

Open

Overview & Scrutiny Committee

Agenda

6pm
Thursday, 5th November 2015
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Overview & Scrutiny Committee

Members of Committee:

Chairman: Councillor H E Dyke
Vice-Chairman: Councillor S Arnold

Councillor G W Ballinger
Councillor J Greener
Councillor D Little
Councillor C Rogers

Councillor J R Desmond
Councillor A T Hingley
Councillor J Phillips
Councillor S J Williams

Would Members please note that, to ensure continuity in scrutiny, substitutes should only be appointed for the Scrutiny Committee in exceptional circumstances.

Information for Members of the Public:

Part I of the Agenda includes items for discussion in public. You have the right to inspect copies of Minutes and reports on this Agenda as well as the background documents used in the preparation of these reports.

Part II of the Agenda (if applicable) deals with items of “Exempt Information” for which it is anticipated that the public may be excluded from the meeting and neither reports nor background papers are open to public inspection.

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct (“the Code”) requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members’ Code of Conduct as set out in Section 14 of the Council’s constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI’s and ODI’s are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council’s Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

Co-opted Members

Scrutiny Committees may wish to appoint Co-Opted Members to sit on their committee in order to add value to the scrutiny process. To appoint a Co-Opted Member, a Committee must first agree to appoint either a specific person or to approach a relevant organisation to request that they put forward a suitable representative (e.g. the local Police Authority). Co-Optees are non voting by default but Committees can decide to appoint voting rights to a Co-Optee. The Co-Option of the Member will last no longer than the remainder of the municipal year.

Scrutiny Committees can at any meeting agree to terminate the Co-Option of a Co-Opted Member with immediate effect. Where an organisation is appointed to put forward a Co-Opted Member, they are able to send a substitute in exceptional circumstances, provided that they notify Democratic Services in advance. Co-Opted Members must sign up to the Members Code of Conduct before attending their first meeting, failure to sign will mean that they are unable to participate. This also applies to substitute Co-Opted Members, who will need to allow sufficient time before a meeting in order to sign the Code of Conduct.

The following will apply:

- i) The total number of voting co-opted members on any Scrutiny Committee will not exceed 25% at any one time.

- ii) The total number of voting Co-opted Members on any Review Panel will not be limited.
- iii) Those Co-opted Members with voting rights will exercise their rights in accordance with the principles of decision making set out in the constitution.

For Further information:

If you have any queries about this Agenda or require any details of background papers, further documents or information, you should contact Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732763 or email louisa.bright@wyreforestdc.gov.uk

Wyre Forest District Council
Overview & Scrutiny Committee

Thursday, 5th November 2015

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1 - Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Appointment of Substitute Members To receive the name of any Councillor who is to act as a substitute, together with the name of the Councillor for whom he/she is acting.	
3.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
4.	Minutes To confirm as a correct record the Minutes of the meeting held on the 24th September 2015.	6
5.	How Are We Doing? Performance Update To consider a report from the Business Improvement Officer which updates Members on the performance of the Council for Quarter 2 from 1 st July 2015 to 30 th September 2015.	8
6.	TOIL / Sickness Statistics To consider a briefing note from the Business Improvement Officer which updates Members on the investigatory work undertaken regarding the increase in the amount of hours forfeited as a result of the TOIL/flex system, which was raised at the Overview and Scrutiny Committee meeting on the 8 th September 2015.	37
7.	Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2015/16 To consider a report from the Chief Financial Officer which provides Members with a mid-year review of the Council's treasury management policies, practices and activities in accordance with the revised CIPFA Treasury Management Code of Practice.	42

8.	Council Tax Reduction Scheme Review 2016/17 To consider a report from the Revenues, Benefits and Customer Services Manager which presents the results of the consultation exercise that the Council is required to undertake if there are any proposed changes to the Council Tax Reduction Scheme.	63
9.	Work Programme To review the work programme for the current municipal year with regard to the Sustainable Community Strategy Theme, Corporate Plan Priority, Annual Priorities and the Forward Plan.	99
10.	Press Involvement To consider any future items for scrutiny that might require publicity.	
11.	To consider any other business, details of which have been communicated to the Solicitor of the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
12.	Exclusion of the Press and Public To consider passing the following resolution: “That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.	

Part 2 - Not open to the Press and Public

13.	To consider any other business, details of which have been communicated to the Solicitor of the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
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WYRE FOREST DISTRICT COUNCIL

OVERVIEW & SCRUTINY COMMITTEE

**STOURPORT-ON-SEVERN ROOM/BEWDLEY ROOM, WYRE FOREST HOUSE,
FINEPOINT WAY, KIDDERMINSTER**

THURSDAY, 24TH SEPTEMBER 2015 (6PM)

Present:

Councillors: H E Dyke (Chairman), S Arnold (Vice-Chairman), G W Ballinger, J R Desmond, J Greener, A T Hingley, D Little, T A Muir, C Rogers and S J Williams.

Observers

Councillors: J-P Campion and N Knowles.

OS.33 Apologies for Absence

Apologies for absence were received from Councillor J Phillips.

OS.34 Appointment of Substitutes

Councillor T A Muir was appointed as a substitute for Councillor J Phillips.

OS.35 Declarations of Interests by Members

No declarations of interest were made.

OS.36 Minutes

Decision: The minutes of the meeting held on 8th September 2015 be confirmed as a correct record and signed by the Chairman.

OS.37 Recommendations from the Kidderminster Town Centre Market Provision Review Panel

The Committee received the recommendations from the Kidderminster Town Centre Market Provision Review Panel.

The Chairman of the Review Panel, Councillor H Dyke, advised the Committee that the Panel had been established to look at where a market would fit within the regeneration of the Town Centre and the recommendations had been formulated to inform the market provision tender process which was scheduled to be advertised at the beginning of October 2015.

Councillor T A Muir entered the meeting at this point, (6.04pm).

The Director of Economic Prosperity and Place reminded Members that the outdoor

Agenda Item No. 4

market in Kidderminster was currently operated by way of a contract between the Council and LSD Promotions Ltd. The contract had expired and was currently being rolled over prior to a new tender for the market operation being advertised. Members were advised the North Worcestershire Economic Development and Regeneration (NWEDR) Shared Service currently managed the contract for the market in Kidderminster. The outdoor markets in Bromsgrove and Redditch were also operated through the NWEDR Shared Service, and it was intended to appoint one or more operators to run and manage the three outdoor markets across North Worcestershire simultaneously.

Members of the Review Panel advised the Committee that they had found the exercise very useful and were pleased with the response to the public consultation.

Agreed: To recommend to the Cabinet Member for Planning and Economic Regeneration:

- **To ensure there is ample opportunity to give the future market operator scope for investment in stalls (the design and style of which is to be approved by the Council) and equipment, the length of the contract should be for a period of 5 years and 5 years rolling.**
- **There is no change to the days of the week which the general market is held on. They continue to be held on a Thursday and Saturday, within the streets of the Town Centre as defined by a boundary map. The stalls be set up with due regard to health and safety compliance and with minimum disruption as possible to the existing business within the Town.**
- **The Council reserves the right to utilise the space identified for the general market to hold 4 special events / festival markets throughout the year. The special events / festival markets would be organised by the Town Centres Manager in consultation with the Town Centre Team. The Market Operator to be invited to be a Member of the Town Centre Team.**
- **On the occasions when festival markets are held over a 3 day period, the option may be given to the Market Operator to invite general market traders to take part in the 3 day events.**

OS.38 Feedback from Cabinet

Agreed: The content of the Cabinet action list following consideration of the recommendations from its meeting on 16th September 2015 be noted.

OS.39 Work Programme

Agreed: The work programme be noted.

OS.40 Press Involvement

There were no future items for scrutiny that might require publicity.

There being no further business, the meeting ended at 6.47pm.



Overview & Scrutiny Committee

Briefing Paper

Report of: Rhiannon Foxall, Business Improvement Officer
Date: Thursday 5th November
Open

How Are We Doing? Performance Update

1. Summary

- 1.1 To update Members on the performance of the Council for Quarter 2 (from 1st July 2015 to 30th September 2015).

2. Background

- 2.1 Performance management is instrumental in all council activities as it helps us to keep track of how well we are performing and enables any potential issues to be identified at an early stage so remedial action can be taken. It also informs our decision making processes which underpin the delivery of our Corporate Plan 2014-19.
- 2.2 The Council has a number of processes in place to monitor our performance including:
- Corporate Plan Actions
 - Corporate Risks and associated actions
 - Leading Measures
 - Lagging Measures

3. Progress

- 3.1 **Appendix 1** is an [exception report](#) for all of our purposes (People, Place, Housing, Planning, Business, Enabling).
- 3.2 **Appendix 2** is a detailed report of performance against our purpose of [‘Business’](#).
- 3.3 **Appendix 3** is the detailed report of [survival rates](#) for those businesses that have received either a start up or booster grant.
- 3.4 **Appendix 4** is a detailed report of performance against our purpose of [‘People’](#).

4. Key Achievements/Issues

- 4.1 Our support to businesses continues to have positive results on our purpose to support people to contribute to a successful local economy.

- 4.2 There has been a steady 94% occupancy rate at SPACE since June this year. This is based on 9 warehouse units, 3 offices, 4 storage sheds and 1 open storage yard (i.e. 17 units) of which 16 are currently occupied.
- 4.3 There continues to be a high survival rate for businesses who have received a business booster grant or a business start up grant over a 6, 12 and 18 month period. Although the business start up grant survival rate after 18 months seems to fluctuate, the number of grants issued are relatively low so only one business ceasing to trade can make a big difference to the percentage of survival. This is shown more clearly in the survival rates report as at Appendix 3.
- 4.4 There has been a huge increase in the value of business booster grants issued. This is due to a change in the scheme which included further funding from the European Regional Development Fund (ERDF). This then allowed businesses to apply for larger grants as much more funding was available to them. The value of start up grants is less than the value of booster grants but this is due to there being a smaller grant available to businesses. They are also restricted further by only being eligible for certain funding depending on the nature of their business.
- 4.5 It is worth noting that for the £46,137.00 funding that the District provides, a total value of £504,230.00 worth of support is delivered including private sector match. This is an increase in value of £458,093.00 as a result of partnership working.
- 4.6 The number of contacts from businesses wishing to move into or remain in the areas has remained at zero since January this year but this figure is slightly misleading. Prior to November 2014 there was an online search facility where interested parties could search on the commercial space that was available in the district. After the online search facility closed in November 2014, various options have been looked into as to how best to capture reliable data regarding this topic and work continues on this.
- 4.7 The percentage of people whose quality of life and sense of wellbeing has improved as a result of cultural activities has increased steadily since the latter half of 2013/14 with our latest figure for the first half of 2015/16 being 95%.
- 4.8 Participation rates for Healthy Living events and training also increased drastically during 2014/15 with the total figure reaching 1,799.
- 4.9 The number of followers we have on social media continues to rise with our latest figures reaching almost 3,500.

