

# West Devon Hub Committee



West Devon  
Borough  
Council

<b>Title:</b>	<b>Agenda</b>								
<b>Date:</b>	<b>Tuesday, 13th December, 2022</b>								
<b>Time:</b>	<b>2.00 pm</b>								
<b>Venue:</b>	<b>Chamber - Kilworthy Park</b>								
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Jory <b>Vice Chairman</b> Cllr Edmonds</p> <p><i>Members:</i></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Cllr Cheadle</td> <td>Cllr Ratcliffe</td> </tr> <tr> <td>Cllr Crozier</td> <td>Cllr Vachon</td> </tr> <tr> <td>Cllr Leech</td> <td>Cllr Wood</td> </tr> <tr> <td>Cllr Mott</td> <td></td> </tr> </table>	Cllr Cheadle	Cllr Ratcliffe	Cllr Crozier	Cllr Vachon	Cllr Leech	Cllr Wood	Cllr Mott	
Cllr Cheadle	Cllr Ratcliffe								
Cllr Crozier	Cllr Vachon								
Cllr Leech	Cllr Wood								
Cllr Mott									
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.								
<b>Committee administrator:</b>	Democratic.Services@swdevon.gov.uk								

**1. Apologies for absence**

**2. Declarations of Interest**

In accordance with the Code of Conduct, Members are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests and Non-Registerable Interests including the nature and extent of such interests they may have in any items to be considered at this meeting;

**3. Items Requiring Urgent Attention**

To consider those items which, in the opinion of the Chairman, should be considered by the Meeting as matters of urgency (if any):

**4. Confirmation of Minutes**

**1 - 8**

Minutes of meeting held on 1 November 2022;

**5. Public Questions**

a period of up to 15 minutes is available to deal with issues raised by the public:

**6. Hub Committee Forward Plan**

**9 - 14**

**7. Draft Revenue and Capital Budget Proposals 2023/24**

**15 - 50**

**8. Customer Access Strategy & Contact Centre Update**

**51 - 62**

**9. Cost of Living Crisis: Plans for Household Support Fund Allocation**

**63 - 68**

**10. Housing Crisis - Changes to Financial Assistance and Enforcement Policies.**

**69 - 124**

# Agenda Item 4

At a Meeting of the **HUB COMMITTEE** held in the **Council Chamber, Kilworthy Park, Tavistock** on **TUESDAY** the **1st<sup>th</sup>** day of **NOVEMBER 2022** at **2.00 pm**

**Present:** Cllr N Jory – Chairman  
Cllr C Edmonds – Vice Chairman

Cllr R Cheadle	Cllr P Crozier
Cllr A Leech	Cllr C Mott
Cllr P Vachon	Cllr L Wood

**In attendance:** Chief Executive  
Deputy Chief Executive  
Section 151 Officer  
Director – Place and Enterprise  
Director of Strategy and Governance (via Teams)  
Monitoring Officer  
Democratic Services Manager  
Head of Environmental Health  
Head of Strategy, Corporate Projects and Partnerships  
Head of Assets  
Head of Housing  
Deputy Section 151 Officer  
Senior Specialist – Place Making  
Head of Revenues and Benefits  
Senior Specialist – Climate Change

**Other Members also in attendance in a non-voting capacity:**

Cllrs Daniel, (Via Teams), Ewings (via Teams)  
Southcott (via Teams), Sellis (via Teams), Pearce and  
Yelland (via Teams)

**\*HC 42/22 MOMENT'S REFLECTION**

Since this was the first formal Member meeting since former Mayor and West Devon Borough Councillor, Robin Musgrave, had sadly passed away, the Leader paid tribute to him and his dedicated service to the Council.

During his terms of office, Robin had proven to be a competent and hardworking colleague, who had served his constituents well and was a much valued, respected and appreciated Member of the Council and the thoughts of the Council were with Robin's family.

Members then proceeded, as a mark of respect, to observe a moment's reflection in his memory.

**\*HC 43/22 APOLOGIES**

Apologies for this meeting were received from Cllr Ratcliffe.

**\*HC 44/22 DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be discussed and the following were made:

Cllr A F Leech declared a personal interest in Item 8: 'Key Partnership Agreements' (Minute \*HC 49/22 below refers) by virtue of being a Trustee and the Chairman of the Okehampton Community Transport Group. He remained in the meeting and took part in the debate and vote thereon;

**\*HC 45/22 MINUTES**

The Minutes of the Hub Committee meeting held on 27 September 2022 were confirmed as a correct record.

**\*HC 46/22 PUBLIC QUESTION TIME**

It was noted that no Public Questions had been received in accordance with the Hub Committee Procedure Rules.

**\*HC 47/22 HUB COMMITTEE FORWARD PLAN**

Members were presented with the latest version of the Hub Committee Forward Plan that set out items on the agenda for Hub Committee meetings for the next four months and duly noted its content.

**\*HC 48/22 COST OF LIVING RESPONSE PLAN**

Members considered a report that set out the Council's draft plan to respond to the Cost of Living crisis.

In discussion, the following points were raised:

- a) When questioned, officers confirmed that the Council for Voluntary Service (CVS) was involved in the administration of the £25,000 Grant Funding for Community Groups;
- b) Assurances were given to the meeting that the ideas and conclusions that were generated by the Community Forum could be woven into the evolving Cost-of-Living Response Plan. In emphasising the importance of listening to our local communities, all Members were reminded of their Community Leadership roles in this regard;
- c) It was noted that Members were already receiving feedback from their residents that the single most important action that the Borough Council could undertake was to continue to distribute grant funding as quickly as was practically possible.

It was then **RESOLVED** that:

1. the Committee has considered and endorsed the contents of the Cost-of-Living Response Plan (as set out in Appendix 1 of the presented agenda report);
2. minor amendments to the Cost-of-Living Response Plan be delegated to the lead officer (the Head of Environmental Health), in consultation with the lead Hub Committee Member; and

3. officers be instructed to take immediate steps to progress support payments to families in receipt of Council Tax reduction (as set out in section 2.12 of the presented agenda report).

#### **HC 49/22 KEY PARTNERSHIP AGREEMENTS**

Members were presented with a report that provided an update on the Partnerships that were currently receiving funding from the Council and were asked to consider the merits of extending funding for a further two years.

Notwithstanding the fact that a decision had already been taken in regard to the continuation of funding support for the Tamar Valley Area of Outstanding Natural Beauty (AONB) Partnership, it was felt pertinent to include this matter in the resolution. As a result, it was **PROPOSED** and **SECONDED** and when put to the vote declared **CARRIED** that:

*'The Council notes the decision taken at its last meeting held on 27 September 2022 to continue to financially contribute £8,835 to the Tamar Valley AONB Partnership.'*

It was then **RESOLVED** that:

1. the positive contribution of our key funded partners in supporting our ambitions (as set out in our Corporate Strategy, A Plan for West Devon) be noted;
2. Council be **RECOMMENDED** to **AGREE** to extend the funding for the following key partners for a further two years as follows:
  - West Devon CVS £5,100
  - OCRA Sport £1,333
  - Okehampton Community Transport £ 6,533
  - Tavistock Community Transport £6,533
  - Young Devon £2,500
  - World Heritage Site £4,000
3. Council be **RECOMMENDED** to **AGREE** an increase in funding for each of the next two years' in recognition of the additional support required by Citizens Advice;
4. Council be **RECOMMENDED** to **NOTE** the decision taken at its last meeting held on 27 September 2022 to continue to financially contribute £8,835 to the Tamar Valley AONB Partnership.

#### **\*HC 50/22 PROPOSED CHANGES TO THE COUNCIL TAX REDUCTION SCHEME FOR 2023/24**

Members were presented with a report that set out the annual requirement for Councils to revisit their existing council tax support scheme and decide whether to replace or revisit their scheme, the requirements for changing the scheme and the associated time constraints.

It was then **RESOLVED**:

1. That the proposed public consultation on a Council Tax Reduction Scheme for 2023/24 (as detailed in section 3 of the presented agenda report) be approved; and
2. That the results of the public consultation be presented to the Hub Committee prior to a Council Tax Reduction Scheme for 2023/24 being considered for approval by the Council.

**\*HC 51/22 COVID-19 ADDITIONAL RELIEF FUND (CARF)**

The Hub Committee was presented with a report that provided an update on the Council's Covid-19 Additional Relief Fund (CARF) following the closure of the Scheme on 30 September 2022. The report acknowledged that the Council had delegated the approval of the CARF Policy and its administration to the Members of the Council's Rate Relief Panel.

In discussion, the Committee wished to record its thanks to the team who were responsible for administering the Fund.

It was then **RESOLVED** that the content of the presented agenda report be noted.

**\*HC 52/22 A PLAN FOR WEST DEVON – QUARTER 2 INTEGRATED PERFORMANCE MANAGEMENT REPORT**

Members were presented with a report that set out an overview of the progress made against year 2 of the Delivery Plan that underpinned 'A Plan for West Devon'.

In discussion, the following points were raised:

- a) A Member queried whether or not the work being undertaken on the Cost of Living Crisis could be factored into the performance of the Council as it contributed across numerous themes of 'A Plan for West Devon'. In reply, it was confirmed that the quarterly performance reports evolved and the work aligned to the Cost of Living Crisis would be reflected in future iterations of the report presented to the Hub Committee;
- b) In respect of the latest position on the installation of Electric Vehicle Charging Points, officers committed to providing a response to Members outside of this Committee Meeting.

It was then **RESOLVED** that:

- 1 the Quarter 2 Integrated Performance Management Report (as set out at Appendix A of the presented agenda report) had been considered; and
2. a meeting of the relevant Hub Advisory Group be held before the end of the Calendar Year in order to inform the Year 3 Delivery Plans for the Strategy and that the updated Plans be considered by the Hub Committee at its meeting to be held on 31 January 2023.

**\*HC 53/22 MONTH 5 REVENUE BUDGET MONITORING 2022/2023**

A report was considered that enabled Members to monitor income and expenditure variations against the approved Budget for 2022/23 and that also provided a forecast for the year end position.

In the ensuing discussion, reference was made to the increased inflation costs of the Waste Contract. It was confirmed that the inflation cost assumptions provided for at the time the forecast was made was at a rate of 3% but the actual inflation rates were over 12%, largely due to fuel inflation.

It was then **RESOLVED** that the forecast income and expenditure variations for the 2022/23 financial year and the overall projected deficit of £70,000 (0.9% of the total Budget £7.770 million) be noted

**\*HC 54/22 CAPITAL BUDGET MONITORING 2022/2023**

Members considered a report that advised of the progress made on individual schemes within the approved Capital Programme, including an assessment of their financial position.

In discussion, the importance of Section 106 monies being spent before their expiry date was recognised.

It was then **RESOLVED** that the content of the presented agenda report be endorsed.

**HC 55/22 DEVON CARBON PLAN**

Members were presented with a report which provided details of the Devon Carbon Plan and also provided an update on the progress made against the Council's Climate Change Strategy and Action Plan.

In discussion, reference was made to:

- a) the importance of the views of West Devon residents being adequately represented. A Member queried whether or not the views of the residents of West Devon had been adequately represented on the Devon Carbon Assembly and further questioned how the Council would deliver its revised Action Plan and, in doing so, how it would ensure that the views of West Devon residents would be correctly represented. In response, it was confirmed that the Hub Advisory Group would look very carefully at what was contained within the Plan and that consultation with relevant Community Groups would also take place, ensuring that the Plan would meet the needs of the residents and communities of West Devon;
- b) the urban focus of the Plan. In expressing concerns, some Members felt that the Plan was too 'urban centric' and it would therefore need to be interpreted in order to be relevant and suitable to meet the needs of the largely rural West Devon Borough area;

- c) the agricultural community. Some Members were of the view that the agricultural community needed to be considered more fully as part of the Council's declared Climate Change and Biodiversity Emergency. Specifically regarding the Devon Carbon Plan, whilst it was accepted that the National Farmers Union had been a consultee, there was still the view expressed that other industries (such as the aviation industry) were not being treated as harshly as the agricultural industry. Furthermore, the sustainability benefits of locally produced food and non-intensively farmed meat and dairy products were not adequately reflected in the Devon Carbon Plan. As a consequence, these Members did not feel minded to be able to '*endorse the ambitions and objectives set out within the Devon Carbon Plan*' and an amendment was **PROPOSED** and **SECONDED** whereby the ambitions and objectives set out within the Devon Carbon Plan be '*noted*'. When put to the vote, this amendment was declared **CARRIED**;
- d) the financial and resource implications upon the Climate Change Strategy and Action Plan. In recognition of the need to be aware of the financial and resource implications, a further amendment was **PROPOSED** and **SECONDED** as follows:
2. That Council be **RECOMMENDED** to revise its Climate Change Strategy and Action Plan *and assess the financial and resource implications required* to show how it would contribute to delivering the Devon Carbon Plan.

When put to the vote, this amendment was also declared **CARRIED**.

It was then **RESOLVED** that Council be **RECOMMENDED** to:

1. note the ambition and objectives set out within the Devon Carbon Plan, and
2. revise its Climate Change Strategy and Action Plan and assess the financial and resource implications required to show how it would contribute to delivering the Devon Carbon Plan.

#### **\*HC 56/22 HOUSING CRISIS UPDATE**

The Hub Committee was presented with a report that provided an update on the progress of three specific projects, namely the Springhill Temporary Accommodation Redevelopment Project; the proposed Brentor Affordable Housing Scheme and the Okehampton (Wonnacotts) Proposed Development site.

In the ensuing discussion, the following points were raised:

- a) Members requested further detail on the nature of the 'at-risk' spend concerning the Springhill project and raised concerns that the Contract to redevelop the site had still to be let. Members also commented that the site currently appeared unsightly and requested that action be taken to improve its appearance;



- b) Concerns were aired over the proposed closure of the Brentor Affordable Housing Scheme and the associated Housing Needs Survey. Having recently declared a 'Housing Crisis', some Members felt that the recommendation to simply cease work on the Scheme did not sit comfortably.

At this point, the local Ward Member was invited to address the meeting and he proceeded to set out a number of concerns over the recommendation to cease work. In particular, the Member questioned the methodology behind the Housing Needs Survey and the lack of any contact with the landowner. Given the extent of these concerns, the Committee sought reassurance that the Survey had been properly conducted and that the results were accurate. In response, it was confirmed that the Survey had been undertaken in line with normal procedures, but that in response to several specific queries raised, officers would request a copy of all responses received by the independent organisation that had conducted the Survey on its behalf and would analyse the results to ensure that account had been taken of all information received.

It was then further requested that the Council consult with Brentor Parish Council to fully explore the Housing need within the Parish, gathering definitive information on current requirements and this information be brought to the next meeting of the Hub Committee for further consideration.

Finally, officers also gave a personal commitment that they would make contact with the landowner.

In light of the nature of the debate on the scheme, an alternative recommendation was **PROPOSED** and **SECONDED** as follows:

2. *That the decision to cease work on a directly delivered affordable led housing scheme at Brentor be deferred for further consideration at the next Hub Committee Meeting to be held on 13 December 2022.*

When put to the vote, this recommendation was declared **CARRIED**;

- c) With regard to the Okehampton Proposed Development, a Member queried why there had been such a delay in moving the project forward. In response it was confirmed that issues around partnership funding had caused initial delays and then the Covid Pandemic demanded changing priorities. However, it was confirmed that resources had now been put in place which would mean that the project should now be progressed.

It was then **RESOLVED** that:

1. the progress of the Springhill Temporary Accommodation Scheme, Tavistock and the possible further at-risk spend of £60k to enter a Pre-Construction Services Contract, to be spent from the Project Capital Expenditure approval of £1,200,000, as detailed within the October 2020 Hub Report, be noted;
2. the decision to cease work on a directly delivered affordable led housing scheme at Brentor be deferred for further consideration at the next Hub Committee Meeting to be held on 13 December 2022.

3. the progress of the Okehampton (Wonnacotts) Housing Scheme and support the actions taken by officers to progress the plan to bring forward the development of the site, be noted.

**\*HC 57/22 EXCLUSION OF PUBLIC AND PRESS**

It was then **RESOLVED** that in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item of business as the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Schedule 12A to the Act is involved.

**\*HC 58/22 WASTE AND RECYCLING SERVICES CONTRACT - UPDATE**

The Hub Committee considered an Exempt report that provided an update on the Council's Waste and Recycling Services Contract.

It was then **RESOLVED** that the Committee note the update and that a further report will be presented to the next Full Council meeting to be held on 22 November 2022.

(The meeting terminated at 4.35 pm)

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Chairman

***(NOTE: THESE DECISIONS WILL BECOME EFFECTIVE FROM THURSDAY 10 NOVEMBER 2022, WITH THE EXCEPTION OF MINUTES HC 49/22 PARTS 2, 3 AND 4 and HC 55 WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 22 NOVEMBER 2022 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES).***

# Hub Committee Forward Plan

## About the Forward Plan

This is the provisional forward plan for at least four months starting December 2022. It provides an indicative date for matters to be considered by the Hub Committee. Where possible, the Hub Committee will keep to the dates shown in the plan. However, it may be necessary for some items to be rescheduled and other items added.

The forward plan is published to publicise consultation dates and enable dialogue between the Hub Committee and all Councillors, the public, and other stakeholders. It will also assist the Council's Overview and Scrutiny Committee in planning their contribution to policy development and holding the Hub Committee to account.

The Plan is published on the Council's website ([www.westdevon.gov.uk](http://www.westdevon.gov.uk))

## About the Hub Committee

The Hub Committee currently consists of nine Councillors. Each has responsibility for a particular area of the Council's work.

- Leader of the Council – Cllr N Jory
- Deputy Leader of the Council, with specific responsibility for Resources and Performance – Cllr C Edmonds
- Lead Hub Member for Enabling Inclusive and Accessible Services – Cllr R Cheadle
- Lead Hub Member for the Economy - Cllr P Crozier
- Lead Hub Member for the Natural Environment - Cllr L Wood
- Lead Hub Member for Leisure, Health and Wellbeing - Cllr A F Leech
- Lead Hub Member for the Built Environment - Cllr C Mott
- Lead Hub Member for Communities - Cllr P Vachon
- Lead Hub Member for Housing – Cllr B Ratcliffe

Further information on the workings of the Hub Committee, including latest information on agenda items, can be obtained by contacting Democratic Services on 01803 861105 or by e-mail to [democratic.services@swdevon.gov.uk](mailto:democratic.services@swdevon.gov.uk)

**All items listed in this Forward Plan will be discussed in public at the relevant meeting, unless otherwise indicated with \***



**Forward Plan from December 2022**

Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Leader	<p><b>Title: Draft Revenue and Capital Budget Proposals 2023/24</b></p> <p><b>Purpose:</b> To consider a report that presents for consultation a set of draft Revenue and Capital Budget proposals for 2023/24.</p>	Cllr Jory / Lisa Buckle	Report of Strategic Lead of Finance	13 December 2022	
Leisure, Health and Wellbeing	<p><b>Title: Cost of Living Crisis: Plans for Household Support Fund Allocation</b></p> <p><b>Purpose:</b> To consider a report that sets out the proposed plans for allocating the Household Support Fund</p>	Cllr Leech / Ian Luscombe	Report of the Head of Environmental Health	13 December 2022	
Inclusive and Accessible Services	<p><b>Title: Customer Access Strategy and Contact Centre Improvement Plan</b></p> <p><b>Purpose:</b> To consider a report that presents the draft Customer Access Strategy and Contact Centre Improvement Plan for approval.</p>	Cllr Cheadle / Jim Davis	Report of the Customer Service Improvement Manager	13 December 2022	
Homes	<p><b>Title: Housing Crisis – Standing Agenda Item</b></p>	Cllr Ratcliffe / Issy Blake	Report of Head of Housing	13 December 2022	
	<p><b>Title: Housing Crisis – Standing Agenda Item</b></p>			31 January 2023	
Resources and Performance	<p><b>Title: Capital Programme Monitoring Report to Month 7 2022/23</b></p> <p><b>Purpose:</b> To consider a report that presents the Capital Programme Monitoring Report to Month 7.</p>	Cllr Edmonds / Pauline Henstock	Report of Section 151 Officer	31 January 2023	



Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Resources and Performance	<p><b>Title: Write-off Reports Q1 and Q2 2022/23</b></p> <p><b>Purpose:</b> The Council is responsible for the collection of: Housing Rents, Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates. The report informs Members of the debt written off for these revenue streams.</p>	ClIr Edmonds / Lisa Buckle	Report of Strategic Lead of Finance	31 January 2023	
Resources and Performance	<p><b>Title: Revenue Budget Monitoring Report to Month 7 2022/23</b></p> <p><b>Purpose:</b> To consider a report that presents the Revenue Budget Monitoring Report to Month 7.</p>	ClIr Edmonds / Lisa Buckle	Report of Section 151 Officer	31 January 2023	
Leader	<p><b>Title: Draft Revenue and Capital Budget Proposals</b></p> <p><b>Purpose:</b> To consider a report that seeks to recommend to Council the draft Revenue and Capital Budget proposals.</p>	ClIr Jory / Lisa Buckle	Report of the Section 151 Officer	31 January 2023	
Economy	<p><b>Title: UK Shared Prosperity Fund and Rural Fund Delivery</b></p> <p><b>Purpose:</b> To consider a report that presents an update on the UK Shared Prosperity Fund.</p>	ClIr Crozier / Chris Shears	Report of the Senior Specialist – Economic Development	31 January 2023	
Leisure, Health and Wellbeing	<p><b>Title: Council Tax Discretionary Discount Policy</b></p> <p><b>Purpose:</b> To consider a report that seeks to consider a revised Council Tax Discretionary Discount Policy.</p>	ClIr Leech / Geni Hotchkiss	Report of the Head of Revenues and Benefits	31 January 2023	



Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Resources and Performance	<p><b>Title: Quarter 3 Integrated Performance Management Report 2022/23</b></p> <p><b>Purpose:</b> To consider a report that sets out the Integrated Performance Management report for Quarter 3 of 2022/23.</p>	Cllr Edmonds / Neil Hawke	Report of the Head of Strategy and Projects	31 January 2023	
	<p><b>Title: Housing Crisis – Standing Agenda Item</b></p>			7 March 2023	
Resources and Performance	<p><b>Title: Revenue Budget Monitoring Report to Month 10 2022/23</b></p> <p><b>Purpose:</b> To consider a report that presents the Revenue Budget Monitoring Report to Month 10.</p>	Cllr Edmonds / Lisa Buckle	Report of Section 151 Officer	7 March 2023	
Resources and Performance	<p><b>Title: Capital Programme Monitoring Report to Month 10 2022/23</b></p> <p><b>Purpose:</b> To consider a report that presents the Capital Programme Monitoring Report to Month 10.</p>	Cllr Edmonds / Pauline Henstock	Report of Head of Finance	7 March 2023	
Leader	<p><b>Title: Draft Annual Report of Achievements</b></p> <p><b>Purpose:</b> To consider a report that presents the Council’s draft Annual Report of Achievements for 2022/23</p>	Cllr Jory / Neil Hawke	Report of the Head of Strategy and Projects	7 March 2023	
				11 April 2023	
Inclusive and Accessible Services	<p><b>Title: Customer Journey</b></p> <p><b>Purpose:</b> To consider a report that provides an update on the Customer Journey.</p>	Cllr Cheadle / Steve Mullineaux	Report of the Deputy Chief Executive	July 2023 (Date TBC)	



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# Agenda Item 7

Report to: **Hub Committee**

Date: **13 December 2022**

Title: **Draft Revenue and Capital Budget Proposals for 2023/24**

Portfolio Area: **Cllr N Jory – Budget Setting Process**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance**

Contact: Email: [lisa.buckle@swdevon.gov.uk](mailto:lisa.buckle@swdevon.gov.uk)

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**RECOMMENDATION:**

**It is RECOMMENDED that the Hub Committee:**

- i) Notes the forecast budget gap for 2023/24 of £137,296 (1.6% of the Projected Net Budget of 23/24 of £8.69million) and the position for future years.**
- ii) Notes the timescales for closing the budget gap in 23/24 and future years, to achieve long term financial sustainability.**
- iii) Notes the current level of Unearmarked and Earmarked Reserves set out in Appendix C, aswell as the net contributions to Earmarked Reserves modelled for 2023/24 (set out in Appendix A)**
- iv) Notes the outline initial proposals for the Capital Programme for 2023/24 of £905,000 as set out in Appendix D (with Full Business Cases to be presented to Members as part of the January 2023 budget cycle of meetings).**

- v) **Requests the views of the Hub Committee on the draft Revenue Budget Proposals and the outline capital bids for 2023/24**
- vi) **Requests the views of the Overview and Scrutiny Committee on the draft Revenue Budget Proposals and the draft Capital Budget Proposals for 2023/24, at the 17 January 2023 meeting.**

**It is RECOMMENDED to Council:**

- vii) **That West Devon Borough Council continues to be part of the Devon Business Rates Pool for 2023/24, subject to there being no announcements within the Finance Settlement (expected to be announced in mid December), which in the opinion of the S151 Officer (in consultation with the Leader of the Council and the Hub Committee Member for Resources), would change this recommendation.**

## **1. Executive summary**

- 1.1 The Council's Medium Term Financial Strategy (MTFS) is based on a financial forecast over a rolling three year timeframe to 2025/26. The Council adopted a three year timeframe for its MTFS in 2021, as this dovetailed to the timescales of the Corporate Strategy, 'A Plan for West Devon'. This timeframe has been emulated with the 2022 MTFS as it gives a good balance between long term financial planning and having realistic assumptions to be able to work with. This is in light of the current volatility within local government financial planning, due to the lack of certainty from continued one-year financial settlements. The previous one year financial settlements announced by the Government have aimed to address short-term pressures rather than focus on long term sustainability.
- 1.2 The Council, along with other local authorities, has faced unprecedented reductions in Government funding. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £3 million. The Council now receives **no main Government Grant (Revenue Support Grant)** – this has been reduced to zero.
- 1.3 The Council has continued to work in partnership with South Hams District Council which has allowed West Devon to achieve annual savings of £2.2 million and more importantly protect all statutory front line services. Between both Councils the annual shared services savings being achieved are over £6 million per annum. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.

