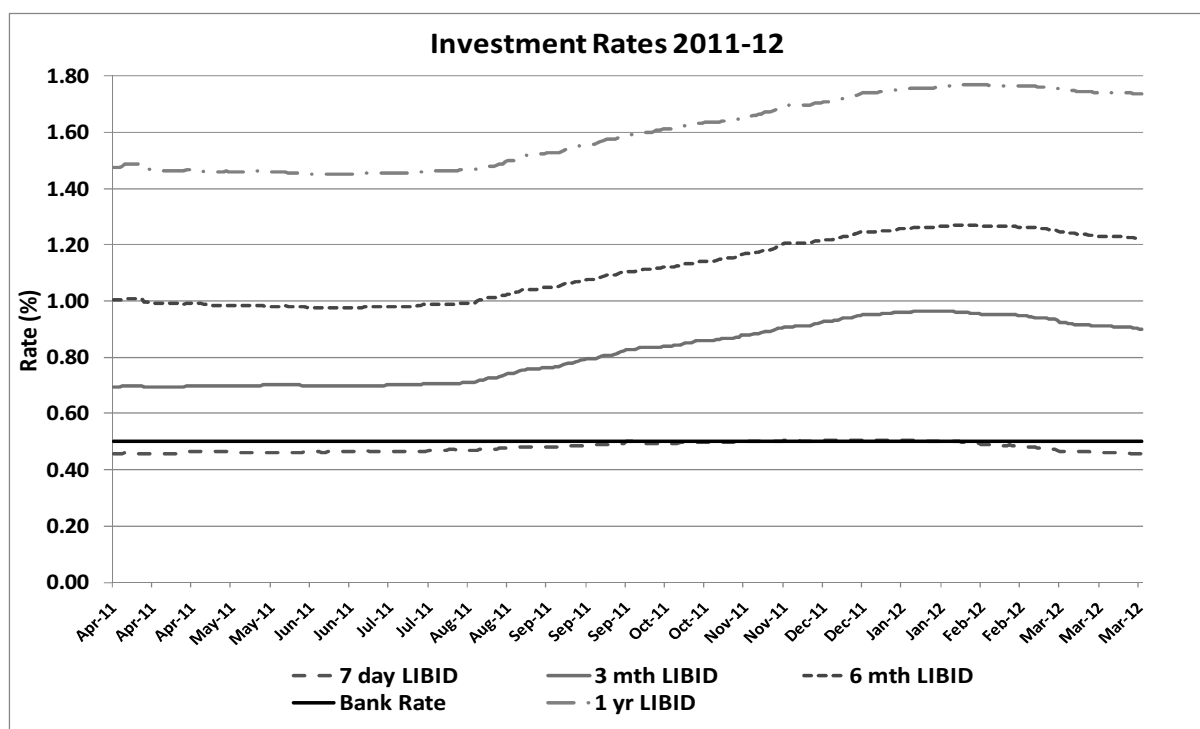
- 16 The investment figures relate to the time left to maturity, not the length at the commencement date and exclude accrued interest. The Landsbanki investment has also been excluded.
- 17 During the year the Council operated within the treasury limits and prudential indicators set out in its Treasury Policy Statement and Annual Treasury Strategy Statement with one exception. It came to light that there was a period of seven days in August 2011, during which the Council had balances between £6.6m and £7.8m invested with Santander UK plc. This was in the form of a single £1m fixed deposit and the remainder in a Money Market call account. At the time the limit was £5m in fixed deposits or £6m in combined fixed deposits and call accounts. This occurred while the Principal Accountant (the usual Treasury Management Officer) was out of the office and other officers were administering treasury business. This was a one-off error and was corrected by the Principal Accountant on his return by withdrawing funds from the call account to bring the balance in line with the limits. Procedures have since been put in place to prevent a recurrence of this event.
- 18 The lending list was kept under constant review throughout the year in response to credit rating changes arising from the financial crisis. As detailed above, the opportunity was taken to increase the lending limit for individual institutions meeting the Council's lending criteria, as difficulty was being experienced in placing investments within the restricted number of counterparties. A copy of the latest lending list appears at Appendix C.

- 19 No institutions in which investments were made during 2011/12 had any difficulty in repaying investments and interest in full during the year.

Investment rates in 2011/12

- 20 The tight monetary conditions following the 2008 financial crisis continued through 2011/12 with little material movement in the shorter term deposit rates. However, one month and longer rates rose significantly in the second half of the year as the Eurozone crisis grew. Bank Rate remained at its historic low of 0.5% throughout the year while market expectations of the start of monetary tightening were gradually pushed further and further back during the year to the second half of 2013 at the earliest.

- 21 Overlaying the relatively poor investment returns were the continued counterparty concerns generated by the Eurozone sovereign debt crisis.



Investment outturn for 2011/12 and performance

- 22 The Council’s investment policy is governed by Department of Communities and Local Government (CLG) guidance, which has been implemented in the annual investment strategy approved by the Council on 16 December 2010. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The strategy was amended later in the financial year, as mentioned earlier in this report, to deal with issues around the restricted number of counterparties.

- 23 With the one exception mentioned above, the investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties, which might have led to the need to borrow.

Agenda Item 7

- 24 Appendix D shows the performance of the fund during 2011/12 both in table and graphical form. The table shows the average percentage return on the fund, both monthly and for the whole year and compares them with the average 7-day and 3-month London Interbank Bid (LIBID) rates. The average return achieved by each broker is only a very basic measure of performance, because returns will depend on the number and length of each investment he/she is asked to carry out. If a particular broker is only asked to place short term investments, he/she may well not achieve the same overall rate as a broker who predominantly handles longer term investments for us.
- 25 The graph shows actual monthly receipts for 2009/10, 2010/11 and 2011/12 plus budgeted monthly receipts for 2011/12. The monthly interest budget has been profiled in line with the previous year's monthly weighted average principal.
- 26 Over the course of the year interest receipts amounted to £0.308m compared with a budget of £0.186m. The main reasons why the budget was exceeded were that the Council had locked into some longer investments at higher interest rates than planned for in the budget plus the positive impact on cash flow of delayed capital expenditure.
- 27 In 2011/12 the percentage return on the Council's investments was marginally lower than that of our neighbouring authorities. Our overall rate of return was 1.05% compared with 1.45% for Tonbridge & Malling Borough Council and 2.15% for Tunbridge Wells Borough Council. It should be noted, however, that investment returns are notoriously difficult to compare as they have often been compiled on a different basis (for example, whether or not interest has been compounded, whether or not cashflow generated balances have been included, whether or not externally managed funds have been included and whether or not the figures are net of borrowings). In addition, although we had locked into a few longer term investments at higher interest rates, it transpires that the other two authorities had committed a greater part of their portfolios to such investments, thereby improving their overall rates of return.
- 28 Our treasury management advisers, Sector Treasury Services Ltd, recommend the 3-month LIBID figure as a benchmark. This reflects a more realistic neutral investment position for core investments with a medium term horizon and a rate which is more stable with less fluctuation caused by market liquidity. Historically, this rate has been slightly higher than the 7-day rate and therefore more challenging a comparator, but one which does not necessitate a significantly increased level of risk. The figures calculated by Sector for these two benchmarks are as follows:
- 7-day LIBID uncompounded 0.480%
 - 3-month LIBID uncompounded 0.817%

Icelandic bank defaults

- 29 This authority currently has an investment of £1m frozen in Landsbanki Islands hf. The investment was placed on 25 June 2007 at 6.32%, to mature on 25 June 2009.
- 30 The Icelandic Government has stated its intention to honour all its commitments as a result of their banks being placed into receivership. The U.K. Government is working with the Icelandic Government to help bring this about. The Local Government Association is coordinating the efforts of all UK authorities with Icelandic investments.
- 31 At the current time, the process of recovering assets is still ongoing with the administrators. Investments outstanding with the two Iceland-domiciled banks (Glitnir Bank hf and Landsbanki Islands hf) have been subject to decisions of the Icelandic Courts. Following the successful outcome of legal test cases in the Icelandic Supreme Court in late 2011, the Administrators have now commenced the process of dividend payments in respect of both of these banks. At the time of writing, in excess of £400,000 of our investment has been recovered and the indications are that 100% of the deposit plus interest up to April 2009 will be recovered eventually.
- 32 Members have been periodically updated on the latest developments in these efforts.

Key Implications

Financial

- 33 The management of the Council's investment portfolio and cash-flow generated balances plays an important part in the financial planning of the authority. The security of its capital and liquidity of its investments is of paramount importance.

Community Impact and Outcomes

- 34 There are no community impacts arising from this report.

Legal, Human Rights etc.

- 35 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.
- 36 This annual review report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.

Conclusions

- 37 The overall return on the Council's investments exceeded the budget in 2011/12 by approximately £120,000.

Agenda Item 7

- 38 The economic situation both globally and within the Eurozone in particular remains volatile with inevitable consequences for the UK economy. Treasury management in the past financial year was conducted against this background and with a cautious investment approach.
- 39 Recovery of the Icelandic deposit is ongoing and further updates will be provided as and when monies are received.

Risk Assessment Statement

- 40 Treasury Management has two main risks :
- Fluctuations in interest rates can result in a reduction in income from investments; and
 - A counterparty to which the Council has lent money fails to repay the loan at the required time.
- 41 Consideration of risk is integral in our approach to treasury management. However, this particular report has no specific risk implications as it is not proposing any new actions, but merely reporting performance over the last year.

Appendices:

- Appendix A – Investment portfolio at start and end of financial year
- Appendix B – Analysis of investment portfolio by maturity and repayment due dates
- Appendix C – Current counterparty lending list as at August 2012
- Appendix D - Investment performance in 2011/12

Background Papers:

- Treasury Management Strategy for 2011/12 - Council 16 December 2010
- Sector Treasury Services Ltd – economic updates, annual treasury management review, credit rating lists
- 2009 CIPFA Code of Practice for Treasury Management in the Public Services
- Investment monitoring files and current/repaid investment records

Contact Officer(s):

Roy Parsons ext.7204

Dr. Pav Ramewal

Deputy Chief Executive and Director of Corporate Resources

SEVENOAKS DISTRICT COUNCIL

List of Investments as at:- 31-Mar-11

Reference	Name	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms	Broker
	Santander UK plc (Business Reserve A/C)	U.K.	Santander	0	01-Apr-99			0.60000%	Variable	Direct
	Santander UK plc (Money Market A/C)	U.K.	Santander	1,800,000	09-Oct-06			0.80000%	Variable	Direct
	Bank of Scotland plc (Corp Instant Access A/C)	U.K.	Lloyds/HBOS	500,000	01-Aug-04			0.50000%	Variable	Direct
	Clydesdale Bank plc (Base Tracker Plus - 15 Day)	U.K.	NAB	2,000,000	10-Sep-10			0.65000%	Variable	Direct
IP935	Bank of Scotland plc	U.K.	Lloyds/HBOS	1,000,000	26-Nov-10	1.28000%	26-May-11		6 Months	Direct
IP954	Bank of Scotland plc	U.K.	Lloyds/HBOS	1,000,000	04-Feb-11	1.58000%	03-Nov-11		9 Months	Direct
IP945	Barclays Bank plc	U.K.		1,000,000	17-Dec-10	0.65000%	15-Apr-11		4 Months	Direct
IP951	Lloyds TSB Bank plc	U.K.	Lloyds/HBOS	1,000,000	24-Jan-11	1.28000%	25-Jul-11		6 Months	Direct
IP953	Lloyds TSB Bank plc	U.K.	Lloyds/HBOS	1,000,000	03-Feb-11	1.95000%	03-Feb-12		1 Year	Direct
IP958	National Westminster Bank plc	U.K.	RBS	2,000,000	22-Mar-11	1.00000%	27-Apr-12	2.50000%	1 Year	Direct
IP938	Nationwide Building Society	U.K.		2,000,000	17-Dec-10	1.00000%	17-Jun-11		6 Months	Sterling
IP946	Nationwide Building Society	U.K.		1,000,000	29-Dec-10	1.00000%	29-Jun-11		6 Months	R P Martin
IP950	Nationwide Building Society	U.K.		1,000,000	21-Jan-11	0.63000%	15-Apr-11		3 Months	Sterling
IP957	Nationwide Building Society	U.K.		1,000,000	02-Mar-11	1.06000%	01-Sep-11		6 Months	Tradition
IP948	Newcastle Upon Tyne City Council	U.K.		1,000,000	12-Jan-11	1.25000%	11-Jan-12		1 Year	Sterling
IP956	Santander UK plc	U.K.	Santander	1,000,000	28-Feb-11	0.98000%	28-Apr-11		2 Months	Direct
IP931	Thurrock Council	U.K.		1,000,000	29-Oct-10	0.75000%	24-Aug-11		10 Months	R P Martin
IP939	Ulster Bank Ltd	U.K.	RBS	1,000,000	17-Dec-10	1.12000%	17-Jun-11		6 Months	R P Martin
IP952	Ulster Bank Ltd	U.K.	RBS	1,000,000	26-Jan-11	1.12000%	26-Jul-11		6 Months	R P Martin
	Total Invested			<u><u>21,300,000</u></u>						
	Matured Investment									
IP813	Landsbanki Islands hf	Iceland		1,000,000	25-Jun-07	6.32000%	25-Jun-09		2 Years	R P Martin
	Other Loan									
	Sevenoaks Leisure Limited			250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years	Direct

SEVENOAKS DISTRICT COUNCIL

List of Investments as at:- 31-Mar-12

Reference	Name	Rating	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms	Broker
	Santander UK plc (Business Reserve A/C)	A+	U.K.	Santander	0	01-Apr-99			0.60000%	Variable	Direct
	Santander UK plc (Money Market A/C)	A+	U.K.	Santander	0	09-Oct-06			0.80000%	Variable	Direct
	Bank of Scotland plc (Corp Instant Access A/C)	A	U.K.	Lloyds/HBOS	0	01-Aug-04			0.50000%	Variable	Direct
	Clydesdale Bank plc (Base Tracker Plus - 15 Day)	A	U.K.	NAB	0	10-Sep-10			0.65000%	Variable	Direct
	Barclays Bank plc (Business Premium A/C)	A	U.K.		1,231,000	01-Oct-11			0.45000%	Variable	Direct
	National Westminster Bank plc (Liquidity Select)	A	U.K.	RBS	2,000,000	07-Oct-11			0.80000%	Variable	Direct
IP991	Aberdeen City Council		U.K.		1,000,000	29-Nov-11	0.50000%	29-May-12		6 Months	Sterling
IP1014	Bank of Scotland plc	A	U.K.	Lloyds/HBOS	1,000,000	14-Feb-12	2.50000%	12-Feb-13		1 Year	Direct
IP1018	Bank of Scotland plc	A	U.K.	Lloyds/HBOS	1,000,000	24-Feb-12	2.50000%	22-Feb-13		1 Year	Direct
IP1020	Birmingham City Council		U.K.		1,000,000	02-Mar-12	0.50000%	12-Apr-12		6 Weeks	Tradition
IP1021	Birmingham City Council		U.K.		1,000,000	14-Mar-12	0.50000%	01-May-12		7 Weeks	Tradition
IP985	Blaenau Gwent County Borough Council		U.K.		2,000,000	07-Nov-11	0.55000%	08-May-12		6 Months	Sterling
IP1004	Eastleigh Borough Council		U.K.		1,000,000	16-Jan-12	0.42000%	16-Jul-12		2 Months	Direct
IP1015	Lancashire County Council		U.K.		2,000,000	15-Feb-12	0.37000%	18-Apr-12		2 Months	Sterling
IP1007	Lloyds TSB Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	25-Jan-12	1.75000%	25-Jul-12		6 Months	Direct
IP1009	Lloyds TSB Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	31-Jan-12	2.00000%	31-Oct-12		9 Months	Direct
IP1010	Lloyds TSB Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	03-Feb-12	2.00000%	05-Nov-12		9 Months	Direct
IP958	National Westminster Bank plc	A	U.K.	RBS	2,000,000	22-Mar-11	1.00000%	27-Apr-12	2.50000%	1 Year	Direct
IP997	National Westminster Bank plc	A	U.K.	RBS	1,000,000	19-Dec-11	1.00000%	18-Jul-12	1.80000%	6 Months	Direct
IP990	Nottingham City Council		U.K.		2,000,000	23-Nov-11	0.50000%	23-May-12		6 Months	R P Martin
IP1002	Salford City Council		U.K.		1,000,000	11-Jan-12	0.38000%	23-Jul-12		6 Months	Sterling
IP1022	Salford City Council		U.K.		1,000,000	16-Mar-12	0.35000%	02-Apr-12		17 Days	Tradition
IP1023	Ulster Bank Ltd	A-	U.K.	RBS	1,000,000	27-Mar-12	0.75000%	27-Apr-12		1 Month	R P Martin
Total Invested					24,231,000						
Matured Investment											
IP813	Landsbanki Islands hf		Iceland		694,000	25-Jun-07	6.32000%	25-Jun-09		2 Years	R P Martin
Other Loan											
	Sevenoaks Leisure Limited				250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years	Direct

SEVENOAKS DISTRICT COUNCIL
ANALYSIS OF INVESTMENT POOL FUND 31.3.2012

MATURITY PROFILE (BY VALUE)

BASED ON PERIOD OF INVESTMENT AT COMMENCEMENT DATE

MATURITY PERIOD	BANKS £'000	B.SOCS £'000	OTHER LA'S £'000	TOTAL £'000
NOTICE MONEY	3,231			3,231
15 DAY NOTICE				-
UP TO 1 MONTH	1,000		1,000	2,000
1 TO 3 MONTHS			4,000	4,000
3 TO 6 MONTHS	1,000		4,000	5,000
6 MONTHS TO 1 YEAR	5,000		3,000	8,000
OVER 1 YEAR	2,000			2,000
	12,231	-	12,000	24,231

MATURITY PROFILE (PERCENTAGE OF TOTAL FUND)

BASED ON PERIOD OF INVESTMENT AT COMMENCEMENT DATE

MATURITY PERIOD	BANKS %	B.SOCS %	OTHER LA'S %	TOTAL %
NOTICE MONEY	13.4	-	-	13.4
15 DAY NOTICE	-	-	-	-
UP TO 1 MONTH	4.1	-	4.1	8.2
1 TO 3 MONTHS	-	-	16.5	16.5
3 TO 6 MONTHS	4.1	-	16.5	20.6
6 MONTHS TO 1 YEAR	20.6	-	12.4	33.0
OVER 1 YEAR	8.3	-	-	8.3
	50.5	-	49.5	100.0

PROFILE OF REPAYMENTS DUE

	VALUE £'000	% TOTAL FUND
NOTICE MONEY	3,231	13.4
15 DAY NOTICE	-	0.0
DUE WITHIN ONE MONTH	7,000	28.9
DUE WITHIN TWO MONTHS	6,000	24.7
DUE WITHIN THREE MONTHS	-	0.0
DUE WITHIN SIX MONTHS	4,000	16.5
DUE WITHIN ONE YEAR	4,000	16.5
DUE AFTER ONE YEAR	-	0.0
	24,231	100.0