5. Options

- 5.1 That the progress in performance for quarter 2 be noted.

6. Consultation

- 6.1 Cabinet Member for Strategy
- 6.2 Corporate Leadership Team

7. Related Decisions

- 7.1 None.

8. Relevant Council Policies/Strategies

- 8.1 Wyre Forest District Council Corporate Plan 2014 – 2019.
- 8.2 Wyre Forest Forward Transformation Framework 2014 – 2017.

9. Implications

- 9.1 Resources: No direct implications from this report.
- 9.2 Equalities: No direct implications from this report.
- 9.3 Partnership working: No direct implications from this report.
- 9.4 Human Rights: No direct implications from this report.
- 9.5 E-Government: No direct implications from this report.

10. Equality Impact Needs Assessment

- 10.1 An equality impact assessment has been undertaken and it is considered that there are no discernible impacts on the nine protected characteristics as set out by the Equality Act 2010.

11. Wards affected

- 11.1 None.

12. Appendices

- 12.1 Appendix 1 – All purposes exception report
- 12.2 Appendix 2 – Full 'Business' report
- 12.3 Appendix 3 – Business survival rates
- 12.4 Appendix 4 – Full 'People' report

13. Background Papers

Corporate Plan action information is available on the Council's Performance Management System, Covalent. Alternatively, reports can be requested from the Business Improvement Officer.

Officer Contact Details:

Name: Rhiannon Foxall
Title: Business Improvement Officer
Contact Number: Ext. 2786
Email: rhiannon.foxall@wyreforestdc.gov.uk

Exception report for all purposes

Those actions that are approaching their due date or are overdue



Enabling others to do what they need to do

WFF 15/16 05

Wyre Forest House

80%



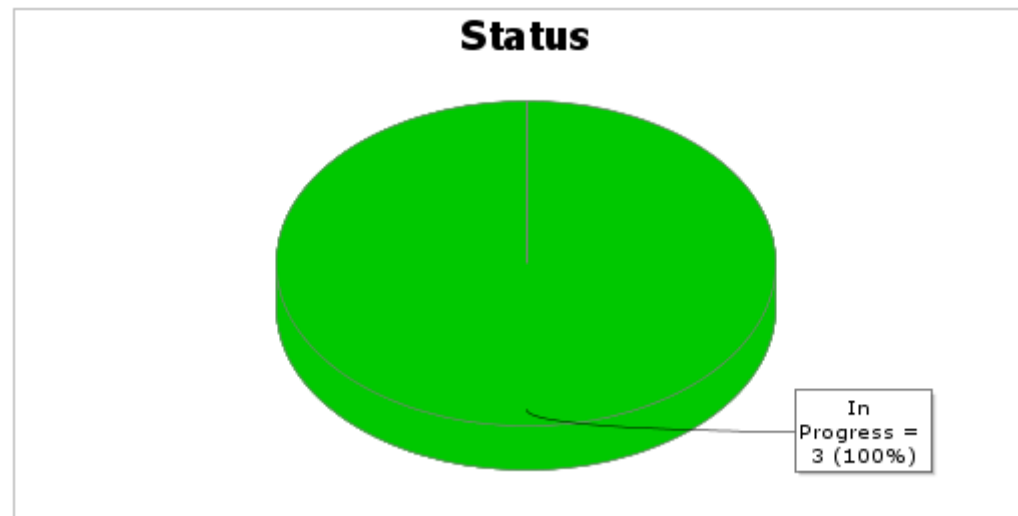
Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2014	Ian Miller	Study on Council Chamber plant room completed by Robel 16 Oct. Report due to Thomas Vale imminently. Additional tenant taking up occupancy 26 Oct.	23-Oct-2015

SUPPORT ME TO RUN A SUCCESSFUL BUSINESS

This report details the progress we have made against our purpose of 'support me to run a successful business'.

Actions

Listed below is the progress against our current major projects that support the delivery of our purpose of 'support me to run a successful business'



WFF 15/16 34

Vestia Employment and Skills Programme

75%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2016	Mike Parker; Dean Piper	Performance Tracker 2015/2016 Objective: Wyre Forest people receiving support from Vestia employability services Target: 187 Quarter 1: 28 Objective: Wyre Forest: People progressing into work within 6	19-Oct-2015

months of receiving support

Target: 56 (30%)

Quarter 1: 6 (21%)

Objective: Satisfaction with Employment Services

Target: 90%

Quarter 1: 100%

Objective: Wyre Forest people progressing into training within 6 months of receiving support

Target: 131 (70%)

Quarter 1: 19 (67%)

Year 1 of programme 14/15 + Q1 15/16 – Wyre Forest:
People receiving support from Vestia employability services – 217

Year 1 of programme 14/15 + Q1 15/16 – Wyre Forest:
People progressing into work within 6 months of receiving support – 59 (27%)

WFF 15/16 46

Worcestershire Regulatory Services

66%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2017	Mike Parker	Savings for year 3 (2016/17) currently under consideration. Proposals for revised governance arrangements to be considered by Cabinet on 16th September and Council 30th September, to come into effect April 2016.	14-Sep-2015

WFF 15/16 59

Apprenticeships Programme (Year 4)

50%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2016	Mike Parker	4 apprentices remain and expected to complete in 2016.	13-Oct-2015

Listed below are primary actions for other purposes but also impact on this purpose:

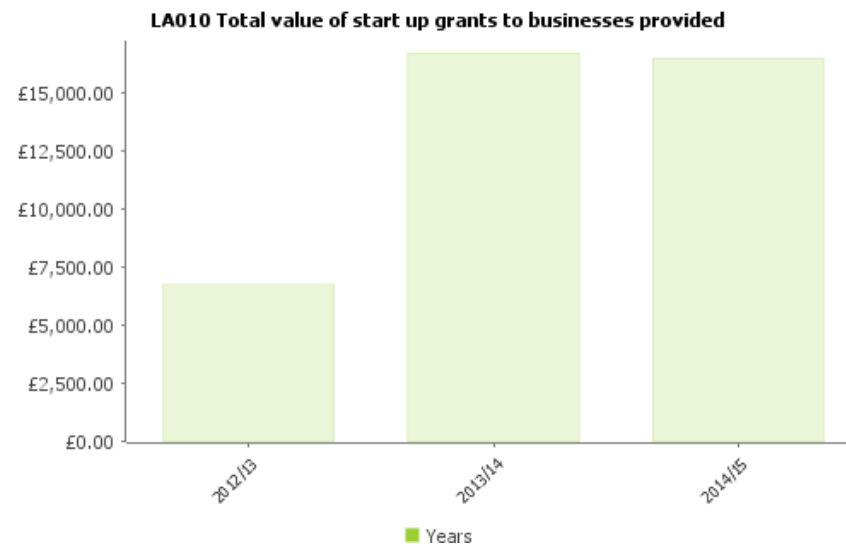
WFF 15/16 20

Delivery of Hoobrook Link Road

Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LA010 Total value of start up grants to businesses provided

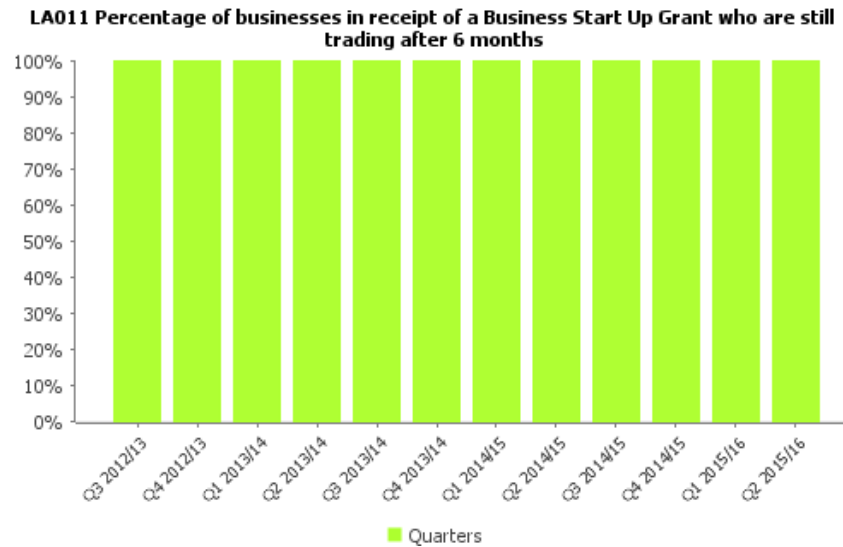


Current Value £16,520.55

Managed By Dean Piper;
Steve Singleton

Agenda Item No. 5 Appendix 2

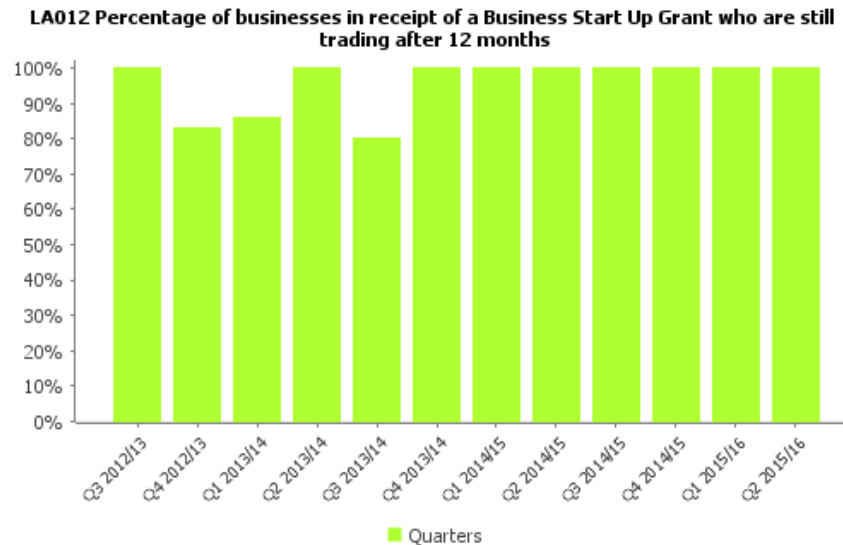
LA011 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 6 months