- 1.4 It is important to note that the Medium Term Financial Strategy (MTFS) sets out the budget strategy for the Council for the next three years, with regular reviews (at least annually) and updates when items are further known or are announced by the Government.
- 1.5 This is the starting point for developing a meaningful three year strategy that sets out the strategic intention for all of the different strands of funding available to the Council. The Council will then be able to rely on this to inform future decisions.
- 1.6 Prudent financial management in the past, has meant that the Council was in a relatively healthy position financially before the pandemic hit. When Councillors set the Budget for 2020/21 in February 2020, no-one could have foreseen how our future finances and everyday lives were about to be impacted. The pandemic has also changed the world we operate in. Across the Council, staff have been called upon to continue the efforts to help local communities against the impact of the pandemic.
- 1.7 The management of risk and promoting financial resilience is a key principle of our budget strategy and this has helped facilitate our response. Key to the authority's financial resilience are our reserves, which are at a prudent level.
- 1.8 The recent challenges presented by the war in Ukraine with its broader implications along with the current 'cost of living crisis' will have an impact on the Council's finances as well as the finances of the residents of the Borough. The Council's approach to delivering services remains steadfast.
- 1.9 The latest inflation figures show prices are rising at their fastest rate for 40 years with the headline CPI (Consumer Price Index) rate at 10.1% (September 2022). These increases have also impacted the MTFS and increased the cost pressures. At present, there is no indication from Government of any additional funding. The financial standing of the Council is secure in the immediate future, but there is still much work to do to ensure the long term financial sustainability of the Council.
- 1.10 It had been expected that a technical consultation paper on the local government finance settlement for 23/24 would happen before Parliament's summer recess. However the political turmoil has meant that this hasn't happened.
- 1.11 In his speech to the Local Government Association (LGA) conference on 28 June 2022, the Secretary of State, Michael Gove MP, promised to give local authorities greater "financial certainty". It was confirmed that a 2-year financial settlement will be introduced. The proposal for a 2-year settlement suggests that there will be rollover settlements in both 2023/24 and 2024/25, meaning financial settlements that are broadly similar to 2022/23.

1.12 The Fair Funding Review, business rates baseline reset, and other funding reforms now look set to be pushed back to 2025/26 although this has not been confirmed by the Government so the MTFs assumes that these changes could happen in 2024/25 at the earliest.

1.13 The key assumptions within the Medium Term Financial Strategy are as below. Each of these is described in more detail in Section 4.

- The business rates baseline reset will be deferred until 2024/25 at the earliest (with no negative Revenue Support Grant in 2023/24)
- There will be a phasing in of negative Revenue Support Grant as part of the business rates baseline reset (predicted to be in 2024/25 at the earliest) with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go. The modelling assumes negative RSG of £227,500 in 2024/25 and 2025/26. Some of the negative RSG could be offset by growth.
- A Council Tax limit at the higher of £5 or 1.99% has been modelled for 2023/24 and future years in Appendix B.
- The awaited local government finance settlement could indicate whether Ministers are minded to allow a further year or two years of one-off allocations of New Homes Bonus (NHB), or the Government may implement some other changes. It is assumed that the roll over settlement for 2023-24 will give an amount of at least £150,000 of NHB funding (or a similar replacement housing incentive scheme) that could be used to fund the 23/24 revenue base budget.
- A business rates pooling gain of £200,000 has been modelled for 2023/24 with no further gains for 2024/25 onwards.
- A council tax surplus of £377,000 for 23/24 has been assumed, with a council tax collection rate of 98.25% for 23/24 (97.8% was achieved in 2021/22)
- Rural Services Delivery Grant has been assumed to continue at the same level for 23/24 with uplifts for 24/25 and 25/26
- A 3% pay increase has been modelled from 2023/24 onwards (3% equates to £150,000) – see 3.30

1.14 The following table illustrates the predicted budget gap from 2023/24 onwards for the Council **as shown in Appendix B**:

<b>Budget Gaps</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>Total Aggregated Budget Gap £</b>
'New' Budget Gap each year	137,296	239,571	455,816	832,683
*Cumulative Budget Gap	137,296	376,867	832,683	1,346,846

\* (Cumulative Budget Gap assumes annual new budget gaps have not been

addressed)

- 1.15 **The forecast budget gap for 2023/24 is £137,296. This is 1.6% of the Projected Net Budget for 23/24 of £8.69million.** A cumulative budget gap of £376,867 is predicted for 2024/25 (the £376,867 assumes that the 23/24 budget gap of £137,296 has not been closed). The cumulative aggregated Budget Gap by 2025/26 is £1.35 million, if no action has been taken in each individual year to close the budget gap annually.
- 1.16 There is no indication yet of the detailed local government funding levels for 2023/24 and beyond. Therefore there are many uncertainties in preparing for the challenges we know we will face in the near future.
- 1.17 There is little Government appetite for full reform of Local Government finances in the short term.
- 1.18 The Medium Term Financial Strategy report (MTFS) in September 2022 identified a budget gap of £269,296 for 2023/24. The table below sets out the changes in this report from the previous report.

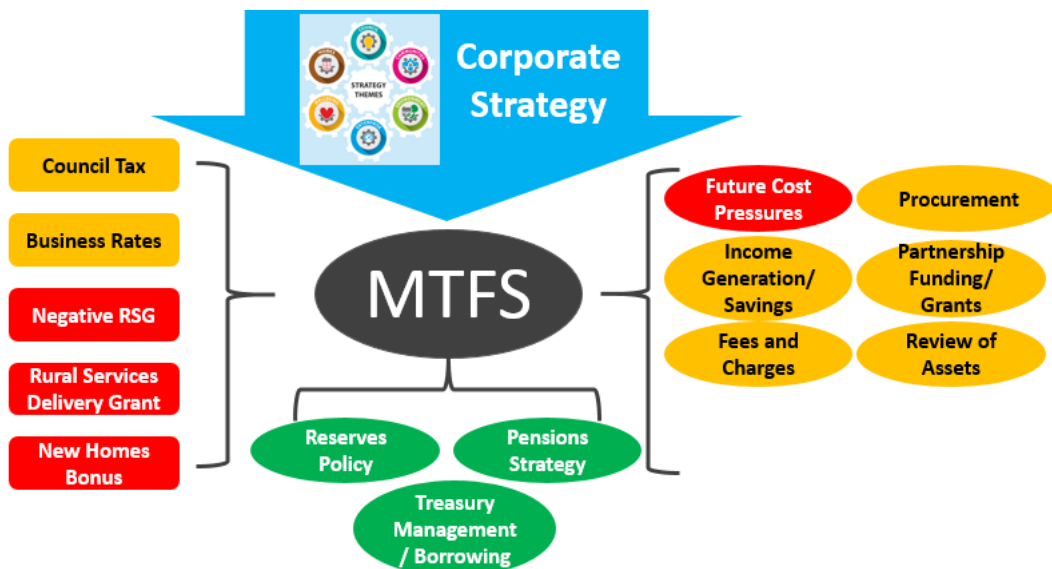
	<b>£</b>
<b><i>Budget gap for 23/24 reported in the MTFS Hub Committee report in September 22</i></b>	<b>269,296</b>
Cost pressure for the reduction in car parking income	150,000
Cost pressure for additional audit fees for external audit	60,000
Reduce assumptions for business rates income from £1.95m in 23/24 to £1.85m in 23/24	100,000
<b>Extra income/ financing of the Revenue Budget identified</b>	
Extra treasury management income – this has been increased from £175,000 to £375,000	(200,000)
Income target for housing benefit overpayments (£82,000 achieved in 2021/22)	(40,000)
Collection Fund Surplus predicted for 23/24 of £377,000 (replaces a collection fund surplus previously forecast of £175,000)	(202,000)
<b><i>Budget gap for 23/24 reported in this Hub Committee report in December 22 (Draft Revenue Budget Proposals for 2023/24)</i></b>	<b>137,296</b>

- 1.19 The Chancellor’s Autumn Statement was announced on 17<sup>th</sup> November. A briefing note on the announcements within the Autumn Statement was emailed to all Members on the day. A Policy Statement is due to be published by the Government in early December which will give an indication of which grants (such as New Homes Bonus) will continue into 2023/24. The Local Government Finance Settlement will also be issued in December. The implications of these announcements will be presented to Members as part of the January budget cycle of meetings.

## 2 COMPONENTS OF THE MEDIUM TERM FINANCIAL STRATEGY

2.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFs where the Council has a degree of control. Red items signal components where the Council has hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.

### 2022/23 Net Budget £7.77 million



2.2 The key assumptions within the MTFs are set out in Section 3.

### OVERALL POSITION – BUDGET GAP

2.3 Financial modelling has been undertaken for the next five years to predict the Council's financial situation for the short and medium term.

2.4 **Appendix A** to the Medium Term Financial Strategy sets out the Budget Pressures forecast for the next five years and the additional savings and income forecast. **Appendix B** illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £7.77 million in 2022/23.

2.5 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if the Council Tax is increased by £5 per annum (shown in Appendix B).

- 2.6 The following table illustrates the predicted budget gap from 2023/24 onwards for the Council **as shown in Appendix B:**

<b>Budget Gaps</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>Total Aggregated Budget Gap £</b>
'New' Budget Gap each year	137,296	239,571	455,816	832,683
*Cumulative Budget Gap	137,296	376,867	832,683	1,346,846

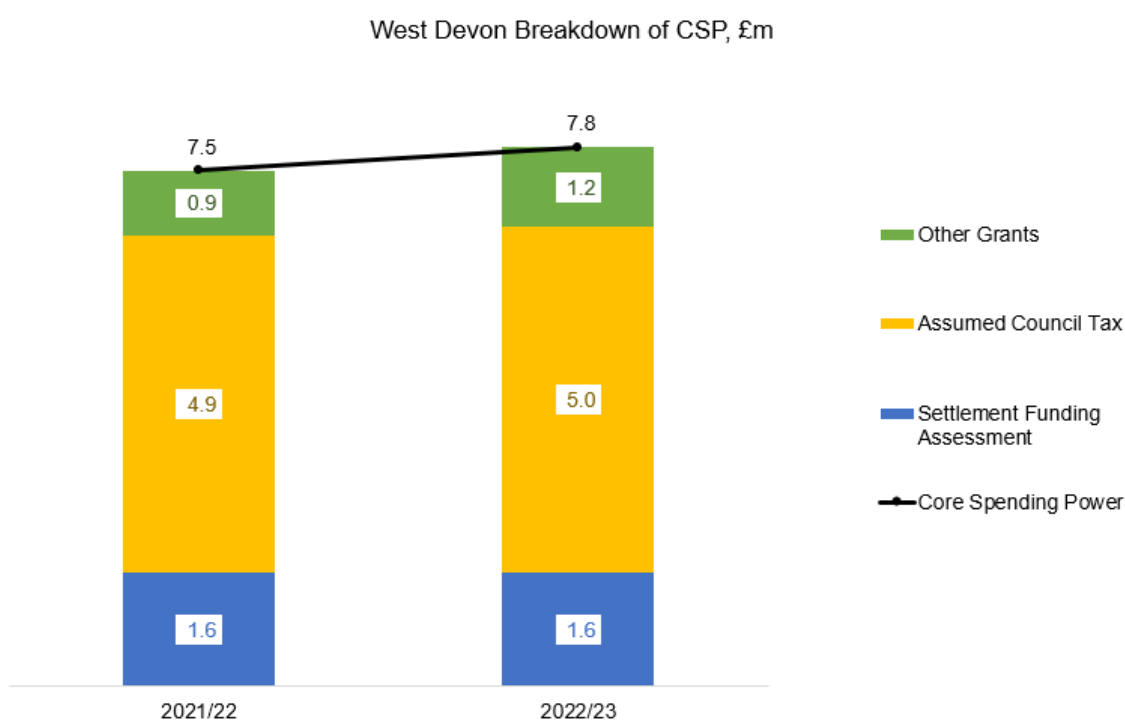
\* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

- 2.7 ***The forecast budget gap for 2023/24 is £137,296. This is 1.6% of the Projected Net Budget for 23/24 of £8.69million.*** A cumulative budget gap of £376,867 is predicted for 2024/25 (the £376,867 assumes that the 23/24 budget gap of £137,296 has not been closed). The cumulative aggregated Budget Gap by 2025/26 is £1.35 million, if no action has been taken in each individual year to close the budget gap annually.
- 2.8 The Council awaits the details of the Local Government Finance Settlement. Further options for Members' considerations of how to close the predicted budget gap of £137,296 for 2023/24 will be presented as part of further budget reports in January 2023.

### **3 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES**

- 3.1 The Settlement Funding Assessment (SFA) is essentially the business rates baseline and is the amount of money the Council retains from its share of the business rates income. The breakdown of the increase in SFA for 2022/23 is shown below.
- 3.2 The 'Core Spending Power' is a headline figure used by MHCLG to represent the key revenue resources available to local authorities, including an estimate of actual and potential council tax, as below. The Council now receives no main Government grant (Revenue Support Grant).
- 3.3 ***Core Spending Power for West Devon (which is a measure of how much extra funding a Council has received for next year) increased by 4.6% for 2022/23.*** Core Spending Power is the term the Government use to say how much money Councils have to run their services. On looking at the detail below, it can be seen that the extra funding of 4.6% is mainly coming from assumed Council Tax increases in 2022/23.

- 3.4 The calculation of Core Spending Power already assumes that a Council will increase its council tax up to the maximum allowed under the referendum limits for 2022/23 – so for WDBC a £5 council tax increase (less than 10pence per week) for 2022/23 was included within this 4.6% increase in funding. New Homes Bonus is also included in the measure of Core Spending Power in ‘Other Grants’.
- 3.5 Core Spending Power increased from £7.5m in 2021/22 to £7.8m in 2022/23 as shown below. Nationally, Core Spending Power increased by 4.4% (factoring in council tax increases).



### Council Tax

- 3.6 The Council Tax Referendum limits for District Councils for 2022/23 was the higher of 1.99% or £5. An increase in council tax of £5 for the next three years has been modelled for council tax purposes. This would equate to a Band D council tax for the Borough Council of £251.63 in 2023/24 as shown in Appendix B (an increase of £5 for the year (10 pence per week) which equates to a 2.03% increase. The Council's share of the council tax for 2023/24, will be set at the Council meeting on 21st February 2023. (A 1% increase in council tax generates £51,000 of extra council tax income).



3.7 The table below shows how an average Band D council bill is made up for West Devon Borough Council for 2022/23, compared to 2021/22. Of an average Band D Council Tax within the Borough of £2,230.64, an amount of £246.63 is the element of a council tax bill set by West Devon Borough Council. Therefore 11pence of every £1 paid (11%) in council tax is received by West Devon Borough Council to pay for our services. The rest of the council tax bill is set by Devon County Council, the Fire, the Police and Town and Parish Councils to fund the services they provide.

In 2022/23, the council tax for an average Band D property in West Devon increased by £64.06 per annum, an annual increase of 2.96% as shown below.

<b>Precepting Authority</b>	<b>Band D 2021/22</b>	<b>Band D 2022/23</b>	<b>£ Increase</b>	<b>% Increase</b>
West Devon Borough Council	£241.63	£246.63	£5.00	2.07%
Devon County Council Precept	£1,342.44	£1,372.59	£30.15	2.99%
Adult Social Care Precept *	£168.84	£183.87	£15.03	
Devon & Cornwall Police & Crime Commissioner	£236.56	£246.56	£10.00	4.23%
Devon & Somerset Fire & Rescue	£90.00	£91.79	£1.79	1.99%
Average Parishes/Towns	£87.11	£89.20	£2.09	2.40%
<b>TOTAL</b>	<b>£2,166.58</b>	<b>£2,230.64</b>	<b>£64.06</b>	2.96%

3.8 The Borough Council is responsible for collecting all the Council Tax debt of approximately £46m as West Devon BC is the Billing Authority. After keeping 11% of the council tax collected to run the Council's services, the rest is paid over to Devon County Council, the Police, the Fire and Town and Parish Councils. The collection rate for Council Tax for West Devon was 97.8% for 2021/22. This was 1.9% higher than the national average of 95.9%.

3.9 A council tax collection rate of 97% has been assumed for 2022/23 in the TaxBase calculation.

- 3.10 It has been assumed that the number of properties within the Borough will increase by 150 per annum from 2023/24 onwards.
- 3.11 In 2022/23 the Government set no council tax referendum principles for Town and Parish Councils. It has not yet been announced by the Government whether any referendum principles will apply to Town and Parish Councils in 2023/24 onwards.

### **Business Rates and Negative Revenue Support Grant (RSG)**

- 3.12 It has been assumed that the Business Rates Reset will be delayed to 2024/25 at the earliest.
- 3.13 Whilst this change is not confirmed by the Government, a reset based on the current taxbase would appear very unlikely.
- 3.14 The proposal for a one or two year settlement suggests that there will be rollover settlements in both 2023/24 and 2024/25, meaning financial settlements that are broadly similar to 2022/23 in cash terms.
- 3.15 The Fair Funding Review, business rates baseline reset, and other funding reforms now look set to be pushed back to 2025/26 although this has not been confirmed by the Government so the MTFS assumes that these changes could happen in 2024/25 at the earliest.
- 3.16 Pushing these major changes back to 2025/26 means that they can be aligned with the next spending review period (the current spending review runs to 2024/25). 2025/26 now looks like it is shaping up to be a very significant financial year for local government, incorporating a new spending review, the 2021 Census and funding reforms.
- 3.17 A one or two year settlement (with no negative Revenue Support Grant, RSG, in 2023/24) is the most likely scenario now. This means the Council wouldn't have to forego some of its business rates income (£227,500) by paying some of it back to Government in the form of 'negative government grant' in 2023/24. Negative RSG is effectively the Council's further predicted funding cuts.
- 3.18 It is anticipated there will be a phasing in of negative RSG as part of the business rates baseline reset (predicted to be in 2024/25 at the earliest), with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go. The modelling assumes negative RSG of £227,500 in 2024/25 and 2025/26. Some of the negative RSG could be offset by growth.
- 3.19 Estimates have been made of the business rates baseline funding levels for 2023/24 onwards and the relative deductions for negative RSG. For example in 2023/24, the £1.85m is the amount the Council is projected to retain from its business rates income collected of around £12.2 million (this equates to around 15p in every £1 collected of business rates).

- 3.20 The 2021/22 collection rate for West Devon for business rates was 93.67%. This was slightly below the national average of 95.5% for 2021/22.
- 3.21 It is modelled to take £150,000 funding from the business rates retention reserve in all three years 23/24 to 25/26. This would reduce the business rates retention reserve by £450,000 over the next 3 years to smooth the impact of the business rates baseline reset and the future loss of pooling gains.

<b>Business Rates Income</b>	<b>2023/24 (£m)</b>	<b>2024/25 (£m)</b>	<b>2025/26 (£m)</b>
		<b>Possible Baseline Reset</b>	
Business Rates Income	1.85	2.00	2.00
Less: Negative Revenue Support Grant (RSG)		(0.228)	(0.228)
Anticipated Pooling Gain	0.200	-	-
Funding proposed to be taken from the Business Rates Retention Reserve to smooth the volatility in business rates income	0.150	0.150	0.150
<b>Total Business Rates Income</b>	<b>2.20</b>	<b>1.922</b>	<b>1.922</b>

- 3.22 **Business Rates Revaluation** – There will be a business rates revaluation from 1 April 2023, based on the rental market at 1 April 2021. The purpose of a business rates revaluation is to update rateable values and therefore, business rates bills, to reflect changes. Transitional arrangements will be in place to support businesses to adjust to their new bills.

#### **Devon Business Rates Pool**

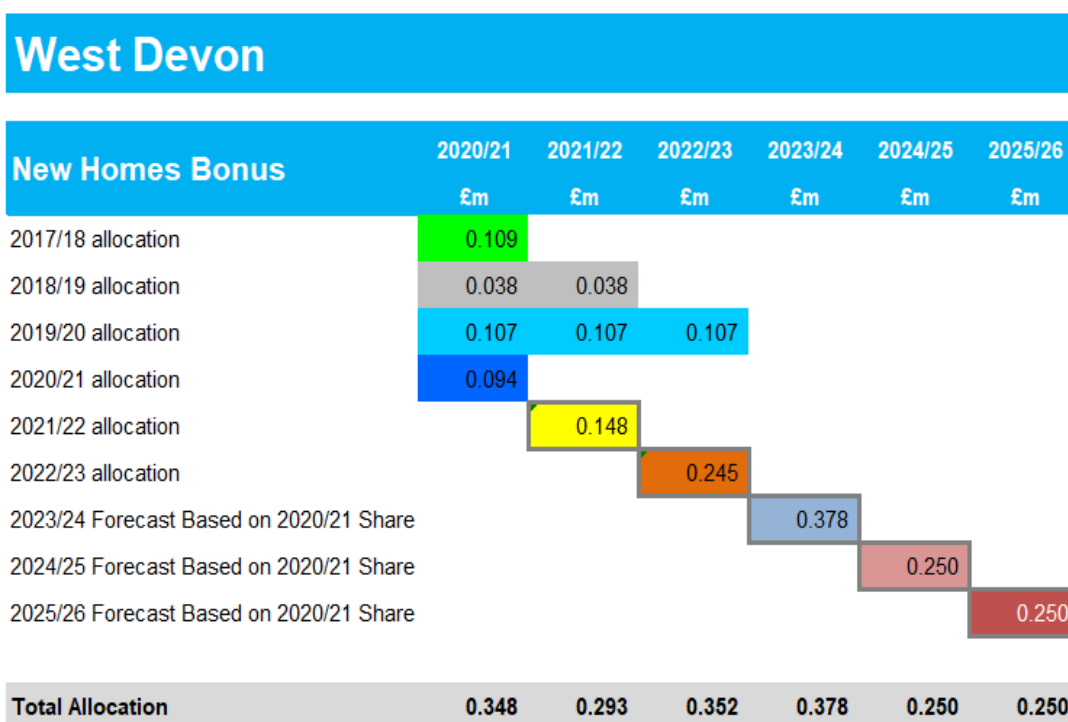
- 3.23 West Devon Borough Council will continue to be part of a Devonwide Business Rates Pool for 2022/23 and it is recommended to continue to pool for 2023/24 (until the baseline reset happens in 2024/25 at the earliest). A business rates pooling gain of £200,000 has been modelled for 2023/24 with no further gains for 2024/25 onwards when the baseline reset is scheduled to happen.

#### **Rural Services Delivery Grant**

- 3.24 Rural Services Delivery Grant has been modelled to continue for 2023/24 onwards at previous levels (£85m nationally – WDBC share of £487,296) and the methodology for distribution is assumed to remain unchanged from 2022/23. The Council will continue to lobby on the basis that the £85m should be increased. This is Government grant to recognise the additional cost of delivering services in rural areas.