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SEVENOAKS DISTRICT COUNCIL LENDING LIST AS AT 31 AUGUST 2012

	Institution Name	Group	Country	Sovereign	L/Term	S/Term	Individual	Support	Duration	CDS Status	Adj Duration	Limit (£m)	Group Limit (£m)
	BANKS												
	Australia & New Zealand Banking Group		AUS	AAA	AA-	F1+	AA-	1		In Range		5	
!!	Bank Nederlandse Gemeenten		NLD	AAA	AAA	F1+		1		No data		5	
	Bank of Montreal		CAN	AAA	AA-	F1+	AA-	1		No data		5	
!!	Bank of New York Mellon		USA	AAA	AA-	F1+	AA-	1		No data		5	
!!	Bank of Nova Scotia		CAN	AAA	AA-	F1+	AA-	1		No data		5	
!!	Bank of Scotland plc	Lloyds	GBR	AAA	A	F1		1		N/A		5	5
!!	Barclays Bank plc		GBR	AAA	A	F1	A	1		In Range		5	
!!	BNP Paribas		FRA	AAA	A+	F1+	A+	1		In Range		5	
!!	CALYON Corporate and Investment Bank		FRA	AAA	A+	F1+		1	n/c	Monitoring	n/c	5	
	Canadian Imperial Bank of Commerce		CAN	AAA	AA-	F1+	AA-	1		No data		5	
	Cater Allen Ltd	Santander	GBR	AAA						No data	n/c	5	
!!	Clydesdale Bank	NAB	GBR	AAA	A	F1	BBB	1	n/c	No data	n/c	5	5
	Commonwealth Bank of Australia		AUS	AAA	AA-	F1+	AA-	1		In Range		5	
!!	Cooperatieve Centrale Raiffeisen-Boerenleenbank BA		NLD	AAA	AA	F1+		1		In Range		5	
!!	Credit Industriel et Commercial (CIC Group)		FRA	AAA	A+	F1+		1		No data		5	
!!	Credit Suisse		CHE	AAA	A	F1	A	1		In Range		5	
	DBS Bank Limited		SGP	AAA	AA-	F1+	AA-	1				5	
!!	Deutsche Bank AG		DEU	AAA	A+	F1+	A	1		In Range		5	
!!	Fortis Bank		BEL	AA	A	F1	BBB+	1		In Range		5	
	Hongkong and Shanghai Banking Corporation		HKG	AA+	AA	F1+	AA-	1		No data		5	
!!	HSBC Bank plc		GBR	AAA	AA	F1+	AA-	1		In Range		5	
!!	HSBC Bank USA National Association		USA	AAA	AA	F1+	A-	1		No data		5	
!!	JPMorgan Chase Bank		USA	AAA	A+	F1	A+	1		In Range		5	
	Landesbank Berlin AG		DEU	AAA	A+	F1+	BBB-	1		No data		5	
!!	Lloyds TSB Bank plc	Lloyds	GBR	AAA	A	F1	BBB	1		N/A		5	5
	National Australia Bank	NAB	AUS	AAA	AA-	F1+	AA-	1		In Range		5	5
!!	National Westminster Bank plc	RBS	GBR	AAA	A	F1		1		N/A		5	5
!!	Nordea Bank AB		SWE	AAA	AA-	F1+	AA-	1		In Range		5	
!!	Nordea Bank Finland plc		FIN	AAA	AA-	F1+		1		In Range		5	
	Northern Rock plc		GBR	AAA	BBB	F3	BBB	5	n/c	N/A	n/c	5	
	Oversea-Chinese Banking Corp		SGP	AAA	AA-	F1+	AA-	1				5	
!!	Royal Bank of Canada		CAN	AAA	AA	F1+	AA	1		No data		5	
!!	Royal Bank of Scotland plc	RBS	GBR	AAA	A	F1	BBB	1		N/A		5	5
!!	Santander UK plc	Santander	GBR	AAA	A	F1	A	1		Monitoring		5	5
	Standard Chartered Bank		GBR	AAA	AA-	F1+	AA-	1		In Range		5	
!!	Svenska Handelsbanken AB		SWE	AAA	AA-	F1+	AA-	1		In Range		5	
!!	Toronto-Dominion Bank		CAN	AAA	AA-	F1+	AA-	1		No data		5	
!!	Ulster Bank Ltd	RBS	GBR	AAA	A-	F1	CCC	1		N/A		5	5
	United Overseas Bank		SGP	AAA	AA-	F1+	AA-	1				5	
!!	Wells Fargo Bank NA		USA	AAA	AA-	F1+	AA-	1		In Range		5	
	Westpac Banking Corporation		AUS	AAA	AA-	F1+	AA-	1		In Range		5	
	UK BUILDING SOCIETIES												
!!	Nationwide Building Society		GBR		A+	F1	A+	1		In Range		5	

	ALL UK LOCAL AUTHORITIES												5	
	UK DEBT MANAGEMENT OFFICE ACCOUNT												5	
	DEPOSIT FACILITY													
	MONEY MARKET FUNDS												5	

Key:

- Recommended for short-term lending up to 3 months
- Recommended for short-term lending up to 6 months
- Recommended for short-term lending up to 1 year
- Recommended for short-term lending up to 1 year (Nationalised & part-nationalised banks)
- Recommended for short-term lending up to 2 years

!! Ratings on Rating Watch / Rating Alert / Rating Outlook

N.B. As at September 2011, in the light of the deteriorating Eurozone situation, a temporary restriction to a maximum of 3 months has been imposed, with a few exceptions

TOTAL INTEREST ON FUND 2011/2012

Broker/Institution	Apr-11			May-11			Jun-11		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Santander (MM a/c)	293,424.66	2,347.40	0.8000%	349,315.07	2,794.52	0.8000%	358,082.19	2,864.66	0.8000%
Bank of Scotland (CIA a/c)	38,780.27	193.90	0.5000%	45,722.84	228.61	0.5000%	41,585.01	207.93	0.5000%
Clydesdale (15 Day Notice)	164,851.79	1,071.54	0.6500%	170,437.85	1,107.85	0.6500%	165,030.91	1,072.70	0.6500%
Nat West (Liquidity Select)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Tradition	82,191.78	871.23	1.0600%	84,931.51	900.27	1.0600%	82,191.78	871.23	1.0600%
RP Martin	328,767.12	3,279.45	0.9975%	339,726.03	3,388.77	0.9975%	328,767.12	3,188.49	0.9698%
Sterling	328,767.12	3,237.26	0.9847%	339,726.03	3,388.77	0.9975%	328,767.12	3,294.79	1.0022%
Direct dealing	621,917.81	8,180.01	1.3153%	745,205.48	12,547.40	1.6838%	890,410.96	13,762.47	1.5456%
Fund Average	1,858,700.55	19,180.79	1.0319%	2,075,064.81	24,356.19	1.1738%	2,194,835.10	25,262.27	1.1510%
Other Interest		2,541.31			-2,373.02			80.12	
7 Day LIBID			0.4500%			0.4500%			0.4510%
3 Month LIBID			0.6700%			0.6700%			0.6623%

Broker/Institution	Jul-11			Aug-11			Sep-11		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Santander (MM a/c)	261,643.84	2,093.15	0.8000%	337,534.25	2,700.27	0.8000%	395,068.49	3,160.55	0.8000%
Bank of Scotland (CIA a/c)	42,988.84	214.94	0.5000%	11,099.40	55.50	0.5000%	0.00	0.00	0.0000%
Clydesdale (15 Day Notice)	170,623.05	1,109.05	0.6500%	170,717.24	1,109.66	0.6500%	165,301.44	1,074.46	0.6500%
Nat West (Liquidity Select)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Tradition	84,931.51	900.27	1.0600%	243,835.62	1,758.36	0.7211%	246,575.34	1,932.60	0.7838%
RP Martin	339,726.03	3,162.47	0.9309%	323,287.67	2,875.89	0.8896%	328,767.12	2,940.82	0.8945%
Sterling	339,726.03	3,553.15	1.0459%	339,726.03	3,660.55	1.0775%	328,767.12	3,542.47	1.0775%
Direct dealing	972,602.74	14,672.47	1.5086%	972,602.74	14,771.92	1.5188%	897,260.27	13,883.62	1.5473%
Fund Average	2,212,242.03	25,705.51	1.1620%	2,398,802.95	26,932.15	1.1227%	2,361,739.80	26,534.52	1.1235%
Other Interest		-207.82			2,513.57			51.26	
7 Day LIBID			0.4465%			0.4677%			0.4783%
3 Month LIBID			0.6884%			0.7210%			0.8377%

Broker/Institution	Oct-11			Nov-11			Dec-11		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Santander (MM a/c)	390,684.93	3,125.48	0.8000%	353,424.66	2,827.40	0.8000%	62,465.75	499.73	0.8000%
Bank of Scotland (CIA a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Clydesdale (15 Day Notice)	170,902.74	1,110.87	0.6500%	55,160.35	358.54	0.6500%	0.00	0.00	0.0000%
Nat West (Liquidity Select)	101,369.86	810.96	0.8000%	216,505.01	1,732.04	0.8000%	164,592.58	1,316.74	0.8000%
Tradition	221,917.81	1,917.53	0.8641%	164,383.56	1,553.42	0.9450%	169,863.01	1,407.95	0.8289%
RP Martin	339,726.03	3,102.47	0.9132%	369,863.01	3,313.15	0.8958%	383,561.64	3,020.00	0.7874%
Sterling	339,726.03	3,660.55	1.0775%	465,753.42	4,293.15	0.9218%	523,287.67	4,292.88	0.8204%
Direct dealing	858,904.11	13,898.22	1.6181%	897,260.27	13,557.95	1.5110%	1,412,328.77	15,178.77	1.0747%
Fund Average	2,423,231.51	27,626.08	1.1401%	2,522,350.29	27,635.65	1.0956%	2,716,099.42	25,716.06	0.9468%
Other Interest		2,574.39			0.00			-844.91	
7 Day LIBID			0.5000%			0.5000%			0.4865%
3 Month LIBID			0.8868%			0.9193%			0.9532%

Broker/Institution	Jan-12			Feb-12			Mar-12		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Santander (MM a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Bank of Scotland (CIA a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Clydesdale (15 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Nat West (Liquidity Select)	168,009.62	1,344.08	0.8000%	158,495.65	1,267.97	0.8000%	164,915.49	1,319.32	0.8000%
Tradition	169,863.01	1,265.48	0.7450%	158,904.11	1,183.84	0.7450%	210,958.90	953.42	0.4519%
RP Martin	254,794.52	1,700.00	0.6672%	238,356.16	1,426.03	0.5983%	254,794.52	1,486.30	0.5833%
Sterling	380,821.92	2,339.18	0.6142%	400,000.00	1,877.26	0.4693%	509,589.04	2,310.14	0.4533%
Direct dealing	1,859,452.05	17,383.71	0.9349%	1,570,958.90	16,323.29	1.0391%	1,095,342.47	16,089.60	1.4689%
Fund Average	2,832,941.13	24,032.44	0.8483%	2,526,714.82	22,078.38	0.8738%	2,235,600.42	22,158.78	0.9912%
Other Interest		2,493.02			0.00			3,775.83	
7 Day LIBID			0.4713%			0.4779%			0.4700%
3 Month LIBID			0.9700%			0.9645%			0.9600%

Broker/Institution	Cumulative Totals		
	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%
Santander (MM a/c)	2,801,643.84	22,413.15	0.8000%
Bank of Scotland (CIA a/c)	180,176.37	900.88	0.5000%
Clydesdale (15 Day Notice)	1,233,025.38	8,014.67	0.6500%
Nat West (Liquidity Select)	973,888.21	7,791.11	0.8000%
Tradition	1,920,547.95	15,515.62	0.8079%
RP Martin	3,830,136.99	32,883.84	0.8586%
Sterling	4,624,657.53	39,450.14	0.8530%
Direct dealing	12,794,246.58	170,249.42	1.3307%
Fund Average	28,358,322.83	297,218.81	1.0481%
Other Interest		10,603.75	
7 Day LIBID			0.4708%
3 Month LIBID			0.8236%

N.B.

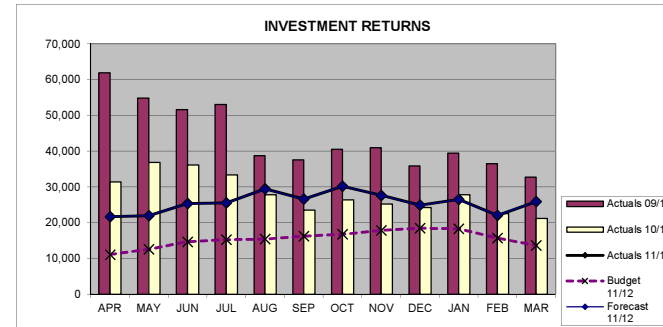
- 1) These are the gross interest receipts rather than the interest remaining in the General Fund
- 2) Interest due on the Landsbanki investment has been removed from the calculations as from 25/6/2008

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INVESTMENT RETURNS

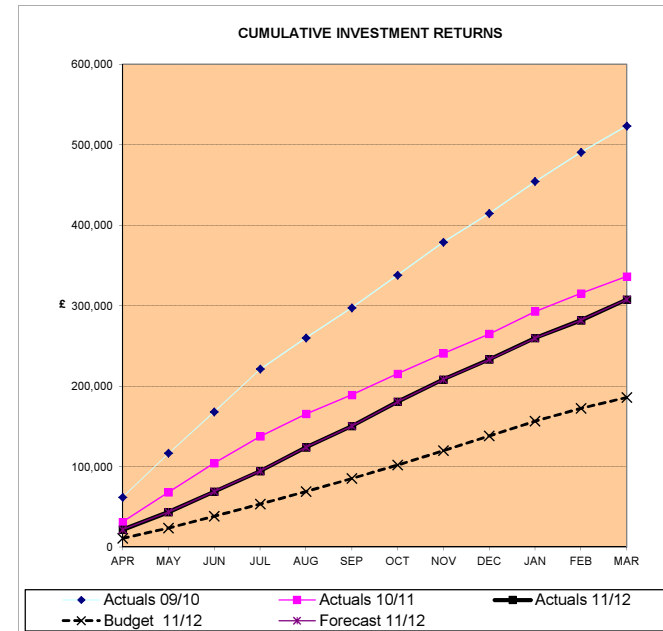
INVESTMENT RETURNS

	Actuals 09/10	Actuals 10/11	Actuals 11/12	Budget 11/12	Variance	Forecast 11/12
APR	61,847	31,431	21,722	11,105	10,617	21,700
MAY	54,783	36,831	21,983	12,591	9,392	22,000
JUN	51,598	36,164	25,342	14,677	10,665	25,300
JUL	53,006	33,361	25,498	15,269	10,229	25,500
AUG	38,709	27,858	29,446	15,442	14,004	29,400
SEP	37,534	23,532	26,586	16,215	10,371	26,600
OCT	40,524	26,352	30,200	16,748	13,452	30,200
NOV	40,982	25,254	27,636	17,846	9,790	27,600
DEC	35,869	24,240	24,871	18,460	6,411	24,900
JAN	39,423	27,832	26,525	18,302	8,223	26,500
FEB	36,455	22,501	22,078	15,698	6,380	22,100
MAR	32,694	21,179	25,935	13,647	12,288	25,900
TOTAL	523,424	336,535	307,822	186,000	121,822	307,700



INVESTMENT RETURNS (CUMULATIVE)

	Actuals 09/10	Actuals 10/11	Actuals 11/12	Budget 11/12	Variance	Forecast 11/12
APR	61,847	31,431	21,722	11,105	10,617	21,700
MAY	116,630	68,262	43,705	23,696	20,009	43,700
JUN	168,228	104,426	69,047	38,373	30,674	69,000
JUL	221,234	137,787	94,545	53,642	40,903	94,500
AUG	259,943	165,645	123,991	69,084	54,907	123,900
SEP	297,477	189,177	150,577	85,299	65,278	150,500
OCT	338,001	215,529	180,777	102,047	78,730	180,700
NOV	378,983	240,783	208,413	119,893	88,520	208,300
DEC	414,852	265,023	233,284	138,353	94,931	233,200
JAN	454,275	292,855	259,809	156,655	103,154	259,700
FEB	490,730	315,356	281,887	172,353	109,534	281,800
MAR	523,424	336,535	307,822	186,000	121,822	307,700



BUDGET FOR 2011/12 186,000
FORECAST OUTTURN 307,700

CODE:- YHAA 96900

N.B.

- These are the gross interest receipts rather than the interest remaining in the General Fund
- Interest due on the Landsbanki investment has been removed from the calculations as from 25/6/2008

Fund Average 1.0481%
7 Day LIBID 0.4708%
3 Month LIBID 0.8236%

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UNIVERSAL CREDIT IN-DEPTH SCRUTINY BOARD - FINDINGS

Cabinet – 11 October 2012

Report of the: Deputy Chief Executive and Director of Corporate Resources

Status: For Information

Also considered by: Services Select Committee – 25 September 2012

Key Decision: Yes

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Head of Service Group Manager – Financial Services – Adrian Rowbotham

Recommendation: That Cabinet adopts the attached strategy.

Introduction

- 1 At the Services Select Committee meeting on 31 January 2012 it was agreed that a Members' Working Group (Scrutiny Board) would carry out an in-depth scrutiny of Universal Credit.
- 2 The Scrutiny Board consists of the following Members: Cllrs. Firth (Chairman), Horwood (Vice-Chairman), Ball, Hogarth and Raikes.
- 3 Update reports were presented to the Services Select Committee on 3 April 2012 and 19 June 2012.
- 4 The Scrutiny Board has now concluded its investigations and presents the Services Select Committee with its key findings and recommendations as set out in the attached 'Anticipated Impact and Strategy 2012 – 2017' (Appendix 1).

Key Implications

Financial

- 5 The financial implications are contained in the 'Financial Impact of Universal Credit on Sevenoaks District Council' section of Appendix 1.

Community Impact and Outcomes

- 6 The community impact and outcomes are contained in Appendix 1.

Agenda Item 8

Legal, Human Rights etc.

7 There are no legal or human rights implications arising from this report.

Equality Impacts

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	The actions proposed aim to assist residents who will be affected by the change to Universal Credit.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		

Risk Assessment Statement

8 A 'Risks Analysis' section is included in Appendix 1.

Appendices:

Appendix 1 – Universal Credit – Anticipated Impact and Strategy 2012 - 2017

Background Papers:

Report to Services Select Committee 19 June 2012 – Item 8 – Universal Credit Indepth Scrutiny Update

Report to Services Select Committee 3 April 2012 – Item 6 – Universal Credit Indepth Scrutiny Update

Report to Services Select Committee 31 January 2012 – Item 6 – Universal Credit Indepth Scrutiny Briefing Note

Report to Services Select Committee 8 November 2011 – Benefits Service update

Contact Officer(s):

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Meryl Young Ext. 7397

Dr. Pav Ramewal
Deputy Chief Executive and Director of Corporate Resources

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Universal Credit – Anticipated Impact & Strategy
2012 – 2017

Services Select Committee

Universal Credit – Contents Page

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Introduction

Universal Credit is a new single payment benefit system for people who are out of work or on a low income.

Under Universal Credit a range of benefits and credits will be merged into a single payment to ensure that claimants are financially better off in work, thus improving work incentives and helping families to become more independent.

The new Universal Credit system also aims to:

- simplify the benefits system, thus making it easier to understand and more cost-effective to run,
- smooth the transitions into and out of work, thus reducing in-work poverty for those on low incomes; and
- cut back on fraud and error

Universal Credit will be launched in October 2013 for working aged people and will, in a phased approach, replace all new claims to the following working-age benefits with a single streamlined payment:-

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit

Existing claims to any of the above benefits will be transferred to Universal Credit via a separate phased approach from 2014 to 2017.

The change to Universal Credit will have a major impact on residents, landlords, the Benefit Service and the Housing team of Sevenoaks District Council. The inclusion, for example, of housing costs within Universal Credit, will have direct operational consequences upon the Benefit Service at the same time as the service is implementing the new localised Council Tax Discount Scheme due to take effect from April 2013, pursuant to the Local Government Finance Bill.

The aim of this report is to provide Members with an introduction to Universal Credit and its likely impact upon Sevenoaks District Council. Recommendations aimed at assisting both the Council and residents to adapt to the new system are included.

Policy background and context

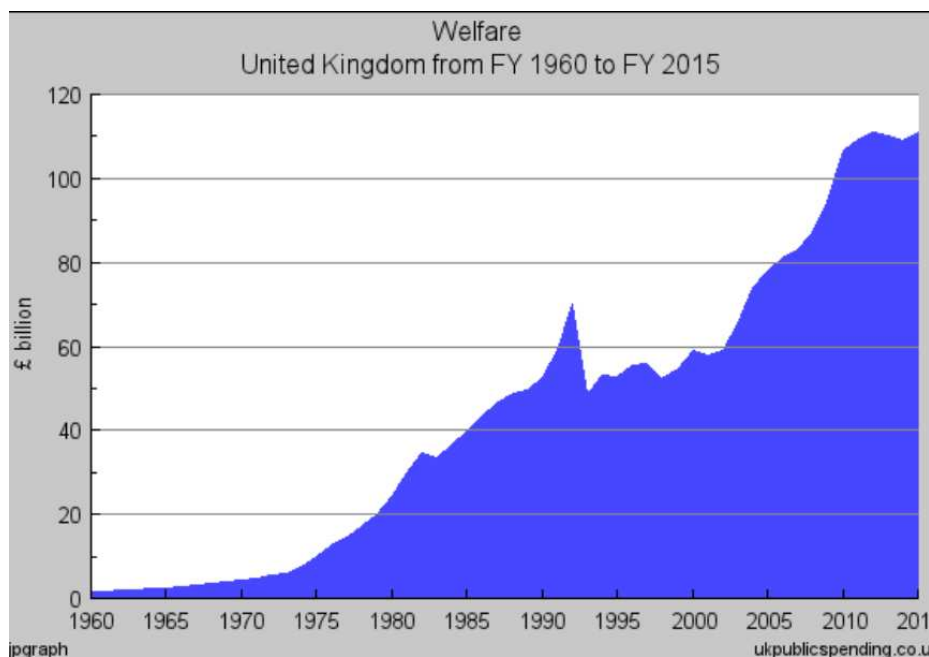
Dynamic Benefits report: towards welfare that works

Universal Credit is the Coalition Government's flagship welfare reform policy and was developed by the Secretary of State for Work and Pensions, the Rt Hon Ian Duncan-Smith MP, author of the radical Dynamic Benefits report. The Report asserts that the benefits system has unwittingly trapped generations into worklessness and benefits dependency since many claimants see no more than a few pence for every additional £1 earned due to commensurate reductions in Council Tax Benefit, Housing Benefit and Tax Credits – resulting in both the perception, and the reality, that work does not pay. The fundamental aim of Universal Credit, therefore, is to smooth the transition into work by reducing benefits at a consistent rate as earnings increase, thus improving work incentives. The policy became law on the 8th March when the Welfare Reform Act 2012 received Royal Assent.