Current Value 100%

Managed By Dean Piper;
Steve Singleton

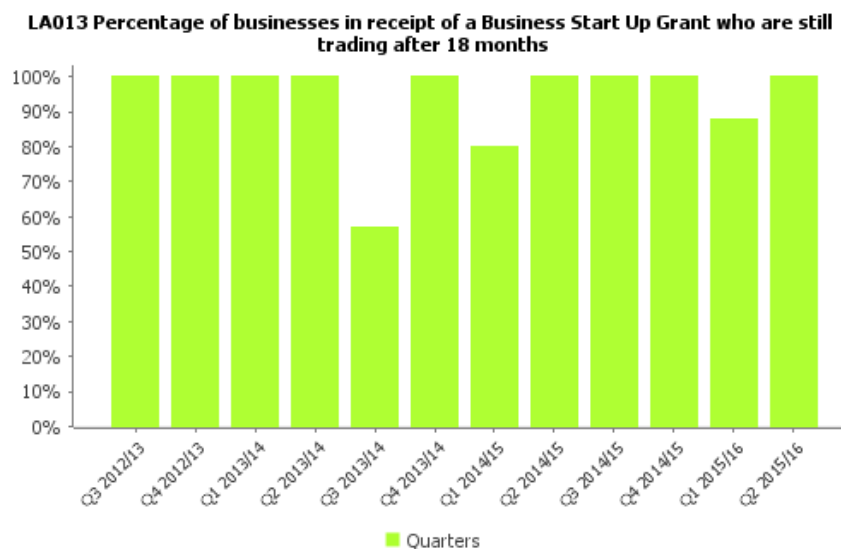
LA012 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 12 months



Current Value 100%

Managed By Dean Piper;
Steve Singleton

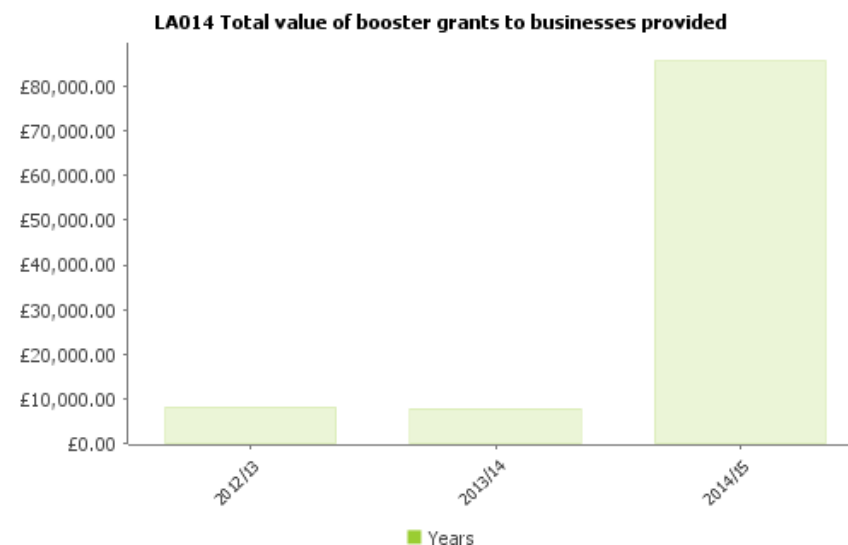
LA013 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 18 months



Current Value 100%

Managed By Dean Piper;
Steve Singleton

LA014 Total value of booster grants to businesses provided

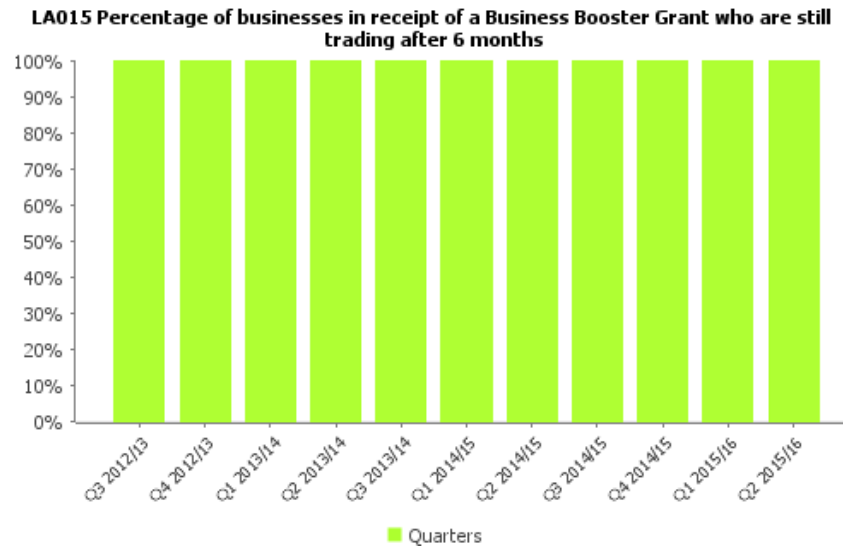


Current Value £85,721.09

Managed By Dean Piper;
Steve Singleton

Agenda Item No. 5 Appendix 2

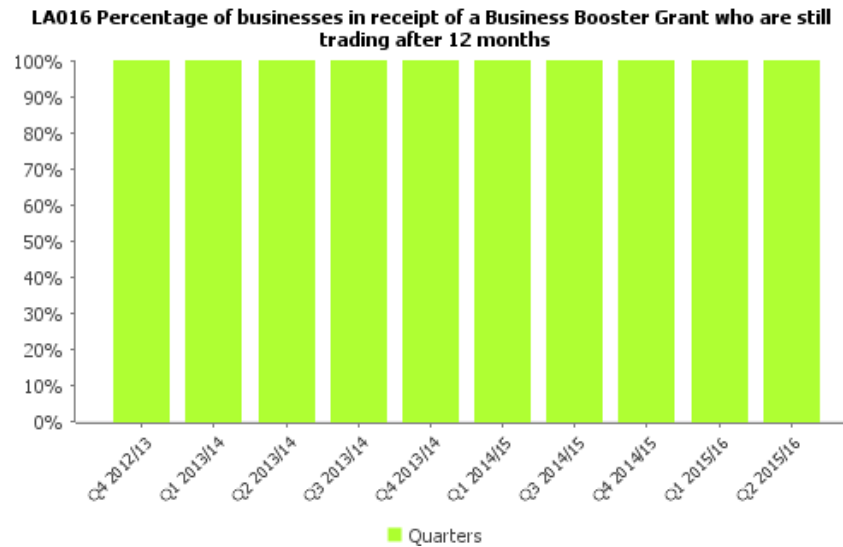
LA015 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 6 months



Current Value 100%

Managed By Dean Piper;
Steve Singleton

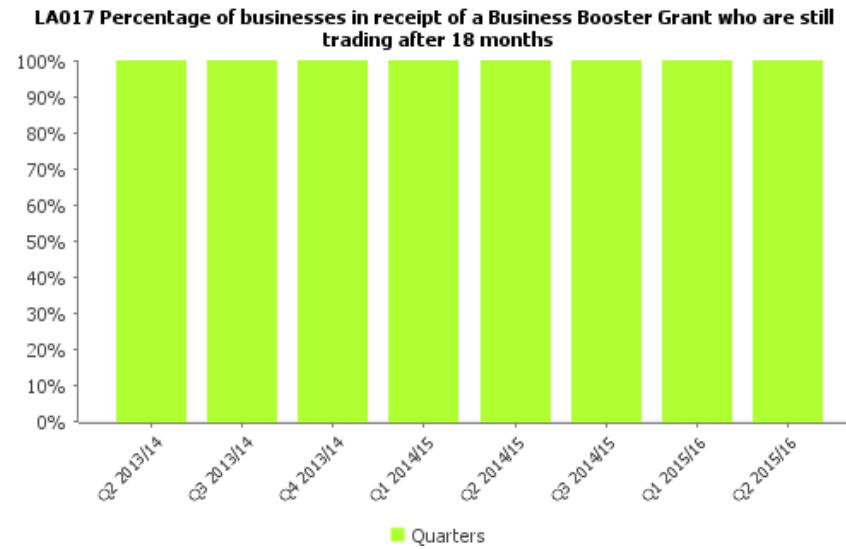
LA016 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 12 months



Current Value 100%

Managed By Dean Piper;
Steve Singleton

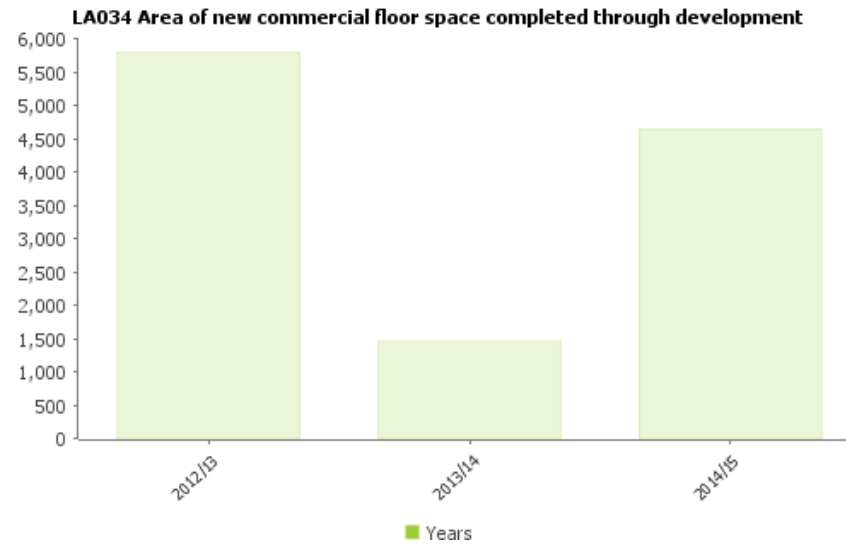
LA017 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 18 months