### New Homes Bonus (NHB)

- 3.25 The timing of the cessation of the current NHB scheme is not clear, but if it does continue, it will be smaller in value with no historic legacy payments. The final legacy payment was made in 2022-23 and in theory there is £750m of NHB funding to be re-distributed to local authorities from 2023-24.
- 3.26 In 2022/23 the NHB allocation for the Council was £352,084. It is assumed that the roll over settlement for 2023-24 will give an amount of at least £150,000 of NHB funding (or a similar replacement housing incentive scheme) that could be used to fund the 23/24 revenue base budget. **It is estimated that the 23/24 NHB payment could be £378,000.** Of this amount, it has been modelled that £150,000 of NHB will be available to fund the revenue base budget for 2023/24. Some of the rest could be available to fund capital bids (£155,000), or to decrease the budget gap or to put into Earmarked Reserves.
- 3.27 There is a net property increase of 342 properties. When the baseline (0.4%) is deducted of 101 properties (0.4% of 25,329 overall Band D equivalent properties), this means that NHB could be payable at 80% of £1,965 (national average Band D council Tax) x 241 additional Band D properties over the baseline. So for the first 101 extra properties, WDBC receives no NHB. ( $241 \times £1965.71 \times 80\% = £378,000$ )



## **Other assumptions within the Medium Term Financial Strategy (MTFS)**

- 3.28 The last pay award offer for 2022/23 has recently been agreed. The pay award is an increase of £1,925 on all NJC pay points 1 and above with effect from 1 April 2022 and an extra day of annual leave entitlement with effect from 1 April 2023. All employees on a NJC pay spine receive a minimum 4.04% pay increase, with a minimum of £10.50 hourly rate of pay.(The estimate of the National Living Wage, set at two-thirds of medium earnings for those aged 21 and over in 2024 is £10.95). For example for Level 8, this would equate to a pay increase of around 9%.
- 3.29 The amount agreed for 2022/23 (as set out above) is higher than the amount that was previously provided for of a 2% provision.
- 3.30 The budget report includes a total provision for the 2022/23 pay award of £360,000 in 23/24. This is an extra £210,000 for the 22/23 pay award (this is the amount on top of the 2% provided for in the 22/23 budget), plus a provision of a 3% (equating to £150,000) pay award for 23/24 and thereafter.
- 3.31 The Medium Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council.
- 3.32 The Consumer Price Index (CPI) has reached 10.1% (September 2022 CPI), which is a 40 year high. Half of this increase can be attributed directly to gas/electricity price inflation.
- 3.33 An extra £150,000 cost pressure for inflation on goods and services has been included within the cost pressures in Appendix A. This is around a 150% increase in some areas of utilities.
- 3.34 Interest rates are increasing and the Bank Base rate is currently 3.0%. It is predicted that the Council's treasury management income will increase to £400,000 in 2023/24 and an extra £375,000 has been built into the MTFS for 2023/24 (the existing base budget is £25,000).

## A Plan for West Devon – The Council's 20 year vision

- 3.35 'A Plan for West Devon' sets out the Council's 20 year vision for West Devon and its communities and how we will work towards it over the next three years. It forms the strategy for both the Council as an organisation and West Devon as a Place. The six areas of focus are supported by detailed annual delivery plans.

<https://westdevon.gov.uk/plan-for-west-devon>



### Climate Change

- 3.36 The Council's annual delivery plan on 'Growing our natural environment' sets out the Council's action plan for addressing climate change and the carbon/biodiversity impact.

### OTHER BUDGET ITEMS

- 3.37 The Council will be reviewing core service delivery through on-going service reviews and will bring reports back to Members at the appropriate point, linking back to the corporate strategy.

- 3.38 The Levelling Up and Regeneration Bill is making its way through Parliament. The Government is aiming for Royal Assent in Spring 2023. There is a proposal within the bill to allow Billing Authorities the discretion to charge second home owners a council tax premium of 100% (so a second home dwelling would pay double the council tax charge). The Bill requires Billing Authorities to have a minimum period of 12 months between making its first determination and the financial year in which it takes effect. Billing Authorities might be able to charge the premium to second home owners in 2024-25, but the timing will be very tight if Authorities only get the powers in Spring 2023. A Member decision would need to be taken on this as part of the future budget setting process. Modelling shows that extra council tax income of £145,000 could be generated.

#### **Waste and Recycling service**

- 3.39 An update on the waste and recycling service was considered by the Hub Committee on 12 July 2022 and Council on 19 July 2022. A further report was considered by the Hub Committee on 1 November 2022 (Minute HC 58/22).

#### **4. Treasury Management and Borrowing Strategy**

- 4.1 The Council has previously taken external treasury management advice on the Council's overall borrowing levels and debt levels. The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £50 million in 2019 and it is not proposed to change this limit at present.
- 4.2 In 2021/22 the long term borrowing of the Council decreased from £28,342,000 (20/21) to £27,726,000. Short term borrowing increased from £603,000 to £615,000 due to the maturity profile of borrowing.

#### **5 FEES AND CHARGES**

- 5.1 As part of the budget process, fees and charges will be reviewed. A delegation is in place to enable service managers to increase fees and charges by inflation where these are not material changes or increases.
- 5.2 A recommendation on the annual subscription fee for 2023/24 for the collection of garden waste, will form part of the January 2023 Budget report to the Hub Committee.

## **6 FINANCIAL SUSTAINABILITY AND TIMESCALES**

- 6.1 The Council will continue to assess various options for closing the budget gap for 2023/24 onwards, and in the longer term, to achieve long term financial sustainability and further options will be presented to Members in further budget reports. This will consider ways to reduce the Council's operating costs and generating further income and savings.
- 6.2 Making the best use of our resources and setting a balanced budget annually is within the 'Delivering Quality Services' Draft Delivery Plan of the Council's long term strategic vision, 'A Plan for West Devon'.

## **7 Earmarked and Unearmarked Reserves Policy**

- 7.1 Unearmarked Reserves have increased by £196,000 in 2021/22 and total £1.490 million at 31 March 2022.
- 7.2 Earmarked Reserves have increased by £248,000 in 2021/22 and total £9.189 million at 31 March 2022. A full list of Reserves is shown in Appendix C. The proposed contributions to/from Earmarked Reserves are shown in Appendix A.
- 7.3 Earmarked Reserves includes £1.631m held in the Business Rates s31 Compensation Grant Reserve. This is due to a technical accounting adjustment where Councils were compensated for the business rates holidays that were announced by the Government for the retail, hospitality and leisure sectors in 2020/21 and 2021/22 (this funding is in the S31 Compensation Grant Reserve). This temporary increase in reserves will reverse back out again in the 2022/23 Accounts, to fund the deficit on the Collection Fund. Therefore this is not money which is available for the Council to spend and it is important that this is not misinterpreted in the Accounts, as this is a national issue.
- 7.4 Reserve levels will be kept under constant review and will be reviewed throughout the budget setting process to consider commitments against Earmarked Reserves, their unallocated balance and the contributions to/from Earmarked Reserves for 2023/24 and future years also. This can then be considered alongside details of the Local Government Finance Settlement.
- 7.5 At Council on 15th February 2022, Members set a minimum balance for Unearmarked Reserves of £900,000, with an operating level of a minimum of £1.25million. This was based on a risk assessment basis and a sensitivity analysis. Therefore the current level of £1.490m is still above these levels previously set.



- 7.6 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 Officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances (this was recommended at £900,000 being the minimum level in February 2022, with an operating level of £1.25million). Section 25 of the Local Government Act 2003 requires the Section 151 officer to report on the adequacy of the Council's financial resources on an annual basis.
- 7.7 The provision of an appropriate level of balances is a fundamental part of prudent financial management, enabling the Council to build up funds to meet known and potential financial commitments.
- 7.8 As highlighted above there is a high degree of uncertainty about future levels of funding for local government. However, the Section 151 Officer is keeping a close watch on developments and planning for this longer-term uncertainty. For example, the Council has a Financial Stability earmarked reserve to help secure financial stability for the longer term. This will include addressing any future financial pressures from changes in local government funding levels. The balance on the Financial Stability earmarked reserve at 31 March 2022 is £0.454m. It is also projected to increase to £0.62m in 2022/23.

## **8 CAPITAL PROGRAMME AND PRUDENTIAL BORROWING**

- 8.1 The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing.
- 8.2 Capital projects will be scored on the following criteria:
- 1 - Health and Safety compliance
  - 2 - Essential to keep operational assets open
  - 3 - Fit with the Council's Delivery Plans for 'A Plan for West Devon'
  - 4 - To rationalise service delivery or service improvement
  - 5 - To generate income, capital value or to reduce revenue costs
- 8.3 It is important that future bids for capital are aligned with the review of the thematic delivery plans and aims within 'A Plan for West Devon'.
- 8.4 **The outline capital bids (for information only) are set out in Appendix D alongside ways the Capital Programme could be financed for modelling purposes. They currently total £905,000.** Full Business cases for each of the Capital Bids will be presented to Members as part of the January cycle of budget reports. The current proposals are currently in outline only and much fuller information will be presented to Members in the next cycle of budget reports. By early January, the Local Government Finance Settlement will be known and the Council will be clearer on the amount of funding that will be available to fund potential Capital Programme bids.

- 8.5 **Regeneration and Investment Strategy** – The Council has approved a Regeneration and Investment Strategy (Minute Reference CM72, Council 5<sup>th</sup> April 2022). To date, Investment Properties have a value of £19.12 million in aggregate as at 31.3.2022.
- 8.6 Purchases made within the strategy are capital expenditure. An income projection of £300,000 from the net ancillary income from investments in Investment property has been included within the 2022/23 Base Budget and it is predicted that this will increase by £50,000 for 2023/24 in line with rental reviews.
- 8.7 The Council's Asset Base is £45.7 million at 31 March 2022. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.

## **9 NEXT STEPS AND PROPOSED WAY FORWARD**

- 9.1 The MTF5 is the starting point for developing a meaningful three year strategy that sets out the strategic intention for different strands of funding available to the Council (Hub Committee 13th September 2022).
- 9.2 The Council's budget is essentially fixed in cash terms and its ability to raise income is limited as there are national controls in place around council tax and business rates.
- 9.3 Officers will continue to work with the Hub Committee and the results of this will be incorporated into future Budget reports. This will consider ways to reduce the Council's operating costs and generating further income and savings.
- 9.4 The Council awaits the details of the Government's Local Government Finance Settlement for 2023/24 and the announcement which will enable the Council to further firm up some of the assumptions within the Revenue Budget Proposals for 2023/24. A further update will be presented to the Hub Committee in January 2023. Further options for Members' considerations of how to close the predicted budget gap of £137,296 will be presented as part of this report. The table below shows the budget timetable for the 2023/24 Budget process.

13 <sup>th</sup> September 2022	Hub Committee – To consider the three year MTFS (Medium Term Financial Strategy) for 2023/24 to 2025/26
13th December 2022	Hub Committee – To consider draft proposals for the Revenue and Capital Budget for 2023/24.
17th January 2023	Overview & Scrutiny Committee - To consider draft proposals for the Revenue and Capital Budget for 2023/24.
31 <sup>st</sup> January 2023	Hub Committee – To recommend Final Budget Proposals to Council for 2023/24
<b>16th February 2023 (9am)</b>	<b>Date which Council Procedure Rule 16 applies</b>
21st February 2023	Full Council – To approve Final Budget Proposals for 2023/24 and set the WDBC share of the Council Tax
22 February 2023	Council Tax Resolution Panel – to agree the Council Tax Resolution for 2023/24 (This is WDBC share plus all other precepting authorities share).

**Note 1-** Council Procedure Rule 16 states that ‘Where a member intends to move a motion or amendment in relation to the Budget, the text of that motion or amendment must be put in writing and submitted to the Head of Paid Service by 9am on the third working day before the meeting, in order that officers may have sufficient time to consider and advise the Council of the financial implications of any such motion or amendment’. As per the timetable above, this would need to be submitted by 9am on Thursday 16th February 2023.

## 10. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Hub Committee is responsible for recommending to Council the budgetary framework. It is the role of the Overview and Scrutiny Committee to scrutinise the Budget proposals being proposed by the Council on an annual basis. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of the Budget report is evidence of whether the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.</p>
Financial implications to include reference to value for money		<p><b><i>The forecast budget gap for 2023/24 is £137,296. This is 1.6% of the Projected Net Budget for 23/24 of £8.69million.</i></b> A cumulative budget gap of £376,867 is predicted for 2024/25 (the £376,867 assumes that the 23/24 budget gap of £137,296 has not been closed). The cumulative aggregated Budget Gap by 2025/26 is £1.35 million, if no action has been taken in each individual year to close the budget gap annually.</p> <p>The Council awaits the details of the Local Government Finance Settlement announcement in mid December, which will enable the Council to further firm up some of the assumptions within the Budget for 2023/24. Further options for Members' considerations of how to close the predicted budget gap of £137,296 will be presented as part of the January 2023 Budget report.</p> <p>There is no indication yet of the detailed local government funding levels for 2023/24 and beyond. Therefore there are many uncertainties in preparing for the challenges we know we will face in the near future.</p>

		<p>As part of Grant Thornton’s external audit of the Statement of Accounts for 2021/2022, they will assess the arrangements the Council has in place for:-</p> <ul style="list-style-type: none"> <li>• Improving economy, efficiency and effectiveness</li> <li>• Financial Sustainability</li> <li>• Governance</li> </ul> <p>The outcome of Grant Thornton’s work in this area will be reported to Members at the Audit Committee meeting in March 2023.</p>
Risk		Each of the budget options taken forward by Members will consider the risks of the option.
Supporting Corporate Strategy		The majority of activities set out in the Council’s delivery plans can be delivered through refocusing and reprioritisation of existing resources however, in order to realise the ambition set out in the strategy, some of the activities will require additional resources.
Climate Change - Carbon / Biodiversity Impact		<p>A report was presented to Council on 8<sup>th</sup> December 2020 ‘Climate Change and Biodiversity Strategy and Action Plan update’.</p> <p>In March 2021, Council approved to set up an Earmarked Reserve for £200,000 for the Recovery Plan and Corporate Strategy.</p> <p>Further detail is set out in the Council’s ‘A Plan for West Devon’ strategic vision.</p>
Comprehensive Impact Assessment Implications		
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Equality and Diversity		Equality Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

## **Supporting Information**

### **Appendices:**

Appendix A – Budget pressures and savings

Appendix B – Modelling of the Budget Position

Appendix C – Schedule of Reserves

Appendix D – Outline Capital bids for 2023/24

Appendix E – Glossary of Terms in Local Government Finance

### **Background Papers:**

None

**WEST DEVON BOROUGH COUNCIL**

**BUDGET PRESSURES**

	<b>BASE 2022/23 £</b>	<b>Yr 1 2023/24 £</b>	<b>Yr 2 2024/25 £</b>	<b>Yr 3 2025/26 £</b>
Waste collection, recycling and cleansing contract inflation (estimate) - assume 7.5% 2023/24 onwards (23/24 also includes some extra inflation provision from 22/23)	80,000	345,000	225,000	225,000
Waste collection, recycling and cleansing contract - Council 19 July 2022	0	400,000	0	0
Triennial Pension revaluation (increase in Pension Employer primary rate contributions)	0	75,000	0	0
Inflation on goods and services	70,000	150,000	150,000	150,000
Increase in salaries - increments and pay and grading	50,000	175,000	75,000	75,000
Salaries - 22/23 award of £1,925 per Scale point has been modelled (an extra £210,000 on top of the 2% provided for) plus provision for pay award at 3% (£150,000) from 2023/24 onwards, total pay including on-costs of £5m	90,000	360,000	150,000	150,000
Reduction in car parking income	0	150,000	0	0
Increase in external audit fees	0	60,000	0	0
Housing Delivery Team - Hub Committee 7th June 2022	0	29,800	0	0
Head of Revenues and Benefits - Hub Committee 12th April 2022	0	30,000	0	0
The Planning Improvement Plan, Hub Committee 7 June 2022, noted that the cost of the restructure, £33K per annum, will be funded for the first three years from the additional planning income held in the planning earmarked reserve.	71,000	33,000	0	0
A Plan for West Devon - Council 28.9.21 - £122,000 cost pressure for 22/23 and £168,000 for 2023/24	122,000	46,000	(168,000)	0
Reduction in Housing Benefit administration subsidy	10,000	10,000	10,000	0
National Insurance and National Living Wage (social care levy of 1.25% and NLW increases)	60,000	100,000	100,000	100,000
IT Support contracts	30,000	0	0	0
Rough sleeper outreach worker (WDBC share of the cost is 40%), to be funded from Government Homelessness grant	16,000			
Reduction in treasury management income	80,000	0	0	0
Community composting groups	10,000	0	0	0
<b>TOTAL IDENTIFIED BUDGET PRESSURES</b>	<b>689,000</b>	<b>1,963,800</b>	<b>542,000</b>	<b>700,000</b>

**WEST DEVON BOROUGH COUNCIL**

**Contribution to Earmarked Reserves**  
(This line shows the annual contributions into the Reserve)

	<b>BASE 2022/23 £</b>	<b>Yr 1 2023/24 £</b>	<b>Yr 2 2024/25 £</b>	<b>Yr 3 2025/26 £</b>
Contribution to IT Development Reserve (£50K per annum)	50,000	50,000	50,000	50,000
Contribution to Planning Reserve (£25K per annum)	25,000	25,000	25,000	25,000
Contribution to Elections Reserve (20K per annum)	20,000	20,000	20,000	20,000
Contribution from the Planning Reserve for the cost of the restructure within the planning service - Hub Committee 7 June 2022 - to be funded for the first three years from the additional planning income held in the planning earmarked reserve		(33,000)	(33,000)	(33,000)
Contribution from Business Rates Retention Reserve to smooth the volatility in business rates income from the baseline reset	(75,000)	(150,000)	(150,000)	(150,000)
Contribution from the Flexible Homeless Government Grant for three housing posts (wdbc share of costs) and the rough sleeper outreach post	(48,500)	0	0	0

**BUDGET PRESSURES AND SAVINGS - BUDGET PROPOSALS FOR 2023/24**  
(This shows the changes to the existing Base Budget)

**APPENDIX A**

Contribution to Vehicles Replacement Reserve (£50K per annum) - Minute CM42	50,000	50,000	50,000	50,000
Contribution to Joint Local Plan Earmarked Reserve	25,000	25,000	25,000	25,000
Contribution to Financial Stability Earmarked Reserve off in 2022-23) (one-	162,850			
<b>Total Contribution to Earmarked Reserves</b>	<b>209,350</b>	<b>(13,000)</b>	<b>(13,000)</b>	<b>(13,000)</b>

**SAVINGS AND INCOME GENERATION IDENTIFIED**

	<b>BASE 2022/23 £</b>	<b>Yr 1 2023/24 £</b>	<b>Yr 2 2024/25 £</b>	<b>Yr 3 2025/26 £</b>
Income from Investment properties (£300,000 is in the Base Budget for 2022/23) - periodic upwards rental reviews on investment properties	0	50,000	25,000	0
Management fee income from external contracts such as leisure - Council 15 February 2022	0	45,500	434,500	0
IT FIT Project - software savings	70,000	10,000	0	0
Establishment savings (salary savings) gained from IT and digital communications	20,000	50,000	0	0
Extra recycling income - this income has already been achieved in 2021-22	60,000	190,000	0	0
Extra trade waste income	0	30,000	0	0
Extra treasury management income to reflect increases in the Bank Base rate	0	375,000	0	0
Savings on staff and Member travel and expenses	0	30,000	0	0
Housing Benefit overpayments	0	40,000	0	0
Reducing homelessness costs through Springhill provision	0	0	0	100,000
Extra planning income (to fund four planning specialists and two legal specialists) - Planning Improvement plan - Hub Committee 2 November 2021	71,000	0	0	0
Income from three weekly trials (Hub Committee 15th September 2020)	(50,000)	0	0	0
Additional Employments estates income	50,000	50,000	0	0
Funding from Homelessness prevention government grant (this funds housing posts - funding to be reflected within the base budget)	0	175,000	0	0
Discretion to charge up to an extra 100% extra council tax on Second Homes (timescale is that legislation maybe introduced for 24-25 but it also could be delayed to 25-26) A Member decision would need to be taken on this as part of the future budget setting process. The figure shown is for modelling purposes only.			145,000	0
<b>TOTAL SAVINGS AND INCOME GENERATION</b>	<b>221,000</b>	<b>1,045,500</b>	<b>604,500</b>	<b>100,000</b>



<b>Modelling assumptions: Assumes Council Tax is increased by £5 annually</b>	<b>BASE</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>
Modelling for the financial years 2023/24 onwards	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>
Base budget brought forward	7,301,695	7,769,695	8,550,699	8,248,628
Budget pressures (as per Appendix A)	689,000	1,963,800	542,000	700,000
Savings already identified (as per Appendix A)	(221,000)	(1,045,500)	(604,500)	(100,000)
<b>Projected Net Expenditure:</b>	<b>7,769,695</b>	<b>8,687,995</b>	<b>8,488,199</b>	<b>8,848,628</b>
<b>Funded By:-</b>				
<b>Council Tax income</b> - Modelling a £5 increase in council tax each year (Taxbase 22/23 = 20,687.75 Band D Equivalent properties)	5,102,220	5,243,403	5,386,086	5,530,270
Collection Fund Surplus	152,000	377,000	200,000	200,000
Localised Business Rates	1,700,000	1,850,000	2,000,000	2,000,000
Business Rates Tariff/Top Up Adjustment amount (Negative Revenue Support Grant change to baseline need assumed to start in 2024/25)	0	0	(227,500)	(227,500)
Business Rates Pooling Gain	200,000	200,000	0	0
Funding from Rural Services Delivery Grant	487,296	487,296	497,042	497,042
Funding from New Homes Bonus	150,000	150,000	150,000	150,000
Funding from Lower Tier Services Grant	73,923	74,000	74,000	74,000
Funding from New Services Grant	113,606	156,000	156,000	156,000
Less: Contribution to Earmarked Reserves	(209,350)	13,000	13,000	13,000
<b>Total Projected Funding Sources</b>	<b>7,769,695</b>	<b>8,550,699</b>	<b>8,248,628</b>	<b>8,392,812</b>
<b>Budget gap per year</b> (Projected Expenditure line 4 - Projected Funding line 15)	<b>0</b>	<b>137,296</b>	<b>239,571</b>	<b>455,816</b>
<b>Actual Predicted Cumulative Budget Gap</b>	<b>0</b>	<b>137,296</b>	<b>376,867</b>	<b>832,683</b>
<b>Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)</b>	<b>0</b>	<b>137,296</b>	<b>514,163</b>	<b>1,346,846</b>

<b>Modelling Assumptions: (Assumes an increase in Band D Equivalent properties of 150 per annum)</b>				
Council Tax (Band D) (an increase of £5 per annum has been modelled)	246.63	251.63	256.63	261.63
Council TaxBase	20,687.75	20,837.75	20,987.75	21,137.75