Rising welfare spending

Welfare budgets (not including health and pensions) have also rocketed over the last half a century from one and a half billion pounds in cash terms (not adjusted for inflation) in 1960 to £115 billion, or 16% of total spending, in 2011.

Welfare Spending (excluding Health & Pensions) in cash terms (1960 - 2015) –

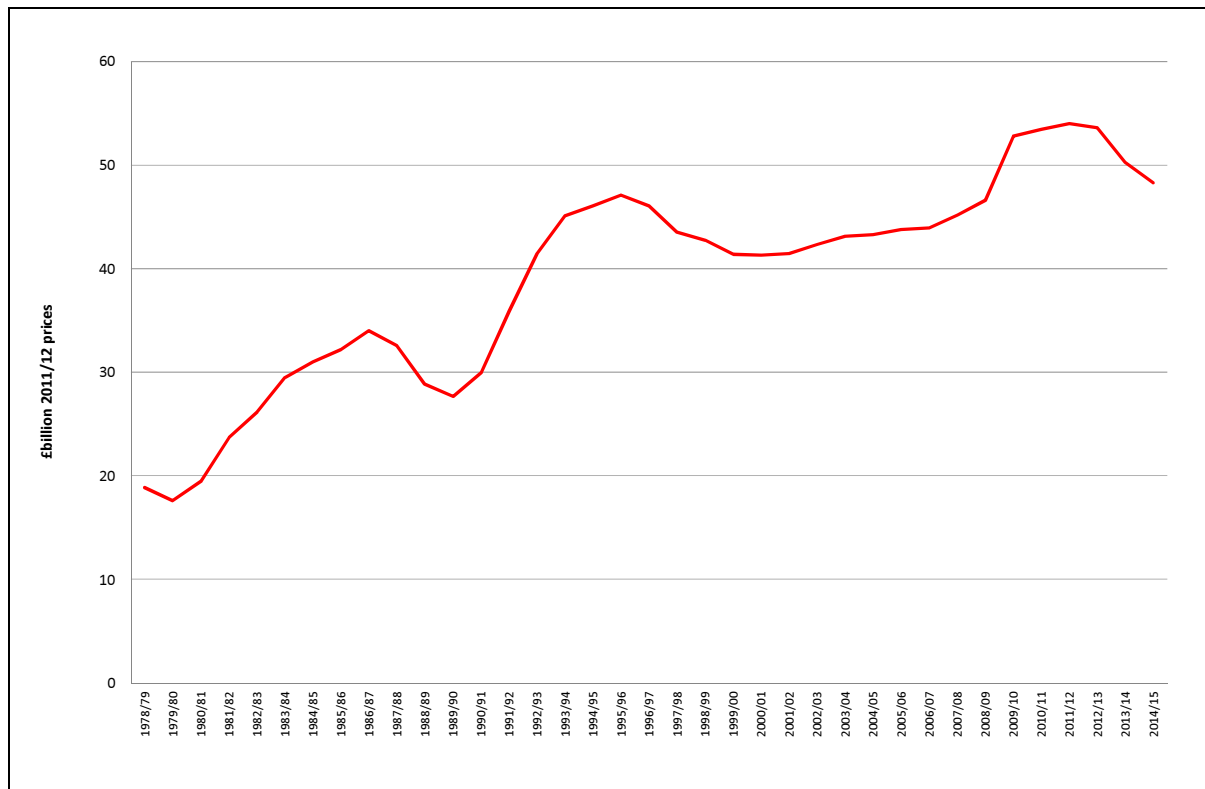


Source: <http://www.ukpublicspending.co.uk>

Housing Benefit alone has doubled over the last ten years from £11 billion (in cash terms) in 2000/01 to £21 billion in 2010/11, and without reform is set to increase still further to £25 billion in 2014/15.

Similarly, working age benefits (not including child benefit or tax credits) have more than doubled, even after inflation over the last 30 years, from just under £20 billion in 1978/79 to just under £50 billion - see overleaf.

Working Age Benefit expenditure in real terms (2011/12 prices)



Source: Treasury's PESA tables

In total the Government now spends in the region of £207 billion on benefits, pensions and tax credits, equivalent to 30% of total public expenditure in 2012-2013, the Coalition Government's view is that this level of expenditure is not sustainable, especially during the current economic climate.

Fairer

By imposing a cap on the total benefits that a *workless* household can receive and linking this to the average after tax *household* earnings the Coalition Government hopes to create a fairer benefits system.

Simpler

Three different Government organisations: local authorities, Jobcentre Plus and HM Revenue & Customs administer a myriad of over 30 different benefits, each with their own rules and criteria, many of which address the same underlying issue and entitlement. On occasions claimants will be providing exactly the same information to all 3 agencies in different formats, thereby increasing the possibility of fraud and over-payments – adding to the benefits overall.

Cheaper

By replacing the myriad of existing benefits with a single benefit and through the use of a new national IT programme using “real time” tax data linked to HMRC which can be accessed by claimants digitally in their own homes, the Coalition Government hopes to produce a modern, simplified welfare system which is easier to use, less prone to delays, error and fraud and, most importantly, cheaper to administer.

Summary of key changes under the Welfare Reform Act 2012

CHANGE	WHEN
Universal Credit will replace income-based Jobseekers Allowance, income-based Employment and Support Allowance, Income Support, Child Tax Credits, Working Tax Credits and Housing Benefit for working age claimants so that claimants receive one single combined payment.	OCTOBER 2013
Personal Independence Payment (PIP) will replace Disability Living Allowance (DLA).	OCTOBER 2013
Household Benefits Cap introduced	APRIL 2013
“Under occupation rules” introduced for social sector tenants limiting Housing Benefit paid to social tenants deemed to be under occupying their houses.	APRIL 2013
Changes in uprating of Local Housing Allowance for private tenants on Housing Benefit. (Future increases restricted to the Consumer Price Index (CPI) instead of the Retail Prices Index (RPI) which is usually higher.	In progress & continuing until APRIL 2013
Social Fund localisation to introduce new local assistance	APRIL 2013
Creation of a Single Fraud Investigation Service	Some point in 2013
Pension Credit amended to include help with eligible rent and dependent children	October 2014

All other benefits will continue as normal. Draft regulations needed to implement the key policies in the Act, including Universal Credit, were published on the 15th June 2012. These provide details governing rules of entitlement, how the award of Universal Credit is to be calculated, claimant responsibility, sanctions and hardships. Final regulations are expected to be laid before Parliament in the Autumn.

Key lines of enquiry

There is a high volume of change being introduced over a short period of time and, consequently, policy decisions leading to organisational change will need to be made in short order. Also some of the implementation work for the various different changes will overlap.

Against this background, the Universal Credit Scrutiny Board considered the following key lines of enquiry:

1. What is different about Universal Credit and how is it expected to work and what are its implications for local authorities and residents?
2. What are the key challenges for Sevenoaks District Council in adjusting to the new system of Universal Credit, especially during the transitional phase:
 - a. Key challenges
 - b. What departments/services will be affected?
 - c. What impact will the changes have on demand for the Council's services?
 - d. How can the current Benefit Service, including the staff currently operating in this area, best be protected given the uncertainty surrounding the service and its effect on staff numbers/morale?
3. What other organisations will also be affected?
4. How should Sevenoaks District Council best prepare for these changes?
 - a. What role, if any, should the Council play in supporting the implementation of Universal Credit?
 - b. What role, if any, should the Council play in helping other affected organisations prepare for the changes?
 - c. Should, and if so how, might the Council assist accessibility to the new service especially by those who have difficulty accessing computer based services or have no access to a computer?
5. What opportunities are there to lobby DWP/play a part in how the new system is implemented? (e.g. could or should Sevenoaks become a pilot Council for implementing the new scheme?)
6. Financial impact of Universal Credit upon Sevenoaks District Council
7. Risk analysis

What is different about Universal Credit and how is it expected to work, and what are its implications for local authorities and residents?

Summary of key differences between Universal Credit and the current welfare system:

- Under Universal Credit claimants will have only two organisations to deal with instead of three.
- Universal Credit will be available to people who are in work and on a low income, as well as to those who are out of work.
- Most people will apply online and manage their claim through an online account.
- Claimants will receive just one monthly payment, paid into a bank account in arrears, in the same way as a monthly salary. This compares to the fortnightly payday of JSA/ESA and the 2 or 4 weekly payment of Housing Benefit.
- The housing cost element of Universal Credit will be paid direct to the claimant as part of their monthly payment and NOT the landlord as is currently frequently the case, especially for social housing tenants.
- Most claimants on low incomes will still be paid Universal Credit when they first start a new job or increase their part-time hours

a. Currently anyone needing to claim benefits may need to claim benefits from the following four organisations:-

Benefit sought	Organisation
Housing Benefit	Sevenoaks District Council
Council Tax Benefit	
Jobseekers Allowance	Jobcentre Plus
Income Support	
Employment Support Allowance	
Working Tax Credits	HM Revenue & Customs
Child Tax Credits	
Child Benefit	
Disability Living Allowance	DWP
Pension Credit	

Post 2013 claimants will have just two organisations to deal with instead of three.

Benefit	Organisation
Universal Credit (including Housing costs)	DWP
Personal Independence Payment	
Pension Credit	
Council Tax “discount”	Sevenoaks District Council
Existing claims for Housing Benefit until caseload fully transits by 2017. Possible role supporting claimants who cannot make an online claim without assistance	

b. Who can claim Universal Credit?

Universal Credit replaces six existing benefits and so anyone of working age who is on a low income, pays rent, and would otherwise have claimed benefits, will be able to claim Universal Credit. Whether they qualify or not will depend on the usual factors i.e. their personal circumstances – income, capital, liability and residence using means-testing. Note that pensioners will claim a Housing Credit from the DWP as part of the Pension Credit process from October 2014.

c. How does someone apply for Universal Credit?

Claims for Universal Credit are expected to be made online direct to the Department for Work and Pensions (DWP) although assurances have been given by the Coalition Government that there will always be face-to-face or telephone support in place for those who don't have access to the internet or who are unable to use the internet.

d. How is Universal Credit going to be paid?

Payments (including the housing cost element) will be made on a monthly basis (not two or four weekly as at present), and in most cases will be paid direct to the tenant who will then be responsible for paying their own rent direct to their landlord. To date this has only been the case for private sector tenants, not social sector tenants who are now included. Taking responsibility for payment of essential items such as accommodation and being paid in the same way that working people are normally paid is seen to be an important aspect in helping claimants get back to work.

e. Can the housing element be separated and paid direct to a landlord?

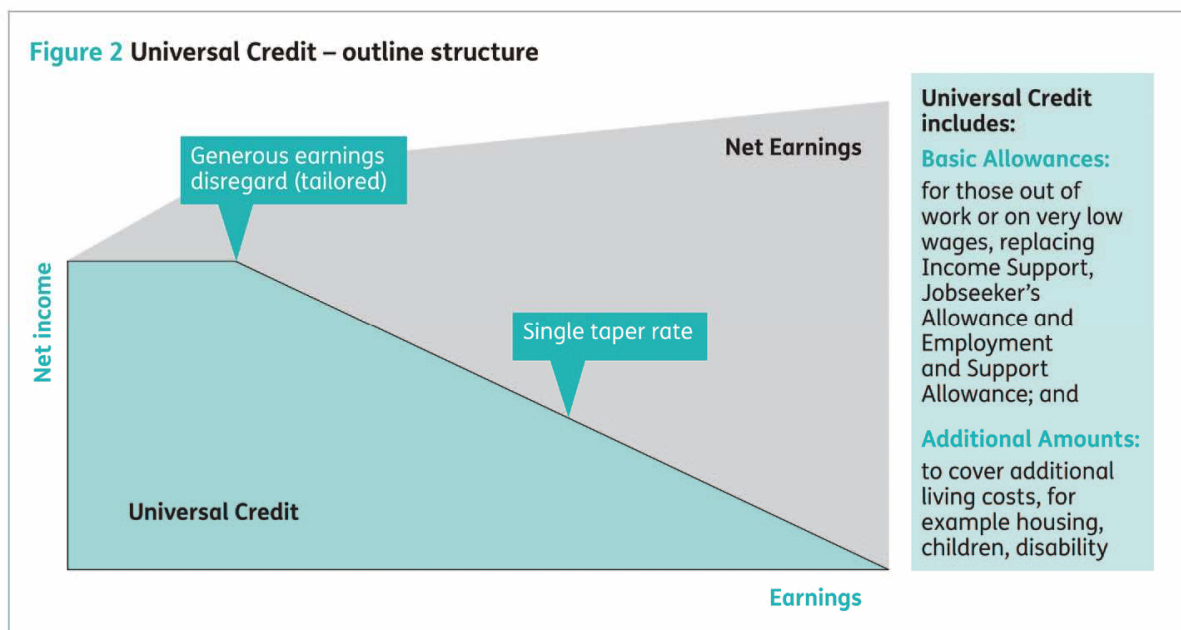
The choice of having the payment made direct to the landlord does not exist under Universal Credit, however, recently Lord Freud, the Welfare Reform Minister, announced that the Coalition Government would explore the implications of direct payments to tenants and may introduce:-

- Switch-back mechanisms by which the payment reverts to the Landlord if arrears build up;
- Provision of financial support and advice to tenants; and
- Exceptions, where payment should still go direct to the Landlord.

f. What happens if the Claimant finds a job?

One of the key features of the new system is that people will not automatically lose their benefits if they find a job. On the contrary, the new system has been designed so that there will be a gradual withdrawal of benefits when a job is taken up and also no need to sign off benefits to take up employment. The current “poverty trap” whereby several benefits are commonly withdrawn at the same time that a job is found should be ameliorated. In addition, it will also be a lot harder for individuals to claim that they would be worse off taking up a job.

The taper rate for withdrawal of all benefits payments is to be set at 65% of post-tax earnings and the amount the claimant may earn before benefit is withdrawn (the “earnings disregard”) in many cases is expected to be more generous than before as demonstrated by the following graph:-



Source: <http://www.disabilityalliance.org/f55.htm>

g. How is Universal Credit made up and administered?

The single payment of Universal Credit will have 4 components:

- A “standard allowance”
- Child allowances
- Housing costs (rent or mortgage interest)
- Allowances for other needs e.g. disability, childcare costs.

As already mentioned, it will be administered by a national IT programme using “real time” tax data to automatically calculate people’s entitlements and will be subject to an overall “cap” by reference to national average household post tax earnings.

h. When and how will Universal Credit be introduced?

April 2013 – launch of Universal Credit “pathfinders”

Starting in April 2013 four local authorities (Tameside, Oldham, Wigan and Warrington) will start the delivery of Universal Credit in the North-West. The findings of these “pathfinders” will be used to make sure any necessary changes are made to ensure the success of the national launch of Universal Credit in October 2013.

October 2013 – national launch of Universal Credit

Universal Credit will start to take new claims from unemployed people, i.e claims for Jobseekers Allowance, in October 2013, and initially this will only be in seven locations (not known yet) across Great Britain (plus obviously the Pathfinders in the North West will continue). If a claim for Housing Benefit is also made this will also be paid as part of the “Universal Credit”. For people in work this process will begin in April 2014.

All other new claims for Housing Benefit made by unemployed people are expected to transfer to Universal Credit from early 2014 and for people in work this process is expected to begin in April 2014.

Existing benefit claims even those including a new claim for Housing Benefit and Tax Credits (“the legacy caseload”) will continue to be processed by the Benefits Service and/or HMRC in the normal way as, and until, there is a change of circumstances at which point these claims will become claims for Universal Credit.

All other existing cases i.e those not subject to a change of circumstances, will be converted through a series of block transfers with the final transfers taking place in 2017.

From October 2014 all new claims for Pension Credit will include a claim for housing costs, although it is not currently expected that these will be made online.

.

What are the key challenges for Sevenoaks District Council in adjusting to the new system of Universal Credit?

Key challenges

Having interviewed a number of witnesses from the charitable, social housing and voluntary sector as well as officers from the DWP, other Councils, SDC and Jobcentre Plus, we see the following key challenges with the introduction of Universal Credit:

- (1) The target for 80% of claims to be made online by October 2017.
- (2) Payment of Universal Credit monthly, not two or four weekly (Housing Benefit) or fortnightly (Jobseekers Allowance), as is currently the case.
- (3) Payment of Universal Credit (including housing costs) direct to claimants in social housing not to landlords, as occurs in the majority of cases at the moment.
- (4) The organisational impact of Universal Credit upon the Benefit Service both in October 2013 (working age claimants) and in October 2014 (pensioners) including:
 - (a) Re-training/maintaining suitable staffing levels and morale to facilitate the successful implementation of Universal Credit as well as the new localised Council Tax discount scheme.
 - (b) Analysing the Housing Benefit caseload so that the Benefits Service know well in advance those residents who are likely to be most affected by the changes and thus require additional support.
 - (c) Financial planning, including possible additional funding requirements
 - (d) Possible redundancy/IT decommissioning costs/re-deployment of staff post October 2013 and throughout the Housing Benefit tapering off period to 2017.
- (5) How to support vulnerable groups through the transition period and beyond including the Benefit Cap and its impact on LA finances/resources.

Universal Credit will impact upon the following departments within the Council

- (1) The Benefit Service (migration of existing benefits claims / decommissioning of Housing Benefits service / increased queries / face-to-face help for claimants)
- (2) The Housing Team (possible increased homelessness / queries)
- (3) The HERO Team (increased caseload)
- (4) The Contact Centre (increased queries)
- (5) The Investigation of Fraud Department (service re-organisation)

What impact will the changes have on demand for Council services

Demand for the Council's Housing Benefit Service will start to shrink from October 2013 to October 2017 as new working age claimants access Universal Credit online. The speed and extent of shrinkage will depend on how quickly the DWP transits the caseload, and how quickly claimants adapt to claiming online, and how adept the DWP telephone helpline staff are at guiding people through the online claim over the telephone.

Anecdotal evidence from a number of witnesses suggests that it is highly likely residents will prefer to direct their queries at existing Housing Benefits staff with whom they are familiar and have already built up a relationship.

Demands for help, advice and support, whether by telephone, post or in person, are highly likely to increase. Activity within the Benefit Service increased by 70% from April 2011 to March 2012 and it seems highly likely that a similar or increased level of activity will continue this year and next.

The other highly relevant factor is the extent to which Council's retain a residual role to provide face-to-face support to claimants unable to get online or operate a computer. Twelve councils are expected to pilot the delivery of Universal Credit from September 2012 until September 2013 (one month before Universal Credit is expected to start) with specific reference to the provision of face-to-face support, online support, help with budgeting and job searches, reducing fraud and error, and reducing homelessness. The precise identify of the 12 Councils is not yet known. As of last month the long list had been reduced to 15 but SDC is not one of them.

The DWP have stated that no decision will be taken on the future role or future funding of councils in delivering Universal Credit until after the pilots have finished.

Consequently, it is impossible to reach any firm conclusions regarding the demand for the Council's benefit services save for stating the obvious, namely, that the Benefit Service will cease in its current form at some point between October 2013 and October 2017 at the latest.

During the same period, however, demand for help and support with housing and indebtedness involving both the Housing, Hero and Contact centres, is likely to increase in response to other changes in welfare provision.

This can be seen more clearly from the following table which details the activities required together with the elements that are as yet 'unknowns'.

Activity	Date	Comments and unknowns	Work required prior to implementation
Benefit Cap	April 2013	<ul style="list-style-type: none"> • Initially administered by Benefit Services. Affected claims will be notified to Local Authorities by DWP. • Numbers of affected cases not yet known. • Full details of process not yet known. • Increase in enquiries expected from claimants and landlords. • Increase in claims for DHP. 	<ul style="list-style-type: none"> • To identify all potential affected claims and work with social landlords to advise and assist claimants subject to data sharing protocols. • Staff training and awareness. • System changes.
Under Occupation	April 2013	<ul style="list-style-type: none"> • Numbers of affected cases not yet known. • Increase in enquiries expected from claimants especially those who currently get 100% Housing Benefit. • Increased contact from landlords. • Increase in claims for DHP. • Potential increase in movement of claimants to more suitable accommodation – increased activity within caseload 	<ul style="list-style-type: none"> • To identify all potential affected claims and work with social landlords to advise and assist claimants subject to data sharing protocols. • To write to all claimants potentially affected. • Staff training and awareness. • System changes.
Council Tax Support Scheme	April 2013	<ul style="list-style-type: none"> • Will initially continue to run alongside Housing Benefit claims. • Future numbers of staff to administer 	<ul style="list-style-type: none"> • Consultation until end of September 2013. • Changes to leaflets and forms • Provision of rules

Activity	Date	Comments and unknowns	Work required prior to implementation
		<p>scheme in isolation not yet known</p> <ul style="list-style-type: none"> • Future changes in scheme may affect staffing and activity levels. • Initial and future funding for new scheme and impact on current Administration Grant unknown. • Activity may increase as this is seen as a discount not a benefit and will encourage take-up. • Appeals may increase 	<p>and procedures</p> <ul style="list-style-type: none"> • Provision of new appeals process. • Advising claimants of the changes where affected. • Staff training and awareness. • System changes.
Dealing with legacy Council Tax Benefit	From April 2013	<ul style="list-style-type: none"> • How long will Benefit Services be required to make retrospective changes to Council Tax Benefit claims? • Funding for this unknown. • This will also impact on subsidy claims, subsidy audit and appeals against legacy benefit and subsequent resource requirements. 	
Workload	On-going	<ul style="list-style-type: none"> • Activity levels within Benefit Services have risen by 70% since April 2011 and continue to be significant. • Future activity levels are unknown and will affect current/future resource levels. 	