Current Value 100%

Managed By Dean Piper;
Steve Singleton

LA034 Area of new commercial floor space completed through development

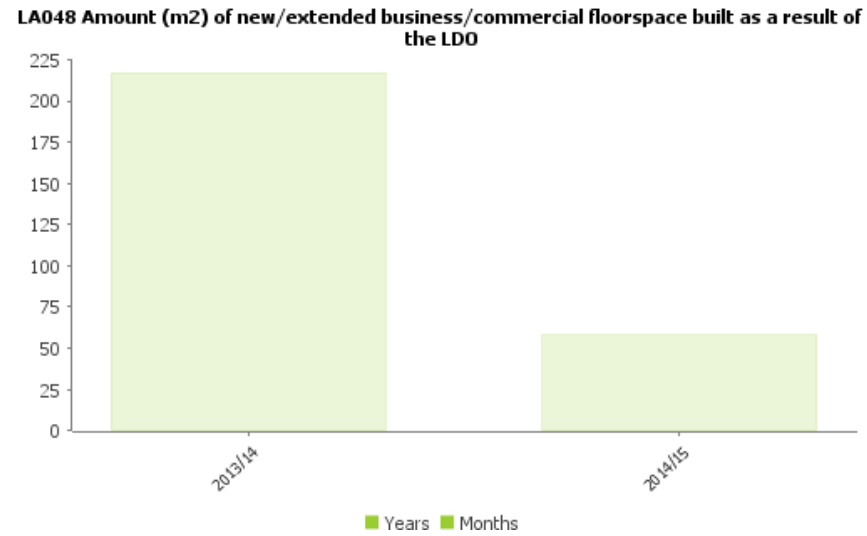


Current Value 4,648

Managed By Rebecca Brown

Agenda Item No. 5 Appendix 2

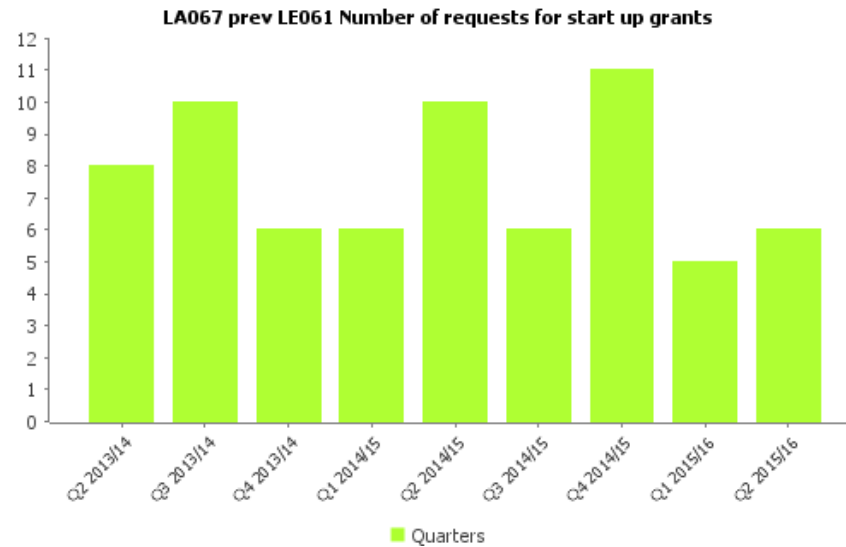
LA048 Amount (m2) of new/extended business/commercial floorspace built as a result of the LDO



Current Value 58

Managed By Jonathan Elmer;
Dean Piper

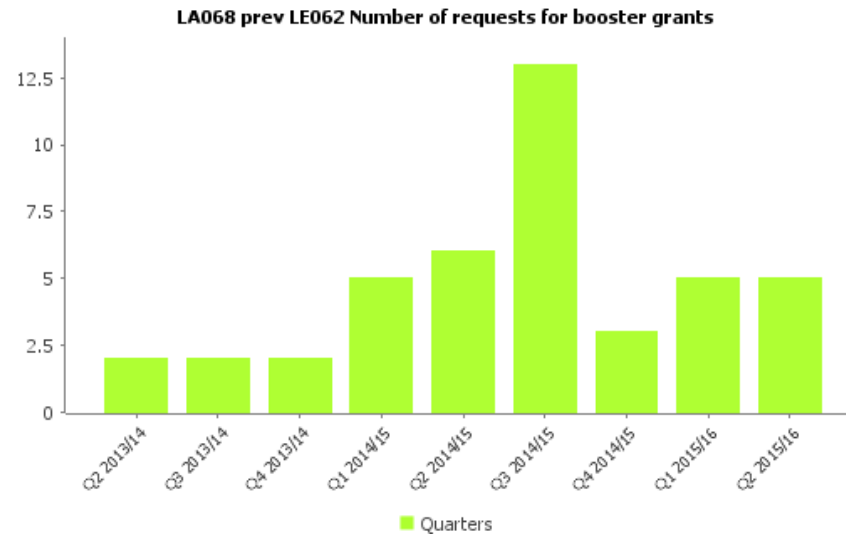
LA067 Number of requests for start up grants
prev grants
LE061



Current Value 6

Managed By Dean Piper;
Steve Singleton

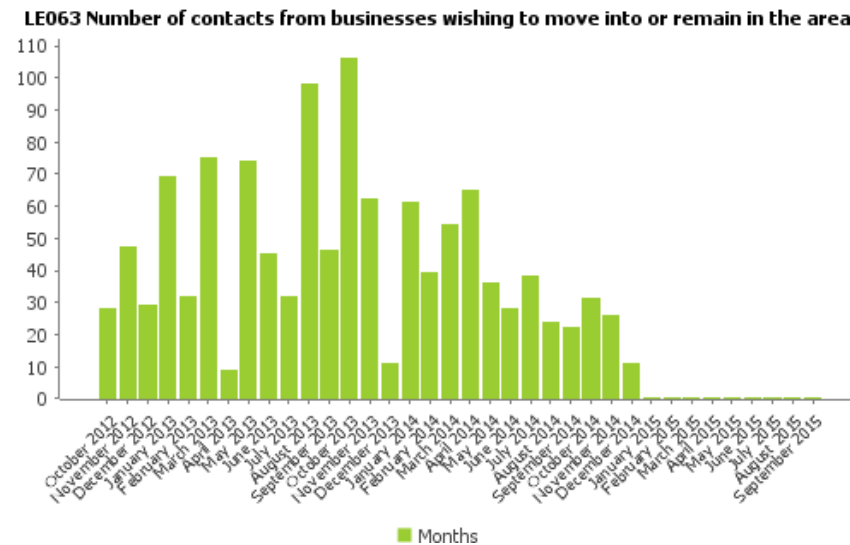
LA068 Number of requests for booster grants
prev grants
LE062



Current Value 5

Managed By Dean Piper;
Steve
Singleton

LE063 Number of contacts from businesses wishing to move into or remain in the area

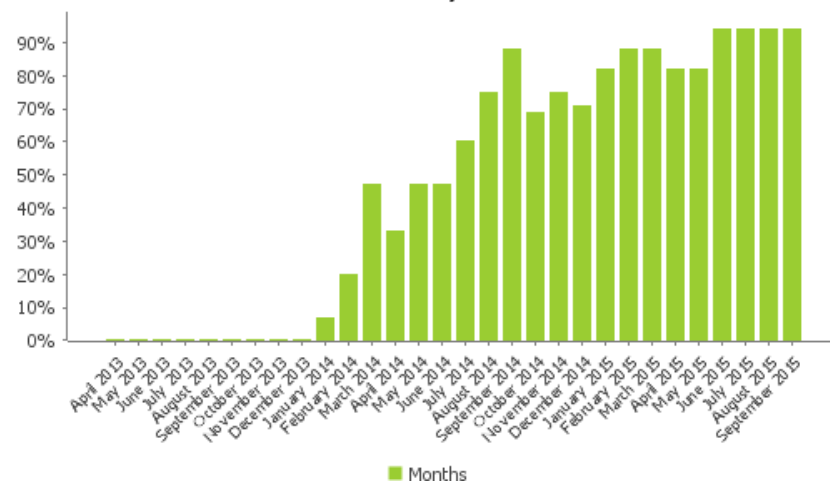


Current Value 0

Managed By Dean Piper;
Steve
Singleton

LE064 Percentage of Wyre Forest District Council incubator units occupied (industrial and office)

LE064a Percentage of Wyre Forest District Council incubator units occupied (industrial and office)



Current Value 94%

Managed By Dean Piper;
Steve Singleton

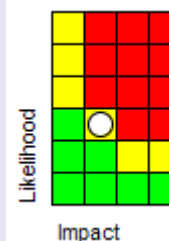
Risks

The below risk(s) has been identified as part of our Corporate Risk Register. All of the actions and measures detailed in this report aim to mitigate this risk(s) as well as drive forward our purpose of 'support me to run a successful business'.

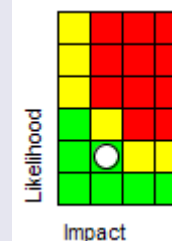
CORPRISK03

Unable to improve the economic prosperity of the district. Lack of vitality in the local economy – although the District is holding up reasonably well in the current economic conditions it still aims to stimulate growth to support the economic recovery and to support the recovery of the local economy. The Council is now in its fourth year of the State of the Area Programme which includes a number of projects to assist in the stimulation of economic recovery. The Council as part of the North Worcestershire Economic Development and Regeneration Service it is part of two local enterprise partnerships and continues to maximise the benefit of that position. The Business Rates Retention Scheme introduced

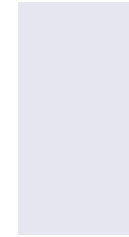
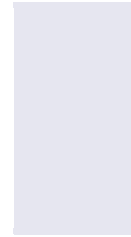
Current
Risk
Matrix



Target
Risk
Matrix



in 2013/14 increases the incentive to promote growth as there is significant financial risk to this Council if we are unable to sustain the baseline level of the business rates reflected in government projections. Membership of the Worcestershire Business Rates Pool can only mitigate this risk to a certain extent and economic growth is key to the future financial sustainability of the Council.



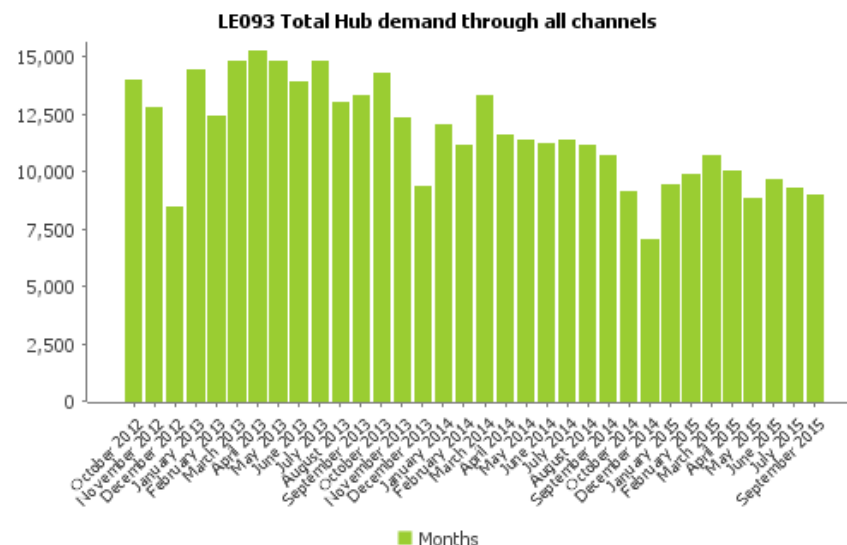
WYRE FOREST

		BUSINESS START-UP GRANTS				BUSINESS BOOSTER / GROWTH GRANTS			
		Grant Awarded	6 months Survival	12 months Survival	18 months Survival	Grant Awarded	6 months Survival	12 months Survival	18 months Survival
2011/12	Q1	1	-	-	-	0	-	-	-
	Q2	5	-	-	-	0	-	-	-
	Q3	5	1	-	-	0	-	-	-
	Q4	6	5	-	-	2	-	-	-
2012/13	Q1	7	5	1	-	1	-	-	-
	Q2	2	6	5	-	1	2	-	-
	Q3	5	7	5	1	5	1	-	-
	Q4	1	2	5	5	1	1	2	-
2013/14	Q1	1	5	6	5	1	5	1	-
	Q2	3	1	2	5	0	1	1	2
	Q3	8	1	4	4	2	1	5	1
	Q4	6	3	1	2	1	-	1	1
2014/15	Q1	4	8	1	4	6	2	1	5
	Q2	6	6	3	1	2	1	-	1
	Q3	7	4	8	1	10	6	2	1
	Q4	6	6	6	3	3	2	1	-
2015/16	Q1	6	7	4	7	4	10	6	2
2015/16	Q2	6	6	6	6	3	3	2	1