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RESERVES - PROJECTED BALANCES					APPENDIX C
	Opening Balance 01.04.2022 £000's	Additions to Reserve 2022/23 £000's	Predicted Spend 2022/23 £000's	Closing Balance 31.03.2023 £000's	Comments
<b>EARMARKED RESERVES</b>					
<b>Specific Reserves - General Fund</b>					
Affordable Housing (Revenue)	0	172		172	This is a new reserve set up as part of the 2022/23 Budget setting process and has been created from a one off contribution from the New Homes Bonus funding in 2022/23 (£172,084).
2016/17 Budget Surplus Contingency	86		(51)	35	This is the Budget Surplus from 2016/17 which was put into an Earmarked Reserve. Commitments relate to Capital Programme funding.
Broadband Community Support	50			50	As per the report to the Hub Committee on 1st December 2020, Council approved the creation of a Broadband Community Support Earmarked Reserve, to be financed by transferring £50k from the existing Business Rates Retention Earmarked Reserve in 2020/21.
Car Parking Maintenance	534		(158)	376	The commitments in 2022/23 include Brook Street Car Park.
COVID Losses Earmarked Reserve	254			254	This reserve was set up in 2020/21 to protect against future COVID losses.
Economic Grant Initiatives	26		(4)	22	
Elections	34	20		54	
Environmental Health Initiatives	20			20	
Financial Stability	454	163		617	This reserve was created in 2018/19 from the Business Rates Pilot funding. This funding was set aside to assist to smooth out future years' funding variations or reductions, in particular any changes from the Fair Funding Review. A one off contribution of £162,850 was approved as part of the 2022/23 budget (Council Feb 2022)
Flood Works	15			15	
Grounds Maintenance	78		(10)	68	This reserve holds the Grounds Maintenance in year surpluses to be reinvested back into the service.
Homelessness Prevention	244		(139)	105	This reserve has been created following underspends on Homelessness Prevention Costs. The main commitment in 2022/23 relates to the Housing restructure costs (£101k) - Hub 7/6/22
ICT Development	25	50	(13)	62	Predicted spend in 2022/23 relates to the Future IT project
Innovation Fund (Invest to Earn)	378		(255)	123	This reserve originated from New Homes Bonus funding. Commitments in 2022/23 mainly relate to Capital Programme funding including the upgrading of Hayedown Depot.
Joint Local Plan	0	25		25	
Leisure Services	48		(36)	12	Commitments relate to Capital Programme funding.
Maintenance Fund (Estates)	361		(3)	358	
Management, Maintenance & Risk Management	418	117		535	This is a relatively new reserve set up to manage the ongoing maintenance costs of the Council's Investment Property Portfolio. The contributions to the reserve equate to 10% of the rental income on an annual basis.
Neighbourhood Planning Grants	47			47	
New Homes Bonus (NHB)	506	352	(535)	323	The NHB allocation for 22/23 is £352,084. Projected spend in 2022/23 relates to £150k contribution to the base revenue budget, £30k contribution to the Capital Programme and £172,084 contribution to the Affordable Housing Earmarked Reserve. In addition there are commitments from previous years for the Capital Programme budget.
Outdoor Sports & Recreation Grants	16			16	
Planning Policy and Major Developments	146	25	(33)	138	This reserve is for all planning matters and is also required to meet appeal costs. The predicted spend for 2022/23 relates to the Planning restructure. The cost of the first three years of this restructure is to be met from additional planning income in the Planning earmarked reserve (Hub 7/6/22)
Recovery Plan and Corporate Strategy	182		(172)	10	In March 2021 the Hub Committee recommended to Council to transfer £200k of the 2020/21 projected surplus into a new Recovery Plan and Corporate Strategy Earmarked Reserve. Projected spend in 2022/23 relates to 'A Plan for West Devon' commitments.
Revenue Grants	1,417		(69)	1,348	This reserve comprises of government grants received for specific initiatives or new burdens and are held in the reserve for accounting purposes. £80,000 of this reserve has been earmarked to fund the Council's share (40%) of a 2 year fixed term senior role to drive customer service and operational efficiency (Hub 13/9/22 - Medium Term Financial Strategy). An estimated £20k has been included for 2022/23 - six months of this 2 year senior role. The other commitment for 2022/23 of £49k relates to the funding of three housing posts which were made permanent in the 2020/21 budget process and are funded from the Flexible Homelessness Support Grant
Support Services Trading Opportunities	20			20	This reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme.
Strategic Change (T18)	67		(10)	57	
Tree Maintenance	17			17	A new reserve set up in 2021/22 to hold in year surpluses generated to reinvest back into the Tree maintenance service in future years
Vehicle Replacement	328	50	(229)	149	This is a new reserve set up to fund the Council's vehicle replacement programme (Council 4 Dec 2018). £50K a year is contributed to this reserve.
Waste & Cleansing Options Review	658		(450)	208	Detail is set out in the Hub Committee report of 12 July 2022. This is for capital work at Hayedown depot and an additional vehicle.
Other Reserves below £15,000 (combined)	42		(16)	26	
<b>Sub Total excluding the Business Rates Reserves</b>	<b>6,471</b>	<b>974</b>	<b>(2,183)</b>	<b>5,262</b>	
Business Rates Retention	1,087		(256)	831	This relates to a timing issue on the accounting adjustments required for the localisation of business rates. This reserve also deals with any volatility in Business Rate income. In 2022/23 £75,000 has been earmarked to smooth the volatility in business rates. In addition there are capital programme funding commitments.
S.31 Compensation Grant (Business Rates)	1,631	253	(1,477)	407	This is a new reserve set up to hold the business rates S31 grants received in 2020/21 and 2021/22 to offset the business rate reliefs given to businesses during lockdown. Under current Collection Fund accounting rules, the S31 grants received will not be discharged against the Collection Fund deficit until the following year, 2022/23. This reserve is not money which is available for the Council to spend and it is important that this is not misinterpreted in the Accounts, as this is a national issue.
<b>TOTAL EARMARKED RESERVES</b>	<b>9,189</b>	<b>1,227</b>	<b>(3,916)</b>	<b>6,500</b>	
<b>TOTAL UNEARMARKED RESERVES</b>	<b>1,490</b>		<b>(70)</b>	<b>1,420</b>	Note: This Unearmarked Reserve has a minimum balance of £900,000 and an operating level of a minimum of £1.25million (set by Members as part of the Budget Process). The projected deficit for 2022/23 of £70k (as set out in the report) would be funded from this Unearmarked Reserve, in accordance with normal accounting practice.
<b>TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)</b>	<b>10,679</b>	<b>1,227</b>	<b>(3,986)</b>	<b>7,920</b>	

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Outline Capital Bids for 2023/24 for information only, with Full Business Cases to be presented to Members for consideration in January 2023					
Priority Criteria					
Statutory Obligations	1	Compliance, H&S, DDA			
	2	Essential to keep Operational Assets open			
Strategic Plan	3	Fit with the Council's Delivery Plans for 'A Plan for West Devon'			
Good Asset Management	4	Rationalise service delivery or service improvement			
	5	Generate income, capital value or reduce revenue costs			
Service	Site	Project	Lead officer	Outline Capital Bids for 2023/24 for information only, with Full Business Cases to be presented to Members for consideration in January 2023 £'000	Priority code
Placemaking		Community Project Grants (annual bid)	RS	30	1,3,4
Commercial Services		Waste Fleet Replacement - annual contribution (already approved as per the Council minute from December 2018)	SM	50	1,2,3,4
Assets		Upgrades to the communal areas and meeting areas at Kilworthy Park and decarbonisation surveys for Council assets (new bid)	LW	100	1,2,3,4,5
IT		Provision of software robots - to be utilised by multiple service areas to automate tasks (new bid)	JD	25	3,4,5
Private Sector Renewals (inc Disabled Facility Grants) - funded by Government Grant funding from the Better Care Fund. This funding is passported from Devon County Council to West Devon BC to administer the scheme.		22/23 allocation was £697,230 – assume 23/24 allocation will be of a similar value.	IL	700	1, 3
<b>Totals</b>				<b>905</b>	

<b>TO BE FINANCED BY:-</b>		
New Homes Bonus funding (from the 2023/24 allocation) - (If a NHB allocation is not made in 23/24 in the Finance Settlement, this will need to be revisited)	155	
Revenue contribution from the Vehicles and Plant Earmarked Reserve (see Appendix A)	50	
Better Care funding (Government grant scheme) for private sector renewals and disabled facility grants. This funding is passported from Devon County Council to West Devon BC to administer the scheme.	700	
<b>Total financing for the Capital Programme</b>	<b>905</b>	

## Glossary of terms – Local Government Budgeting

**Balances** - the cash which the authority uses in the normal course of its business to aid cash management and meet contingencies not otherwise provided for. These are also known as Reserves.

**Base Budget** - the budget from the previous year is taken forward to create the initial budget for the next year before inflation and other adjustments such as budget pressures and savings are added/deducted.

**Billing Authorities** - the tier of local authority who are responsible for the billing and collection of 'Council Tax' and 'Business Rates' in its local area. In two-tier areas this is the District Council. West Devon Borough Council is a Billing Authority.

**Budget** - The Council's aims and policies set out in financial terms, against which performance is measured. Both capital and revenue budgets are prepared each financial year.

**Budget Gap** - where the estimated expenditure is higher than the estimated income in a budget, there is said to be a 'budget gap'. A **Cumulative Budget Gap** assumes annual new budget gaps have not been addressed and is used purely for modelling the overall budget position.

**Business Rates – National Non-Domestic Rates ('NNDR')** – the tax raised on non-domestic properties, based each year on a 'Business Rates Multiplier' applied to an assessment of the value of the property. This is the means by which local businesses contribute to the cost of local services. The level of business rates is set by the Government. Business rates are collected by District Councils (such as WDBC) and a proportion is paid over to Central Government, with the remainder retained locally and shared between the District Councils and the County Council. WDBC is also part of a Business Rates pool so business rates are pooled with all Devon Councils.

**Business Rates Baseline Funding Level** – the amount of 'Business Rates' income the Government believes a local authority needs to deliver local services. This is the Council's share of the 'Business Rates' income.

**Business Rates Reset** – this is the mechanism used by Government to redistribute the 'Business Rates' growth retained by some councils back into the Business Rates system. This could have a significant impact on the business rates retained by the District Council. The Business Rates Reset has been delayed for successive years and the current budget modelling has assumed that it will be delayed until at least 2024/25. Whilst this change is not confirmed by the Government, a reset based on the current tax base would appear very unlikely.

**Business Rates Retention** - the system under which the Council is able to keep a proportion of the 'Business Rates' raised in any year in excess of a baseline measure.

**Business Rates Tariff** - a local authority must pay a levy (tariff) if its individual 'Business Rates Baseline' is greater than its baseline funding level. Conversely a local authority will receive a **Business Rates Top-Up** if its baseline funding level is greater than its 'Business Rates Baseline'. District Councils such as WDBC are normally 'Tariff Authorities' and County Councils such as DCC are 'Top-Up' Authorities.

**Business Rates Multiplier** - the annual amount established by central government used in the calculation of the 'Business Rates' bill. This amount is multiplied by the businesses rateable value to derive the size of the 'Business Rates' bill for the year. For 2022-23 the small business multiplier will remain at 49.9 pence.

**Business Rates Pool** - an agreement between neighbouring councils to add together to combine their 'Business Rates' activities in a pool. This is designed to maximise the ability for councils to retain 'Business Rates' locally. West Devon Borough Council is part of the Devon Business Rates Pool. It is recommended that WDBC continues to be part of the Devonwide Business Rates Pool for 2023/24. A 'Business Rates' pooling gain of £200,000 has been modelled for 2023/24.

**Capital Expenditure** - expenditure either on the acquisition of a fixed asset (e.g. land, buildings, vehicles), or expenditure which adds to and not merely maintains the value of an existing fixed asset.

**Capital Financing** - the Council's arrangement for meeting the cost of 'Capital Expenditure' covering grants, 'Capital Receipts' and charges to revenue over the period that will benefit from the expenditure. Capital Financing includes borrowing to fund the Capital Programme, made up of principal repayments and interest (similar to a mortgage). Borrowing can only be used to fund capital expenditure, borrowing cannot fund revenue expenditure.

**Capital Programme** – this provides details on the planned expenditure on capital projects over a period of years, and the resources available to fund those schemes.

**Capital Receipts** - the proceeds of sale from the disposal of assets such as land and buildings. They can be used to finance new capital expenditure, but not revenue.

**Capping** - Government power to limit an authority's budget requirement and hence the 'Council Tax' that it sets. This terminology has been superseded by council tax referendum criteria.

**CIPFA** - The Chartered Institute of Public Finance and Accountancy - the accountancy body primarily concerned with public services that issues guidance on accounts preparation for local authorities.



**Collection Fund** - a separate, statutory, account maintained by 'Billing Authorities' such as WDBC into which 'Council Tax' receipts are paid, and from which 'Precepting Authorities' are paid. A Collection Fund is also maintained for the collection and re-distribution of 'Business Rates'.

**Core Spending Power** – this is the term the Government use to say how much money Councils have to run their services. It's a headline figure used by the Government to represent the key revenue resources available to local authorities, including an estimate of actual and potential 'Council Tax'.

**Council Tax** - a local tax on domestic properties set by local authorities and based on the value of the property within eight bands, A to H. The 'Council Tax' value of each band is expressed as a proportion of band D.

**Council Tax Base** - the number of properties in a local authority area from which it is estimated 'Council Tax' will be collected, expressed as the number of equivalent band D properties using pre-set ratios. The tax base can increased by building new homes as well as by increasing the 'Council Tax' Band D amount itself.

**Council Tax/Collection Fund Surplus or Deficit** - a surplus/deficit arising from either more or less 'Council Tax' being collected than expected by District Councils. This would be as a consequence of variations in collection rate or variations to the estimated increase in the number of properties. The annual surplus/deficit is distributed on an annual basis to 'Precepting Authorities'.

**Council Tax Requirement** - the amount of funding required to be raised from 'Council Tax' to meet the expenditure plans of the authority after taking into account all other funding sources such as business rates income.

**Earmarked Reserves** – these are amounts of money which have been set aside for a specific purpose to meet future spending plans or contingencies.

**Fees and Charges** - income raised by charging users of services directly for services used e.g. car parking income, planning income.

**General Fund** the council's main revenue account which includes day to day income and expenditure on the provision of services.

**General Fund Balance** – also known as '**Unearmarked Reserves**' - the surplus or deficit on the 'General Fund' at a particular date arising from all transactions up to that date, showing the ability of the Council to fund future revenue expenditure (surplus) or the requirement to make savings or raise additional income (deficit). At Council in February 2022, Members have set a minimum balance for Unearmarked Reserves of £900,000, based on a risk assessment basis and a sensitivity analysis.

**Gross Expenditure** - the total cost of providing services before the deduction of government grants or other income.

**Local Government Finance Settlement** - the annual announcement by Government of the amount of grant funding to be provided for the forthcoming year. The provisional settlement is usually announced in mid-December, with a final settlement confirmed in mid to late January.

**Lower Tier Authorities** - Shire District Councils in a two-tier area, who act as 'Billing Authorities' such as West Devon Borough Council.

**Lower Tier Services Grant** - this is a new grant introduced in 2021/22 provided specifically to lower tier authorities. It is currently anticipated that this grant will continue for 2023/24.

**Medium Term Financial Strategy (MTFS)** - this sets out the budget strategy for the Council for the next three years. The Council has chosen a three year timeframe for its MTFS, as this dovetails to the timescales of the Corporate Strategy, 'A Plan for West Devon'. The Council will then be able to rely on this to inform future decisions.

**Negative RSG – Negative Revenue Support Grant** – This is effectively negative government grant, the Council's further predicted funding cuts. The Council would have to make a payment to Government of some of its business rates income, hence the term 'negative'. The latest budget modelling assumes negative RSG of £227,500 in 2024/25 and £227,500 in 2025/26. Some of the negative RSG could be offset by growth.

**Net Expenditure** - the cost of providing a service after the deduction of specific government grants and other sources of income but excluding the use of reserves.

**NNDR** – National Non-Domestic Rates – see **Business Rates**

**New Homes Bonus** - The New Homes Bonus (NHB) scheme was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. The aim of the NHB was to provide a financial incentive to reward and encourage local authorities to help facilitate housing growth. The Council receives 80% of the average national council tax (£1,965) for each property growth over the baseline, this equates to £1,572 per property. In 2022/23 the NHB allocation for West Devon was £352,084. Although the NHB scheme is due to be replaced, it is assumed in the latest budget modelling that the roll over settlement for 2023/24 will give an amount of at least £150,000 of NHB funding (or a similar replacement housing incentive scheme) that could be used to fund the 23/24 revenue base budget.

**Precept** – the levy made by 'Precepting Authorities' including the County Council on 'Billing Authorities' (West Devon Borough Council), requiring it to collect the required income from Council Tax payers on their behalf.

**Precepting Authorities** – these bodies do not collect 'Council Tax' directly but instruct 'Billing Authorities' such as WDBC to do it on their behalf. For West Devon Borough the Major Precepting Authorities for 'Council Tax' are Devon County Council, Devon & Cornwall Police & Crime Commissioner and Devon & Somerset Fire Authority. The Local Precepting Authorities are Town and Parish Councils.

**Prudential Code** - this is a code of practice agreed between Government and CIPFA that regulates local council capital spending and financing. The Code allows local authorities to set their own borrowing limits based upon affordability, sustainability and prudence.

**PWLB - Public Works Loans Board** - a statutory body operating within the United Kingdom Debt Management Office, which is an Executive Agency of HM Treasury. Its function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

**Reserves** - amounts of money put aside to meet certain categories of expenditure. Reserves can be 'Earmarked' and 'Unearmarked'.

**Revenue Expenditure** - comprises the day to day costs associated with running the Council's services and financing the Council's outstanding debt. The costs such as staff salaries, contract expenditure and general running expenses (heat, light and utilities) are financed from income.

**Revenue Support Grant (RSG)** - the main grant paid to councils by the Government. The amount of this grant has been severely reduced since 2010 and the Council no longer receives any RSG. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £3 million. The Council now receives no main Government Grant (Revenue Support Grant) – see **Negative Revenue Support Grant**.

**Rural Services Delivery Grant** - This is Government grant introduced to recognise the additional cost of delivering services in rural areas. Rural Services Delivery Grant has been modelled to continue for 2023/24 onwards at previous levels (£85m nationally – West Devon Borough Council share of £487,296)

**Settlement Funding Assessment (SFA)** - this is essentially the 'Business Rates Baseline' and is the amount of money the Council retains from its share of the 'Business Rates' income.

**Section 151 Officer (S151 Officer)** – the responsible financial officer. Every council, by law will designate an individual officer as having legal responsibility over providing effective financial management and advice across the Council. The post holder must be a qualified member of one of the main accountancy bodies in the UK. This is currently Lisa Buckle.

**Unearmarked Reserves** – see **General Fund Balance**

**Upper Tier Authorities** – in two-tier areas, this is the County Council (This is Devon County Council in the WDBC area).

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Report to: **Hub Committee**

Date: **13 December 2022**

Title: **Customer Access Strategy & Contact Centre Update**

Portfolio Area: **Inclusive & Accessible Services – Cllr Cheadle**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: Jim Davis Role: **Head of Customer Service Improvement**

Steve Mullineaux **Director, Customer Service Delivery**

Contact: **Jim.davis@swdevon.gov.uk**

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## **RECOMMENDATIONS:**

**That the Hub Committee:**

- 1. Approves the Customer Access Strategy principles and approach set out in section 3.**
- 2. Endorses the approach and actions to implement the Customer Access Strategy set out in section 4.**
- 3. Notes the actions taken to improve the Contact Centre performance in Appendix A.**

### **1. Executive summary**

- 1.1 Within the Council's Plan for West Devon strategy "Inclusive and Accessible Council Services" is a key theme. The strategy states that the Council will:
  - i. Become a 'Digital First' Council
  - ii. Use new technologies to deliver tangible service improvements to residents and deliver efficiencies for the organisation
  - iii. Support those residents in most need to get access to the services they need

- 1.2 Action IA1.2 from the Plan for West Devon delivery plan states that the Council will 'Develop a strategy setting out how our customers can access our services in the future, be that face to face, online or on the phone'
- 1.3 It is important that we make contacting our Council as easy as possible, with clearly defined access options and in the most efficient way, whilst supporting those who cannot access our services online.

## **2. Background**

- 2.1 The Council has been working towards transforming and offering innovative digital services for a number of years. This has enabled the Council to maintain core services within the budgetary constraints whilst still dealing with unexpected workload demands. This approach enables flexibility by allowing work and capacity to be moved around strategically as opposed to just reacting to unforecastable demand.
- 2.2 Core service delivery was maintained throughout the Covid period as we were able to switch to fully remote working and manage the additional demand being received via digital channels. Many councils stopped services or blocked whole access routes or responses from departments to deal with demand, but our forward-thinking approach meant that all Covid secure access channels remained open throughout the pandemic and no services were stopped. It also ensured we were well-placed to take on a range of new tasks efficiently and effectively including administering a bewildering array of different business grant processes with speed and accuracy.
- 2.3 New technology offers new ways to interact, and as they become mainstream it is important that we take advantage of the opportunities presented whilst still supporting those who need it.
- 2.4 In the past customer access was based on opening times and reception spaces, physical documents were created and received. Each job required a level of admin and manual rework that would be unsustainable now. By taking advantage of new technology, new approaches and new ideas to automate, we can continue to improve the service for residents who wish to make service requests themselves 24/7 via web-based tools, ensuring we retain the capacity to support those people who need it. The challenges the Council now face require joined up thinking to meet customer expectations and work toward strategic goals.
- 2.5 Being accessible isn't just about maximising the number and type of contact routes available but about being effective and responsive with the ones you have. Whichever access route is chosen by the customer, the information we need to process

their requests and the responses we need to give should be the same.

### 3. Customer Access Strategy

- 3.1 Digital is not just about technology, it encompasses our behaviours, people and our culture and needs to be fully embraced as 'the way we do things' in the Council. It is our challenge to effectively engage with, understand, collaborate and better serve our customers and communities in digital first environments. We must use digital to create more engagement, inclusion and opportunities into every corner of our community. Our definition of a customer is any residents, supplier, business or partner that interacts with our services.
- 3.2 Our customer experience will be effortless, and digital first. Customers' first thought will be to go to our website with a question in mind, and come away with the answer they need, and wherever possible apply for the service they need online. No phone call or email required, with no confusion as to what happens next.
- 3.3 In the past our approach to digital was that it was a choice for those that can, now our approach to digital is that those who can, should (and the vast majority already do). The advantages / disadvantages are clear, choosing a different contact route is likely to be more onerous for customers and reduces our capacity to support those who can't go online or for complex cases that need additional support.
- 3.4 A **Digital First** approach offers significant benefits:
  - It is *better* for those that can:
    - The Council is always open 24/7, customers can transact with the Council at their convenience
    - Faster response
    - Consistent help and support
    - No queueing
    - Fewer errors
  - It is *better* for those that can't:
    - Digital First creates capacity to support those who can't interact online.
  - It is *better* for the Council:
    - Improved Customer Service
    - Consistent Customer Service
    - Better work management, prioritisation, and resource allocation
    - Improved and better automation
    - Cleaner data
    - Greater efficiencies

3.5 The Council's **Digital First Principles** are:

- A consistent approach to transactions so the experience is the same irrespective of access route chosen.
- A customer centric design - consider all customer access channels when designing or changing services
- Focus the website on transactions and enabling self-service, 24/7
- Guide contact to the most efficient route to free up capacity
- Utilise the capacity to provide more tailored support to those that need it
- Use our data to adapt services based on actual usage and demand

3.6 The **Outcomes** we will achieve are:

- Our customers are satisfied with our online services and would recommend a friend to use them
- All customer facing forms are available on our website
- Our website and forms can be accessed on any device
- All digital services will look and feel consistent as one West Devon service to the customer
- Services are accessible digitally 24/7
- By the end of March 2024, 80% of interactions with residents are via our online channels

## 4 Progress made to date

4.1 The Council has already undertaken a review of the operation of the contact centre. This has already demonstrated improvements in terms of the number of calls answered, improved answering times and reduced call waiting times. Appendix A contains further details of the actions already undertaken, the benefits realised and the actions that are planned over the coming months

4.2 In addition to the contact centre, several other projects are underway that will improve access, consistency, and offer improved services across all Council services for our residents and customers. These include the following service areas:

- Council Tax, Business Rates and Housing Benefits
- Environmental Health & Licencing

4.3 A new website is currently being developed based on the technology used by gov.UK. Go live is anticipated before the end Q2 of 2023/24. The new website will provide clearer content and as result enable customers to access the service information they need quickly, improving the customer experience overall.

4.4 The reception area at Follaton House has been closed since the Covid pandemic. The cost and management overheads of



operating a full-blown reception service are significant for a service that has seen a vast reduced demand due to changes in customer behaviour. However, it recognised that for a very small number of customers there is a need to offer more than a telephone number to call. Scoping of work has begun and is expected to commence from Q4 2022/23

- 4.5 The reception area at Kilworthy Park has been operating on a pilot basis since May 2022, opening on Tuesdays and Thursdays. The data shown in Appendix A demonstrates that demand is extremely low and not proportionate to the resource required to man the reception desk.
- 4.6 Officers are investigating a virtual reception area, which would allow those customers that do visit the Council offices on an adhoc basis, to enter and speak to someone that can help them over a video interface, offer computer access to our digital services. Likewise, work is ongoing to offer an appointment-based system (similar to the existing planning service) across key services such as Council Tax, Housing and Housing Benefits. This work should be completed by the end of Q3 2022/23.
- 4.7 As of the end of November 2022, the Council will have implemented the ability to send text messages to any customer from our Netcall Liberty Create system. Anybody using the system to manage work can now send a text message to a customer either from within a process, or against the customer account. This could be used in a process to; let a customer know we tried to call but couldn't get through, answer a simple question, or request more info or a reply to a time dependent email. This facility could be used outside a process to, for example if a customer is in our call waiting queue and they are calling from a mobile, the system can automatically send a link to fill in an online form or pass links on for further information/FAQs etc...

## 5 Recommendations

- 5.1 Approve the Customer Access Strategy principles set out in section 3.
- 5.2 Endorse the approach and actions to implement the Customer Access Strategy set out in section 4.
- 5.3 Note the actions taken to improve the Contact Centre performance in Appendix A.