Activity	Date	Comments and unknowns	Work required prior to implementation
Universal Credit	From October 2013	<ul style="list-style-type: none"> • Full transition plan for new and current Housing Benefit claims not known. • DWP requirement for Local Authorities to provide additional support for Universal Credit not known. This requirement and funding of same will affect future resource requirements. • Measures DWP will put in place to assist claimants not known and may affect future resources depending on Members wider decisions around support and community help they may wish to fund. 	<ul style="list-style-type: none"> • Working with DWP on numerous aspects including funding and impacts. • DWP pilots and pathfinders • Working with stakeholders.
Dealing with legacy Housing Benefit		<ul style="list-style-type: none"> • How long will Benefit Services be required to make retrospective changes to Housing Benefit claims? • Funding for this unknown. • This will also impact on subsidy claims, subsidy audit and appeals against legacy benefit and subsequent resource requirements. 	

How can the current Benefit Service, including the staff currently operating in this area, best be protected given the uncertainty surrounding the service and its effect on staff numbers/morale?

The Universal Credit Scrutiny Board is strongly aware that the benefits staff are coping with an increased work load, as well as an uncertain future, and that this is an unsatisfactory situation.

Equally, Members will appreciate that it is unlikely to be possible to maintain current staff numbers post October 2013 in the face of a declining caseload and consequent Government administration grant reduction. Plainly, a number of benefits staff will still be required to administer the existing legacy caseload along with the new localised council tax discount scheme, and/or to assist residents who require help getting online, and/or to assist over the next year in the run up to the launch of Universal Credit as queries increase, and/or also probably during the first six months of the transfer taking place. In the longer term, however, the Benefit Service will need to reduce.

The best protection that can be given is for a management review to be carried out as soon as possible following the introduction of the other welfare changes in April 2013 to identify a) how many benefits staff will continue to be needed during the introduction of Universal Credit and in the first 6 months post October 2013, b) how many benefits assessors will be needed to administer the legacy Housing benefit caseload, and c) what other opportunities might exist for benefits staff within the Council as a whole. That said, it must be borne in mind that on the information currently available, once the legacy Housing Benefit fully transits to the DWP in October 2017, at the latest, the effect of the commensurate budget change on staffing levels suggest a reduction from around 25 full time equivalents to 14 full time equivalents.

What other organisations will also be affected by the change to Universal Credit?

Since the bulk of housing association income comes from rent, much of which is dependent on Housing Benefit, the changes to the way Housing Benefit is calculated and the change to a single benefit payment to include housing costs, will have a significant impact on social housing providers since it will significantly increase the risk of tenants defaulting and not paying their rent. West Kent / Moat Housing and other social housing associations are all likely to be affected.

The Scrutiny Board also heard evidence from representatives of MIND and CAB that they support a number of residents receiving out of work benefits, a good number of whom will require extra support to manage the change to claiming online.

Also AGE UK (when extended to Pension Credit), DWP / Jobcentre Plus and NHS mental health authorities will all be affected by the changes.

Financial Impact of Universal Credit on Sevenoaks District Council

It is clear that the change to Universal Credit will have a major impact on the Benefits Section and the effect of the change for our residents is also likely to affect other services within the Council.

Key Facts and Figures

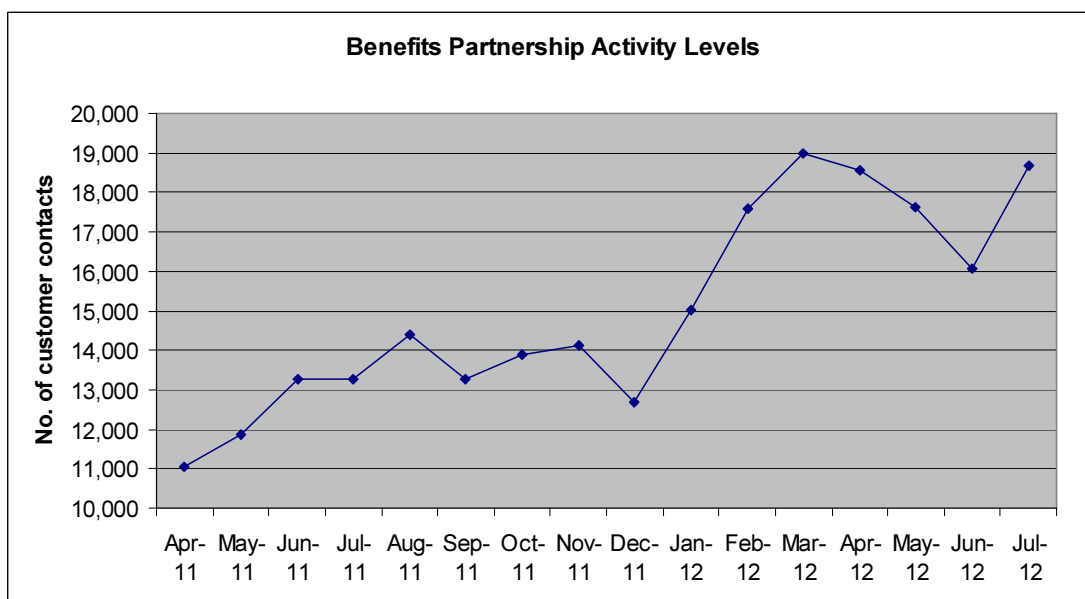
	Housing Benefit	Council Tax Benefit
Amount paid out	£26m	£7m
No. of claimants	5,387	6,619
Number of Benefits Service employees:		25.31 fte
% of Sevenoaks DC workforce:		6.77%
Cost of Benefits Service administration:		£828,000 (gross cost)
% of Sevenoaks DC budget:		2.80%

All figures are for Sevenoaks District Council only (unless specified) and future forecasts are for a full year at current prices assuming Universal Credit is being fully operated by the DWP (i.e. when the full transition to DWP in October 2017 is due to take place).

The effect of the phased implementation of Universal Credit between October 2013 and October 2017 would result in a reduced effect for these years depending on staffing requirements and actual levels of Government funding.

Other Impacts on the Benefits Service

Due to the economic climate the demands on the Benefits Section have significantly increased. The graph below shows that the number of customer contacts for the Benefits Partnership has increased by 70% since April 2011.



The Benefits Service at every authority has seen an increase in demand, together with an uncertain future for benefits professionals; this has resulted in a scarcity of benefits agency staff which are required to address the increased workload.

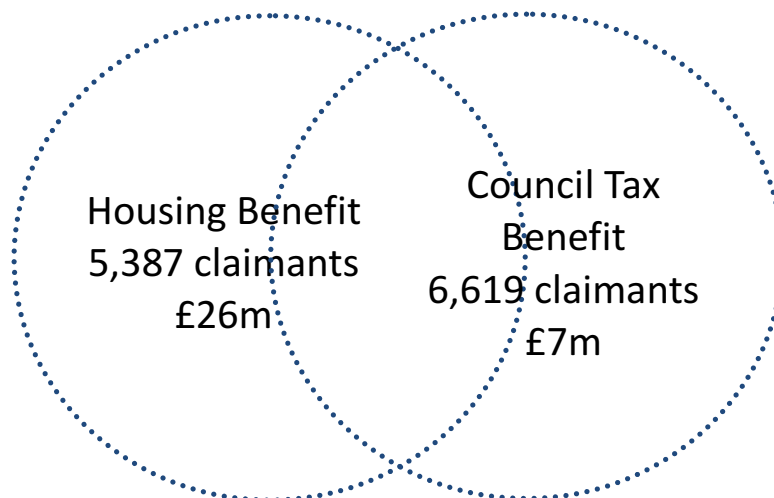
The implementation of a local council tax support scheme from 1 April 2013 to replace the council tax benefit scheme is another significant change to the work currently carried out by the Benefits Service. The other Welfare Benefit changes in April 2013 such as under occupation and the benefit cap will also have an effect.

Current Benefits Service

The Benefits Service at Sevenoaks District Council has a budgeted staffing level of 25 fte and the gross cost of the service is £828,000. £592,000 is received via the Benefits Administration Grant from Government; this amount also contributes towards the Fraud Service.

	£000
Gross cost	828
<i>Benefits Admin Grant</i>	(592)
Net Cost	236

There are currently 7,110 benefit claimants, 4,896 of whom claim both Housing Benefit and Council Tax Benefit.



Total claimants = 7,110

Future Benefits Service

If no other changes to the service are made it could be assumed that with Housing Benefit becoming part of Universal Credit, the Benefit Service will reduce in size as follows:

	£000
Gross cost	456
Benefits Admin Grant	(326)
Net Cost	130

The effect of this budget change on staffing levels would be a reduction from 25fte to 14fte. These figures assume that Housing Benefit and Council Tax Benefit are equally weighted in both the cost to process and the administration grant received.

This also assumes that any redundancy costs are funded by DWP.

Other Financial Impacts Resulting from Universal Credit

The Housing Service currently operates the successful HERO (Housing Energy Retraining Options) Project. This is an outreach holistic advice service and one of the areas covered is preventing homelessness. This is significantly funded by Moat, West Kent Housing and Social Services.

One scenario is that following the success of the HERO Project, two Benefits Assessors could be redeployed as Welfare Support Officers to work in a similar way but with an emphasis on helping residents access the Universal Credit system and provide debt advice etc. This could initially be run as a pilot, starting in 2014, to see where the demand lies and the level of support offered by other agencies.

If this approach was successful, it is unlikely that further additional external funding would be obtained as the housing associations are already funding their requirements and it is not possible to use planning gains money to fund council staff.

Council Tax – if residents are in receipt of Universal Credit rather than Housing Benefit they may be more likely to default resulting in a lower council tax collection rate. The majority of Housing Benefit claimants also claim Council Tax Benefit and will therefore be affected by the change to Council Tax Support. The effect on the collection rate has already been taken into account in the Council Tax Support calculations.

Redundancy costs of Benefits staff no longer required to be employed by the Council may be funded by DWP.

With fewer staff in the Benefits Partnership, many of the support service costs (e.g. Argyle Road Office) will not reduce and therefore have to be allocated over the remaining services of the council. Many of the support service teams have had major reductions in size in recent years and are now the smallest teams in Kent.

Other potential financial impacts include:

- DWP requirements and funding levels,
- Other Welfare Reform changes,
- IT decommissioning costs.

Financial Summary

Taking all of the above information into account and noting that the assumptions and estimates used could vary significantly, the effect of the change to Universal Credit for a full year could be as follows:

Financial Summary	Current Cost £000	Future Cost 2017 £000
Benefits Service		
Gross cost	828	456
Benefits Admin Grant	-592	-326
Net cost	236	130
Other Impacts		
Benefits Assessors (x2) re-deployed into Welfare Support Officers		66
Support Service costs still incurred		154
Council tax collection		0
TOTAL COST	236	350

This shows that there is likely to be an increased cost to the Council of £114,000 based on the assumptions detailed above. This would be reduced to £48,000 if we did not redeploy two Benefits Assessors as Welfare Support Officers however, this may result in increased costs elsewhere in the Council.

The increase would be reduced further if additional income was raised by renting out the office space that is currently occupied by the Benefits Service.

It would be beneficial to review the financial impacts in June 2013 when more detail will be available from the following:

- Universal Credit pilots,
- Transitional arrangements,
- Local Council Tax Support schemes will have started,
- The effects of other Welfare Reform changes on the Benefits Service.

How should Sevenoaks District Council prepare for these changes?

What role, if any, does the Council wish to play in supporting the implementation of Universal Credit?

Before considering what steps should be taken to prepare for the introduction of Universal Credit the Council needs to decide what role it wishes to play, if at all, given:

- Universal Credit is a national not a local policy.
- The long-term aim is for Universal Credit to be administered wholly by the Department for Work and Pensions (DWP), not local authorities.
- The Council has no **statutory** duty to assist or support the implementation of Universal Credit although a duty is owed to those who become unintentionally homeless.
- The DWP have repeatedly stated that there is no additional Government funding available for local authorities that wish to be proactive in this area.

(Consideration also needs to be given to the fact that the Benefit Service is a joint service with Dartford Borough Council and that any decision taken by this Council will also affect Dartford although the Scrutiny Board's understanding is that Dartford are very happy for Sevenoaks to be taking the lead in this area).

Against this background, the Scrutiny Board has considered three possible options in dealing with Universal Credit:

- 1) No involvement at all. The Council concentrates on administering only the new Council Tax Discount and other Housing related welfare changes, neither of which are included in the brief handed to this group;
- 2) Full involvement. The Council produces leaflets to raise resident awareness, up-skills contact centre staff to deal with telephone queries, and finally, up-skills benefit staff to deliver face-to-face/telephone support/deal with queries and offer budgeting advice etc to all residents needing help managing the transfer, funding all extra work from reserves.
- 3) Partial involvement. Full short-term operational involvement until the transition of new Housing Benefit claims to Universal Credit (during which time it is assumed that Grant funding will still be in place). After that the Council plays an important but much smaller role, concentrating primarily on responding to direct queries and sign-posting claimants towards local organisations and/or the DWP who will be able to help them to get online and/or claim Universal Credit.

Option One (No involvement at all)

This would be contrary to SDC's Core values since there are some 5,400 Housing Benefit claimants in Sevenoaks District alone whose housing needs and well-being are inextricably linked to the smooth running of the benefit system, some of whom will be among the most vulnerable in our community. Also, this may not be sensible financially since if UC impacts on the flow of rental payments to social and private landlords this may, in turn, increase the number of people that the Council has a statutory duty to provide with B&B accommodation. Taking steps, therefore to minimise the number of families descending into crisis is likely to save money and reduce pressure on the Council's Social and Discretionary Housing Funds.

Option Two (Full involvement)

This would be very difficult from a financial point of view as it would run counter to the Council's four year savings plan and also Central Government's approach. It would also threaten the success of the other welfare reforms (Council Tax discount scheme and Under Occupancy rules) by swallowing up valuable scarce resources. Without clear evidence of other funding streams, this is not a viable option.

Option Three (Partial involvement)

The Scrutiny board considers that option three provides the best balance between helping claimants that need help with the initial transfer to UC and the likely financial resources available to fund that help. It would also enable the benefits service to be restructured over a more realistic period of time, thus saving costs.

Process and scenario planning

Since there is unlikely to be much time between DWP finalising its arrangements and UC going "live", SDC needs to be ready to move straight away.

To the extent that it is possible, senior management need to consider for each of the three scenarios considered above:

- who needs to be retained and how that is going to be achieved in uncertain times;
- what opportunities there are for redeployment and retraining and who should be considered;
- how much space can be released and utilisation optimised to allow surplus space to be marketed to best effect;
- where are the peaks and troughs and how are they to be met; and
- what will the impact be on other departments;

It is important to ensure that if we can't do what we are recommending, or if the recommendations do not lead the way we expect, we are not caught by surprise and have a fall back position. We may find it all goes far more smoothly than expected in which we will not need much resource. Or it may be a continuing fiasco in which case we may find that we need more resource, not less. If we don't have the financial resources at present to finance our fall back position (which seems likely) and, in the event that, no further funding is forthcoming from central Government, then a further contingency plan is needed.

Conclusion

In the light of all the unknowns, in particular, the expected further reduction in Government Grant funding, coupled with the probable lack of any on-going role for local authorities, the Scrutiny Board strongly recommends adopting the following over-arching, Policy statement to shape, control and direct the introduction of Universal Credit:

Universal Credit Scrutiny Board Policy Recommendation:

SDC will continue to maintain capacity to respond to direct enquiries from the public regarding Benefits issues affected by the introduction of Universal Credit. It will prepare its staff to communicate and facilitate appropriate courses of action for benefits claimants and develop effective links with other agencies and organisations to ensure a consistency of service and support. SDC will be a centre for communication about all aspects of Universal Credit, using materials and channels developed by DWP but also producing its own local messages, specific to the District.

Dealing with the challenges

The expectation that Universal Credit will be digital by default

The DWP stance has changed significantly since the Scrutiny Board was formed and there is now a clear realisation that the original 80% online target by 2017 is wholly unrealistic. There is also an acceptance that some claimants may need on-going help to complete their online claim for Universal Credit.

Whether the DWP accepts that local authorities should deliver this deliver face-to-face support remains to be seen. Current information from the DWP suggests that this will be provided in the first instance on the telephone, but failing this “in a high street outlet”!

In the meantime, however, it is imperative to analyse the current benefit caseload in order to work out how many existing claimants are likely to need additional help making the change to claiming online so as to effectively allocate benefit resources over the next twelve month period and beyond.

It seems likely claimants will fall into 3 categories:

- Early adopters – will be online straight away,
- Late adopters – will need help but will move online within a reasonable time; and
- Complex claims (people or claims) – unlikely to ever move online

Universal Credit Scrutiny Board recommendations:

- Analyse the existing Housing Benefit caseload and attempt to identify how many claimants will fall into the second category thus needing short term help up to say April 2014 (after which Government funding is likely to be significantly cut-back), and how many might need longer term assistance, for which funding may well not be available.
- Make use of existing benefit surgeries in Edenbridge and Swanley to better understand the “gaps” in people’s IT/computer skills and/or access to a computer.
- Consider what new skills and/or resources will be needed within the Benefit Service over the next 12 to 18 months while funding is still in place to fulfil this role. How many staff will need to be re-trained and/or take on a different role?
- Consider whether it would be more cost effect to re-deploy/train a dedicated Universal Credit adviser to provide “a single point of contact” to help build capacity in people over the next key 18 months.

- Consider whether there are sufficient resources to provide short term face to face help immediately prior to and following October 2013, bearing in mind that Sevenoaks does not have access to a Jobcentre “Digital Champion” as there is no Jobcentre Plus in Sevenoaks.
- Consider sending either an Officer or a Councillor on the forthcoming Public Services training conference: **Digital by Default: Smarter Public Services**, 4th December 2012 to build understanding as to the challenges / pitfalls ahead.
- Continue to lobby the DWP to fund surgeries in Swanley, Edenbridge and Sevenoaks to assist people to get online bearing in mind that Sevenoaks District does not have a JCP therefore DWP should make provision for Sevenoaks residents. Note, however that there is a possibility of a Jobcentre Plus being opened in Swanley which although assisting Swanley residents would not assist those living in either Edenbridge or Sevenoaks, so would not be an adequate District wide solution.
- Consider partnership working. What role can Age Concern / Mind / CAB offer to support the provision of IT facilities/ help with filling in forms? What role can libraries offer? Could we through continued discussion with these organisations signpost relevant people to these organisations? A big workload is not so much of a demand if organisations take ‘sections’ of it. Consider planning an advertising campaign in conjunction with these organisations to prepare Claimants for “going digital” post October 2013?

Payment of Universal Credit direct to claimants, not landlords, and payment of Universal Credit monthly, not fortnightly or four weekly

The interviewees were unanimous in their concern about payment of Universal Credit direct to claimants and the need to help some tenants to cope with the responsibility of having to pay their rent direct to Landlords themselves and to develop the skills to manage their money on a monthly, not fortnightly, basis.

Universal Credit Scrutiny Board recommendations:

- Residents need to be warned well in advance about the change in payment method and the need to budget differently post October 2013. Letters should be written to all benefit claimants and sent out warning them of the changes 6 months and 3 months before the changes take effect.
- Continued use of on-going benefit surgeries to help people understand the need to budget and attain budget skills to enable people to make responsible choices.

- Include a Universal Credit key facts page on the Sevenoaks District Council website with a brief summary of the timetable of up-coming changes including links to other websites containing useful information e.g. the DWP website.
- Other local measures include writing an article for the next InShape magazine on the up-coming welfare changes and/or obtaining DWP flyers/leaflets for distribution at the front desk / CAB / leisure centre/doctors surgeries etc.
- Continue to use the Landlord forum and the Benefit forum as information exchanges to keep landlords up to speed and to share intelligence as to how to minimise social tenants getting into arrears (i.e synchronisation of the receipt of Universal Credit with the payment of rent so that both occur on the same day.)
- The Sevenoaks District Council housing department has also developed a system of tenant accreditation which has proved helpful in convincing landlords that a tenant is reliable. Consider whether this could be expanded to include budgeting skills/credit-worthiness.

The organisational impact of Universal Credit upon Sevenoaks District Council including maintaining staff morale/suitable staffing levels, financial planning including possible redundancy and IT decommissioning costs, especially during an extended transition period

This is a difficult area to tackle since the key issue is how to build resilience into the service with less staff in a period of acute policy uncertainty and where staff are having to deal with increased numbers of new claims and significantly increased levels of queries (post/telephone/visitors)?