Provide me with information that I need

Progress on the purpose 'provide me with the information that I need'

LE093 Total Hub demand through all channels



Current Value 8,978

Managed By Lucy Wright

The above actions and measures are in place to mitigate our Corporate Risk as identified below:

Listed below are primary actions for other purposes but also impact on this purpose

None

Listed below are primary measures for other purposes but also impact on this purpose

None

LA045 Number of people presenting themselves in need of housing advice

LE091 Number of requests for adaptations

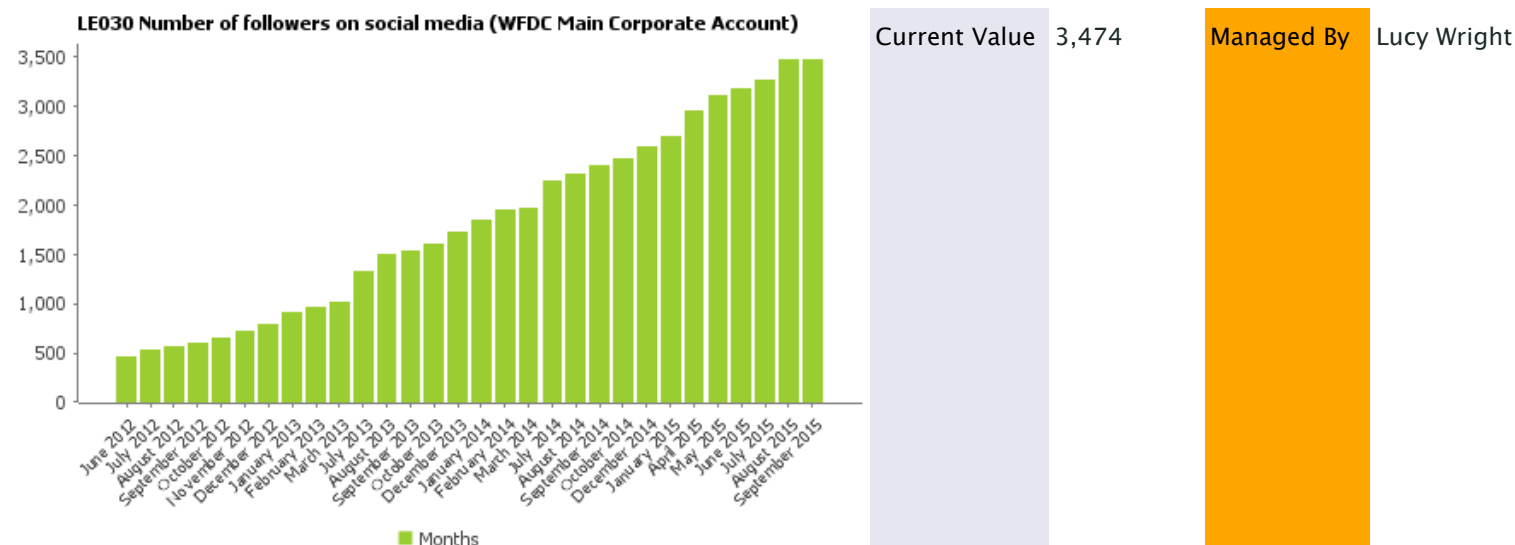
GIVE ME A VOICE

Progress on the purpose of 'give me a voice'

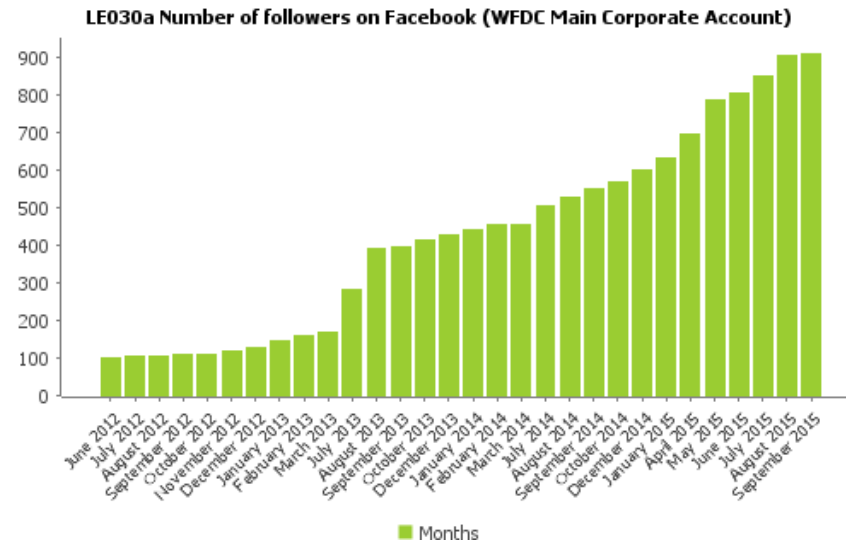
Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LE030 Number of followers on social media (WFDC Main Corporate Account)



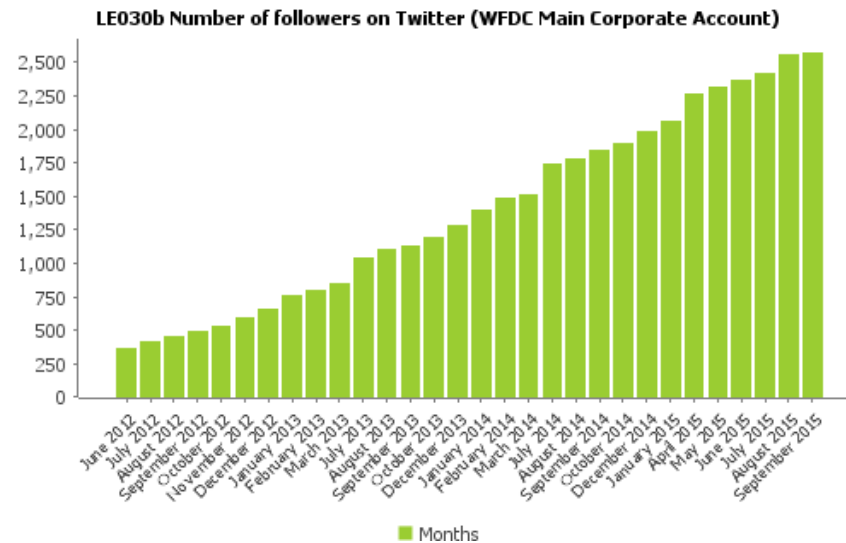
LE030 Number of followers on
a Facebook (WFDC Main Corporate Account)



Current Value 910

Managed By Lucy Wright

LE030 Number of followers on Twitter
b (WFDC Main Corporate Account)



Current Value 2,564

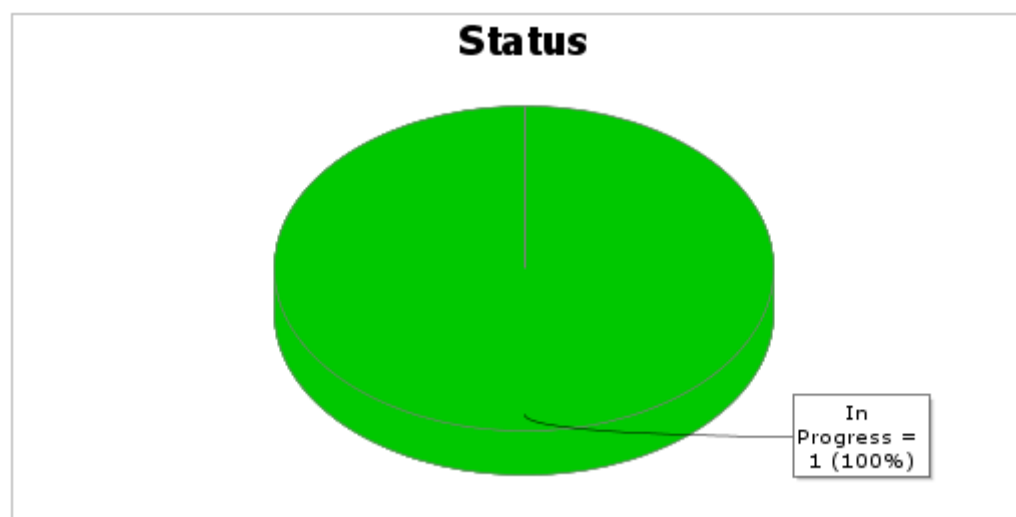
Managed By Lucy Wright

HELP ME IMPROVE MY HEALTH AND WELL-BEING

This report details the progress we have made against our purpose of 'help me improve my health and well-being'.

Actions

Listed below is the progress against our current major projects that support the delivery of our purpose of 'help me improve my health and well-being'.