## 6 Implications

Implications	Relevant to	Details and proposed measures to address
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	proposals Y/N	
Legal/Governance	N	N/A
Financial implications to include reference to value for money	N	All improvements managed through existing budgets
Risk	N	
Supporting Corporate Strategy	Y	
Climate Change - Carbon / Biodiversity Impact	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	
Safeguarding	N	
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing	N	
Other implications	N	

**Supporting Information**

**Appendices:**

Appendix A – Contact Centre Improvement Actions

**Background Papers:**

None

# Customer Access Strategy Appendix A – Contact Centre improvement plan

## West Devon Hub Committee – 13 December 2022

### Contact Centre Performance

1. The following charts show that call answering performance has improved significantly since August and conversely call waiting times have reduced.
  - a. Chart 1 shows the improvement in the percentage of calls answered within 5 minutes except Revenues & Benefits
  - b. Chart 2 shows the same data for the Revenues & Benefits Service

Chart 1

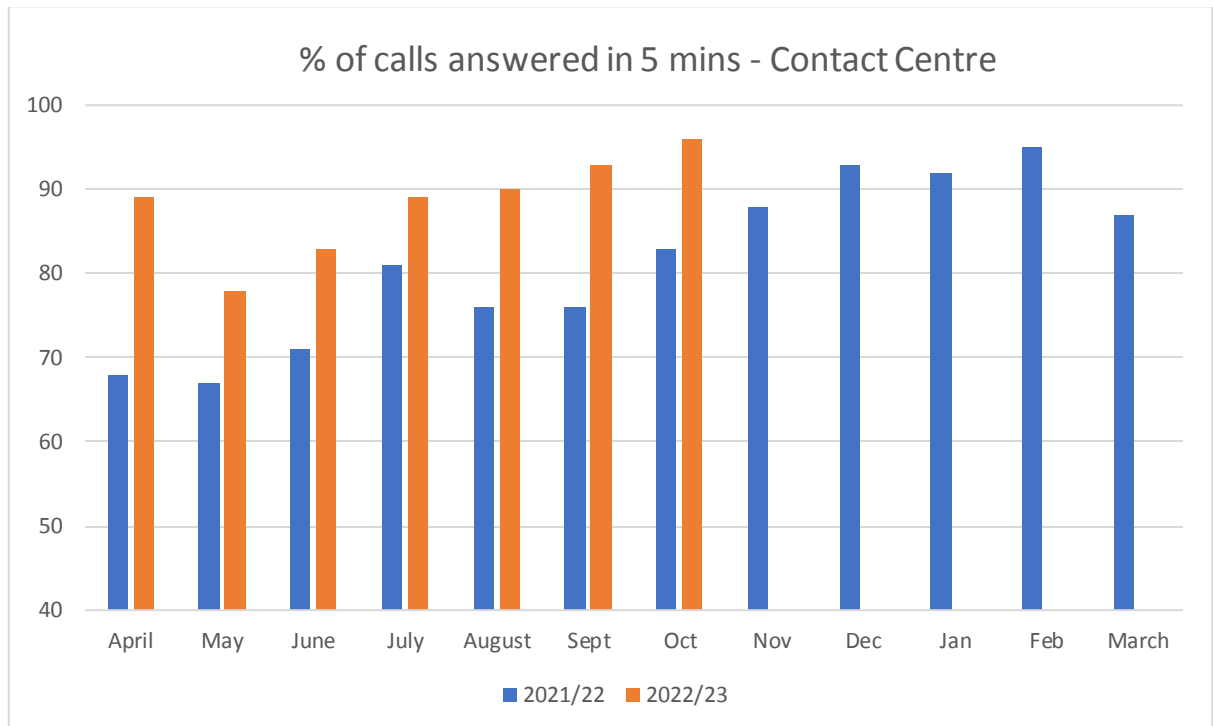
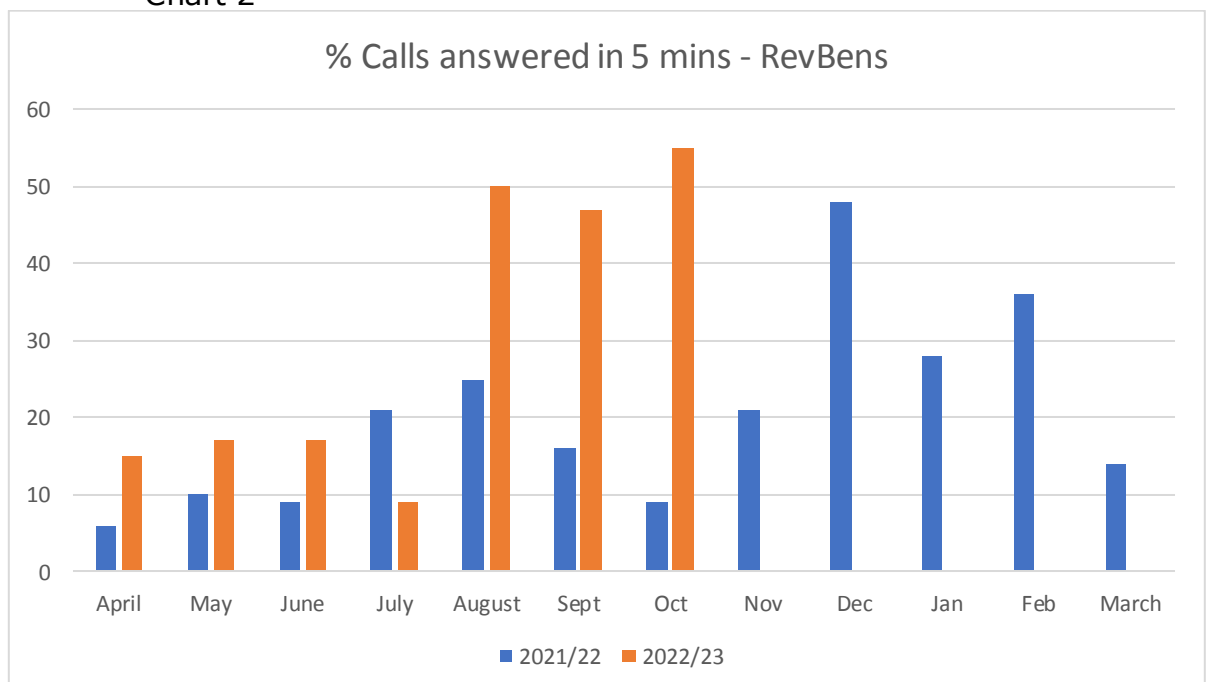


Chart 2

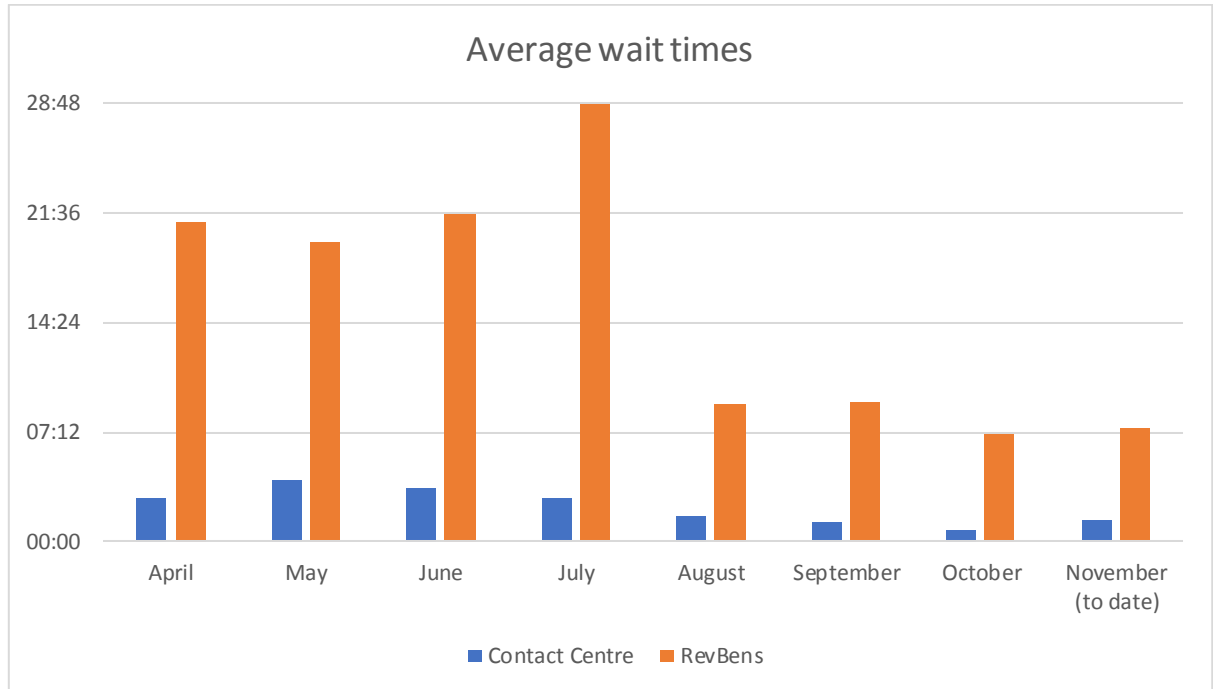


# Customer Access Strategy Appendix A – Contact Centre improvement plan

## West Devon Hub Committee – 13 December 2022

- c. Chart 3 shows the average call waiting time for all contact centre services including Revenues & Benefits.

Chart 3



# Customer Access Strategy Appendix A – Contact Centre improvement plan

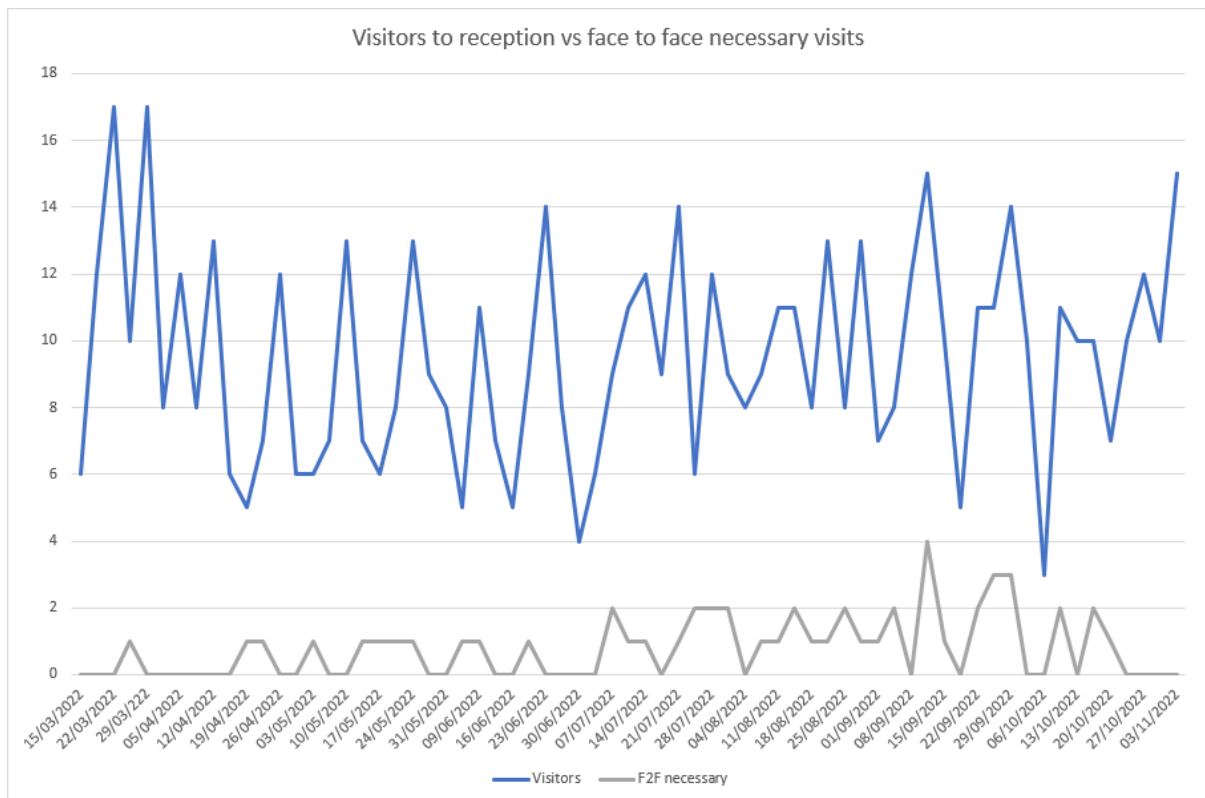
## West Devon Hub Committee – 13 December 2022

### Kilworthy Park Reception data

The following chart shows the low number of visitors to the Council's reception. The blue line indicates the total number of visitors whilst the grey line indicates the number of visitors that actually needed to visit the Council's offices.

- Around 20-30% of visitors are dropping things off so a letter box could fulfil the same function.
- Around 5-10% of visits are people looking for directions/dentist/DCC/wrong place.

The F2F necessary selection is wide, with people often just collecting a waste container. The peak at the end of September was the condolence book.



## Customer Access Strategy Appendix A – Contact Centre improvement plan

### West Devon Hub Committee – 13 December 2022

2. The following table details the improvements implemented or planned to improve contact centre performance.

Action	Rationale / Benefits	Expected Timeframe
Open Reception in Kilworthy Park	High resource need for extremely low demand. 95% of demand could be dealt with quicker online or on the phone. Extra support needed from the organisation from October onwards. Reception staff do other work when they can but roughly 25% of WD CST support is spent on c.1% of contact.	Ongoing
Email request managed through Liberty Converse	Emails are managed like phone calls whenever a customer service team member is available instead of removing people from the phones to deal with emails in batches. Faster response, more productivity and less management needed	Completed.
Additional Support from Rev/Bens on busiest days (Mon/Tues)	Rev/Bens calls peak at the start of the week. Resource from the back office to support the Contact Centre has significantly improved call answer time. The concept of managing work in Liberty Converse and Create (see above) will allow 'payback' of this extra support by the end of the year. Improving productivity, call answer time and reducing backlogs with no net cost to the Authority.	Completed.
Reduction in 'other' admin tasks for team	Focus on ensuring purpose is clear and team are insulated from any extraneous activities that don't deliver against their purpose.	Completed.
Increased training and support from the organisation	Additional training allows easier management of variation. Customer contact tends to clump so more multi-skilled staff mean peaks can be absorbed without significantly affecting wait times.	Ongoing.
Review of 'Wrap' times and additional 'Extended Wrap' categories	Wrap time usage was showing characteristics of being used as an entitlement rather than a facility when needed. Wrap time was reduced to cover 70-80% of 'normal' usage, with extended wrap categories added to monitor usage. Total team wrap time has reduced from 19 hours/day to around 10 hrs/day (releasing around 1.25 FTEs of capacity). Extended wrap is better categorised for analysis and has marginally reduced since the change. Wrap times will be kept under review as training and demand changes.	Completed.
Moving email requests to Webforms	Webforms reduce indexing and basic admin and ensure that all necessary information is provided at the start of a transaction. Automation can be applied. Information is consistent and prevents additional contact and failure demand. Type of transaction and effort required is known straight away to aid management of demand. Email	Completed.  RevBens processes live by end of March (awaiting integration work)

# Customer Access Strategy Appendix A – Contact Centre improvement plan

## West Devon Hub Committee – 13 December 2022

	information is unstructured and effort required is unknown unless triaged.	
Contact centre wait times and busy times put online	Drive customers to other contact routes and smooth demand to quieter times	Completed.
Reallocation of call queues	The Contact centre are managed as two separate teams. One team has spare capacity (needed to deliver reasonable wait times), one team has virtually none (the bottleneck). Reallocating work (Devon Home Choice) from one team to another will free up over 0.4 FTE from the bottleneck to be absorbed in the spare capacity of the other team. This will improve call answer times for Devon Home Choice calls as well.	Completed.
Directed, focused support, where necessary	Booking appointments online. Locality Officers providing home visits when needed. Call-backs for complex cases to prevent multiple contacts.	Live by end of November.
Moving phone calls to webchats	Ability to manage more than one conversation and conversations being less time critical eases management of demand. Facebook Messenger functionality enabled	End of November for functionality to be implemented
Moving face to face to online or phone	The vast majority of face-to-face contact can be delivered as well or better online or over the phone with less cost and simpler management. Face to face contact in a fixed location only supports those local to that location and absorbs support from customers in other geographical locations.	Review of current reception offer in November. Toughened 'video' devices being investigated for both sites.
Phone messages changed to improve call speed	Data quality improvements and standard call structure should improve call speeds by ensuring customers have necessary information to hand during call wait time	December
Social media direct messages managed through Liberty Converse	Same as above. More productivity from Contact Centre. Will enable one role to be absorbed back into the Contact Centre to support the phone lines	December
Moving more processes online	Around 80% of our highest volume processes are available 24/7 online but this varies per service area. Focus on moving the lower volume transactions across so virtually all Council transactions can be completed online. Automation applied where possible.	Ongoing
More dynamic allocation of resources to support	Service areas supporting peaks in customer demand to prevent duplication and failure demand in the Back Office. Customer service is everyone's responsibility, and good customer service is in	Proof of concept trialed. Phased approach as areas of work move in to Liberty Create.

## Customer Access Strategy Appendix A – Contact Centre improvement plan

### West Devon Hub Committee – 13 December 2022

customer contact	everyone's best interest as it saves time down the line.	Beginning Q4 2022/23
Netcall infrastructure improvements – Automated switchboard, customer surveys, workforce management, screen recording	Automated switchboard releases around 0.7FTE to answer calls and delivers a shorter call/wait time to most customers. Fewer messages/options needed. Surveys and screen recording improve quality and training over time. Workforce management enables further development and support of other services.	Funded. Awaiting installation date. Go live during Q4 2022/23



Report to: **Hub Committee**

Date: **13 December 2022**

Title: **Cost of Living Crisis: Plans for Household Support Fund Allocation**

Portfolio Area: **Cllr Tony Leech**  
**Hub Lead: Cost of Living**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Geni Hotchkiss** Role: **Head of Revenues and Benefits**

Contact: **geni.hotchkiss@swdevon.gov.uk**

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## **RECOMMENDATIONS:**

### **That the Hub Committee:**

- 1. Instructs officers to take immediate steps to progress support payments of £650 to working age households receiving council tax reduction and not receiving passported benefits on 1 December 2022.**
- 2. Instructs officers to take immediate steps to progress support payments of £300 to households in receipt of council tax disabled band reduction on 1 December 2022.**
- 3. Instructs officers to work with partners to distribute slow cookers and cookbooks, electric blankets, warm clothing and sleeping bags to households based on need. It is recommended that £10,000 from the Fund is ring-fenced for this purpose.**
- 4. Approves the use of the balance of the funding for an open application process from low income households most in need of support.**

## **1. Executive summary**

- 1.1 The government has made more money available to local councils to support households with the increasing cost of living during the

autumn/winter period. The Council has been allocated £124,407 by Devon County Council and the funding must be spent during the period 1 October 2022 to 31 March 2023.

- 1.2 The Council has also received funding for two previous schemes; Household Support Fund 1 (HSF1) and Household Support Fund 2 (HSF2). Devon County Council allocated funding of £52,706.22 for HSF1 and we were able to support 163 households. We were allocated £172,085 for HSF2 and we were again able to provide timely and effective support to 1,720 households.
- 1.3 The fund must be used to support households in the most need; particularly those who may not be eligible for other support government has recently made available but who are never the less in need.
- 1.4 A variety of support options have been considered and the recommended options strike a balance between providing direct support to households who may not have received any other support and the option to apply for support through an application process.
- 1.5 The recommendation to provide support through the issue of slow cookers and electric blankets, will also deliver longer term and sustainable options to residents dealing with higher energy costs.

## **2. Background**

- 2.1 £421m has been made available to County Councils and Unitary Authorities in England to support those most in need to help with global inflationary challenges and the significantly rising cost of living. This funding covers the period 1 October 2022 to 31 March 2023.
- 2.2 The Council has been allocated £124,407 and the expectation is that the Fund should be used to support households in most need; particularly those who may not be eligible for other support the government has recently made available, but who are nevertheless in need. There are no DWP funding targets in terms of supporting certain cohorts of the population, however at least part of the scheme must be on an application basis so there is an opportunity to ask for support
- 2.3 The Fund is intended to cover a wide range of low income households in need including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people.
- 2.4 Energy bills may be of particular concern to low income households during the period of the Fund and the Government guidance requires local authorities to prioritise supporting households with the cost of energy.
- 2.5 Authorities should also consider providing support to disabled people in their area as they may be facing acute challenges due to the disproportionate impact that rising costs bring for the additional services they need in order to manage their conditions, remain independent and avoid becoming socially isolated.
- 2.6 Authorities have flexibility to identify which vulnerable households are in most need of support and we can use our own discretion and datasets when identifying eligibility.

### **3. Outcomes/outputs**

- 3.1 The expectation is that the Fund should be used to support households in most need; particularly those who may not be eligible for other support the government has recently made available, but who are nevertheless in need. There are no DWP funding targets in terms of supporting certain cohorts of the population, however at least part of the scheme must be on an application basis so there is an opportunity to ask for support.
- 3.2 The Council is proposing the following use of the Household Support Funding for the period 1 October 2022 to 31 March 2023.
- Making support payments of £650 to working age households receiving council tax reduction not receiving passported benefits on 1 December 2022. It is estimated that 16 households will benefit as a result.
  - Making support payments of £300 to households receiving council tax disabled band reduction on 1 December 2022. It is estimated that we will be able to support 192 households as a result.
  - Providing funding of £10,000 to help partners provide slow cookers and cookbooks, electric blankets, warm clothing and sleeping bags to individuals and households identified as being in need.
  - Using the balance of the funding to offer an open application process to provide support to low income households and others in financial need.
- 3.3 Getting the funding out to residents as quickly as possible is a key measure of success and the Council has a proven track record in this area.
- 3.4 As part of the funding arrangements, the Council is required to provide management information to Devon County Council on the delivery of the Fund. This will in turn be used by DCC to inform the Department for Work and Pensions on the speed of delivery.

### **4. Options available and consideration of risk**

- 4.1 In formulating the recommendations a wide range of options have been considered and discounted. These are set out below:
- (a) Various options using existing benefits datasets including nil qualifiers for council tax reduction and those households only receiving housing benefit. Due to the level of work involved in identifying these cases, it was determined that the cost in officer time outweighs any benefits.
- (b) LHA shared room rate. This was discounted as a viable option as there was no shortfall in rent and it mainly affects pensioners living with landlords.

- (c) Support for households in unaffordable housing or Devon Home Choice applicants who have indicated they need to move because their current home is in poor condition. This was discounted as a viable option as we do not have enough information to make a decision and most of the residents are likely to be receiving relevant benefits. This means they will have already received support through other channels.
  - (d) Households which have received a disabled facilities grant. Data protection restricts the Revenues and Benefits team accessing this information. Environmental Health would need to write to recipients inviting them to apply for a payment from the Household Support Fund. This is administratively complex and, as many will have already received support through other channels, we have again discounted this option.
  - (e) A payment for properties with an Energy Performance Certificate (EPC) rating of E to G, where G is the least efficient, through a simple application process. This option was discounted as not all properties are required to have one and there would also not be any correlation with low income. Officers are recommending, however, that where applicants to the Household Support Fund can demonstrate they meet the low income criteria we will also make a top-up payment if they can also demonstrate the property has an EPC rating of E to G.
- 4.2 In evaluating the options, engagement has taken place with service leads across the Council and other relevant officers and Members.
- 4.3 There is a risk that the Council does not fully spend its allocation by 31 March 2023. Due to the likely continuing impact of the Cost of Living Crisis underspending is not considered to be a significant risk. There will be regular monitoring of spend and take-up and if an individual element of the programme is likely to underspend, consideration will be given to reallocating to areas with greater demand.

## **5. Proposed Way Forward**

- 5.1 The recommendations in this report will provide support in different ways to different households with particular focus on supporting those who may be just above income thresholds meaning they do not qualify for other support.
- 5.2 The proposals will help deliver our vision of A Plan for West Devon through providing a broad range of support including help with energy cost and essential living costs. They are also targeted at those most in need due to the cost of living crisis including those with higher energy costs due to disability and those who may have missed out on other government support.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Department for Work and Pensions (DWP) has provided funding to County Councils and Unitary Authorities (including Metropolitan Councils and London Boroughs), under section 31 of the Local Government Act 2003, to administer The Fund and provide assistance to households most in need.</p> <p>The Household Support Fund (1 October 2022 to 31 March 2023): final guidance for county council and unitary authorities in England states that authorities must work together with district councils to ensure the funding meets its objectives by identifying those most in need.</p>
Financial implications to include reference to value for money		<p>The Council will receive £124,407 from Devon County Council to deliver the Household Support Fund.</p> <p>The fund must be spent/committed between 01/10/22 and 31/03/23, with any committed spend actually being spent in a reasonable timeframe thereafter, in line with the purpose for which it was initially committed.</p> <p>Partners will be required to complete MI returns within clear timeframes. Payment from DWP will be in arrears following receipt of satisfactory MI from DCC and its partners (via DCC). Reasonable administration costs will be covered by the fund.</p>
Risk		There is a reputational risk if the Council does not deliver support in a timely and responsive manner.
Supporting Corporate Strategy		Wellbeing
Consultation & Engagement Strategy		There is no requirement to consult however engagement has taken place with service leads and other relevant parties across the council.
Climate Change - Carbon / Biodiversity Impact		None as a direct result of this report.
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		Equality impact assessments will be completed if required.