Added to this is the challenge of having to keep the current service operating through current welfare changes due in April 2013 (including the implementation of the new Council Tax Discount Scheme) and through the introduction/migration of Universal Credit claims. Since the DWP are expecting us to maintain high levels of performance, provide good baseline data and not to have any real forms of backlog this will mean we need to ensure we can deal with the changes, redeployments etc while still processing existing claims.

Universal Scrutiny Board recommendations:

- Identify which staff could be re-deployed into the new face-to-face role and/or in administering the new local Council Tax Discount scheme.
- That the Universal Credit Scrutiny Board should meet again in June 2013 when firm details should be more readily available to assess the potential impacts on staff from October 2013.

- Identify what additional staff resources may be required and how they may be sourced to deal with any increased workload identified during the changeover. For example, officers are likely to be needed to fulfil the following 3 additional roles:-
 - Assist “late adopters”, those who need help but will get online in a reasonable length of time.
 - Deal with complex claims (people or claims) who are unlikely or unable to ever move online.
 - Provide a single point of contact for claimants with “gaps” in their understanding e.g. budget skills.
- As soon as information is available regarding future Government Grant funding identify cost implications - reduction in Government grant. However – how much more will it cost to train new assessors or use agency staff? Would it be more sensible for morale levels, customer service and stability to offer a ‘job guarantee’ until say Jan 2015? Depending on demand, could staff be retrained to fulfil other functions. This could mean staff will stay. Is this in the budget to do so?
- Liaise/work with the Housing department to develop contingency plans to cater for reduced availability of rented accommodation should private landlords withdraw from the market as a result of any uncertainty regarding payment of rent under Universal Credit.
- Liaise/work with the Housing department to assess the risk of higher demand for social housing from claimants being forced out of higher cost areas (e.g. London) following the introduction of the benefits cap.
- If following the introduction of the Benefit cap and the new rules on Under Occupation there is a significant related increase in those requiring emergency B&B accommodation give consideration to strengthening the HERO service.

The challenge of supporting vulnerable groups and high risk families with complex needs through the transition period and beyond

Undoubtedly some households will be faced with an uncontrollable amount of debt. A high level of liaison in the months running up to Universal Credit will be needed between the HERO service, the Housing team and Benefit Service.

Universal Credit Scrutiny Board recommendations:

- Identify an officer to take responsibility for compiling a list of “high risk” families who will need special help next April/October in adapting to the changes. Presumably any families now in B&B in Sevenoaks will be on this list. The HERO officer’s input will be needed here.
- Ensure a high level of liaison in the months running up to Universal Credit between the HERO project, the Housing team and Benefit Services. Consider scheduling a regular monthly meeting if one does not exist already.
- Consider employing another HERO / Debt Officer or increasing the grant to CAB Swanley/Sevenoaks and Edenbridge/Westerham to provide debt support? This will be based on the business case that if debt advice and help is not offered, it will have further cost implications for the LA.
- Meet with CAB Swanley/Sevenoaks and Edenbridge/Westerham to discuss and plot in detail how much debt advice / UC credit advice they can undertake?

What opportunities are there to lobby DWP/play a part in how the new system is implemented? (e.g. could or should Sevenoaks become a pilot Council for implementing the new scheme?)

The Scrutiny Board has discussed many of the issues contained within this Report with representatives of the DWP direct and the Head of the Benefits Service, Meryl Young, gave a presentation on Universal Credit and the challenges ahead at a District Council Network conference last March 2012, which attracted favourable feedback from the DWP representative present. A degree of lobbying has, therefore, already been done.

Early in 2012 the DWP asked for Local Authorities to volunteer to become Pilot Sites as part of the preparation process for Universal Credit. Whilst Sevenoaks were initially keen to be included, it was apparent when the requirements were received that it would not be in the best interests of the authority to put itself forward. This was because the pilots were directed to only provide initiatives for face-to-face contact, rather than the whole process, plus the DWP were not providing any real funding for this purpose.

It was further felt that Sevenoaks would gain more by conducting a mini pilot of it's own, for example, taking a small group of claimants and identifying and evaluating how they may best be helped by using a 'HERO ' type approach. However, due to the significant amount of work involved in setting up such a pilot, the short timescales available to put this into place and the resources needed to run, monitor and evaluate the pilot, it is not felt that a pilot is in the best interests of the authority at this time.

As a result of the work undertaken by the Universal Credit Scrutiny Board contacts have been made with Directors and Managers from the DWP, fellow pilot Councils and the Citizens Advice Bureau, all of whom have indicated their willingness to come and talk to Members, Officers, landlords, voluntary organisations and residents likely to affected by the changes.

Universal Credit Scrutiny Board recommendation:

Resources permitting, consider organisation of a Universal Credit welfare summit in Sevenoaks prior to April 2013 to promote partnership working with other stakeholders, enable interested parties to obtain further information regarding the welfare changes, and to lobby the DWP directly for special provision for Sevenoaks given the lack of any Jobcentre Plus in the District.

Risks Analysis

Risks	Internal	External
Timescale and deadlines	Indications are that there may not be major timescale changes for the introduction but as dates come nearer, this may change. Typically, this leads to a “wait and see” approach which will add to costs. It will also increase the number of organisations asking for further delays.	Many benefits recipients may wait until the changes are effected to adapt their own budgets. "Delays in timescale may mean people affected by the changes will consider them of less importance and therefore may not take the need to adjust seriously."
Finance	Additional costs may not be borne by SDC although contingency planning should be conducted to ensure that there is flexibility to meet the demands of residents not met elsewhere, if that is the wish of the Council	Household budget of benefits recipients will need to be adapted. If adaptation is not accomplished outcomes could be adverse.
Physical Resources	Computer software changes will need to be implemented and operated effectively. This is likely to lead to potential disruptions.	Clients are unlikely to accept “please bear with us” explanations and will want to have their individual issues resolved as a priority
Human Resources	Significant changes to numbers and job descriptions will impose burdens on the HR department	Confidence in the competence of the client-facing council officers must be maintained, even if SDC’s role to be diminished over time
Capacity	Ability to direct and deal with enquiries effectively will naturally be affected during periods of change, thereby reducing overall case-load capacity across the organisation	
Demand		Uncertainty and change will naturally lead to a period of greater demand for clarification and support
Customer Relations Skills	SDC is in the process of embedding additional CRM skills across the organisation	Clients will need to know that they are valued and their issues are a priority, even when they are being

Risks	Internal	External
		referred to another agency. The handover process will need to be seamless
Communications/Education	Although Government plans and the timetable have been in the public domain for a while, not much clear guidance has been given as to how Councils should be preparing. The later this is delayed, the shorter the time to adapt, the greater the costs and the higher the risk of inefficiencies	The lead in to the changes needs to start as early as possible to give clients as much time to prepare as possible. The methods of communication and the costs must be planned carefully, and allow for feedback.
Interested Parties	Working with other agencies will need to adapt. Many will have their own problems and may find it difficult to resource interactions with the Council. This may lead to duplication.	Generally, the public prefer to have fewer points of contact rather than more.
Shared Services	Other councils will face different demographics and innovate different solutions. Unless there is some coordination with shared services councils, there may be the potential for duplication, misallocation of resources leading to higher costs	
Transitional Challenges	Without clearly defined goals and timeframes, proper project management principles cannot be applied effectively. This means there is a risk of inefficiencies and higher costs	

Many of the risks identified here and throughout this document can be ameliorated by the adoption of a clear Policy statement by the Council. A clear policy will act as a focal point, by requiring achievable goals and targets to be set, to ensure that confusion and inefficiency can be measurably and demonstrably kept to a minimum. As the project evolves and the effects of other changes to the welfare system are better understood, the Policy with regards to SDC's approach to the Universal Credit can be amended.

Action Plan

The overall aim of this Report is to raise awareness of the forthcoming Welfare Reforms and their likely impact on the Sevenoaks and Dartford Joint Benefits service so that appropriate steps can be taken in good time to ensure that the Council is able to continue to deliver quality Benefits services to those who still need and qualify for them, while at the same time assisting new claimants to move onto the new system of Universal Credit. Ensuring claimants and vulnerable groups are forewarned in good time of the possible effects of Universal Credit is an equally important aim. In the short-term, therefore, an increase in demand for the Council's Benefit services by those concerned and/or affected by the welfare reforms is assumed. The long-term goal, on the other hand, is to assist the Council to down-size the Benefits service to fit its new lesser Benefits role.

Other more general goals include:

- Raising resident awareness of the upcoming welfare reforms to avoid unnecessary financial hardship
- Reducing financial exclusion
- Assisting benefit claimants to claim the new "Universal Credit"
- Considering, in particular, those who are vulnerable and rely on the Council for support
- Encouraging effective partnership working
- Making the best use of local resources e.g. partnership working with local Housing Associations and other local voluntary organisations to raise awareness of the up-coming welfare reforms
- Reducing Housing Benefit budgets
- Encouraging innovative thinking to deliver the highest possible quality services for residents
- Providing value for money Benefits services for claimants and residents
- Encouraging more people back into paid employment

SEVENOAKS DISTRICT UNIVERSAL CREDIT SCRUTINY BOARD 2012 ACTION PLAN

No	Objective	Lead	By when	Expected outcome
1	<p><u>Policy Statement</u></p> <p>SDC will continue to maintain capacity to respond to direct enquiries from the public regarding benefits issues affected by the introduction of Universal Credit. It will prepare its staff to communicate and facilitate appropriate courses of action for Benefits claimants and develop effective links with other agencies and organisations to ensure a consistency of service and support. SDC will be a centre for communication about all aspect of Universal Credit, using materials and channels developed by DWP but also producing its own local messages, specific to the District.</p>	BM/GM	End Dec 2012	Better focus, clarity and control over the introduction of UC
2	<p><u>Partnership working</u></p> <p>Ensure that Dartford Borough Council are kept fully informed of UC strategy and given an opportunity to feed into all strategic decisions.</p> <p>Work with WKHA/Moat/CAB/JCP/Age Concern/Landlords Association and other appropriate stakeholders to explore opportunities to work together to assist residents to move onto UC, and in particular explore employing or sharing a new Welfare Support Officer.</p>	<p>BM</p> <p>BM</p>	<p>On-going</p> <p>On-going</p>	<p>Greater expertise/ smoother implementation of UC/Feedback</p> <p>Improved resident / benefit claimant awareness / smoother implementation of UC / better policy / increased resources</p>

No	Objective	Lead	By when	Expected outcome
	<p>Continued joint working between Finance/Benefits & Housing to ensure that effects of other welfare reforms e.g. Housing Benefit cap / under-occupation new rules / localisation of CT are taken into account in future development plans.</p> <p>Continue to liaise with DCN regarding the implementation of UC and explore mutual exchange policy with other LA's in Kent in due course.</p>	<p>BM/GM/ HoH</p> <p>BM</p>	<p>On-going</p> <p>On-going</p>	<p>Improved strategy response and improved policy/procedures in place</p> <p>As above</p>
3	<p><u>External resource capture</u></p> <p>Continue to monitor all information emanating from the DWP and other interested organisations to build up the best picture of what is likely to happen</p> <p>Monitor pilot schemes to assess level of additional resources needed for successful implementation of UC.</p>	<p>BM</p> <p>BM</p>	<p>On-going</p> <p>Post September 2013</p>	<p>Greater expertise enabling better planning for changes</p> <p>Get a better picture of the amount of face to face assistance needed. Better policies /better procedures in place</p>
4	<p><u>Internal data capture</u></p> <p>Analyse HB caseload. How many claimants will need:-</p> <ul style="list-style-type: none"> a) No assistance b) Short term assistance c) Long term assistance <p>to access UC on-line</p>	<p>BM</p>	<p>End December 2012</p>	<p>Greater expertise & resident awareness of upcoming welfare changes</p>

No	Objective	Lead	By when	Expected outcome
	<p>During routine surgeries in Edenbridge/Swanley/Sevenoaks undertake short informal surveys of Claimants to understand “gaps” in understanding e.g.:</p> <ul style="list-style-type: none"> a) Building self-belief b) Teaching relevant IT skills c) Budgeting / setting up standing orders to landlords <p>And those who may need assistance prior to next October to claim UC</p> <p>Gather information from other organisations to enable SDC to more effectively sign-post claimants.</p>	BM	<p>End December 2012</p> <p>End December 2012</p>	
5	<p><u>Preparation of benefits department for Universal Credit</u></p> <p>Having captured internal data consider creating a dedicated Universal Credit officer to provide “single point of contact” to build capacity and self-belief in people.</p> <p>Alternatively, consider up-skilling/re-training staff to take on a new role in order to help vulnerable claimants get on-line.</p> <p>Analyse how many benefits staff will need to be re-allocated to other departments post full transition to Universal Credit in October 2017, if not before.</p> <p>Establish what steps DWP will be taking nationally to publicise the welfare changes to tenants and claimants</p>	<p>BM</p> <p>BM</p> <p>BM</p> <p>BM</p>	<p>June 2013</p> <p>June 2013</p> <p>June 2013</p> <p>On-going</p>	<p>Fewer claimants long term requiring assistance / fewer telephone / post /visitor queries</p> <p>Most effective use of resources to deliver value for money services / Assist most vulnerable</p> <p>Better value for money for council tax payers</p> <p>Better policies / procedures</p>

No	Objective	Lead	By when	Expected outcome
6	<p><u>Preparing tenants and residents for UC</u></p> <p>Review, enhance and localise existing communication channels for disseminating information to claimants/tenants/residents about UC.</p> <p>Promote and support all efforts by Moat/WKHA/Housing to produce a generic leaflet dealing with UC.</p> <p>Promote and support all efforts by Moat/WKHA/Housing to identify tenants with specific needs and who will need help getting on-line, budgeting, opening a credit union account or bank account, setting up standing order to pay rent on monthly basis in line with receipt of UC.</p> <p>Promote and participate in local/national welfare forums aimed at easing burden of implementation.</p> <p>Resources permitting, consider organising Kent Welfare Reform Summit in Sevenoaks for all interested stake-holders and Members.</p> <p>Promote and participate in all voluntary sector initiatives aimed at raising awareness and delivering digital inclusion.</p> <p>Preparation of a Member briefing note for dissemination information to Parish Councils and inclusion in the Winter edition of InShape.</p>	<p>BM</p> <p>BM</p> <p>BM</p> <p>BM</p> <p>BM</p> <p>BM</p> <p>BM</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>By March 2013</p> <p>On-going</p> <p>December 2012</p>	<p>Reduced complaints / queries post October 2013</p> <p>Improved awareness and reduce postage and other costs</p> <p>More reach and raised awareness of vulnerable groups</p> <p>Increase access / mutual exchanges</p> <p>Improved policy/ increase access / mutual exchanges</p> <p>Improved access</p> <p>More local reach and raised awareness</p>

No	Objective	Lead	By when	Expected outcome
7	<p><u>Scenario planning across the whole Council as a result of UC/Welfare reforms</u></p> <p><u>For each of the three scenarios set out in the report:-</u></p> <p>Undertake a full financial review of the cost implications for the Benefits service and the Council as a whole of UC/Welfare Reforms in general.</p> <p>To the extent that it is possible, senior management need to consider:</p> <ul style="list-style-type: none"> • who needs to be retained and how that is going to be achieved in uncertain times; • what opportunities there are for redeployment and retraining and who should be considered; • how much space can be released and utilisation optimised to allow surplus space to be marketed to best effect; • where are the peaks and troughs and how are they to be met; • what will the impact be on other departments. 	<p>GM</p> <p>GM/BM</p>	<p>June 2013</p> <p>June 2013</p>	<p>Accurate information available to assess affordability of the service now and going forward. Identify scale of cuts required.</p> <p>Accurate information to identify any surplus staff</p>

No	Objective	Lead	By when	Expected outcome
8	<u>Policy development/implementation</u> If commensurate savings can be found elsewhere or alternative sources of funding (either internal or external) consider expanding HERO service to coincide with down-sizing of Benefits service.	BM/HM	Dec 2012	Decrease demand for emergency Housing and increase take up of jobs
	Alternatively consider developing a new Housing/HERO/Benefits hybrid officer to assist High Risk families pre and post the implementation of UC next October.	BM/HM/ HoH	Dec 2012	As above
9	<u>On-going monitoring/training</u> UC Scrutiny Board to meet again and review progress in June 2013 and first progress report to SSC in September 2013?		June 2013	Ensure progress is being made
	Officer/Member of Scrutiny Board to attend up-coming Inside Government conference on 4 th December on Digital by Default: Delivering Smarter Public Services.		Dec 2012	Increase expertise

Lead officer Key

BM = Benefits Manager

HM - Housing Manager

GM - Group Manager - Financial Services

HoH - Head of Housing / Communications

PERFORMANCE MONITORING

Cabinet – 11 October 2012

Report of the: Deputy Chief Executive and Director of Corporate Resources

Status: For Consideration

Executive Summary: This report provides the Cabinet with a summary of Council performance and through the exceptions report details of all ‘Red’ performance indicators for the period to the end of August 2012.

This report supports the Key Aim of Corporate Performance Plan “Effective Management of Council Resources”

Portfolio Holders Cllr. Mrs. Davison

Recommendation: It be RESOLVED that Members:

- (a) note the contents of this report, and
 - (b) where appropriate, refer areas of concern to the appropriate Committee for further action.
-

Background

- 1 The Council’s performance management arrangements are supported by a software system which allows performance to be monitored using a simple traffic light system i.e. Green for good, Amber if caution is required and Red if the indicator requires attention. This allows the Council to both celebrate good practice and take early steps to rectify actual and potential problem areas. The system allows for the review of historical performance as well as tracking progress against performance targets.
- 2 The Council’s performance management system, Covalent, is available to all Members via the Members Portal. All of the current performance indicators agreed by Cabinet are available on the system and Members are encouraged to use this to access performance information across all service areas.

Performance Reporting

- 3 To improve the Council’s Performance Management Framework the Portfolio Holder for Planning and Improvement agreed that monitoring reports should be received by the Cabinet. It was agreed that the performance report should enable Members to focus on areas of under performance.
- 4 As a further improvement to the performance framework the Portfolio Holder for Planning and Improvement suggested that where areas of under performance are an area of concern to the Cabinet that they refer them to the appropriate

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Committee to review. It is recommended that this course of action is only taken where Members are of the opinion that the current actions set out by Officers in their commentaries were unlikely to bring on the level of improvement Members expect.

- The performance report brings to Members attention all of those indicators that are 'Red'. That is to say they are missing target by 10% or more. The report groups each performance indicator by the Portfolio Holder that has responsibility for the service and also provides a summary chart setting out the overall performance within each Portfolio. All of the performance data provided in the report is cumulative and shows the overall position for the year to date, in this case April to August 2012.

Performance Overview – April to August 2012/13

- The following table summarises the performance levels as at the end of August 2012.

Red	Amber	Green
<i>10% or more below target</i>	<i>Less than 10% below target</i>	<i>At or above target</i>
13	7	35
23%	13%	64%

- Set out at Appendix 1 are details of each of the 13 'Red' performance indicators categorised by Portfolio Holder. Alongside the performance data is a trend chart, showing the performance for each month in the year and a commentary provided by the managers of the service. Commentaries include additional contextual data where it is available and explain the reason behind the performance and any actions that are planned or are currently being taken to improve performance.
- In any instance where the Cabinet is dissatisfied with the performance level and the plans for improvement it is recommended that they refer the issue to the relevant Committee for scrutiny. Where performance concerns are referred to Committees the appropriate Head of Service or Service Manager would attend the Committee to provide further information and analysis and where relevant an improvement plan. Any recommendations made by the Committee would also be referred to Performance and Governance Committee.

Key Implications

Financial

- Effective performance management monitoring arrangements will assist the Council in diverting resources to areas or services where it is considered to be a greater priority.

Community Impact and Outcomes

- 10 Robust performance management arrangements ensure services continue to be measured against targets for improvement. Striving to meet these targets and developing action plans where performance needs to be improved helps to ensure the delivery of high quality services to the community.

Legal, Human Rights etc.

- 11 None

Resource (non-financial)

- 12 None

Value For Money

- 13 A strong performance culture and effective performance management monitoring arrangements contribute to improved services and ultimately more cost effective Value for Money services.