WFF 15/16 07

New Leisure Centre

91%



Due Date	Managed By	Latest Note	Latest Note Date
31-Jul-2016	Linda Collis	Topping out ceremony planned for 29 September, project progressing according to the timetable, anticipated improved budget position as a result of reduced borrowing rates.	22-Sep-2015

Listed below are primary actions for other purposes but also impact on this purpose:

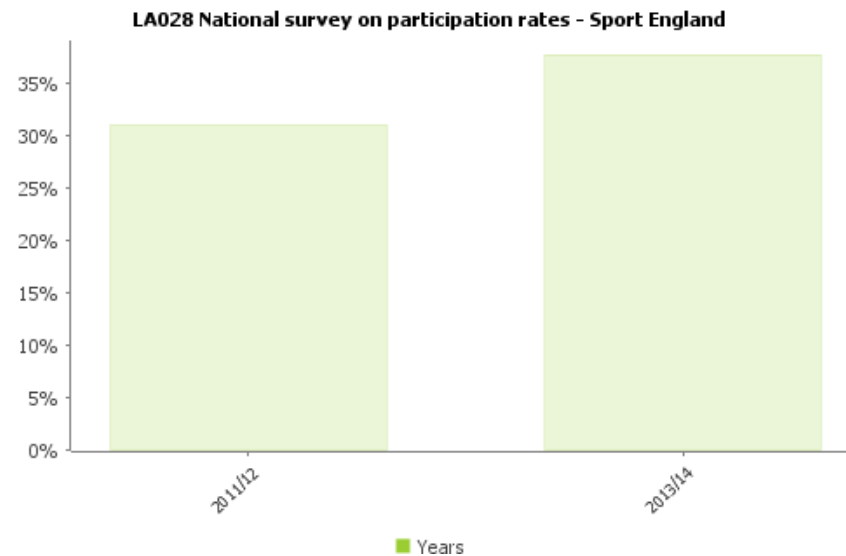
WFF 15/16 15

Bewdley Medical Centre

Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LA028 National survey on participation rates – Sport England

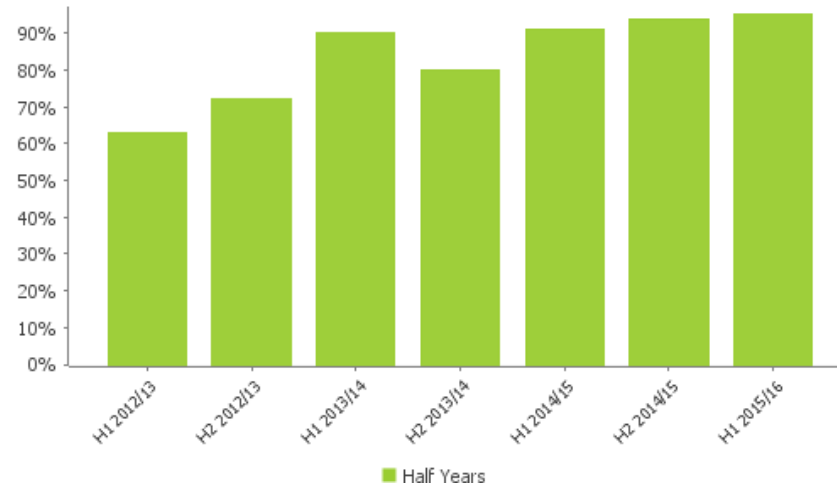


Current Value

Managed By Kay Higman

LA029 Percentage of people whose quality of life and sense of wellbeing has improved as a result of Cultural Activities

LA029 Percentage of people whose quality of life and sense of wellbeing has improved as a result of Cultural Activities

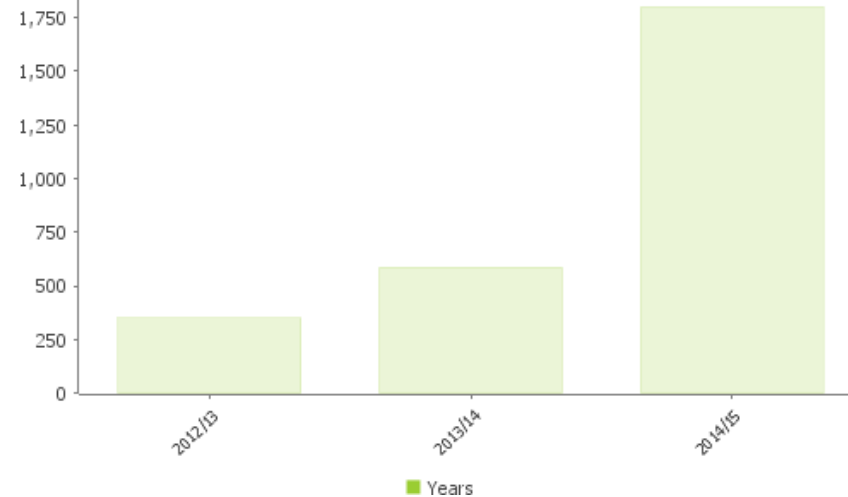


Current Value 95%

Managed By Kay Higman

LA030 Participation rates in attending Healthy Living events and training

LA030 Participation rates in attending Healthy Living events and training

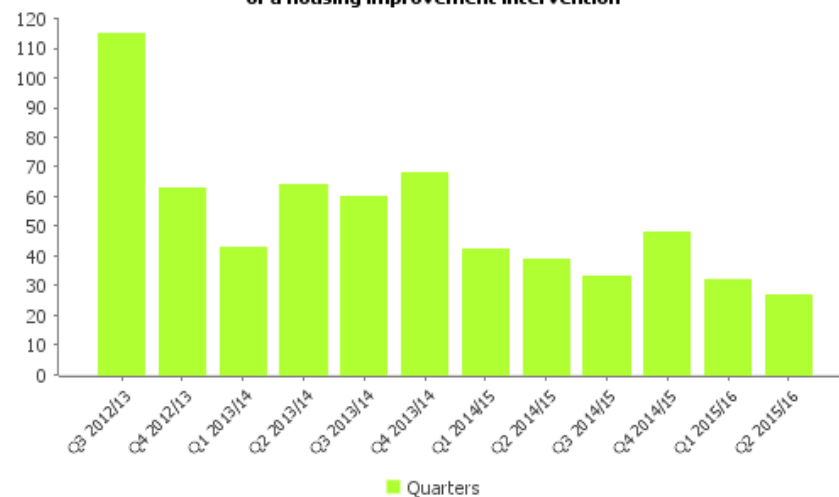


Current Value 1,799

Managed By Kate Bailey

LA044 Number of residents who experience a positive health outcome as a consequence of a housing improvement intervention

LA044 Number of residents who experience a positive health outcome as a consequence of a housing improvement intervention

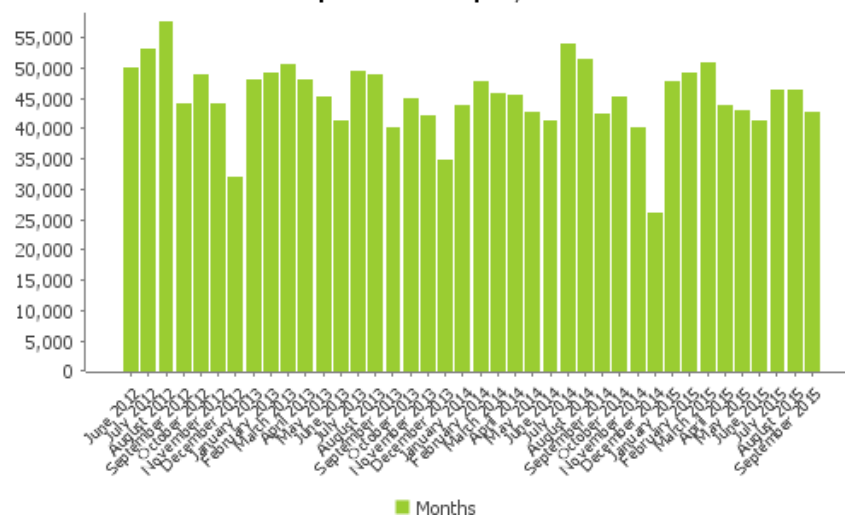


Current Value 27

Managed By Kate Bailey

LE033 Participation rates in sport/leisure facilities

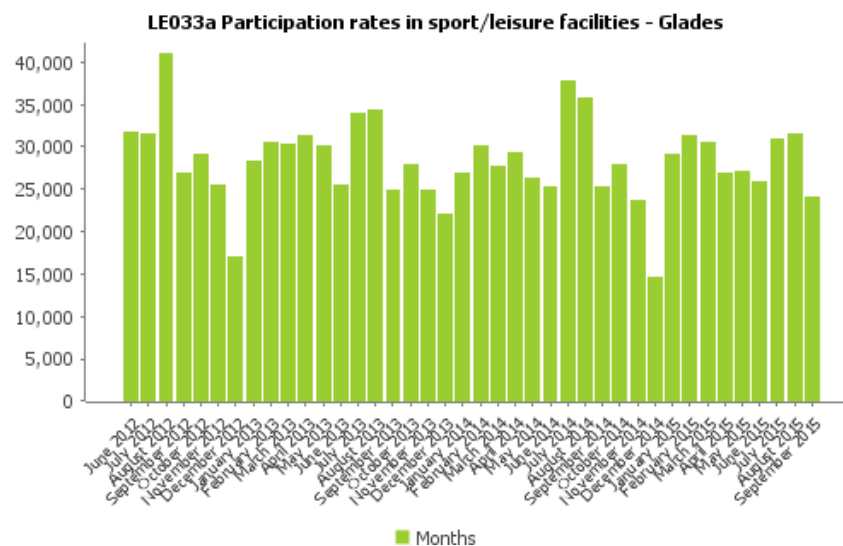
LE033 Participation rates in sport/leisure facilities



Current Value 42,609

Managed By Kay Higman

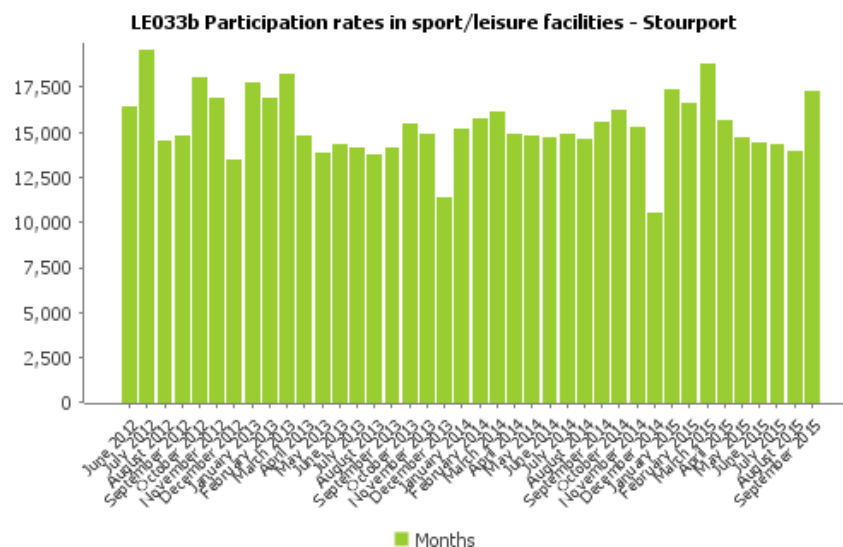
LE033 Participation rates in
a sport/leisure facilities – Glades