Safeguarding		None as a direct result of the report, however some actions will help keep vulnerable children and adults safe.
Community Safety, Crime and Disorder		None as a direct impact of this report, however some of the recommendations may help to reduce crimes such as domestic violence.
Health, Safety and Wellbeing		Financial wellbeing is crucial to the wellbeing of our residents and the recommendations in this report are designed to support this.
Other implications		None.

**Supporting Information**

**Appendices:**

None.

**Background Papers:**

None.

Report to: **West Devon Hub Committee**

Date: **13<sup>th</sup> December 2022**

Title: **Housing Crisis – Changes to Financial Assistance and Enforcement Policies.**

Portfolio Area: **Housing – Cllr Ratcliffe**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **N**

Date next steps can be taken: Council meeting to be held on 21 February 2023.

Author: **David Sexton** Role: **Principal Environmental Health Officer**

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## **RECOMMENDATIONS:**

**That the Hub Committee RECOMMEND to Council:**

- 1. That the existing 2019-2022 Homes Assistance Policy is updated with the revised Better Care Fund Financial Assistance Policy 2022**
- 2. To approve and implement the electrical safety standards Civil (Financial) Penalty Policy, to allow officers to impose fines where necessary to landlords and improve Private Rented Properties.**
- 3. To approve and implement the energy efficiency standards Civil (Financial) Penalty Policy, to allow officers to impose fines where necessary to landlords and improve Private Rented Properties.**

### **1. Executive summary**

1.1 The purpose of this report is to consider updating two policies.

1.1.1 The existing Homes Assistance Policy with a new Better Care Fund Financial Assistance policy.

- 1.1.2 Updating the council's enforcement policy to include civil penalty fines for breaches of Electrical Safety and Energy Performance Certificate Regulations.
- 1.2 Central Government provides funding to Local Authorities through the Better Care Fund (BCF) so that Local Authorities can provide disabled facilities grants and other grants to eligible residents within their area. The aim of the grants are to enable vulnerable individuals to remain safe and healthy in their own home. The way in which Local Authorities in Devon allocate this funding to residents is determined by the jointly agreed Devon Housing Assistance Policy. Each District Council produces their own version of the Devon Housing Assistance policy, to enable them flexibility to issue the funding most effectively in their areas.
- 1.3 This report provides an outline of proposals to change elements of the existing policy in West Devon to better utilise this budget. It is proposed to update the current policy, adopted in 2019, with a more flexible Financial Assistance Policy that will help a greater number of vulnerable residents remain safe and healthy in their own homes.
- 1.4 The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020, relate to the Government's response to tackling rogue landlords and improving the private rental sector. This report is proposing to update the council's enforcement with the new civil penalty provisions.
- 1.5 They require Landlords to ensure that the fixed electrical installations in their properties are inspected and tested at least every 5 years by a competent electrician. The initial inspections need to be carried out before any new tenancy is granted from 1 July 2020, and by 1 April 2021 for existing tenancies. The Regulations introduce measures that are intended to be implemented by landlords from 1 July 2020:
  - a) Landlords are required to provide their tenants with electrical safety reports: in the case of new tenants, before they move in; to existing tenants within 28 days of receiving it; and to any prospective tenant within 28 days of their request to view the report;
  - b) The Council has the power to demand sight of the report and the landlord must provide this within 7 days of the request. Failure to do so could result in a penalty charge;
  - c) If the Council has reasonable grounds to believe that the landlord is in breach of the Regulations, it also has the power to serve a remedial notice on the landlord to compel them to comply with the Regulations;
  - d) Landlords have 28 days to remedy the breach, and if the work is not carried out in time then the Council has the power to carry out the required works themselves (on providing prior written notice to the landlord) and recover their costs from the landlord;



- e) Landlords failing to provide tenants with an electrical safety report at the start of their tenancies will be in breach of the regulations and may face a civil penalty of up to a maximum of £30,000, with the potential for multiple penalties to be imposed for a continuing failure.
- 1.6 The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (as amended in 2016 and 2019), are designed to tackle the least energy-efficient properties, those rated F or G on their Energy Performance Certificate (EPC). The Regulations establish a minimum standard of EPC band E for domestic private rented properties, affecting new tenancies and renewals since 1 April 2018. The Regulations now applies to all properties in scope from 1 April 2020.
- 1.7 To enable the Council to enforce this Statutory duty, there is a requirement to publish a Civil Penalty Policy. Therefore, utilising best practice from other Local Authorities, including guidance from the Department for Business, Energy and Industrial Strategy (BEIS), a Civil (Financial) Penalty Policy and Enforcement Protocol has been developed – Minimum Energy Efficiency Standards. This report is seeking approval for the new proposed Policy.
- 1.8 The Council has recently responded to a letter from the Secretary of State regarding his questions arounds the Council’s approach to dealing with damp and mould following the tragic death of Awaab Ishak as a direct result of mould in his family home in Rochdale.
- 1.9 The letter set out the Council’s work to ensure that damp and mould in properties where we have an enforcement activity are dealt with quickly and effectively.

Our approach will be two-fold, firstly ensuring that we are responding to complaints from tenants in private sector housing in an effective manner and engaging fully with partner organisations and Registered Providers we have already started to receive letters from our local RPs about action they are taking in their own stock.

Secondly, we will continue to improve the fabric of all housing in the Council’s area by applying for and effectively using Government Retro-fit Grant schemes, such as Green Homes Grants and Home Upgrade grants.

### **Better Care Fund Financial Assistance policy.**

## **2. Background**

- 2.1 In 2015 the Government introduced the Better Care Fund (BCF) to bring health and social care together in an integrated way. The Fund is a combination of government funding from the Department of Health and the Department for Communities and Local Government. The BCF includes the grant allocation for disabled

facilities grants (DFG). The Integration and Better Care Fund policy (2017-19) framework document lists the conditions that the Better Care Fund must be used to address and this includes Local Authorities working together on a jointly agreed plan.

- 2.2 The development of the Devon Housing Assistance policy is in response to the condition to work together on a jointly agreed plan. The policy allows the Council to fully utilise the Better Care Fund allocation to meet specific needs in its area, including those that may fall outside of the scope of the statutory Disabled Facilities Grant (DFG).
- 2.3 The Better Care Fund provides more funding to the Devon Local Authorities than is currently required to meet the demand for mandatory DFGs. A wider Devon policy was developed to allow the Devon councils to spend the BCF on grant assistance that helps a wider range of households and meets more of the BCF objectives.
- 2.4 The current assistance packages are:
  - Mandatory Disabled Facilities Grant (DFG)
  - Accessible Homes Grant (including house move)
  - Home Improvement Loan
  - Healthy Homes grant
  - ECO flex top up
- 2.5 These assistance packages are described in more detail in Appendix 1.

### **3. Outcomes/outputs**

- 3.1 The revised policy aims to provide a consistent approach to the delivery of the Better Care Fund across Devon that satisfies the terms of the funding agreement.
- 3.2 The policy will provide the flexibility and discretion for the councils to provide appropriate assistance to meet the following objectives:
  - Objective 1** - Assist disabled residents to remain in their own homes through supporting the provision of adaptations (so far as this is necessary, appropriate and reasonably practicable) to prevent admissions to care and to assist with delayed transfers where possible.
  - Objective 2** – Safeguard the health and well-being of vulnerable residents by removing unnecessary hazards to health and safety in the home to reduce avoidable emergency admissions
  - Objective 3** – Provide adaptations that are suitable for the future by ensuring the scheme of works is dementia aware.
  - Objective 4** – assist vulnerable people to afford to heat their homes through appropriate energy efficiency and heating measures.

- 3.3 These objectives meet the priorities detailed by the Better Care Fund and the Devon Local Authorities.
- 3.4 The measure of success will be the number of DFG's provided and the total spend of the Better Care Fund allocation.

#### **4. Options available and consideration of risk**

- 4.1 Council could decide not to adopt the new policy and carry on only providing grants under the previous policy. This would be difficult to justify as the Government have made extra funds available based on assessment of local need and this would be a missed opportunity to assist more of our vulnerable residents. If funding reduces in the future, the council will be able to reintroduce means testing.
- 4.2 The proposed policy will give more flexibility from the previous policy, to how grants are administered. It is not anticipated that there will be big increase in applications as there will still need to be an occupational therapist (OT) referral and there is a finite OT resource. Where applications are made for particular bathrooms, we will be able to process them faster as we are removing an administrative step. There is a risk that more affluent residents will access the grants, however previous experience of removing the means testing from stair lifts, has not supported this. This will also speed up the transfer of care from hospitals, where an adaptation is required.

#### **5. Proposed Way Forward**

The total grant that residents are eligible for will be increased to allow for increasing costs associated with labour and materials due to the current financial climate. This will allow for works to remain in scope for the budget and reduce where appropriate residents' contributions.

Specific changes to each are of the grants in the Policy are detailed below;

##### **5.1 Changes to Accessible Homes Grant**

- 5.1.1 To include non-means testing for through floor lifts, bathrooms and applications for children. This will allow quicker processing of grants for residents. Most applications for children are big adaptations, for example extensions for extra care rooms.
- 5.1.2 Total Grant that residents are eligible for will be increased to £30000 from £20000 to reflect increase in labour and material costs.

## **5.2 Changes to Healthy Home Grant**

5.2.1 Amount increased to £10000 from £5000 to reflect increase in labour and material costs.

## **5.3 Changes to ECO flex top ups**

5.3.1 Grant name changed to Energy Efficiency top up grant

5.3.2 Amount increased to £3000 from £2000 to reflect increase in labour and material costs.

## **6 Recommendation**

6.1 The recommendation from this section of the report is that the existing 2019-2022 Homes Assistance Policy is updated with the revised Better Care Fund Financial Assistance Policy 2022

### **Changes to the Council's Enforcement Policy Electrical Safety Regulations**

## **7 Background**

7.1 The council has a statutory duty to enforce The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020, which came into force on 1 June 2020. The regulations place mandatory duties on private landlords to maintain electrical safety standards in all privately rented homes from 1 April 2021.

7.2 Persons from vulnerable groups can have limited housing choices, therefore the introduction of these regulations can enhance the property conditions for these groups. The legislation has been introduced to protect tenants from suffering harm as a consequence of being exposed to unsafe electrical installations.

7.3 Local housing authorities have been empowered to impose financial penalties of up to £30,000 on private landlords who breach their duties under the regulations. However, before the council can impose such penalties it must first adopt a policy to determine the level of penalty that should be imposed for breaches that have been identified.

7.4 The criminal standard of proof is required before issuing a financial penalty under The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020. This means that the Council must be able to demonstrate beyond all reasonable doubt that a breach of the regulations has occurred.

## **8. Outcomes/outputs**

8.1 Non-compliance with Housing Act notices, regulations and licensing requirements can result in the local housing authority prosecuting

the offender. Section 126 and Schedule 9 of the Housing and Planning Act 2016 allows a civil penalty to be imposed by the local housing authority for offences under the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020.

- 8.2 The amount of the penalty is to be determined by the local housing authority with a maximum amount of £30,000. The Council must have regard to Guidance given by the Secretary of State about the exercise of its functions in relation to the issuing of civil penalties and local housing authorities are expected to develop and document their own policy on determining the appropriate level of civil penalty. The Council's charging scheme is set out in Appendix A.
- 8.3 Income received from a civil penalty can be retained by the local housing authority provided that it is used to further the local housing authority's statutory functions in relation to their enforcement activities covering the private rented sector.
- 8.4 A civil penalty should not be seen as a lesser option compared to prosecution and to help ensure that the civil penalty is set at the appropriate level The Statutory Guidance requires a local housing authority to have regard to the following factors when deciding the appropriate level of penalty
  - a) Severity of the offence
  - b) Culpability and track record of the offender
  - c) The harm caused to the tenant
  - d) Punishment of the offender and to deter the offender from repeating the offence
  - e) Deter others from committing similar offences
  - f) Remove any financial benefit the offender may have obtained as a result of committing the offence.
  - g) The Landlord/Letting agents assets and income.
- 8.5 A civil penalty is an alternative to prosecution so a local housing authority is not permitted to impose a civil penalty and prosecute for the same offence. A civil penalty requires the same burden of proof as a prosecution, the evidence must meet the criminal standard of proof "beyond reasonable doubt". In considering the decision to prosecute or not, the Council must also consider is there is sufficient evidence for there to be a realistic prospect of conviction were it to go to court and if the prosecution is in the public interest.
- 8.6 Local authorities are also expected to develop and document their own policy on when to prosecute and when to issue a civil penalty and decide on which option on a case by case basis. The Private Sector Housing Enforcement Policy has been updated to include these details and is attached as Appendix B.
- 8.7 There is a prescribed process for levying civil penalties which must be followed precisely which is laid out in the Statutory Guidance.

Recipients of a civil penalty have the right to appeal to the First-tier Tribunal where the soundness of the decision to impose a civil penalty, the decision relating to the amount and any deviations from the prescribed process can be rigorously reviewed. The Tribunal has the power to confirm, vary (increase or reduce) or cancel the civil penalty that the Council has issued.

8.8 The recommendation from this section of the report is to approve and implement the electrical safety standards Civil (Financial) Penalty Policy, to allow officers to impose fines where necessary to landlords and improve Private Rented Properties.

## **Minimum Energy Efficiency Standards, Energy Performance Certificates**

### **9. Background**

9.1 Councils have a statutory duty to enforce the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (amended in 2016 and 2019). (See 'background papers' for access to a copy of the Regulations). Subject to relevant exemptions these regulations set a minimum level of energy efficiency that:

- a) Since 1 April 2018, landlords of relevant domestic private rented properties must not grant a tenancy to new or existing tenants if their property has an EPC rating of F or G (as shown on a valid EPC for the property);
- b) From 1 April 2020, landlords must not continue letting a relevant domestic property which is already let if that property has an EPC rating F or G (as shown on a valid EPC for the property). Where a property is sub-standard, landlords must normally make energy efficiency improvements which raise the EPC rate to minimum E before they let the property. In certain circumstances, landlords may be able to claim an exemption from this prohibition on letting a sub-standard property.

Where a valid exemption applies, landlords must register the exemption on the National PRS Exemptions Register.

Council Officers are authorised to check for different forms of noncompliance with the Regulations and issue penalties for non-compliance. The Council's Environmental Health Department undertakes housing enforcement in the private rented sector and would be the team that would enforce these regulations.

9.2 To undertake this enforcement action, the Council must publish a Civil Penalty Policy, which sets out the protocol for how the Council will undertake the enforcement duties and arrive at decisions, ensuring they are fair and accountable.

- 9.3 The aim of adopting the policy is to increase the range of measures open to the Council, in tackling non-compliant landlords and to increase the Council's capacity to undertake enforcement, where there is clear evidence that offences have been committed.
- 9.4 There are four breaches under the regulations for which a private landlord may be imposed with a financial penalty. Regulation 40 sets out the breaches and the statutory maximum amounts that may be imposed in respect of each type of breach. These are:
- a) Breaching the prohibition on letting a property with an F or G rating, in contravention of Regulation 23, for less than three months: Statutory maximum financial penalty **£2,000** ;
  - b) Breaching the prohibition on letting a property with an F or G rating, in contravention of Regulation 23, for three or more months: Statutory maximum financial penalty **£4,000** ;
  - c) Registering false or misleading information on the PRS Exemptions Register under Regulation 36(2): Statutory maximum financial penalty **£1,000**;
  - d) Failing to provide information to the council demanded by a Compliance Notice, in contravention of Regulation 37(4)(a): Statutory maximum financial penalty **£2,000**.

In respect of any one tenancy, a private landlord cannot, owing to Regulation 40(6), be subject to multiple financial penalties that exceed a total of more than £5,000.

## **10 Outcomes/outputs**

- 10.1 Using government funding the council, has worked with Tamar Energy Communities to develop an online tool to help identify non compliant properties. Using the national Energy Performance Certificate Database, landlords of F and G certificates identified as rental are being contacted. This has given us the platform to implement this enforcement tool.
- 10.2 Landlords will be given an appropriate time, to respond, either showing evidence that they now have a compliant EPC, or to set out a plan to achieve the required energy efficiency level. They will be warned that if they continue to be in breach after the time given, an investigation will follow and formal enforcement action will be considered, both under the Regulations and the Housing Act 2004. A compliance notice will be served first.
- 10.3 For the purposes of this policy, the "first breach" means the first breach by the private landlord of any duty under the regulations, and does not refer to the first breach under each specific type of breach. For example, a private landlord may first fail to comply with a Compliance Notice, and be subject to a (first breach) financial penalty of £1,000. If it is later found that the private landlord has, for more than three months, been in breach of the prohibition on

letting substandard property, this breach will not be a first breach, and so a further financial penalty of £4,000 will be payable.

#### 10.4 Proposed Penalties

<b>Renting out a non-compliant property (in breach less than 3 months), up to max £2000</b>	
<b>1st Offence</b>	
EPC Rating <b>F</b>	£1,250
EPC Rating <b>G</b>	£1,500
<b>Subsequent Offence(s)</b>	
EPC Rating <b>F</b>	£1,750
EPC Rating <b>G</b>	£2,000
<b>Renting out a non-compliant property (in breach for 3 months or more), up to max £4000</b>	
<b>1st Offence</b>	
EPC Rating <b>F</b>	£2,500
EPC Rating <b>G</b>	£3,000
<b>Subsequent Offence(s)</b>	
EPC Rating <b>F</b>	£3,500
EPC Rating <b>G</b>	£4,000
<b>Providing false, or misleading, information, Up to max £1000</b>	
1st Offence	£750
Subsequent Offence(s)	£1,000

10.5 The recommendation from this section of the report is to approve and implement the energy efficiency standards Civil (Financial) Penalty Policy, to allow officers to impose fines where necessary to landlords and improve Private Rented Properties.



## 11. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The council has a statutory duty to provide DFG's</p> <p>Article 3 of the Regulatory Reform (Housing assistance) (England and Wales) Order 2002 gives a local housing authority power to provide financial assistance for the purpose of improving living conditions in their area. Such assistance may not be given unless the local housing authority has adopted a policy for the provision of such assistance, and they have given the public notice of such adoption.</p> <p>The legislative provisions governing disabled facilities grants (DFGs) are contained in the Housing Grants, Construction and Regeneration Act 1996 (as amended) (HGCRA 1996).</p> <p>The proposed amendments to the Council's Private Sector Housing Enforcement Policy and the new proposed policy on financial penalties are compliant with the relevant legislative changes and statutory guidance to which the Council must have regard.</p>
Financial	Y	<p>Currently the BCF is administered through Devon County Council and funds are allocated to the eight Devon Council Districts in line with a Devon Allocation Formula. In previous years there had been an underspend in the total Devon allocation, so the District Councils and Devon County Council have agreed a policy of allocating funding depending on the demand in the Local Authority area. If some Councils spend their initial allocation, they can be topped up with underspend from other Councils. The revised policy will give flexibility and ability to spend the better care fund allocation. There is currently no direct capital contribution made into the budget by the councils.</p> <p>Although highly unlikely there is a risk that the funding from the better care fund will stop and thus stopping DFG function.</p> <p>These new penalties will help generate additional income for the enforcement service. It is difficult to estimate how many charges would be made and from this how many would be fully paid.</p>

		It is likely that by introducing the new charges there will be a high level of compliance so a reduction in the number of fines issued.
Risk	Y	<p>There is a risk that with reduced performance that applications are not processed in the require timescale, failing to process applications quickly may result in a backlog of applications Councils are permitted to claim a percentage of the BCF capital that can be put into the revenue budget to cover staff costs. This means that the Council will have the capacity to deal with an increased demand without an increase in the staffing budget.</p> <p>There is a likelihood that some landlords may challenge remedial notices or civil penalties imposed. Landlords have a legal route to request the Local Authority to review any civil penalty notice and can further appeal the notice to a First-tier Tribunal. Such challenges can be time consuming for the officers involved, however Specialists have experience of handling such reviews in a time efficient manner. To limit the number of appeals as far as possible and ensure high quality of evidence in all cases, the Specialists undertake a rigorous case review. The same safeguards will be implemented for any Civil Penalty Offences. To defend an appeal in a First-tier Tribunal is not more time consuming than taking cases to court.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		<p>The grant funding will become more accessible and benefit more households.</p> <p>Residents from vulnerable groups can sometimes have limited housing choices. Families with young children, older persons and those with a disability can find themselves in poor quality accommodation. The existing policy may restrict funding and services available and there may be some households on low income who do not meet the qualification criteria and therefore are unable to</p>

		<p>access the funding despite still being in need. The option of a Home Improvement Loan is available to such households. This is a necessary restriction due to the amount of funding available which must be targeted on a priority basis and the funding criteria imposed by the BCF.</p> <p>Residents from vulnerable groups can sometimes have limited housing choices. In particular, families with young children, older persons and those with a disability can find themselves in poor quality accommodation. The policy aims to safeguard the health, safety and welfare of the following characteristics; Age and Disability.</p> <p>Poor housing conditions can negatively affect the health, safety and well-being of all residents, irrespective of age. However, certain housing deficiencies can have a more serious and harmful impact on individuals of particular ages. For example, older persons will suffer more in cold homes.</p> <p>Enforcement through civil penalties is more efficient and provides better value for money than traditional enforcement through prosecution</p>
Safeguarding		<p>The policy identifies resident in rental properties as a beneficiary of assistance. The policy also aims to safeguard residents by making their homes safer for them to live in.</p> <p>The policy specifically identifies disabled residents as a beneficiary of assistance. The policy also aims to safeguard disabled residents by making their homes safer for them to live in.</p>
Community Safety, Crime and Disorder		<p>Is there any potential positive or negative impact on crime and disorder reduction? No</p>
Health, Safety and Wellbeing		<p>The policy will have a direct impact on the health and wellbeing of residents. Increased allocation of grant funding to allow residents to live longer and more safely in their own homes will</p> <p>The change in policy will provide a more efficient way of enforcing housing standards and thus improve the health, safety and wellbeing of tenants.</p>

		<p>have a direct impact upon numbers of GP appointments, social care, numbers of hospital admissions etc.</p> <p>For example, removing the means testing requirement for eligibility for an adapted bathroom means that more vulnerable residents can access the help. Having a level access shower can drastically reduce the risk to falling in the bathroom and consequently reduce the number of admissions to hospital</p>
Other implications		<p>The proposal will enable an increased number of adaptations and number of people that will benefit from the service.</p> <p>Reputation – This proposal demonstrates the Council’s commitment to improve the DFG service by making it more accessible to residents.</p> <p>This proposal is changing working practices for staff, but not affecting the overall job role or number of posts</p> <p>Political – The proposal will enable an increased number of adaptations and number of people that will benefit from the service.</p> <p>Reputation – This proposal demonstrates the Council’s commitment to improve the private rental sector.</p>

## Supporting Information

### Attached Documents

Civil Penalty Policy  
 Electrical Safety Standard in the Private Rental Sector Financial Penalty Policy  
 Minimum Energy Standard and Energy Performance Certificate Enforcement Policy

### Background Papers:

Council Enforcement Policy

## Appendix 1 BCF Policy

- 1.0 The **Disabled Facilities Grant** programme is mandatory and a statutory function of the local housing authority. The delivery of this function is governed by the Housing Grants, Construction and Regeneration Act 1996. Referrals can only be made from Devon County occupational therapists after the resident has had a social care assessment.
- 2.0 The **Accessible Homes Grant** enables the Council to provide additional grant funding in addition to the mandatory Disabled Facilities Grant subject to the conditions in 3.0.
- 3.0 This grant is currently available in the following circumstances:
- Where a mandatory grant has been approved but the cost of the work exceeds £30,000
  - Where there are works that may not be covered by the DFG in relation to adapting the home and making it safe.
  - Where the means test identifies that a contribution is required.
  - Where moving house more appropriate than adapting the existing property.
- 4.0 The **Healthy Homes grant** is a flexible grant to provide urgent/essential repairs to the home to ensure the health, safety and welfare of the occupier.
- 5.0 Lendology (formerly known as Wessex Loans) currently administers loans on behalf of the council within the requirements of this policy. The **Home Improvement Loan** is a flexible product that can be used for the following purposes:
- Home repairs and improvements
  - Adaptation works where grant is not available
  - To cover a client contribution to a grant
  - To cover the cost of the work over the grant maximum.
  - To bring empty homes back into use
  - For landlords to carry out repairs or improvement to rented accommodation
  - For energy efficiency improvements
- 6.0 **ECO top up grant** is to provide top up funding for energy efficiency measures where Energy Company Obligation (ECO) Flex funding and the HHCRO scheme ("Home Heating Cost Reduction Obligation", also known as the "the Affordable Warmth Obligation") have been provided by energy providers (via installers) but the available funding does not cover the full cost of the work.
- 7.0 The eligibility for ECO Flex funding itself is subject to a separate Statement of Intent issued by each Local Authority setting the local criteria. ECO funding is not provided by the Local Authority. It is

accessed through the national Energy Company Obligation scheme and normally through installers.