RISK ASSESSMENT STATEMENT

Risk	Impact	Control	Residual Risk
1. Inaccurate data could be used in the assessment of performance	High	Robust data collection arrangements in place. Annual data quality audit carried out by Internal Audit.	Low. Risk Adequately Controlled
2. Poor performance might not be identified	High	Performance indicators reviewed annually to ensure all key areas of service delivery are appropriately monitored. Members focus on exceptions in their performance reporting.	Low. Risk Adequately Controlled
3. Poor performance might not be addressed	High	Performance management is embedded in the organisation with robust performance review and monitoring arrangements in place. Covalent updated monthly with data and made available to officers and Members to review. Monitoring reports to Management Team, Performance and Governance Committee and Cabinet. Service Review processes in place.	Low. Risk Adequately Controlled

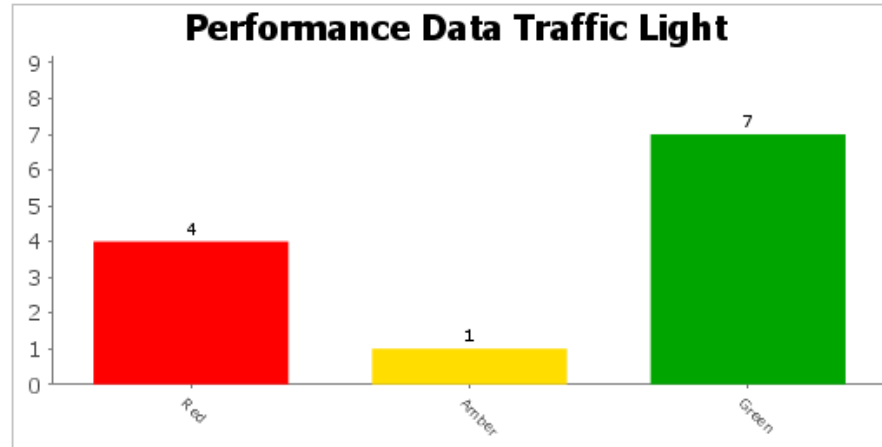
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Sources of Information: Covalent, Performance Management Software

Contact Officer(s): Lee Banks, Policy and Performance Manager.
Ext 7161

Dr. Pav Ramewal
Deputy Chief Executive and Director of Corporate Resources


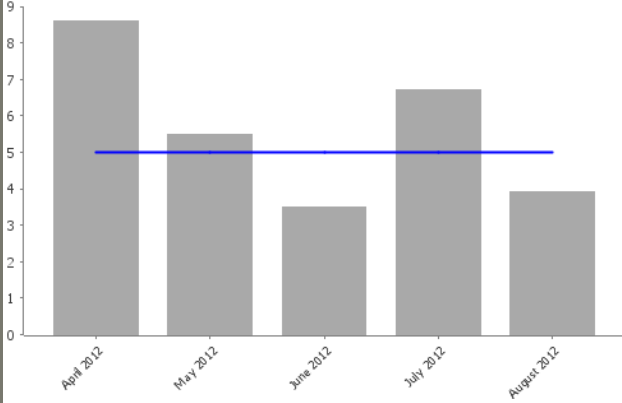
Portfolio: Cleaner & Greener Environment


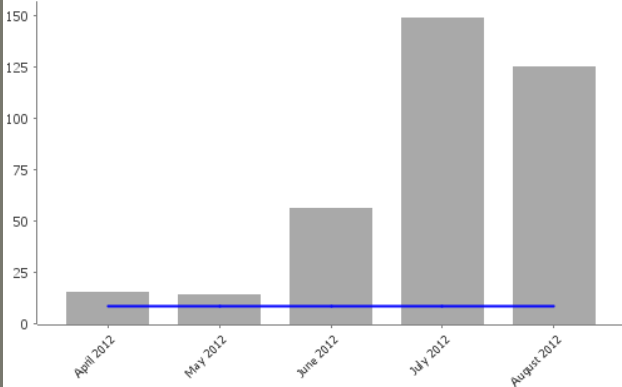



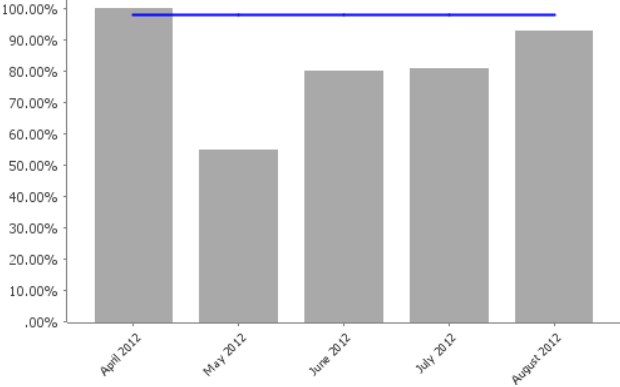
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Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note
LPI Clean 001	Number of justified Street Cleaning complaints	62	54			<p>There were 25 justified complaints regarding street cleaning in July, which is higher than the monthly average of 12. In August this reduced to 13. The total number of complaints this year [62] is marginally higher than the same time last year [59]. The situation will continue to be monitored but it is expected that the number of justified complaints will be within the overall target for the year, as it was last year.</p>

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Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note												
	Average number of days taken to remove fly tips which the District Council has responsibility to clear	5.64	5		 <table border="1"> <caption>Fly Tipping Incidents by Month (2012)</caption> <thead> <tr> <th>Month</th> <th>Number of Incidents</th> </tr> </thead> <tbody> <tr> <td>April 2012</td> <td>8.5</td> </tr> <tr> <td>May 2012</td> <td>5.5</td> </tr> <tr> <td>June 2012</td> <td>3.5</td> </tr> <tr> <td>July 2012</td> <td>6.8</td> </tr> <tr> <td>August 2012</td> <td>4.0</td> </tr> </tbody> </table>	Month	Number of Incidents	April 2012	8.5	May 2012	5.5	June 2012	3.5	July 2012	6.8	August 2012	4.0	<p>A full analysis of fly tipping incidents over the past four years was provided to Environment Select Committee at their meeting on 4 September 2012. This year 272 fly tipping incidents have been reported since April compared with 261 for the same period last year. SDC has removed 133 that it was responsible for clearing over the period. This is comparable to 137 fly tips the Council removed over the same period in 2011/12.</p> <p>All reported incidents of fly tipping must first be investigated by the crew to determine whether the Council is responsible for removing. Larger scale fly tipping incidents often require a grab lorry to remove waste and can take longer to organise and remove, although many smaller scale incidents are removed on the next working day.</p> <p>Performance improved in August as the number of fly tips the Council was required to remove reduced from the previous month. Performance will continue to be monitored but it is considered no further action is required at this time.</p>
Month	Number of Incidents																	
April 2012	8.5																	
May 2012	5.5																	
June 2012	3.5																	
July 2012	6.8																	
August 2012	4.0																	

Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note												
LPI Waste 004	Number of missed green waste collections	359	42		 <table border="1"> <caption>Missed Green Waste Collections (Estimated)</caption> <thead> <tr> <th>Month</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>April 2012</td> <td>15</td> </tr> <tr> <td>May 2012</td> <td>15</td> </tr> <tr> <td>June 2012</td> <td>55</td> </tr> <tr> <td>July 2012</td> <td>145</td> </tr> <tr> <td>August 2012</td> <td>125</td> </tr> </tbody> </table>	Month	Value	April 2012	15	May 2012	15	June 2012	55	July 2012	145	August 2012	125	<p>The performance issue with missed green waste collections has peaked since June this year but actions taken by the Council in August with the recruitment of new staff and better communication of the collection rounds performance is starting to improve.</p> <p>A new Driver/Supervisor has been appointed and this is integral to enabling the crew and the overall level of service to improve. The new Driver/Supervisor has spent the last 6 weeks working with each of the 3 crews to better define their collection rounds. Each crew carries out alternate weekly collections of bins [permit holders] and sacks, containing garden waste. Through this system the whole District can be covered by just 3 rounds, made up of 1 vehicle and a crew of 2 including the driver, over a 2 week period. There are over 6,000 green waste permit holders in the District, which the crew has addresses for. However as green waste sacks can be purchased at any time by any household the crews don't know who may have purchased sacks or when they may put them out for collection. As a result they need to drive down and check every road on their round.</p> <p style="text-align: right;"><i>Continued on next page</i></p>
Month	Value																	
April 2012	15																	
May 2012	15																	
June 2012	55																	
July 2012	145																	
August 2012	125																	

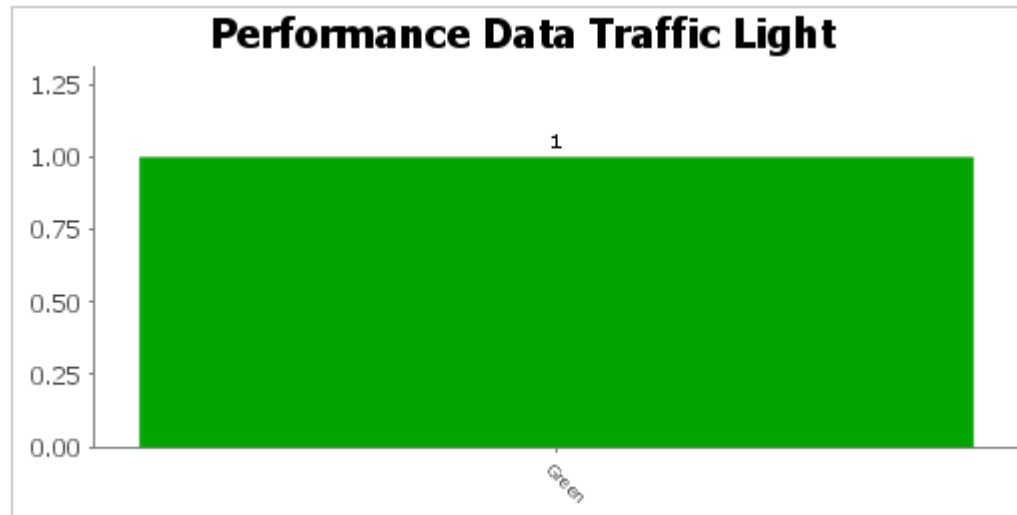
Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note												
						<p>The main reason for the poor performance this year has been changes to the crew, due to long term sickness and staff leaving the Council. New staff are learning the rounds and starting to improve performance, but whilst they were being recruited the Council had to rely heavily on agency staff, who don't have the best knowledge of the rounds and as a result missed a large number of collections.</p> <p>Positively since the rounds have now been fully defined to the crews, performance has substantially improved and the Driver/Supervisor is working hard towards achieving his key performance target of sustained improvement in the collection of green waste.</p>												
LPI Waste 005	Percentage of missed green waste collections corrected by next working day	81.80%	98.00%		 <table border="1"> <caption>Percentage of missed green waste collections corrected by next working day</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>April 2012</td> <td>100.00%</td> </tr> <tr> <td>May 2012</td> <td>55.00%</td> </tr> <tr> <td>June 2012</td> <td>80.00%</td> </tr> <tr> <td>July 2012</td> <td>80.00%</td> </tr> <tr> <td>August 2012</td> <td>92.00%</td> </tr> </tbody> </table>	Month	Percentage	April 2012	100.00%	May 2012	55.00%	June 2012	80.00%	July 2012	80.00%	August 2012	92.00%	<p>Performance against this indicator is directly affected by the increased number of missed collections to be corrected, 359 to the end of August 2012/13.</p> <p>A detailed commentary on performance issues has been provided at LPI Waste 004 above.</p>
Month	Percentage																	
April 2012	100.00%																	
May 2012	55.00%																	
June 2012	80.00%																	
July 2012	80.00%																	
August 2012	92.00%																	

Portfolio: Community Wellbeing



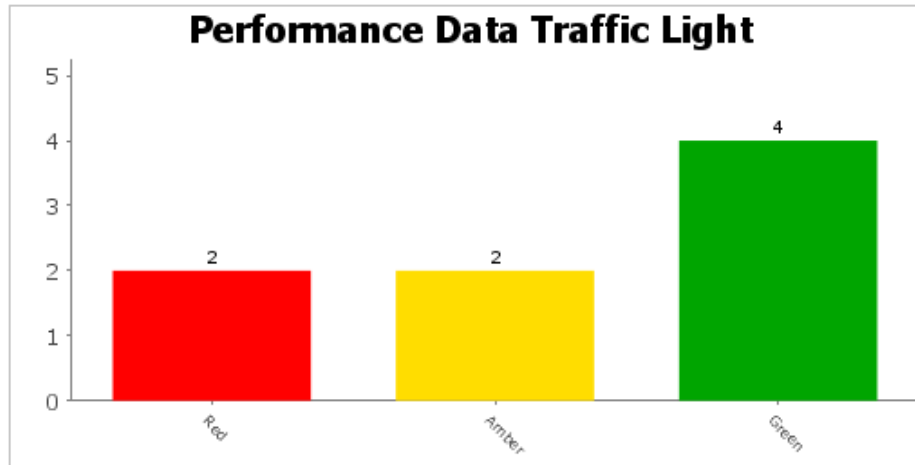
No information to report at the end of August 2012 as performance indicators in this portfolio are reported on a half yearly basis.

Portfolio: Economic Development & Partnerships



No red performance indicators to report


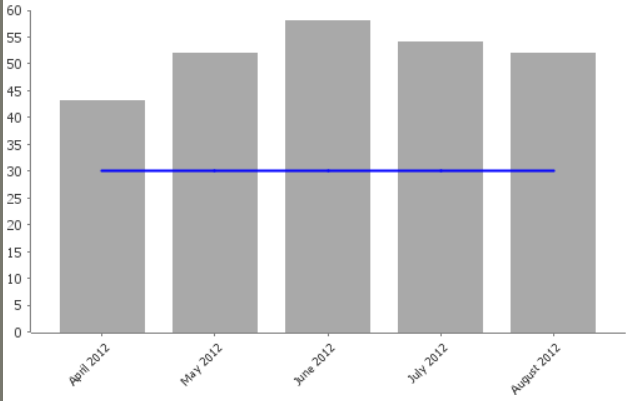
Portfolio: Finance & Value for Money



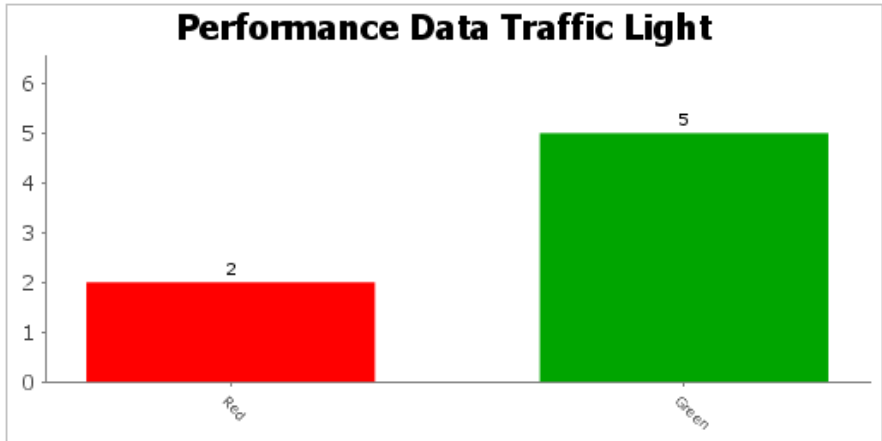
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Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note
LPI FS 003	Debts outstanding more than 61 days	£29,204	£20,000			<p>Debts outstanding continue to be actively pursued. The larger outstanding debts are currently with the Debt Collection Agency and proceeding through Legal recovery. The others have been issued with final reminder letters. If that is unsuccessful then they will be forwarded to the Debt Collection Agency.</p>

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Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note												
LPI HB 001	Average number of days to process new benefits claims	52	30		 <table border="1"> <caption>Trend Chart Data</caption> <thead> <tr> <th>Month</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>April 2012</td> <td>43</td> </tr> <tr> <td>May 2012</td> <td>52</td> </tr> <tr> <td>June 2012</td> <td>58</td> </tr> <tr> <td>July 2012</td> <td>54</td> </tr> <tr> <td>August 2012</td> <td>52</td> </tr> </tbody> </table>	Month	Value	April 2012	43	May 2012	52	June 2012	58	July 2012	54	August 2012	52	<p>Demand for the benefits service continues to be extremely high and additional resources have been secured to help manage the workload.</p> <p>As a result there has been an improvement in turn around times for new claims since its peak in June and work is continuing to further improve performance.</p>
Month	Value																	
April 2012	43																	
May 2012	52																	
June 2012	58																	
July 2012	54																	
August 2012	52																	


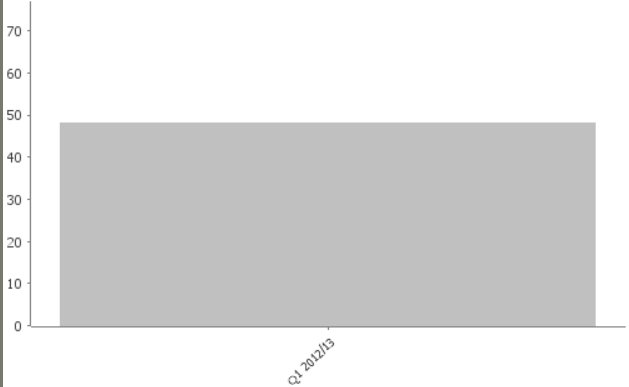
Portfolio: Housing & Balanced Communities



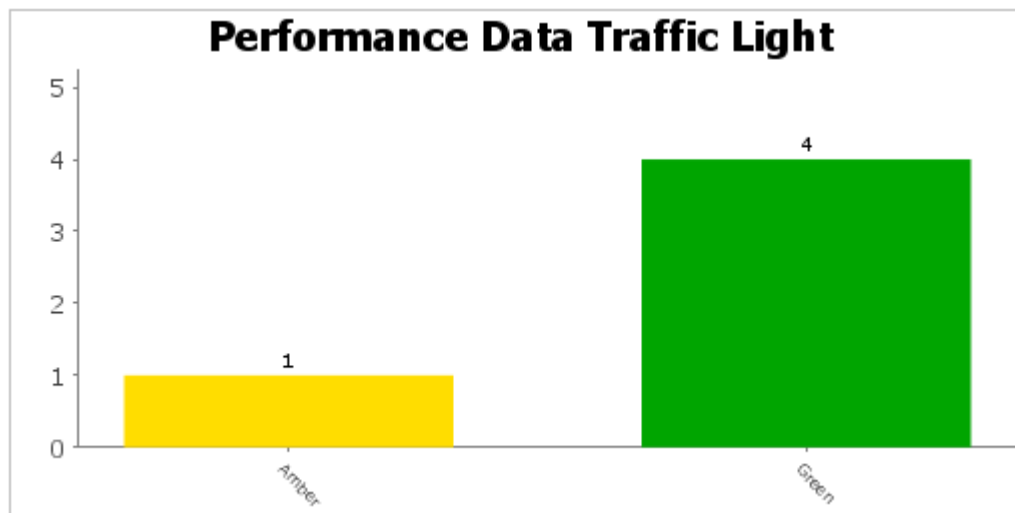
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Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note
LPI HP 001	The number of dwellings vacant for more than six months returned to occupation or demolished	2	3			The Empty Homes Officer is very proactive and has projects planned to ensure the Council is on target for end of year. It is difficult to predict on a month by month basis how many properties will be completed and put back into use and small delays in projects can result in quarterly performance falling marginally behind target.