Current Value 24,070

Managed By Kay Higman

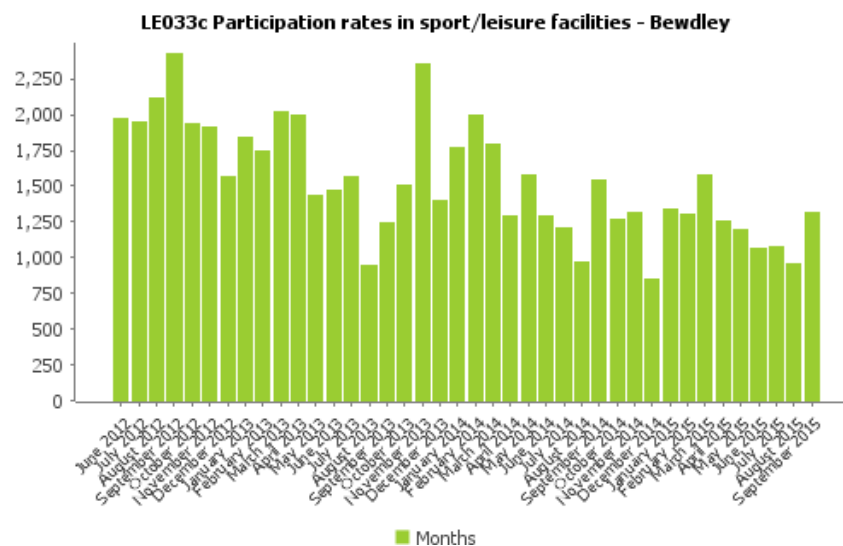
LE033 Participation rates in
b sport/leisure facilities – Stourport



Current Value 17,228

Managed By Kay Higman

LE033 Participation rates in
c sport/leisure facilities – Bewdley



Current Value 1,311

Managed By Kay
Higman

HELP ME WITH MY FINANCIAL SITUATION

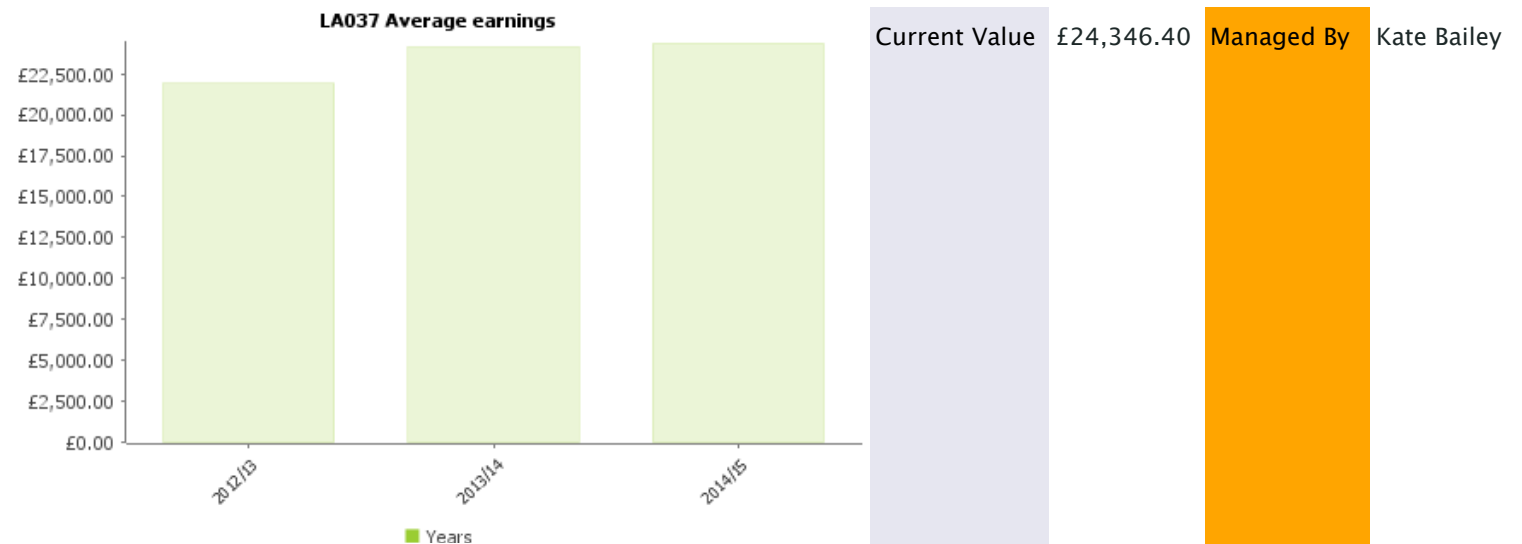
This report details the progress we have made against our purpose of 'help me with my financial situation'.



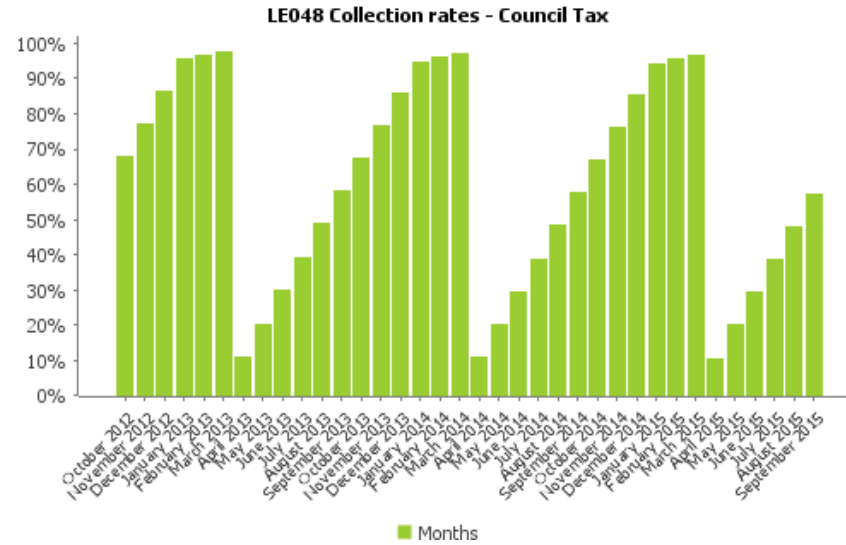
Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LA037 Average earnings



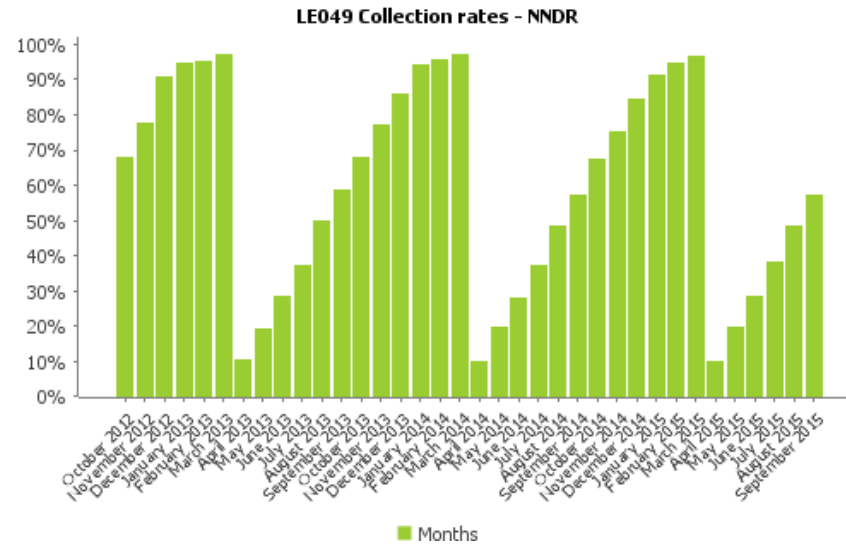
LE048 Collection rates – Council Tax



Current Value 57.3%

Managed By Lucy Wright

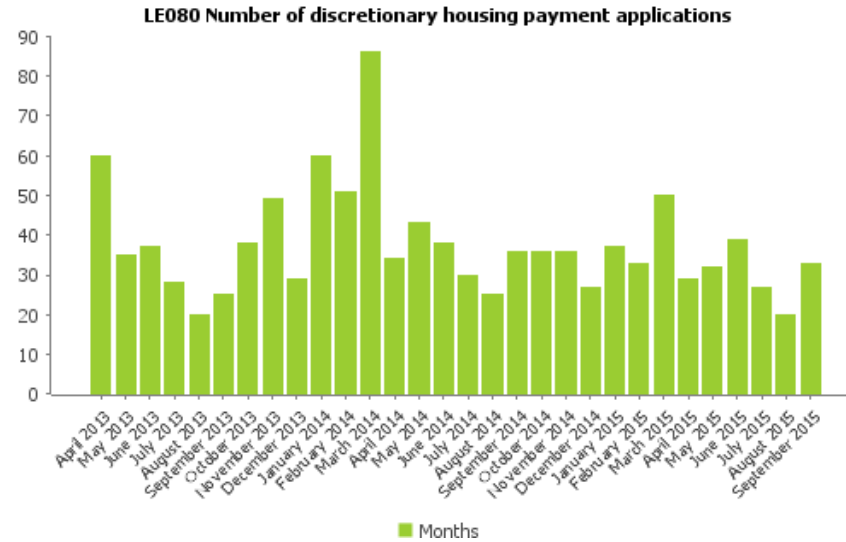
LE049 Collection rates – NNDR



Current Value 57.32%

Managed By Lucy Wright

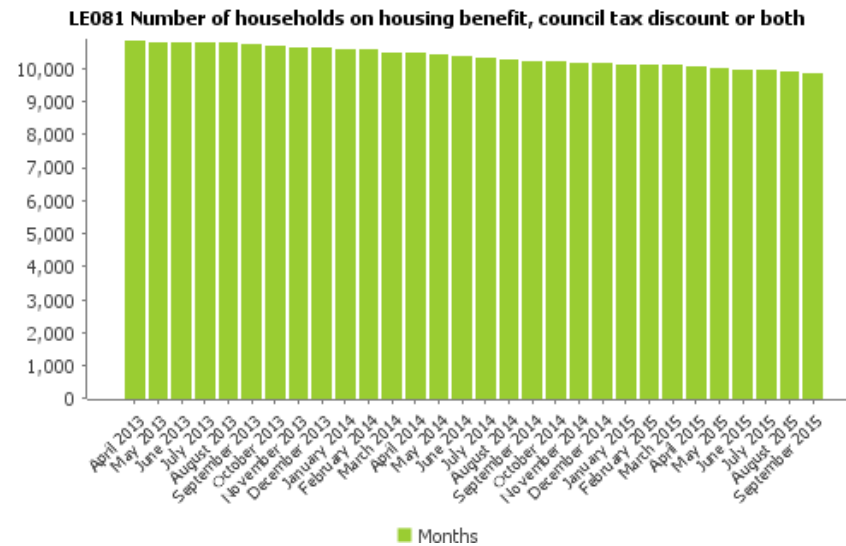
LE080 Number of discretionary housing payment applications