*Working together*



South Hams  
District Council



West Devon  
Borough  
Council

# Financial Assistance Policy

## For the Better Care Fund

Date: September 2022

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# 1 Introduction

## 1.1 Purpose

- 1.1.1 This policy is required under Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002<sup>i</sup>. The Order provides councils with the discretion to develop schemes to provide financial assistance to deal with a range of housing issues.
- 1.1.2 This policy sets out the areas on which the council will focus Better Care Fund resources in order to improve housing conditions across the district. With limited resources available it is essential that funding is targeted to those areas that contribute to the delivery of the Better Care Fund, and local district council priorities.
- 1.1.3 This policy provides the council with the flexibility and discretion to provide appropriate assistance to meet the aims and priorities set out in section 3 below and has been developed in association with Devon County Council and all the district councils in the county.

## 1.2 Review

- 1.2.1 This policy will be reviewed as required by regulatory changes and/or financial allocations.

## 1.3 Funding

- 1.3.1 The assistance contained within this policy is only available subject to the availability of funding. Where funding is limited priority for spend will be given to the Mandatory Disabled Facilities Grant.

# 2 Context

## 2.1 Housing and Health

- 2.1.1 Housing is a key determinant of health, and by promoting good quality housing this policy can contribute to reducing health inequalities for residents.
- 2.1.2 In 2002, flexibilities were introduced<sup>ii</sup> enabling councils to use government grant that has been allocated for disabled facilities grants to be used more intelligently to deliver adaptations for disabled people outside of the mandatory grant regime.

- 2.1.3 Research has shown that there is a direct impact on the health and well-being of residents resulting from the homes in which they live; therefore, poor housing can contribute to poor health.
- 2.1.4 Each year hazards in the home result in unnecessary injuries, episodes of ill-health, and harm to mental health and in many cases the occupiers do not link the poor condition of their homes with a potential negative impact on their health. The poorest housing stock can be found in the private sector, and in some cases residents who own their own home are not able to maintain them and as a result hazards can develop.
- 2.1.5 An estimated 50,100 excess winter deaths were recorded in England and Wales in 2017/18 as reported by the Office of National Statistics (ONS)<sup>iii</sup>. Many of these people die unnecessarily as a result of living in cold homes.

## 2.2 Better Care Fund

- 2.2.1 In 2015 the government introduced the Better Care Fund in an attempt to bring health and social care together in an integrated way. The fund is a combination of government funding from the Department of Health and the Department for Communities and Local Government and includes the grant allocation for Disabled Facilities Grants (DFG). The 2017-19 Integration and Better Care Fund policy framework document lists the conditions that the better care fund must be used to address.
- 2.2.2 These are:
- **Condition 1:** Plans to be jointly agreed – The plan to use the Better Care Fund allocation must be jointly agreed and signed off by the Health and Wellbeing Board, and constituent councils and clinical commissioning groups. The local housing authority must also be involved due to the inclusion of the Disabled Facilities Grants allocation, which forms part of the fund
  - **Condition 2:** NHS contribution to social care is maintained in line with inflation. The funding must be used to contribute to the maintenance of adult social care services in each local authority, which also has a health benefit. However, beyond this broad condition, the Department of Health and Social Care (DHSC) wants to provide flexibility for local areas to determine how this investment in adult social care services is best used.
  - **Condition 3:** Agreement to invest in NHS commissioned out of hospital services, which may include 7 day services and adult social care. This should be achieved by funding NHS commissioned out-of-hospital services, which may also include 7-day services and adult social care, as part of the agreed Better Care Fund plan.
  - **Condition 4:** Managing Transfers of Care - Plans should set out how local partners will work together to fund and implement transfers of care effectively.
- 2.2.3 More detail can be found in the Integration and Better Care Fund Policy Framework.

2.2.4 Based on these broad conditions, Devon County Council and the District Councils have identified an opportunity to provide additional grant and loan products to meet these conditions and deliver against the Devon Health and Wellbeing Board priorities.

## **2.3 Delayed transfers of care.**

2.3.1 Delayed transfers of care, occur when a patient is medically ready to leave in patient care but is still occupying a bed. According to NHS England, a patient is ready to depart when:

- a. A clinical decision has been made that the patient is ready for transfer AND
- b. A multi-disciplinary team decision has been made that the patient is ready for transfer, AND
- c. The patient is safe to discharge/transfer.

2.3.2 In 2016/17 there were 2.3 million delayed days in England with 1.3 million of these attributable to the NHS, averaging around 6,200 delayed transfers of care per day with around 3,600 of these attributable to the NHS.

2.3.3 The longer a person stays in hospital the more detrimental this can be in terms of morale, mobility, and an increase in the risk of hospital-acquired infections.

2.3.4 Older people are particularly susceptible to negative effects around mobility with studies suggesting that a wait of more than two days negates the benefit of intermediate care, and a wait of seven days or more is associated with a 10% decline in muscle strength.

2.3.5 Delayed transfers of care are also costly for hospital trusts as insufficient beds can mean elective procedures need to be cancelled, resulting in the hospital trust losing these as a source of income.

2.3.6 A survey in 2015 by the Guardian found that at least 10% of beds were occupied by patients who were ready to be discharged and the NHS providers' audited accounts for 2016/17 estimated that delayed transfers of care cost £173 million.

2.3.7 Much of the recent debate around delayed transfers of care attributes rising numbers to pressures in social care.

2.3.8 The number of delayed days attributable to waits for care packages or equipment and adaptation is over 500,000; up around 50% from the previous year (based on 2016/17 data).

## 3 Priorities

### 3.1 General

3.1.1 In Devon, the Better Care Fund priorities aim to achieve the following outcomes:

- Reduced admissions to residential and nursing care homes
- Reduce delayed transfers of care
- Reduce avoidable emergency admissions
- Increase dementia diagnosis rates

3.1.2 To meet these priorities this policy aims to focus on the following areas:

- **Objective 1** – Assist disabled residents to remain in their own homes through supporting the provision of adaptations (so far as this is necessary, appropriate and reasonably practicable) to prevent admissions to care and to assist with delayed transfers where possible.
- **Objective 2** – Safeguard the health and well-being of vulnerable residents by removing unnecessary hazards to health and safety in the home to reduce avoidable emergency admissions
- **Objective 3** – Provide adaptations that are suitable for the future by ensuring the scheme of works is dementia aware.
- **Objective 4** – Assist vulnerable people to afford to heat their homes through appropriate energy efficiency and heating measures.

## 4 Mandatory Disabled Facilities Grants

### 4.1 Background

4.1.1 The delivery of the disabled facilities grant programme is mandatory and a statutory function of the local housing authority. The delivery of this function is governed by the Housing Grants, Construction and Regeneration Act 1996.

### 4.2 Eligibility

4.2.1 Any disabled resident seeking financial assistance with the cost of adaptations to their home must be assessed by an Occupational Therapist (OT) working on behalf of, or approved by Devon County Council.

4.2.2 For the purposes of the Disabled Facilities Grant a person is considered disabled if they meet any of the following criteria:

- their sight, hearing or speech is substantially impaired,
- they have a mental disorder or impairment of any kind, or
- they are physically substantially disabled by illness, injury, impairment present since birth, or otherwise.

4.2.3 A person under the age of eighteen shall be considered disabled if:

- they are on a register of disabled children maintained under paragraph 2 of Schedule 2 to the Children Act 1989, or
- they are in the opinion of the social services authority a disabled child as defined for the purposes of Part III of the Children Act 1989 (local authority support for children and their families).

4.2.4 All owner-occupiers, tenants, licensees or occupiers who meet the above criteria are eligible to apply for a Disabled Facilities Grant.

### 4.3 Conditions

4.3.1 All grants other than those for children are subject to a test of financial resources, which is prescribed by The Housing Renewal Grants Regulations 1996.

4.3.2 The grant maximum is £30,000.

4.3.3 The disabled person must intend to occupy the property as their only or main residence for a period of five years after the works are complete (or such shorter period as the person's health or other relevant circumstances permit).

4.3.4 In order to make an application the applicant must supply the following:

- A completed and signed application form
- Evidence of financial situation
- Evidence of ownership of the property or the right to reside at the property
- Permission for the works to be carried out (if applicable)
- For more complex works; a detailed schedule of works and plans that must be agreed by the council
- Any planning or building regulation approvals
- Tenders for the works unless using an agreed procurement framework.

4.3.5 Only the works agreed by the council will be covered by the grant.

4.3.6 If the grant is approved there are 12 months to complete the works.

4.3.7 The works must be completed by the contractor stated on the approval document

4.3.8 No grant works should proceed until the grant application has been processed and all relevant planning, Building Regulation or landlord approval has been obtained.

4.3.9 If the applicant has a financial contribution towards the cost of adaptations they must ensure they have funds in place to cover their share of the costs before the work begins on site.

4.3.10 Subject to conditions, a loan from Lendology Community Interest Company may be available to cover an assessed financial contribution to a grant. See section 8 for further details.

4.3.11 Unforeseen and additional costs will only be paid for where they are necessary to complete the adaptation and must be agreed by the council before they are undertaken.

4.3.12 Any increase in the grant may have an impact on the charge placed against the property (see 4.3.16)

4.3.13 Applicants who are successful in their application for assistance will be required to maintain the adaptation.

4.3.14 The contract for the works is the responsibility of the applicant.

4.3.15 In all but the most exceptional cases, the council will seek to pay any approved grant funds directly to contractors on satisfactory completion of works.

4.3.16 No grant will be paid until a satisfactory invoice has been received and the works have been carried out to the satisfaction of the Council.

4.3.17 Only works falling within the mandatory elements, as specified in Appendix A, will be covered by the grant<sup>iv</sup>.

4.3.18 Lifts (stair lifts, step lifts and through floor lifts) and other equipment funded through the DFG process will belong to the applicant. Servicing and upkeep is

the responsibility of the applicant. The Council only usually remove lifts or other equipment if they are able to be economically refurbished and reused, or in the case of a moving grant, equipment may be removed to be re-used in the 'new' property if considered an effective use of resources.

- 4.3.19 Where the grant is in excess of £5,000 a local land charge will be placed on the property for the amount over £5,000 up to a maximum of £10,000. This charge will remain on the property for a period of 10 years.
- 4.3.20 Where the cost of the work exceeds the mandatory grant limit of £30,000 the applicant may be eligible to an Accessible Homes Grant (see section 5), subject to available funds.

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# 5 Accessible Home Grants

## 5.1 Background

5.1.1 The Accessible Homes Grant is available as a top-up to the mandatory Disabled Facilities Grant. The Accessible Homes Grant is subject to available funding.

5.1.2 This grant is available in the following circumstances:

- Where a mandatory grant has been approved but the cost of the work exceeds £30,000
- Where there are works that may not be covered by the Disabled Facility Grant in relation to adapting the home and making it safe.
- In relation to fees associated with feasibility works to determine if the adaptation can proceed.
- Where the means test identifies that a contribution is required (see 5.2.4).
- Where moving house more appropriate than adapting the existing property (see 7 for Moving Applications).

## 5.2 Eligibility

5.2.1 To be eligible for this grant the applicant must meet the following:

- The applicant must be eligible to apply for a mandatory Disabled Facilities Grant

5.2.2 All applicants are subject to the DFG means test, except the parents and/or guardians of a disabled child, where a means test is not required for the mandatory DFG. Adult applicants will have been means tested as part of the formal Disabled Facility Grant application. In the case of a child's application the means test will not be applied to the parents or guardians of the disabled child.

5.2.3 As an alternative to the adaptation of an applicant's home, consideration will be given to the option of re-housing to more appropriate or adapted accommodation.

5.2.4 An applicant will only be eligible to apply for additional grant to cover any identified contribution where the amount of assessed contribution the applicant has to pay represents at least a third or more of the applicant's savings. For example:

*An applicant has a means tested contribution of £1500.00. If the applicant has savings of £4500 or less, they will be able to access additional grant to cover the contribution; subject to grant limits and finance availability.*

*This is a taper, so in the above example, if the applicant had £5000 in savings, they would be expected to pay £500.*

## 5.3 Conditions

- 5.3.1 The grant maximum is £30,000. Anything over £30,000 will not attract any further public grant.
- 5.3.2 Where additional funding is required to cover eligible costs over £60,000 (£30,000 from the Disabled Facilities Grant and up to £30,000 from the Accessible Homes Grant) an application for a Disabled Facilities Loan can be made.
- 5.3.3 Evidence supplied by the Disabled Facility Grant applicant will be used to support the application for the Accessible Home Grant.
- 5.3.4 In addition to any land charge placed on the property under other sections of this policy, a local land charge will be placed on the property for the full value of the awarded Accessible Homes Grant. The charge(s) will be repayable if the property is sold, assigned or transferred within 10 years of the grant being completed.
- 5.3.5 Only the works agreed by the council will be covered by the grant
- 5.3.6 Eligible works must be completed within 12 months of the grant being approved.
- 5.3.7 The works must be completed by the contractor stated on the approval document, unless otherwise agreed with the council.
- 5.3.8 No grant works should proceed until the grant application has been processed and all relevant planning, Building Regulation or landlord approval has been obtained.
- 5.3.9 Unforeseen and additional costs will only be paid for where they are necessary to complete the adaptation and must be agreed by the council before they are undertaken.
- 5.3.10 Any increase in the grant may have an impact on the charge placed against the property.
- 5.3.11 Applicants who are successful in their application for assistance will be responsible for maintaining the adaptation.
- 5.3.12 The contract for the works is the responsibility of the applicant.
- 5.3.13 The grant will normally be paid direct to contractors in all but the most exceptional cases.
- 5.3.14 The council will only offer grant funding for those works that are considered appropriate, reasonable and practicable to meet the needs of the disabled person.
- 5.3.15 In all but the most exceptional cases, the council will seek to pay any approved grant funds directly to contractors on satisfactory completion of works.
- 5.3.16 No grant will be paid until a satisfactory invoice has been received and the works have been carried out to the satisfaction of the council.

## **6 Accessible Homes Grant – Stair lift Grant**

6.1.1 This grant provides internal and external straight track or curved track stair lifts and through-floor lifts without a means test for the applicant.

6.1.2 This grant includes provision of rented stair lifts for end of life care, or other reason, as specified by the Occupational Therapist.

### **6.2 Eligibility**

6.2.1 To be eligible for this grant the following must be in place:

- Any disabled resident seeking financial assistance with the cost of adaptations to their home must be assessed by an Occupational Therapist (OT) working on behalf of, or approved by Devon County Council.
- Where additional works are required to install the stair lift or provide accessible washing facilities these will be covered as part of this grant.
- Where an applicant requires multiple adaptations, the stair lift (or other eligible lift) will be provided through this grant and the other adaptations through the DFG or accessible homes grant where the applicant is eligible.

### **6.3 Conditions**

6.3.1 The applicant must have permission from the owner of the property for the work to be carried out. The council will require an owner's certificate if the property is rented.

6.3.2 The applicant intends to live in the property as their only or main residence for the period of 5 years or for a shorter period as health or other relevant circumstances permit.

6.3.3 The final approved sum will be based on competitive contracting through the council's procurement system, or other process.

6.3.4 Only the works agreed by the council will be covered by the grant.

6.3.5 The works must be completed by the contractor stated on the approval document, unless otherwise agreed with the council.

6.3.6 No grant works should proceed until the grant application has been processed and all relevant planning, Building Regulation or landlord approval has been obtained.

6.3.7 Unforeseen and additional costs will only be paid for where they are necessary to complete the adaptation and must be agreed by the council before they are undertaken.

- 6.3.8 Applicants who are successful in their application for assistance will be required to maintain the equipment and any associated works and have it regularly serviced at their cost.
- 6.3.9 The contract for the works is the responsibility of the applicant.
- 6.3.10 In all but the most exceptional cases, the council will seek to pay any approved grant funds directly to contractors on satisfactory completion of works.
- 6.3.11 No grant will be paid until a satisfactory invoice has been received and the works have been carried out to the satisfaction of the applicant and Council.
- 6.3.12 In addition to any land charge placed on the property under other sections of this policy, where the grant is in excess of £5,000 a local land charge will be placed on the property for the amount over £5,000 up to a maximum of £10,000. This charge will remain on the property for a period of 10 years.

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## **7 Accessible Homes Grant – Bathroom Adaptation Grant**

7.1.1 This grant provides level access showers, automatic wash-dry WCs and other bathroom adaptations without a means test for the applicant.

### **7.2 Eligibility**

7.2.1 To be eligible for this grant the following must be in place:

- Any disabled resident seeking financial assistance with the cost of adaptations to their home must be assessed by an Occupational Therapist (OT) working on behalf of, or approved by Devon County Council.
- Where additional works are required to install the stair lift or provide accessible washing facilities these will be covered as part of this grant.
- Where an applicant requires multiple adaptations, the bathroom adaptations will be provided through this grant and the other adaptations through the DFG or accessible homes grant where the applicant is eligible.

### **7.3 Conditions**

7.3.1 The applicant must have permission from the owner of the property for the work to be carried out. The council will require an owner's certificate if the property is rented.

7.3.2 The applicant intends to live in the property as their only or main residence for the period of 5 years or for a shorter period as health or other relevant circumstances permit.

7.3.3 The final approved sum will be based on competitive contracting through the council's procurement system, or other process.

7.3.4 Only the works agreed by the council will be covered by the grant.

7.3.5 The works must be completed by the contractor stated on the approval document, unless otherwise agreed with the council.

7.3.6 No grant works should proceed until the grant application has been processed and all relevant planning, Building Regulation or landlord approval has been obtained.

7.3.7 Unforeseen and additional costs will only be paid for where they are necessary to complete the adaptation and must be agreed by the council before they are undertaken.

- 7.3.8 Applicants who are successful in their application for assistance will be required to maintain the equipment and any associated works and have it appropriately serviced at their cost.
- 7.3.9 The contract for the works is the responsibility of the applicant.
- 7.3.10 In all but the most exceptional cases, the council will seek to pay any approved grant funds directly to contractors on satisfactory completion of works.
- 7.3.11 No grant will be paid until a satisfactory invoice has been received and the works have been carried out to the satisfaction of the applicant and Council.
- 7.3.12 In addition to any land charge placed on the property under other sections of this policy, where the grant is in excess of £5,000 a local land charge will be placed on the property for the amount over £5,000 up to a maximum of £10,000. This charge will remain on the property for a period of 10 years.

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# 8 Accessible Home Grants: Moving Application

## 8.1 Background

8.1.1 This grant may be available to assist a disabled person to move to more suitable accommodation subject to available funding.

## 8.2 Eligibility

8.2.1 An applicant will be eligible for this grant

- Where the Occupational Therapist and the Council consider re-housing to be more appropriate than adapting the existing accommodation.
- Where the landlord has refused permission for any adaptation works to be carried out and therefore it is no longer feasible for the occupier to remain in the property.
- Where it is possible to carry out works at the existing property the total cost incurred in the eligible 'moving on' expenses and any estimated eligible adaptation costs at the 'new' property should not be greater than the cost of adapting the applicant's current home.
- Where the 'new' property, in the opinion of the Council, provides a long term, sustainable home for the person for whose benefit the works are required.
- Adaptations at the 'new' property will be subject to the Statement of Needs and a new DFG application. Adaptations may exceed the mandatory DFG grant and any top-up assistance available, so this should be considered by the applicant prior to moving.
- If the property is within a neighbouring authority covered by this policy then the new authority will need to ensure the new property is suitable. This should also be agreed with the Occupational Therapist. The applicant must ensure that the relevant council's officers and Occupational Therapist have been consulted.

8.2.2 In determining the 'reasonable expenses' regard shall be given to the following criteria:

- The cost of the eligible works at the applicant's existing property are not deemed reasonable, or;
- The eligible works at the applicant's existing home are not technically feasible, or;
- The adaptation of the applicant's existing property does not provide a sustainable, long term solution for their housing needs, or;
- The landlord of the property refuses to give permission for the necessary works to be carried out.

### **8.3 Eligible Expenses – owner occupier**

8.3.1 Expenses that can attract a grant under this section may include the cost of:

- Any arrangement fee charged by a lender to cover the formation of a mortgage.
- Conveyancing fees.
- Land Registry Fee
- Local Authority Searches
- Stamp Duty
- Valuation, Homebuyers or Full Structural Survey
- Professional or other removal costs
- Estate Agent Commission.

8.3.2 The maximum grant payable for eligible expenses under this heading for an owner occupier is £10,000.

### **8.4 Eligible expenses – tenant**

8.4.1 For a tenant the expenses that can attract a grant under this section may include the cost of:

- Letting agent fees
- Rent deposit
- Professional or other removal fees

8.4.2 The maximum grant payable for eligible expenses under this heading for a tenant is £5,000.

### **8.5 Conditions**

8.5.1 Grant assistance is only payable to an owner occupier upon the successful completion of the purchase of the 'new' property and the disabled person then occupying that property as their only and main residence.

8.5.2 When moving to rented accommodation the applicant must obtain permission from the landlord for any adaptations to be carried out before the grant will be paid.

8.5.3 To qualify for this grant the applicant must have been resident in the existing property for at least 2 years prior to making an application to move.

8.5.4 The applicant must intend to live in the new property as their only or main residence for a period of 5 years (or such shorter period as the person's health or other relevant circumstances permit).



- 8.5.5 For owner occupiers a local land charge will be placed against the property for a period of 5 years for the total amount of grant awarded.

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# 9 Healthy Homes Grants

## 9.1 Background

9.1.1 The Healthy Homes grant is a flexible grant to provide urgent/essential repairs to the home to ensure the health, safety and welfare of the occupier(s).

9.1.2 This includes assisting an occupier with infestations, accumulations (hoarding) and personal circumstances (for example dementia) where the condition of the dwelling will lead to a delayed transfer of care (hospital discharge) or potential avoidable hospital admission.

## 9.2 Eligibility

9.2.1 To qualify for this grant the applicant must either:

- a. have been declined by Lendology CIC for a Home Improvement Loan
- b. be in receipt of one of the following benefits:

- Housing Benefit
- Disability Living Allowance
- Personal Independent Payment with the daily living component
- Attendance Allowance
- Pension Credit
- Income Support
- Council tax benefit (not the single person discount)
- Universal Credit

*(Universal Credit replaces the following means tested benefits: Housing Benefit, Income Related Employment Support Allowance, Income Based Job Seekers Allowance, Child Tax Credit, Working Tax Credit and Income Support)*

- c. otherwise be in financial hardship following as assessment by:

- Lendology CIC
- The council's Housing Options or other relevant team
- Citizens Advice, or
- Other third party commissioned by the council to work in a community support role.

- 9.2.2 A grant can be awarded in addition to a loan from Lendology CIC if the amount of loan available is not enough to cover the cost of addressing the eligible works.
- 9.2.3 Healthy Homes Grant can be used to fund repairs to disabled adaptations where the equipment or other works are out of warranty or guarantee.
- 9.2.4 This grant can be used to fund temporary measures or items that can be removed to allow the occupier to return home as part of end of life care. Works will be funded by DFG or Accessible Homes in the first instance, if eligible.
- 9.2.5 Subject to available funds, non-means tested grants will be available, on the recommendation of the MARAC (Multi-Agency Risk Assessment Conference) to provide a secure sanctuary room within an applicant's property where there is a demonstrable risk that the householder is at risk of violence from a partner/former partner and that providing a sanctuary room is the most satisfactory course of action. In such cases, each grant will be assessed on its own merit and will fund the structural work to a property as recommended by the police up to a maximum of £20,000.

### **9.3 Conditions**

- 9.3.1 Households are able to apply for a 'Healthy Homes grant' on multiple occasions; except where stated otherwise, the maximum grant available is £10,000 in any two year period.
- 9.3.2 Unless stated otherwise, for owner occupiers a local land charge will be placed against the property for a period of 5 years. For the total amount of the grant.
- 9.3.3 A local land charge will not be placed against the property if the purpose of the grant is to repair disabled adaptations already subject to a charge. This will apply to the cost of those repairs only, if the grant is being used for multiple reasons.
- 9.3.4 A local land charge will not be placed on the property if the purpose of the grant is to provide equipment or works to help with end of life care.
- 9.3.5 For tenants the grant will only be available where the landlord is not responsible for the works required. As such, the grant will be limited to providing assistance with infestations and accumulations (hoarding) where the condition of the dwelling will lead to a delayed transfer of care (hospital discharge) or potential avoidable hospital admission, where the landlord is not responsible for the works.
- 9.3.6 An applicant can apply for a loan for any substantial work beyond removing the immediate health and safety risk.

# 10 Home Improvement Loans

## 10.1 Background

10.1.1 Lendology CIC (formerly known as Wessex Resolutions Community Interest Company (WRCIC)) is a not-for-profit company contracted by the council to deliver loans to residents in the district.