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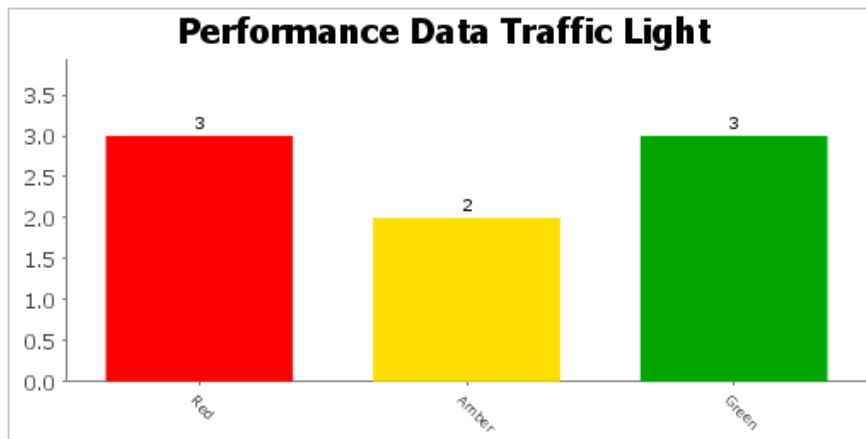
Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note
LPI PH 001	Number of Home Improvement Agency projects completed	48	75			<p>Home Improvement Agency projects are currently managed by Mosaics, as there were issues with the previous management (Hyde In Touch). This is a temporary arrangement for 6 months whilst a Kent wide tender process takes place for a new provider.</p> <p>The providers have not spent funding and dealt with applicants inefficiently and the result is an under spend and low number of cases assisted.</p> <p>However, the under spend has been used to help fund several paediatric cases presented to the Council. Issues will be resolved when new Kent wide management is agreed, for which Kent County Council is the Lead Authority.</p>


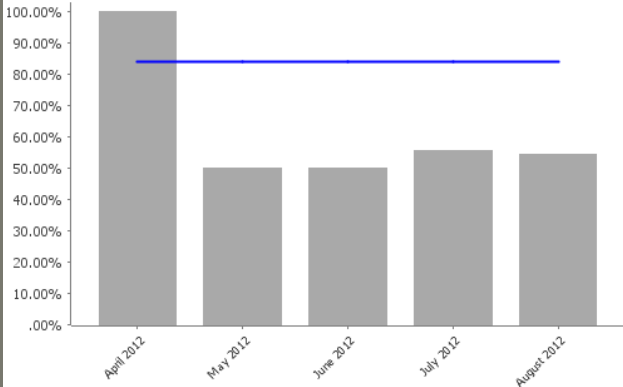
Portfolio: Leader


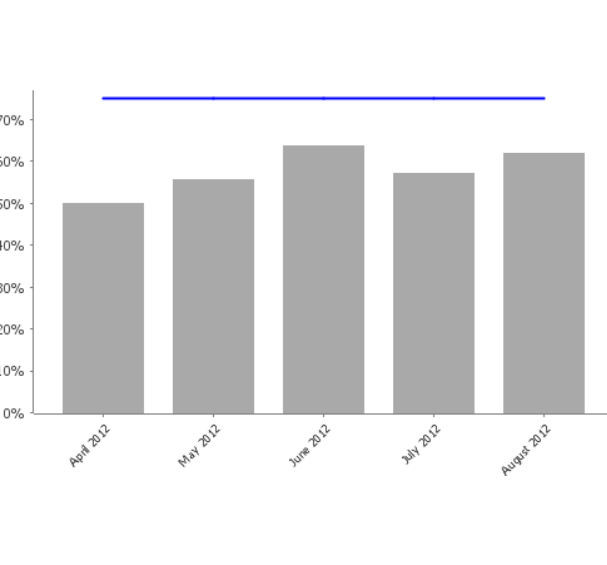
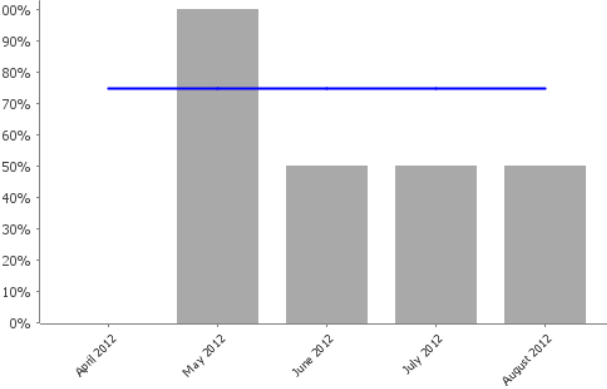


No red performance indicators to report

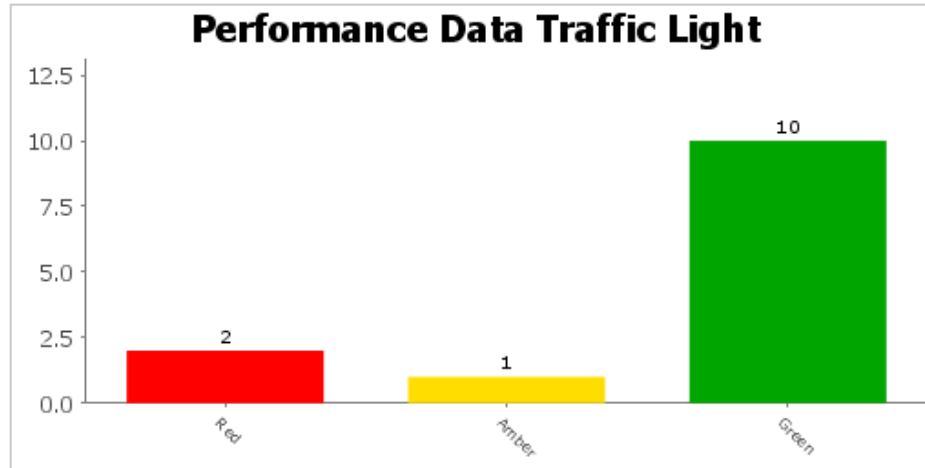
Portfolio: Planning & Improvement






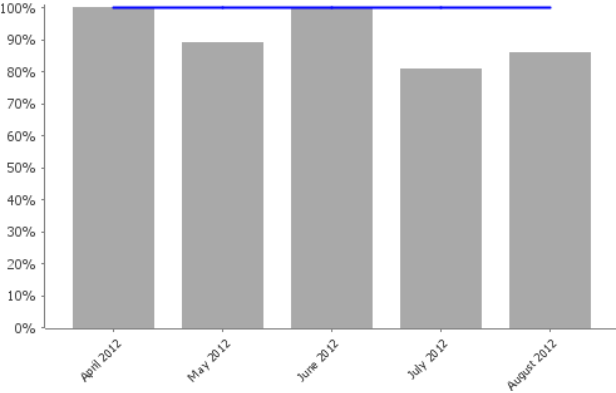
Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note												
LPI DC 007a	Processing of planning applications: Major applications in 13 weeks	54.55%	84.00%		 <table border="1"> <caption>Trend Chart Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>April 2012</td> <td>100.00%</td> </tr> <tr> <td>May 2012</td> <td>50.00%</td> </tr> <tr> <td>June 2012</td> <td>50.00%</td> </tr> <tr> <td>July 2012</td> <td>55.00%</td> </tr> <tr> <td>August 2012</td> <td>55.00%</td> </tr> </tbody> </table>	Month	Percentage	April 2012	100.00%	May 2012	50.00%	June 2012	50.00%	July 2012	55.00%	August 2012	55.00%	There were 11 major planning application decisions made between April and August, with 6 of those determined within 13 weeks. With low numbers of applications for decision delays on a few applications can have a disproportionate effect on the overall percentage. Major applications often require additional time to process because of the complex issues they raise, including requirements for legal agreements to be negotiated.
Month	Percentage																	
April 2012	100.00%																	
May 2012	50.00%																	
June 2012	50.00%																	
July 2012	55.00%																	
August 2012	55.00%																	

Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note
LPI DC 009	Percentage of appeals against planning application refusal dismissed	61.76%	75%			<p>The proportion of dismissed this quarter is broadly in line with the national picture but below our target. All the decisions this quarter were householder appeals where the Council is not able to submit a statement other than the Officers report on the application.</p> <p>Eight appeals were allowed in total of which half were Green Belt extensions where the Council is currently reviewing policy. The other half were residential extensions within settlements where Inspector's took a different view on impact on the amenity of neighbours which can be a matter of individual judgement. Most of the appeals dismissed also fell in these two categories.</p>
LPI DC 010	Percentage of all enforcement appeals dismissed	50%	75%			<p>There were only two decisions issued by the Planning Inspectorate within this category this year. With very low numbers, any appeals that are allowed will have a disproportionate effect on the overall percentage. In this quarter one of the appeal decisions was affected by a change in planning legislation between when the enforcement notice was issued and when the appeal was determined. It was therefore not possible to have foreseen this.</p>

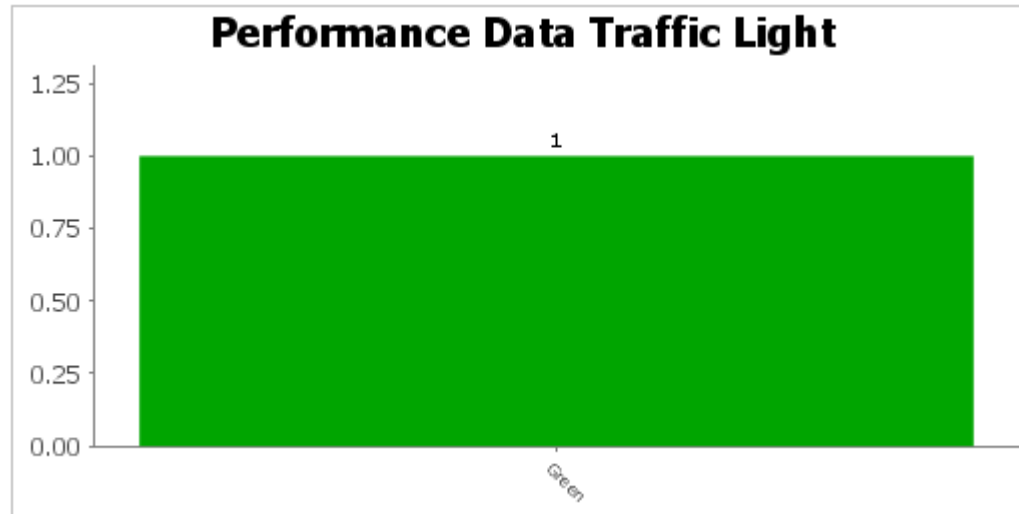
Portfolio: Safe Community



Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note
LPI CD 007	Number of domestic burglaries per 1,000 households	2.2	2.0			<p>Nationally the level of crime, including domestic burglaries, has experienced an upward trend in the last two years. Reported crime in Sevenoaks has mirrored this trend. The reasons behind the increase in domestic burglaries are varied, there is a strong suggestion that the economic downturn has contributed. Alongside Kent Police the Council continue to work to identify initiatives to reduce crime in the District.</p>

Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note												
LPI EH 004	Percentage of higher risk food inspections due that was done (higher risk is categories A & B)	86%	100%		 <table border="1"> <caption>Trend Chart Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>April 2012</td> <td>100%</td> </tr> <tr> <td>May 2012</td> <td>90%</td> </tr> <tr> <td>June 2012</td> <td>100%</td> </tr> <tr> <td>July 2012</td> <td>80%</td> </tr> <tr> <td>August 2012</td> <td>86%</td> </tr> </tbody> </table>	Month	Percentage	April 2012	100%	May 2012	90%	June 2012	100%	July 2012	80%	August 2012	86%	<p>3 inspections remain outstanding at the end of August. It is typical for the Council to be unable to complete all inspections required each month, but performance trends over the last 3 years show that all inspections are will be completed as required by the end of the financial year.</p> <p>Performance will continue to be monitored on a monthly basis. No further action is deemed necessary at this time as it is forecast that the 100% target for the year will be achieved.</p>
Month	Percentage																	
April 2012	100%																	
May 2012	90%																	
June 2012	100%																	
July 2012	80%																	
August 2012	86%																	

Shared Portfolios



No red performance indicators to report

ENVIRONMENTAL HEALTH PARTNERSHIP – DARTFORD AND SEVENOAKS – APPROVAL OF REVISED ENFORCEMENT POLICY

Cabinet – 11 October 2012

Report of the: Deputy Chief Executive and Director of Community and Planning

Status: For Decision

Also considered by: Council – 16 October 2012

Key Decision: No

Executive Summary:

The Environmental Health teams of Dartford and Sevenoaks have revised their Enforcement Policy to reflect changes created by Government guidance and the new Environmental Health Partnership arrangements that commenced in April 2012. The proposed revised policy ensures that Environmental Health enforcement actions are fair, consistent and transparent.

This report supports the Key Aims of the Community Plan priority to help communities to be safe and feel safe in that it ensures a policy is in place that will be followed ensuring appropriate enforcement action is taken in all Environmental Health related legislation. The Enforcement Policy relates to the Clean and Healthy Environment priority in that it relates to legislation used to control and monitor public health nuisance, air pollution and land contamination. It **also relates to the Health and Wellbeing priority in that comprehensive enforcement ensures that food is safe to eat, and home and work environments are safe and healthy**

Portfolio Holder Cllr. Elaine Bracken

Head of Service Head of Operational and Environmental Services – Richard Wilson

Recommendation to Social Affairs Select Committee

It be resolved to recommend to Cabinet and Full Council that the proposed revised Environmental Health Enforcement Policy be approved.

Reason for recommendation: The Enforcement Policy for the Environmental Health Partnership was reviewed as part of the shared service review process. Following advice from both Sevenoaks and Dartford Legal teams, a single policy has been created to create consistency of enforcement for the residents of both districts. The existing Sevenoaks Enforcement policy required revising and as such, the Shared EH Enforcement Policy has included updates required by regulation and amendments made as a result of the Equality Action point review.

Agenda Item 10

Introduction

- 1 Local authorities are required to publish a policy setting out their approach to compliance and enforcement by the Regulators Compliance Code. This is an important document for regulators in meeting their responsibility under the statutory principles of good regulation to be accountable and transparent about their activities.
- 2 The Council has signed up to the Enforcement Concordat and its environmental health officers will seek to secure compliance with the law informally by information, advice and support but where appropriate will use enforcement powers.
- 3 This policy is intended to provide guidance on the principles and processes that will apply when enforcement action is taken.
- 4 The Council believes in firm but fair enforcement of environmental health legislation. This policy is based on the following five guiding principles:-
 - Consistency: to ensure that similar issues are dealt with in the same way
 - Proportionality: to ensure that the action taken relates directly to the actual or potential risk to health and safety
 - Targeting: to ensure that resources are targeted where activities give rise to the most serious health risks
 - Transparency: to ensure that people easily understand the action expected of them and that clear distinctions are made between legal requirements and guidance
 - Accountability: officers are accountable to citizens, Parliament and the Council for their actions and the Council has an effective mechanism for dealing with complaints and comments.
- 5 The purpose of this Policy is to secure effective compliance with legislation while minimising the burden to the Council, individuals, organisations and businesses.
- 6 We are committed to the principles of good enforcement and continually seek to improve our standards. This policy is subject to regular review.

Key Implications

Financial

As previously has been the case, the Policy in itself does not create any financial implications.

Community Impact and Outcomes

The Enforcement Policy ensures that public health in the community meets minimum legal requirements. E.g. that restaurants are safe to eat in, that public places are not hazardous, and that industry does not emit harmful pollutants.

Legal, Human Rights etc.

Decisions in relation to a prosecution are likely to amount to consideration of civil rights and obligations with the result that Article 6(1) of the Human Rights Act 1998 is engaged.

Resource (non-financial)

No additional resource required.

Value for Money and Asset Management

No impact on value for money and asset management.

Equality Impacts

Does the activity have the potential to cause adverse impact or discriminate against different groups in the community?

No, it is written specifically to ensure it meets the requirements of the EH equality impact assessment as produced in 2008.

Does the activity make a positive contribution to promoting equality?

Yes, by ensuring all enforcement action taken by council officers is fair, legally correct and consistent in all cases.

Conclusions

This Policy document updates a document that has previously been approved by Council. (2002) Members are asked to approve the revised Policy that will ensure consistency of enforcement within the new shared service.

RISK ASSESSMENT STATEMENT

By having an up to date published Enforcement policy, the Council will ensure that it is operating legally and within accepted national guidelines. It reduces risk of costs to the Council from losing legal cases and any legal action against the council for damages/ compensation claims for inappropriate enforcement action.

Appendices

Appendix A – Environmental Health Partnership –
Dartford and Sevenoaks Enforcement Policy.

Agenda Item 10

Sources of Information:

- Legislative and Regulatory Reform Act 2006
- Food Law Code of Practice
- Standard for Health and Safety Enforcing Authorities
- HSC Enforcement Policy Statement
- The Regulatory Enforcement and Sanctions Act 2008
- Regulator's Compliance Code

Contact Officer

- Richard Wilson Ext 7262
- Annie Sargent Ext 3085

**COMMUNITY AND PLANNING SERVICES DIRECTOR
KRISTEN PATERSON**

October 2012

Environmental Health Partnership – Dartford & Sevenoaks
Enforcement Policy

1.0 Introduction

In October 2011, Dartford Borough Council and Sevenoaks District Council both agreed to a Shared Service Business Case for their individual Environmental Health Teams. It was agreed that the two services would work as one, based at a central office (Dartford), whilst utilising a satellite office in Sevenoaks. The Service has become known as the “Environmental Health Partnership – Dartford and Sevenoaks working together.”

This Enforcement Policy will be applied by the Environmental Health Partnership in relation to the services it provides on behalf of these Authorities and it has been adopted by each of them. It is distinct from any general Enforcement Policy of the individual Local Authority, which applies to any other service provided by them. In the event of conflict this policy will take precedence.

The primary aim of the Environmental Health Partnership is to ensure compliance with the legislative framework within which the Environmental Health functions operate so that, consumers, businesses, employees, individuals and the environment are protected. Fair, proportionate, targeted and effective enforcement is essential to protecting the health, safety and economic interests of all concerned, and there is a range of tools available to the Partnership to achieve this.

Generally we will provide advice and support those seeking to comply and, at the same time, deal with those who choose not to comply, using proportionate action. The detail on how and when action may be taken is outlined in the body of this policy.

The Partnership must also have regard to the various general duties imposed on the partner authorities e.g. section 17 of the Crime and Disorder Act 1998. We are obliged to comply with the Human Rights Act 1998, so we will take its provisions into account when taking decisions relating to enforcement action.

This enforcement policy is a statement of how the Partnership will carry out its enforcement duties and what business and citizens in Dartford and Sevenoaks can expect from our enforcement staff. Enforcement staff shall have regard to this policy and demonstrate how they have complied with it. This policy will be reviewed annually.

2.0 Policy Scope

The relevant legislation must always be adhered to by an officer whilst carrying out all Environmental Health related enforcement and investigation work, such as:

- Human Rights Act 1998
- Regulatory Enforcement and Sanctions Act 2008

- Legislative and Regulatory Reform Act 2006
- Police and Criminal Evidence Act 1984
- Regulation of Investigatory Powers Act 2000
- Criminal Justice Act 2003
- Criminal Procedure and Investigation Act 1996
- Criminal Justice and Police Act 2001
- Equalities Act 2010
- Data Protection Act 1998

We are committed to providing an effective service with officers carrying out their duties in an equitable, proportional, practical and consistent manner. To achieve this we have adopted the principles of the following:

- The Department for Business, Innovation and Skills' (BIS's) Regulators Compliance Code.
- The Enforcement Concordat.
- Local Better Regulation's Priority Regulatory Outcomes.
- BIS's Code of Practice on Guidance on Regulation.
- Health and Safety Executive/Local Authorities Enforcement Liaison Committee's (HELA's) Guidance to Local Authorities on Priority Planning.
- HELA's Incident Selection Criteria Guidance.
- Local Government Regulation's Home Authority Principle.
- Local Better Regulation Office's Primary Authority Principle and Guidance.
- The Crown Prosecution Service Code for Crown Prosecutors (as amended.)
- The Food Law Code of Practice.
- Health and Safety Executive Enforcement Management Model (EMM).
- The Health and Safety Commission's Enforcement Policy Statement
- European Convention on Human Rights.

We will also comply with any statutory requirement placed upon us and seek to align our procedures with best practice, including any codes introduced subsequent to the adoption of this Policy.

The Policy applies to actions in relation to all of the legislation enforced by the Partnership. Enforcement action includes any action taken by officers aimed at ensuring that individuals or businesses comply with the law and goes beyond formal enforcement action such as prosecution.

3.0 General Principles

Prevention is better than cure. Therefore, our role involves actively working with businesses and the public to advise on and assist with compliance. Where we consider that formal action is necessary, each case will be considered on its own merits. However, there are general principles that apply to the way each case must be approached. These are set out in this Policy.

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The majority of cases involving regulatory matters will relate to businesses, however, there will be some cases put before the Courts that relate to individuals, particularly those involving statutory nuisance. These cases will be treated in the same way as those involving businesses and the general principles outlined around proportionality of action, for example where appropriate trying informal approaches, before resorting to formal action and the Courts, will be followed.

Enforcement decisions will be fair, independent and objective and will not be influenced by issues such as ethnicity or national origin, gender or gender identity, religion or belief, political views, disability, age or the sexual orientation of the suspect, victim, witness or offender. Such decisions will not be affected by improper or undue pressure from any source. Where applicable, we will take into account the views of any victim, injured party or relevant person to establish the nature and extent of any harm or loss, and its significance, in making the decision whether to take formal action.

This enforcement policy helps to promote efficient and effective approaches to regulatory inspection and enforcement, which improve regulatory outcomes without imposing unnecessary burdens. We recognise the positive impact that the Partnership can have on economic progress and growth in the local economy and see it as part of our role to encourage and support the growth of legitimate business activity within the legal framework provided by central government.

4.0 Risk Based Enforcement for Businesses

We will ensure that our resources are targeted where they will be most effective. We will ensure that intelligence and risk assessment inform all aspects of our approach to business regulatory activity, including:

- Data collection and other information requirements;
- Inspection programmes;
- Advice and support programmes;
- Enforcement activity and sanctions.

We will normally use the appropriate Government risk assessment scheme to inform any inspection programme, but, where these do not exist, we will consult and involve businesses and other interested parties in developing risk methodologies, and will publish the details on both Council websites. In the absence of other factors, when determining risk, we will consider:

- Compliance history and potential future risks.
- The existence of effective management systems.
- Evidence of recognised external accreditation.
- Management competence and willingness to comply.

We will also use intelligence to direct inspection based projects or business where there are known issues. Obviously, a complaint may also trigger a visit or inspection, if that is the most appropriate response. We will review our approach to regulatory

activities from time to time, in order to remove any unnecessary burdens from businesses.

Currently neither local authority operates any food businesses in their district. In the event that either authority does begin to operate a food business then the policy shall be reviewed to take account of this.

4.1 Advice and Guidance for Businesses

We will provide general information, advice and guidance to make it easier for businesses to understand and meet their obligations. This will be provided promptly, in clear, concise and accessible language, using a range of appropriate formats and media. Information will cover all legal requirements relating to our regulatory activities, as well as changes to legal requirements. Where changes are of great significance, we will look at the best ways of informing businesses of the changes e.g. through newsletters, mail-shots or seminars.

We will provide targeted and practical advice through personal visits, telephone and promote self service via our website. We will try to maximise the accessibility and effectiveness of advice to ensure efficient use of resources and we will involve businesses in developing both the content and style of regulatory guidance to help ensure that it meets their needs.

When offering advice, we will clearly distinguish between statutory requirements and advice or guidance aimed at improvements above minimum legal standards. We seek to provide proportionate advice, the content of which will help achieve compliance but impose the minimum burden required on the business concerned. Advice will be confirmed in writing, a full typed report can be provided if requested.

Where a business identifies a problem and seeks advice to remedy the situation, it will not normally trigger enforcement action. Where appropriate we will seek to support the remedial action to prevent future problems, however, we reserve the right to take enforcement action where applicable.

Generally, we will provide our advisory services free of charge however we reserve the right to charge a reasonable fee for services beyond the basic advice and guidance necessary to help ensure compliance. We would take account of the needs and circumstances of smaller businesses and others in need of help and support in deciding whether or not to charge. Charging will be in line with any guidance issued by the Local Better Regulation Office in relation to the Primary Authority principle and will be set out in the Fees and Charges schedule published annually by each Council on their website.

4.2 Inspection of Businesses

We will ensure inspections and other visits to businesses only occur in accordance with a risk assessment methodology, except where visits are requested by businesses, following receipt of complaints, or where we act on relevant intelligence. We will focus our efforts on businesses where intelligence and risk assessment

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shows there is a higher likelihood of non-compliance or which pose a more serious risk to regulatory outcomes. Some processes by their nature present a greater risk to health or the environment, or due to their complexity, may make it more difficult to ensure compliance. These are the areas where we will focus our inspection resources.

When we visit or carry out inspections, we will give feedback to businesses to encourage and reinforce good practice. We will also share information about good practice amongst businesses, and with other regulators.

Where we and another regulator have a shared interest in a business we will work together to rationalise our activities to minimise the burden on the business, providing this is of benefit to the business and does not harm the standard of enforcement for either regulator.

We will also take account of the circumstances of small businesses, including any difficulties they may have in achieving compliance.

4.3 Information Requirements

The Environmental Health Partnership does not routinely require large quantities of information from businesses. When determining what data we may require, we will consider the costs and benefits of data requests to businesses and:

- Limit the data that we request to that which is either appropriate, or required by statute e.g. food registration, licensing applications, etc.
- Minimise the frequency of collection and seek the information from other sources where relevant and possible.

We will work with our fellow local regulators to minimise the information we request from businesses, and we will seek to maximise our data sharing within the provisions of the Data Protection Act. We will seek to use compatible collection methods to give consistency.

We will involve businesses in vetting data requirements and form design for clarity and simplification. We will also ensure that, where possible, data can be returned electronically.

5.0 Enforcement Action

In accordance with good practice, we will:

- Publish our Enforcement Policy;
- Report on our enforcement activities year on year to interested parties through an Annual Report;
- Follow-up enforcement actions where appropriate;
- Be transparent in the way in which we enforce requirements and, apply and determine penalties (when such powers are made available.)

When considering what action should be taken, we will look to:

- Be proportionate to the nature of the offence and the harm caused,
- Change the behaviour of the offender;
- Eliminate any financial gain or benefit from non-compliance;
- Address the harm caused by regulatory non-compliance, where appropriate;
- Deter future non-compliance,
- Be responsive and consider what is appropriate for the particular offender and regulatory issue, and
- Avoid perverse incentives that might influence the choice of sanctioning response.

When considering formal enforcement action, we will, when appropriate, discuss the circumstances with those suspected of a breach. We will take any comments made into account when deciding on the best approach, (unless immediate action is required to prevent or respond to a serious breach or where to do so would be likely to defeat the purpose of the proposed enforcement action).

We will ensure that clear reasons for any formal enforcement action are given to the person or entity at the time the action is taken. These reasons will be confirmed in writing at the earliest opportunity. Complaints and relevant appeals procedures for redress will also be explained at the same time.

5.1 Deciding what enforcement action is appropriate.

In assessing what enforcement action is necessary and proportionate, consideration will be given to:

- The seriousness of compliance failure;
- The business's past performance and its current practice;
- In the case of new businesses, an assessment of the operator's willingness to undertake the work identified by the Officer;
- The risks being controlled;
- Legal, official or professional guidance;
- Act in the interest of Public Health.

The Partnership recognises that where a business has entered into a Primary Authority Partnership, the primary authority may provide compliance advice and support and the Partnership will take such advice into account when considering the most appropriate enforcement action for it to take. It may discuss any need for compliance advice and support with the primary authority.

There are a large number of potential enforcement options. The level of the action taken varies from no action through to proceedings in Court. Examples of the main types of action that can be considered, if specifically permitted by legislation, are shown below:

- No action;

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- Informal Action and Advice;
- Fixed penalty Notices;
- Statutory Notice;
- Formal closure
- Seizure of goods/equipment;
- Injunctive Actions;
- Refusal/revocation of a licence;
- Simple Caution;
- Prosecution.

5.2 No Action

There will be circumstances where a contravention may not warrant action, or it may be inappropriate. Many minor contraventions can be dealt with via advice and/ or assistance.

5.3 Informal Action and Advice

For certain minor breaches of the law we will give advice on how to put them right, including a deadline by which this must be done. The time allowed will be reasonable, and take into account the seriousness of the contravention and the implications of the non-compliance. Where the advice required is detailed, or there are potentially serious implications from the failure, the advice will be provided in writing. Failure to comply could result in an escalation of enforcement action.

Wherever possible we will advise offenders about 'good practice', but we will clearly distinguish between what they *must do* to comply with the law and what is recommended best practice.

5.4 Fixed Penalty Notices

Certain offences are subject to fixed penalty notices where prescribed by legislation. These notices are recognised as a low-level enforcement tool and avoid the defendant obtaining a criminal record. Where legislation permits an offence to be dealt with by way of a Fixed Penalty Notice (FPN), we may choose to administer a FPN on a first occasion, without issuing a warning. They will be used in appropriate circumstances to give a fast and measured response to the situation.

If a fixed penalty is paid in respect of a breach, the Partnership will not take any further enforcement action in respect of that breach. Payment of a fixed penalty does not provide immunity from prosecution in respect of similar or recurrent breaches. If a fixed penalty is not paid the Partnership may commence criminal proceedings or take other enforcement action in respect of the breach.

5.5 Statutory Notices

Officers of the Environmental Health Partnership have the power under various pieces of legislation to issue notices that:

- Prohibit the sale or distribution of food where relevant provisions may have been breached,
- Require a business to take specific actions to remedy an identified problem,
- Require a business to desist from particular activities that may not comply with legal requirements.
- Require any person to take action to ameliorate or stop nuisances being caused by their actions.

Notices may require immediate action where, for example, there are risks to public health or safety, or an immediate risk of environmental damage or serious nuisance. In other circumstances, a reasonable amount of time will be given, depending on the circumstances, to rectify the problem.

Certain types of notice allow works to be carried out in default. This means that if a notice is not complied with (a breach of the notice) we may carry out any necessary works to satisfy the requirements of the notice ourselves. Where the law allows, we may then charge the person/business served with the notice for any cost we incur in carrying out the work.

In certain limited circumstances e.g. under the provisions of food safety legislation, where an authorised officer is satisfied that there is an imminent risk of injury to health from the condition of the premises, the officer may serve notice to close the premises. This would be immediately followed by an application to a Magistrates Court to confirm the closure.

Failure to comply with a statutory notice can be a criminal offence. Some notices issued in respect of premises may be affixed to the premises and/or registered as local land charges. All notices issued will contain details of any Appeals process that may be available to the recipient.

5.6 Seizure of Goods/Equipment

The right to privacy and respect for personal property are key principles of the Human Rights Act 1998. Powers of entry, search and seizure should be fully and clearly justified before use because they may significantly interfere with the occupier's privacy. Officers should consider if the necessary objectives can be met by less intrusive means.

In all cases authorised officers should:

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- exercise their powers courteously and with respect for persons and property; and
- in circumstances where a warrant has been obtained and is appropriate, only use reasonable force when this is considered necessary and proportionate to the circumstances.

5.7 Injunctive Actions

In some circumstances the Partnership may seek a direction from the court (in the form of an order or an injunction) that a breach is rectified and/or prevented from recurring. The court may also direct that specified activities be suspended until the breach has been rectified and/or safeguards have been put in place to prevent future breaches.

Failure to comply with a court order constitutes contempt of court, a serious offence which may lead to imprisonment.

The Partnership is required to seek enforcement orders after issuing some enforcement notices, providing the court with an opportunity to confirm the restrictions imposed by the notice. Otherwise, the Partnership will usually only seek a court order if it has serious concerns about compliance with voluntary undertakings or a notice.

5.8 Refusal/Revocation of a Licence

The Partnership issues a number of licences and permits. The Partnership also has a role to play in ensuring that appropriate standards are met in relation to licences issued by other agencies. Most licences include conditions which require the licence holder to take steps to ensure that, for example, a business is properly run. Breach of these conditions may lead to a review of the licence which may result in its revocation or amendment.

When considering future licence applications, each Partner Authority may take previous breaches and enforcement action into account.

5.9 The Use of Simple Cautions

Where the public interest justifies it, we will consider offering a Formal (Simple) Caution (or Reprimand/ Final Written Warning if the offender is under 18.) In offering a Formal Caution, we will take account of the Home Office Guidelines in relation to the cautioning of offenders, and the Code for Crown Prosecutors. Where the offender is under 18 and a formal approach is being considered, appropriate bodies such as the Youth Offending Team will be consulted.

A Formal Caution requires an admission of guilt on behalf of the offender, however there is no sentence and there is no recorded conviction. A caution will remain on record for a period of 2 years and may be cited in Court should a further offence be committed and prosecuted during that time.

Where a simple caution is offered and declined the Partnership is likely to consider prosecution

6.0 Institution of Legal Proceedings

Once an officer has completed his/ her enquiries, they will submit a case report to an officer authorised to institute legal proceedings, independent of the investigation, who will decide, using the criteria below, the most appropriate course of action.

Where the law has been broken, there is a range of enforcement options available to seek compliance with the law. Under normal circumstances, a process of escalation will be used until either compliance is reached or there is no option other than to instigate proceedings. Exceptions would be where there is a serious risk to public safety or the environment, or the offences have been committed deliberately or negligently or involve deception. Each case is unique and will be considered on its own facts and merits.

The officer authorised to institute legal proceedings will take into consideration the requirements of the Code for Crown Prosecutors and other relevant codes before deciding whether or not to authorise the institution of legal proceedings.

Firstly this officer will have to be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each defendant on each charge (i.e. That a jury or bench of Magistrates, properly directed in accordance with the law, is more likely than not to convict the defendant of the charge alleged). To this end, the officer authorised to institute legal proceedings will look at all the available evidence, reliability of witnesses, supporting documentation and any other matters relating to the investigation. They must consider what the defence case may be and how it is likely to affect the prospects of conviction [Code for Crown Prosecutors]. Only when this evidential test has been satisfied will the public interest to proceed with the prosecution be considered.

In deciding whether a prosecution will serve the public interest, this officer will balance factors for and against the prosecution carefully, fairly and impartially. Some factors may increase the justification to prosecute whereas others may militate against. Below are some of the matters to be taken into consideration for and against criminal proceedings. This is not an exhaustive list and, as such, each case is considered strictly on its own individual merits:

Factors in favour of prosecution

- The offender was in a position of control within the business,
- The offender acted dishonestly, wilfully, premeditatedly or negligently.
- The product or service was aimed at a vulnerable group or person.
- The product or service has caused or had the potential to cause physical or mental injury or suffering, significant harm or loss.

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- The offender has received advice or a warning concerning the circumstances of the offence or similar matters.
- The offender has failed to comply with the requirements of a formal notice.
- The offender has received previous formal warning or a caution from an enforcement officer.
- The offender has previous convictions that are relevant.
- The offence, though not serious in its self, is widespread in the area where it was committed.
- A conviction is likely to result in a significant sentence.
- There are grounds to believe that the offence is likely to be continued or repeated, for example by a history of recurring conduct.
- The outcome of a prosecution might serve an important, informative purpose or establish a legal precedent.

Factors which might mitigate against the need for a prosecution

- The offence was minor in nature and as a result of a genuine mistake or misunderstanding, which did not involve significant negligence.
- The offender is elderly, or was at the time of the offence suffering from significant mental or physical ill health, which contributed to the commission of the offence, and the offence was neither serious nor likely to be repeated.
- A prosecution is likely to have an adverse effect on the victim's physical or mental health, always bearing in mind the seriousness of the offence and the views of the victim about the effect of a prosecution on his or her physical or mental health;
- The loss or harm could be described as minor and was as a result of a single incident, particularly if it was caused by a failure of judgment.
- The offender put right the loss or harm caused prior to the intervention of the Environmental Health Partnership.
- Prior to the Partnership's intervention, the offender had introduced adequate steps to prevent further similar offences.
- The defendant was a youth at the time of the offence.
- There has been a long delay between the offence and any potential court action, unless either:
 - The offence is serious,
 - The delay has been caused by the defendant or his/ her legal representatives,
 - The offence has only recently come to light, or
 - The complexity of the offence meant that there has been a long investigation.

7.0 Anti-Social Behaviour Orders and Criminal Anti-Social Behaviour Orders

This is a civil process. Where the non-compliance identified during an investigation amounts to antisocial behaviour such as persistent targeting of an individual or a group of individuals in a particular area then, following liaison with the relevant

partner Council's Anti-Social Behaviour team where appropriate, an ASBO or CRASBO will be sought to stop the activity.

8.0 Additional Information

The Senior Managers involved in making the more serious decisions will also have regard to legal advice from the relevant partner Head of Legal Services. Once the Environmental Health Partnership reaches a decision to prosecute, the relevant Partner Authority's Legal Services Department must authorise the action before implementation.

9.0 Standards and Accountability

We will, in consultation with businesses and other interested parties, set and publish on each Council's website clear standards and targets for our service and performance. These will include:

- Regulatory outcomes (e.g. proportions of businesses that comply);
- Performance standards for contact with residents, visitors and businesses;
- A commitment to ensuring costs to businesses of regulatory interventions are proportionate; and
- A commitment to dealing with any negative perceptions of businesses and other interested parties relating to these issues.

We will create effective consultation and feedback opportunities to ensure we have continuing cooperative relationships with businesses and other interested parties. We will ensure our officers provide courteous and efficient services to businesses. We will provide a courteous and efficient service and our staff will identify themselves by name. We will provide a contact point and telephone number for further dealings with us and we will encourage business to seek advice/information from us. We will enable our officers to interpret and apply relevant legal requirements and ensure that they enforce requirements fairly and consistently between like-businesses in similar situations. We will take account of comments from businesses and other interested parties regarding the behaviour and activity of our staff.

If you would like to make a complaint against an officer please follow the complaints procedure for the appropriate Council:

Dartford Borough Council

Details of the Council's Council's Corporate Complaints Procedure can be found either through the Council's website ([Dartford Borough Council – Our Formal Complaints Procedure](#)) or you may telephone our Customer Services on 01322 343434 and ask for a complaint form to be sent to you.

Sevenoaks District Council

October 2012

You may either find more details through the Council's website ([Sevenoaks District Council – Making a Complaint](#)) or contact the Complaints Co-ordinator directly

Complaints Co-ordinator
Sevenoaks District Council
FREEPOST SEA 6448
Argyle Road
Sevenoaks
Kent
TN13 1BR
Tel: 01732 227000
E-mail: feedback@sevenoaks.gov.uk

10.0 Liaison with other regulatory bodies and enforcement agencies

Where appropriate, enforcement activities within the Environmental Health Partnership activities will be coordinated with other regulatory bodies and enforcement agencies to maximise the effectiveness of any enforcement. The Partnership will respect advice that has been provided by other regulators and enforcement agencies.

Where an enforcement matter affects a wide geographical area beyond the Partnership's boundaries, or involves enforcement by one or more other local authorities or organisations; where appropriate all relevant authorities and organisations will be informed of the matter as soon as possible and all enforcement activity coordinated with them.

The Environmental Health Partnership will share intelligence relating to wider regulatory matters with other regulatory bodies and enforcement agencies, and examples include:

- Government Agencies
- Police Forces
- Fire Authorities
- Other Statutory Bodies
- Local Authorities

11.0 Further Information

Anyone requiring further information on this policy should contact the Environmental Health Partnership – Dartford and Sevenoaks by writing to:

Environmental Health Partnership – Dartford and Sevenoaks
Civic Centre
Home Gardens
Dartford
DA1 1DRO by e-mail to:
Environmentalhealth@dartford.gov.uk

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CABINET 11 October 2012

COUNCIL 16 October 2012

Introduction

1 The Chief Executive and I have been discussing options for the achievement of the £300,000 per annum savings scheduled for Year 3 of our 10 year budget, i.e. with effect from April 2013. It was agreed by Council in December 2010 that these savings would be found either through shared senior management or from further savings within Sevenoaks District Council's management.

2 It should be noted that the Council has already identified additional savings of £60,000 pa towards this target from Corporate Resources and Community & Planning Services departments, some 6 months ahead of budget.

3 To assist in clarifying our options the Chief Executive has helpfully notified me well in advance, of his personal intention to retire at the beginning of September 2013, as clearly this decision has a major bearing on the options available, and shields the Council from what could otherwise be significant redundancy, etc costs.

4 In considering the Chief Executive role, I think our basic options are as follows:

A straight replacement through external advertisement;

B approach another District and ask to share their Chief Executive; or

C adopt the "Wiltshire" model i.e. delete the Chief Executive post and manage the authority through Leader/Cabinet/Directors;

D decide to make an internal appointment.

5 In the context of meeting the required budget savings, I think our options in practice are more limited.

Option A (external replacement)

6 This would make no financial savings and would run counter to Central Government's approach, and would presumably limit our future management options for some time to come.

Option B (Sharing another Council's Chief Executive)

7 This is also difficult from a financial point of view in that it would mean sharing 50% of the savings with another authority. When we originally considered the project of saving £300,000 pa, this was not on the basis of sharing a single post, but on a more comprehensive merger of management teams, senior management and consequential savings from shared services.

Agenda Item 11

8 As Members are aware, whilst we have already made substantial savings from shared services, shared management on a large scale has proved problematic. Whilst it may still be an option in the future, I do not think it is a realistic option at present.

Option C (Deletion of Chief Executive post)

9 In considering the restructuring options, I do not favour the “Wiltshire” model. Deleting the post would obviously save costs associated with the Chief Executive’s post, but in talking to political colleagues, I am not satisfied that it is a long-term sustainable model.

Option D (Internal Appointment)

10 In conclusion, my proposal is to make an internal appointment from the current Directors, through a normal Appointments Panel Selection process, combining the role of Chief Executive with that of the successful Director, deleting that Director post and restructuring accordingly. The Council is extremely fortunate in having officers in post of outstanding quality who are more than qualified to take on the Chief Executive role.

11 This would make a major contribution to our savings target (at least £140,000 pa with on-costs). We would be secure in ensuring the appointment of an officer with a proven track record and we would still be in a favourable position to take advantage of future opportunities for shared management, should they arise.

Process and timescale

12 As mentioned earlier, the savings are built into our ten year budget with effect from April 2013. Obviously this means that the savings need to be identified and built into our budget preparation process during this Autumn.

13 Robin Hales has kindly volunteered that he would be prepared to give early notice of his retirement to enable these preparations to take place. This would give certainty to us all, and would help other senior officers, who will understandably become increasingly concerned as to how these savings are to be made.

14 This approach will mean that the year 3 savings will be made slightly later than envisaged (September instead of April) but as I said earlier, we have already saved £60,000 6 months ahead of schedule, and by taking advantage of this opportunity we will avoid potentially significant redundancy costs.

15 Subject to Council approval of this proposal at its meeting on 16 October, this would enable the Appointment Panel to convene and for its recommendations to be confirmed at full Council on 27 November, which would be within the necessary time scale.

16 Once appointed, the new Chief Executive Designate can then work with Robin and myself to identify the remaining, comparatively lesser, savings which will still need to be found.

Conclusion

17 The Council's four year savings plan, and the initiatives contained in our 10 year budget, place us in a comparatively strong financial position. However, the impending changes in Government funding for local authorities, and the combination of a number of other factors (e.g. Welfare Reform and Council Tax benefit reform) mean that we will continue to be faced with challenging issues. The option we select therefore needs to ensure a balanced approach, which maximises our savings opportunity, whilst allowing the Council to continue to deliver high quality services.

18 I recommend that the internal appointment proposal outlined in Option D above provides the right combination of significant savings and succession planning from high calibre officers of outstanding track record.

Cllr Peter Fleming
September 2012

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