10.1.2 Lendology CIC administer loans within the requirements of this policy. Home Improvement Loans are flexible and can be used for the following purposes:

- Home repairs and improvements to bring the dwelling up to the Decent Homes Standard.
- Adaptation works where grant is not available
- To cover a applicant contribution to a grant
- To cover the cost of the work over the Disabled Facilities Grant and/or Accessible Homes Grant maximum.
- To bring empty homes back into use
- For renewable energy enhancements and energy efficiency improvements
- For landlords to carry out repairs or improvements to rented accommodation to address either:
  - a. Assessed failures of the Decent Homes Standard, or;
  - b. Works to meet requirements of the Management Regulations, or;
  - c. Works to meet requirements of other regulations placing duties on managers of rented accommodation

## 10.2 Eligibility

10.2.1 This will vary and is based on the individual circumstances of each applicant. Loan advisors from Lendology CIC will carry out an assessment and provide independent advice on ethical and responsible lending and the most appropriate product to suit the needs of the applicant.

## 10.3 Conditions

10.3.1 Conditions may vary depending on the loan product selected and the individual circumstances of each applicant.

10.3.2 Loans are subject to status. Lendology may insist on loans being protected at the Land Registry by a Title Restriction. Missing payments could affect your credit rating and ability to obtain credit in the future.

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# 11 Warm Up Grants

## 11.1 Background

11.1.1 These grants, up to a maximum £3,000 per property, provide top up funding for energy efficiency measures where energy providers are part funding energy efficiency measures under their Energy Company Obligation (ECO) or other energy efficiency funding.

11.1.2 Warm Up funding can also be used in conjunction with Healthy Homes Grants (based on eligibility for Healthy Homes), where the hazard(s) being rectified require energy efficiency works or upgrading of heating/hot water provision.

11.1.3 Works will generally include:

- Mains gas boiler replacement
- Insulation measures (e.g. loft, cavity wall, solid wall, flat roof & room in roof)
- Non-gas boiler replacements
- Replacement storage heaters
- Renewable installations (e.g. solar panels and air-source heat pumps)
- Energy efficiency works

## 11.2 Eligibility

11.2.1 Applicants must have been identified either through the council's Energy Company Obligation flexible eligibility Statement of Intent which can be found on the council's website, or by an assessment of an officer of the council under the Healthy Homes policy.

11.2.2 To qualify for the top-up a survey must be carried out by the energy provider, an officer of the council, a local installer, or their agent and qualifying works identified. Provisions will be in place to ensure value for money.

11.2.3 For owner occupiers a maximum of up to £3,000 is available.

11.2.4 If more than £3,000 is needed then the applicant should apply for a Lendology CIC loan (see section 10) subject to availability and eligibility

## 11.3 Conditions

11.3.1 Once a 'Warm up grant' has been awarded to a household, no further 'Warm up grant' will be available for the same household in the same property for a period of 4 years.

11.3.2 The contract for the works is the responsibility of the applicant.

- 11.3.3 In all but the most exceptional cases, the council will seek to pay any approved grant funds directly to contractors on satisfactory completion of works.
- 11.3.4 No grant will be paid until a satisfactory invoice has been received and the works have been carried out to the satisfaction of the applicant and Council.

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## 12 Miscellaneous

### 12.1 Exceptions to this policy

- 12.1.1 The council accept that applications may be received for adaptations or works not covered by the circumstances listed above or outside the eligibility criteria listed. In all cases, these will need to be formally determined.
- 12.1.2 Any such application will be assessment by the Private Sector Housing Lead or equivalent.
- 12.1.3 Such applications will be determined with reference to relevant priorities as laid out in relevant the council Policies.
- 12.1.4 Disabled Facilities Grants that meet the following criteria will not be subject to a test of financial resources:
- Grants for community equipment (aids and minor adaptations) if the cost of the adaptation is £1,000 or less<sup>y</sup>.

### 12.2 Appeals and complaints

- 12.2.1 Where the applicant has a complaint about the manner in which the council is applying this policy, then they should follow the Council's formal complaints process.
- 12.2.2 Where the complaint is in respect of works, the complaint should be made to the contractor in the first instance, if this does not resolve the problem then the council should be contacted for advice.



# 13 Appendix A: Eligible works

## 13.1 Disabled Facilities Grant and Accessible Homes Grant

- 13.1.1 An assessment by an agreed Occupational Therapist must be carried out. The Occupational Therapist will then recommend the type of adaptation required.
- 13.1.2 Minor works are assessed by the Occupational Therapist and may be dealt with outside of the grant process.
- 13.1.3 In order to decide on an eligible scheme there is a two stage process:
- a. The Occupational Therapist assesses what is 'necessary and appropriate' to meet the needs of the disabled occupant.
  - b. The Environmental Health and Community Safety service assess what measures are reasonable and practicable to meet the identified needs in practice.
- 13.1.4 During both of the stages of this process the Occupational Therapist and Environmental Health and Community Safety service will work closely with the applicant to ensure, as far as possible, that their input is taken into account.

## 13.2 Purposes for which a grant must or may be given

- 13.2.1 The following (11.2.3 – 11.2.14) are the purposes for which a mandatory Disabled Facilities Grant are available, as contained in legislation.
- 13.2.2 Each adaptation criteria is provided with an example. The examples are intended to give a brief idea of the type of work available. In each case, the eligible works will be decided through the process laid out in 12.1, above.
- 13.2.3 Facilitating access by the disabled occupant to and from the dwelling, or the building in which the dwelling or, as the case may be, flat is situated;
- *For example, ramping and/or handrails to the main external door.*
- 13.2.4 Making the dwelling safe for the disabled occupant and other persons residing with them;
- *For example, upgrading of the electrical installation, where the current installation is considered unsafe for the disabled occupant.*
- 13.2.5 Facilitating access by the disabled occupant to a room used or usable as the principal family room;
- *For example, alterations to facilitate wheelchair access to a living room.*
- 13.2.6 Facilitating access by the disabled occupant to, or providing for the disabled occupant, a room used or usable for sleeping;
- *For example, alterations to facilitate wheelchair access to a bedroom.*

- 13.2.7 Facilitating access by the disabled occupant to, or providing for the disabled occupant, a room in which there is a lavatory, or facilitating the use by the disabled occupant of such a facility;
- *For example, installation of a stairlift to facilitate access to a first floor WC.*
- 13.2.8 Facilitating access by the disabled occupant to, or providing for the disabled occupant, a room in which there is a bath or shower (or both), or facilitating the use by the disabled occupant of such a facility;
- For example, installation of a level-access shower.
- 13.2.9 Facilitating access by the disabled occupant to, or providing for the disabled occupant, a room in which there is a wash hand basin, or facilitating the use by the disabled occupant of such a facility;
- *For example, provision of an accessible wash hand basin, including any alterations necessary to facilitate access.*
- 13.2.10 Facilitating the preparation and cooking of food by the disabled occupant;
- *For example, installing low-level food preparation areas.*
- 13.2.11 Improving any heating system in the dwelling to meet the needs of the disabled occupant or, if there is no existing heating system there or any such system is unsuitable for use by the disabled occupant, providing a heating system suitable to meet his needs;
- *For example, upgrading/replacing of boilers/radiators where the property has been extended as part of a wider adaptation.*
- 13.2.12 Facilitating the use by the disabled occupant of a source of power, light or heat by altering the position of one or more means of access to or control of that source or by providing additional means of control;
- *For example, alterations to the height and/or position of light switches and power points to make them accessible to the disabled person.*
- 13.2.13 Facilitating access and movement by the disabled occupant around the dwelling in order to enable them to care for a person who is normally resident there and is in need of such care;
- *For example, widening of doorways.*
- 13.2.14 Facilitating access to and from a garden by a disabled occupant; or making access to a garden safe for a disabled occupant;
- *For example, providing access to an area of the garden suitable for the disabled occupant.*

## 14 Notes:

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<sup>i</sup> Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. Available from: <http://www.legislation.gov.uk/uksi/2002/1860/article/4/made>

<sup>ii</sup> The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. Available from: <http://www.legislation.gov.uk/uksi/2002/1860/contents/made>

<sup>iii</sup> Office for National Statistics, 2020. Available from: <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortalityinenglandandwales/2017to2018provisionaland2016to2017final>

<sup>iv</sup> Section 23 of the Housing Grants, Construction and Regeneration Act 1996. Available from: <http://www.legislation.gov.uk/ukpga/1996/53/section/23> **AND** regulation 3 of The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008. Available from: <http://www.legislation.gov.uk/uksi/2008/1189/article/3/made>

<sup>v</sup> Regulation 4 of the Care and Support (Preventing Needs for Care and Support) Regulations 2014. Available from: <http://www.legislation.gov.uk/uksi/2014/2673/made>

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## **The Electrical Safety Standards in the Private Rented Sector Financial Penalty Policy**

The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 are designed to ensure electrical safety within the private rented sector in England by requiring landlords to have the fixed electrical installation within rented properties inspected at least every five years.

A private landlord (as defined in section 122(6) of the Housing and Planning Act 2016) who grants or intends to grant a specified tenancy must ensure that the fixed electrical installation is safe during the period of the tenancy.

The regulations set out excluded tenancies which include amongst others, registered providers of social housing, shared accommodation with a landlord or landlord's family, long leases, student halls of residence, hostels and refuges, care homes, hospitals and hospices and other accommodation relating to healthcare provision.

### **Landlord duties - testing & certification.**

Duty for first inspection and testing of the electrical installation

- a) New, specified tenancies, granted or intended to be granted on or after 1st July 2020
- b) 1st April 2021 - Existing tenancies must be inspected before this date.

Repeat inspections are required at least every 5 years (sooner if the report recommends a lesser period).

Ensure that the electrical safety standards are met during any period when the premises are occupied under a specified tenancy.

Inspections & tests must be undertaken by a competent person who is part of the electrical safety industry competent-person scheme.

The inspection report will show that the installation is one of the following:

- a) Safe and no further action is required
- b) Danger is present and there is a risk of injury (Code 1 (C1)). In this situation the cause of the danger would be rectified by the competent person before leaving the property
- c) The installation poses a potential danger (Code 2 (C2))
- d) Further investigation is required without delay (FI)
- e) Improvement to the installation is recommended (Code 3 (C3)); however, this is not sufficient to deem the installation as unsatisfactory.

Where the inspection report shows a C1, C2 or FI outcome, the landlord must ensure that suitable remedial works or investigations are undertaken. A C3 outcome is advisory and therefore works do not have to be completed.

- a) A copy of the inspection certificate must be provided by the landlord to:
- b) Each existing tenant within 28 days of the inspection
- c) A new tenant before they occupy the property, or
- d) A prospective tenant within 28 days of receiving a request for the report
- e) The Council within seven days of receiving a request for the certificate in writing

A copy of the report must be kept by the landlord until the next report is due; then a copy of the existing report should be provided to the person undertaking the next inspection.

Where the work undertaken reveals further issues that require either further remedial work or further investigation, this should be addressed within a further period of 28 days (or shorter period, where this is required).

The person completing the works should supply the landlord with a confirmation that the works have been completed (so the installation is now safe) or further work/investigation is needed. The landlord must provide a copy of this confirmation together with the original inspection certificate to each tenant and to the Council within 28 days of the work being undertaken.

Where further work or investigation is required, the requirements to complete work and provide the necessary confirmation are repeated (as per the original inspection).

### **Council duties - Remedial Notice.**

Where the Council believes that the landlord has breached one or more of their duties, (excluding provision of certificates), the Council must serve a remedial notice on the landlord within 21 days of deciding that it has reasonable grounds for service.

The notice includes:

- a) the remedial action required to be taken within 28 days of service
- b) Details of how to make representations
- c) Explanation of the penalties (including the potential maximum penalty) that may result from non-compliance.

The landlord may make written representations within 21 days, if made the notice is suspended until the representations have been considered.

The Council must consider any representations and confirm that outcome of those considerations, in writing, within seven days of the end of the representation period.

### **Landlord duties - Remedial Notice**

A landlord must comply with a remedial notice where either no representations are made or the notice is confirmed (after consideration of the representations) unless they are able to claim that they have taken all reasonable steps e.g. tenant has prevented access.

### **Council power to arrange remedial action.**

Failure to comply with a remedial notice also allows the Council to undertake remedial works in default, with the consent of the tenants. Before doing so, the Council must be satisfied on the balance of probability that there has been a breach of the remedial notice.

Before undertaking such works, the Council must serve a notice of intention to take remedial action (NIRA) on the landlord. The notice includes:

- a) The nature of the proposed remedial work
- b) The date when the work will be undertaken
- c) Information on the right of appeal against the decision to do the work

Works are to be undertaken within 28 days of the end of the remedial notice expiry date (or within 28 days after confirmation of notice, if appealed).

The tenants must be given at least 48 hours' notice of the remedial works.

### **Appeal against Council remedial works**

A landlord may appeal against a NIRA to the First-tier Tribunal (Property Chamber) within 28 days of service.

An appeal suspends the NIRA until the appeal has been determined. The tribunal may affirm, vary, or quash the NIRA.

### **Recovery of costs**

The Council may issue a demand to recover costs relating to works undertaken in accordance with the NIRA which becomes payable after 21 days from the day of issue unless an appeal is submitted.

### **Appeal against costs**

An appeal can be made to the First-tier Tribunal (Property Chamber) within 21 days of the date of issue.

### **Urgent remedial action**

Where an electrical report indicates that urgent action is required and the LHA is satisfied that the landlord is not undertaking the necessary work, they may arrange (with the consent of the tenants) for an electrician to undertake the urgent work.

The tenants must be given at least 48 hours' notice of the date to carry out the work.

The LHA must issue an urgent remedial action notice (URAN) either prior to or up to seven days from the date when the remedial action commences. The URAN includes:

- a) The nature of the urgent remedial action required
- b) The date when the urgent work is or has been started
- c) The right of appeal and the appeal period
- d) The provisions relating to the issue of financial penalties.

### **Appeal against urgent remedial action**

A landlord may appeal against a URAN to the First-tier Tribunal (Property Chamber) within 28 days of either the date that the work was started or was planned to start (whichever was the first date).

A URAN is not suspended on appeal.

The Cost recovery process is like those under a NIRA.

### **Financial penalties - notice of intention**

Where a local housing authority is satisfied, beyond reasonable doubt, that a private landlord has breached a duty under regulation 3 (see 2.1), the authority may impose a financial penalty (or more than one penalty in the event of a continuing failure) in respect of the breach.

A financial penalty may be of such amount as the authority imposing it determines (See Appendix 1); but must not exceed £30,000.

Before imposing a financial penalty a notice of intention must be served on the private landlord. The notice includes:

- a) The amount of the proposed penalty
- b) The reasons for imposing the penalty
- c) Information about the right to appeal

The landlord may make written representations within 28 days.

#### **Financial penalties – final notice**

Within 28 days of expiry of the representation period the Council must decide whether to impose a financial penalty on the landlord.

If it decides to impose a penalty it must serve a final penalty notice which includes:

- a) The amount of the penalty
- b) The reasons for imposing the penalty
- c) Information about rights of appeal
- d) Consequences of failure to comply

The penalty is payable within 28 days.

The Council may, at any time, withdraw a NOI or Final notice, or reduce the penalty amount specified in a notice by doing so in writing.

#### **Appeal against financial penalty**

A landlord can appeal a final notice within 28 days to the First-tier Tribunal (Property Chamber).

If appealed the final notice is suspended until withdrawn or determined.

#### **Recovery of financial penalty**

The local housing authority which imposed the financial penalty may recover the penalty or part on the order of the county court as if it were payable under an order of that court.

#### **Proceeds of financial penalty**

The Council may apply the proceeds to meet the costs and expenses incurred in, or associated with, carrying out any of its enforcement functions in relation to the private rented sector.

#### **Determination of penalty amount.**

The Council will decide the amount of penalty up to the maximum of £30,000 limit, as set within the regulations.

A penalty may be awarded under either Part A and/or Part B.

#### **PART A:**

This applies where:

- a) An electrical report indicates that C1 defects are present and where the works haven't been undertaken in accordance with the regulations.
- b) A remedial notice has been served by the Local Authority and the landlord has failed to take all reasonable steps to comply with it and the regulations have been breached.



The indicative penalty shall be determined in accordance with Council’s Civil Penalty Policy as if an offence of failing to comply with an improvement notice in respect of 1 Category 1 hazard (electrical) has occurred.

**PART B:**

This applies in respect of offences not covered by Part A. It may include for example:

- a) Failing to provide certification to tenants/prospective tenants
- b) Where the Local Authority have served a remedial notice which the Landlord has complied with.
- c) Where the landlord has failed to ensure the testing has been undertaken at regular intervals by a qualified person in accordance with the regulations but has recently complied with the regulations.

Consideration will be given to the issue of a penalty as a “repeat offender”. Instead of a scoring matrix the following indicative penalties will be used:

First offence	£Nil – Advice will be given
Second offence:	£300
Third:	£500
Forth & subsequent	£1,000

**Considerations:**

After the indicative penalty has been determined, considerations of sections (e) –(i) will be applied together with any reductions under section (j). Please refer to the Council’s Civil Penalty Policy for detail. In brief these are:

- a) Remove any financial benefit the offender may have obtained as a result of committing the offence –The guiding principle here should be to ensure that the offender does not benefit as a result of committing an offence, i.e. it should not be cheaper to offend than to ensure a property is well maintained and properly managed.
- b) Multiple offenders –fine sharing in cases where there are multiple offenders.
- c) Punishment of the offender –A civil penalty should not be regarded as an easy or lesser option compared to prosecution. While the penalty should be proportionate and reflect both the severity of the offence and whether there is a pattern of previous offending, it is important that it is set at a high enough level to help ensure that it has a real economic impact on the offender and demonstrates the consequences of not complying with their responsibilities.
- d) Deter the offender from repeating the offence –The ultimate goal is to prevent any further offending and help ensure that the landlord fully complies with all of their legal responsibilities in future. The level of the penalty should therefore be set at a high enough level such that it is likely to deter the offender from repeating the offence.
- e) Deter others from committing similar offences – While the fact that someone has received a civil penalty will not be in the public domain, it is possible that other landlords in the local area will become aware through informal channels when someone has

received a civil penalty. An important part of deterrence is the realisation that (a) the local housing authority is proactive in levying civil penalties where the need to do so exists and (b) that the level of civil penalty will be set at a high enough level to both punish the offender and deter repeat offending.

#### Reductions

- a) Level of compliance by perpetrator, their attitude in doing so, and early payment
- b) Financial hardship

## Minimum Energy Efficiency Standard and Energy Performance Certificate Financial Penalty Policy

The Authority will not impose a financial penalty under both (A) and (B) above in relation to the same breach of the Regulations. But it may impose a financial penalty under either (A) or (B), together with financial penalties under (C) and (D), in relation to the same breach. Where penalties are imposed under more than one of these paragraphs, the total amount of the financial penalty may not be more than £5,000.

### Calculation of penalty:

The penalty will be calculated taking into account whether it is a first or subsequent offence. This is in relation to the occurrence of an offence for a specific property.

Any offence in relation to a property will be considered a first offence unless:

- a) A penalty notice has already been issued in respect of that property, and
- b) The individual committing the offence is the individual who was served the penalty notice.

It will, in respect of the penalty for renting out a property, take into account whether the EPC indicates an F or G rating. The letting of a G rated property, as indicated by the registered EPC, will carry a higher penalty. The following are indicative penalties but the Council will consider any other factors that it feels are relevant.

<b>Renting out a non-compliant property (in breach less than 3 months), up to max £2000</b>	
<b>1st Offence</b>	
EPC Rating <b>F</b>	£1,250
EPC Rating <b>G</b>	£1,500
<b>Subsequent Offence(s)</b>	
EPC Rating <b>F</b>	£1,750
EPC Rating <b>G</b>	£2,000
<b>Renting out a non-compliant property (in breach for 3 months or more), up to max £4000</b>	
<b>1st Offence</b>	
EPC Rating <b>F</b>	£2,500
EPC Rating <b>G</b>	£3,000
<b>Subsequent Offence(s)</b>	
EPC Rating <b>F</b>	£3,500
EPC Rating <b>G</b>	£4,000
<b>Providing false, or misleading, information, Up to max £1000</b>	
1st Offence	£750
Subsequent Offence(s)	£1,000

The penalty will be raised against the individual who lets the domestic private rented property to the tenant, where there are multiple individuals who have let the property, the penalty will be apportioned between them taking into account an assessment of culpability.

This will be determined on a case by case basis in relation to the evidence.

### **Publication Penalty**

The Authority will publish some details of the landlord's breach on a publicly accessible part of the PRS Exemptions Register. The information will be available for at least 12 months up to a time decided by the Authority.

The information that may be published is:

- a) the landlord's name (except where the landlord is an individual);
- b) details of the breach;
- c) the address of the property in relation to which the breach occurred; and
- d) the amount of any financial penalty imposed

The Authority will not publish the information until after the end of the appeal period, or in the event the notice is appealed after the appeal has been decided.

### **Penalty Notice:**

The Authority may serve a penalty notice (relating to a financial penalty, a publication penalty or both) on the landlord where they are satisfied that the landlord is, or has been in the last 18 months:

- a) in breach of the prohibition on letting sub-standard property (which may include continuing to let the property after 1 April 2020) or
- b) in breach of the requirement to comply with a compliance notice or
- c) has uploaded false or misleading information to the Exemptions Register.

The Authority may serve a penalty notice on a landlord up to 18 months after the suspected breach. A person may be served with a penalty notice after they have ceased to be the landlord of a property.

The penalty notice may include a financial penalty, a publication penalty or both. The penalty notice will:

- a) explain which of the provisions of the Regulations the enforcement authority believes the landlord has breached;
- b) give details of the breach;
- c) tell the landlord whether they must take any action to remedy the breach and, if so, the date within which this action must be taken (the date must be at least a month after the penalty notice is issued);
- d) explain whether a financial penalty is imposed and if so, how much and, where applicable, how it has been calculated;
- e) explain whether a publication penalty has been imposed
- f) where a financial penalty is imposed, tell the landlord the date by which payment must be made, the name and address of the person to whom it must be paid and the method of payment (the date must be at least a month after the penalty notice is issued)

- g) explain the review and appeals processes, including the name and address of the person to whom a review request must be sent, and the date by which the request must be sent and
- h) explain that if the landlord does not pay any financial penalty within the specified period, the enforcement authority may bring court proceedings to recover the money from the landlord.

A further penalty notice may be issued if the action required in the penalty notice is not taken in the time specified.

When the Authority issues a penalty notice which carries a right of appeal, it will inform the landlord about that right of appeal. Typical wording might be:

“You have a right of appeal against this decision to the General Regulatory Chamber (GRC) of the First Tier Tribunal. If you wish to appeal you should do so within 28 days of the date of this letter by writing to (Leicester address). You can obtain an appeal form from that address or from the tribunal website at (website address).”

#### Review of Penalty Notice

The Council may review its decision to serve a penalty notice. Where a request is made to the Council in writing, and within the timescale indicated on the penalty notice it will consider everything the landlord has said in the request and decide whether or not to withdraw the penalty notice.

The Council may decide to:

- a) waive or reduce the penalty,
- b) allow the landlord additional time to pay, or
- c) Modify the publication penalty

The Council will withdraw the penalty notice if:

- a) they are satisfied that the landlord has not committed the breach set out in the penalty notice;
- b) although they still believe the landlord committed the breach, they are satisfied that the landlord took all reasonable steps, and exercised all due diligence to avoid committing the breach; or
- c) they decide that because of the circumstances of the landlord’s case, it was not appropriate for the penalty notice to be served.

The Authority will inform the landlord of their decision in writing at the earliest opportunity.

## Recovery of financial penalty

If a landlord does not pay a financial penalty imposed on them, the enforcement authority may take the landlord to court to recover the money. It will not do this during the period for review stipulated on the notice, while reviewing their decision, or during the period in which the landlord could appeal to the First-tier Tribunal or while there is an ongoing tribunal appeal.

## Appeals to the First-tier Tribunal (General Regulatory Chamber)

Where a landlord asks the enforcement authority to review a decision to serve a penalty notice and, on review, they decide to uphold the penalty notice, the landlord may then appeal to the First-tier Tribunal against that decision if they think that:

- a) the penalty notice was based on an error of fact or an error of law
- b) the penalty notice does not comply with a requirement imposed by the Regulations or
- c) it was inappropriate to serve a penalty notice on them in the particular circumstances. If a landlord does appeal, the penalty notice will not have effect while the appeal is ongoing.

The First-tier Tribunal may decide to quash, confirm or modify the penalty notice. If the penalty notice is quashed, the enforcement authority must reimburse the landlord for any financial penalty already paid under the notice.