Current Value 33

Managed By Lucy Wright

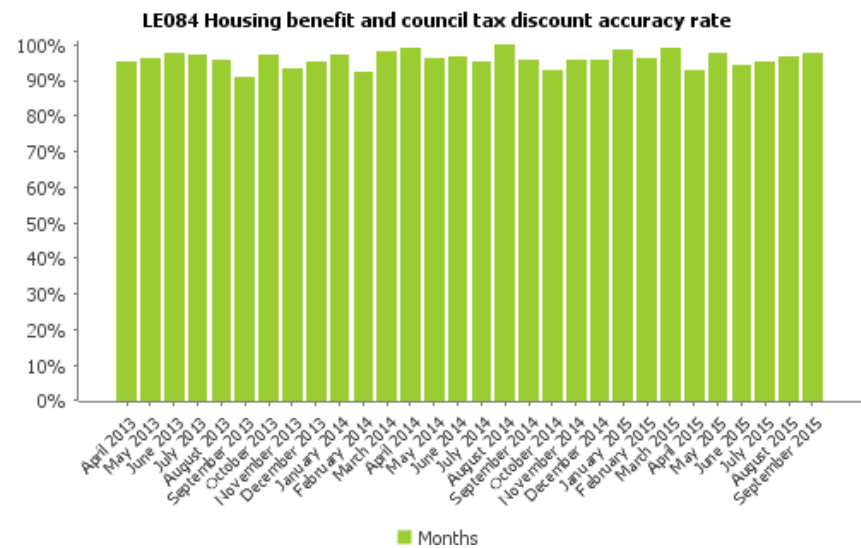
LE081 Number of households on housing benefit, council tax discount or both



Current Value 9,845

Managed By Lucy Wright

LE084 Housing benefit and council tax discount accuracy rate



Current Value 97.67%

Managed By Lucy Wright



Wyre Forest
District Council

OVERVIEW AND SCRUTINY COMMITTEE

BRIEFING NOTE

TOIL/Sickness Statistics 5th November 2015

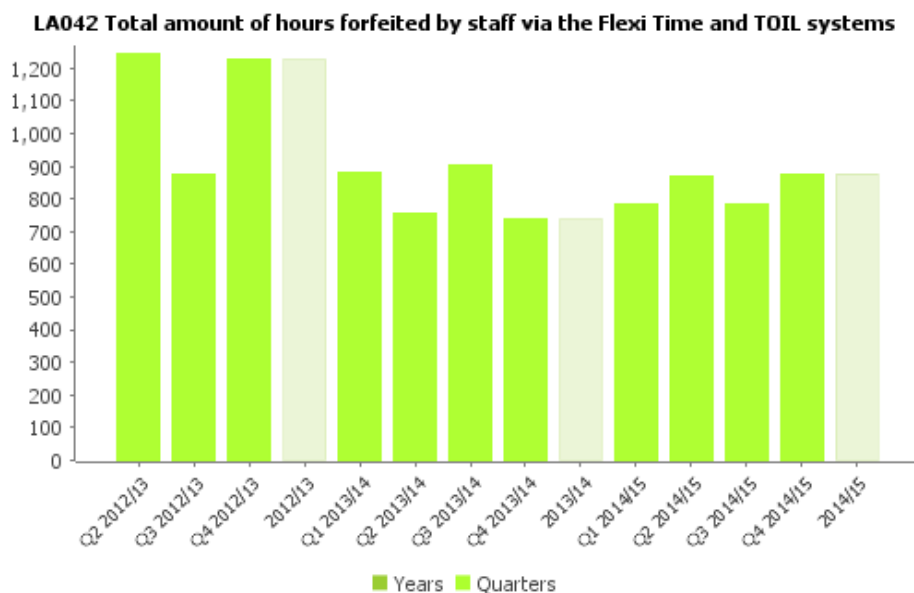
Subject

TOIL/Sickness Statistics

Background

At the Overview and Scrutiny Committee on the 8th September the “Total amount of hours forfeited by staff via the Flexi Time and TOIL systems” (LA042) was reported as part of the quarter 1 performance update.

A request was made by the Committee for some investigatory work to be done regarding the increase in the amount of hours forfeited as a result of the TOIL/flex system. As can be seen in the graph below, which is taken from the 8th September report, there was a slight increase between Q3 and Q4 of 2014-15. However the position in Q4 lies fully within the trend that has been established since the beginning of 2013-14 and is not abnormal.



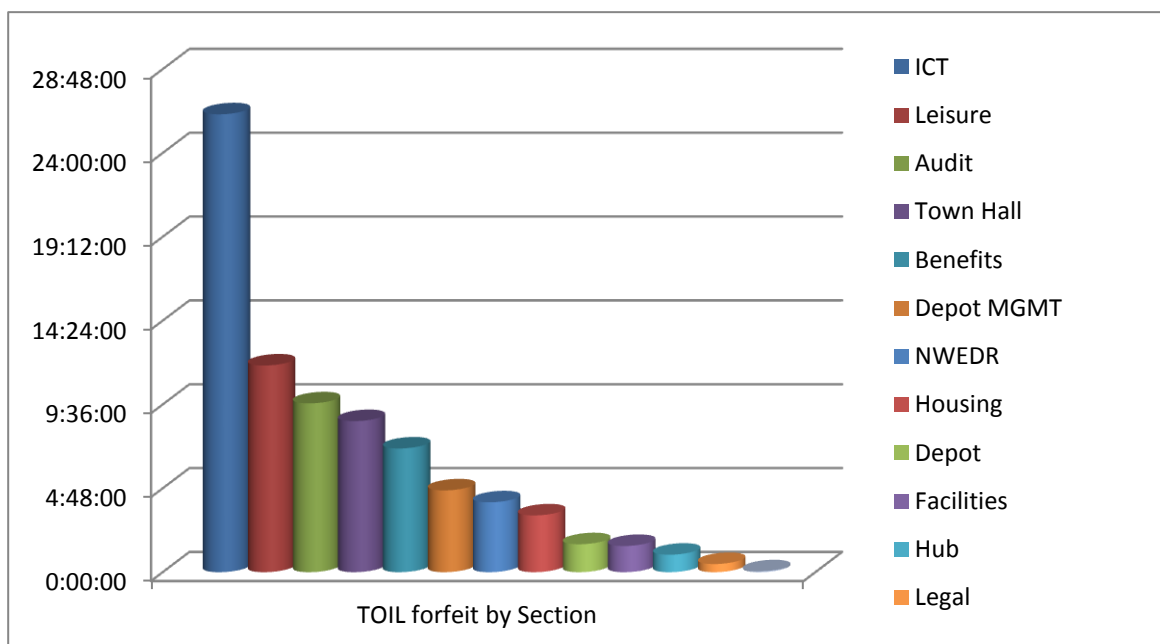
The main points that the Committee asked for information about were:

- Are there particular service teams that forfeit the most TOIL/flex?
- What has caused the recent increase within these teams?
- How are managers tackling the increase within their teams?
- Is there enough resource within the team to cover the workload?
- Are the resources available within the teams being managed correctly?
- Is there any correlation between the recent increase in TOIL/flex being forfeited and the amount of sick leave?

The raw data for one month in the first quarter of 2015-16 has now been analysed and the key findings are listed below.

The graphs below detail the amount of Flex and TOIL forfeited broken down by section.

TOIL

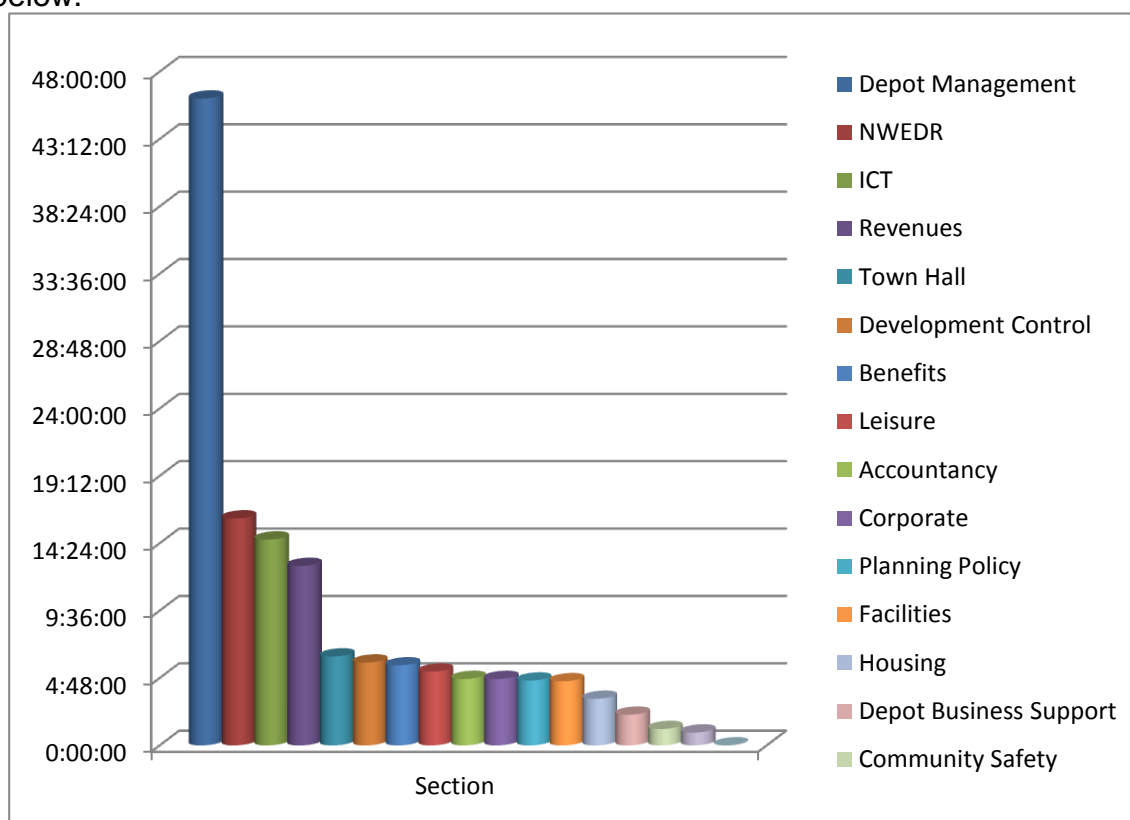


Eighteen staff forfeit TOIL in the month. However if the figures are typical of the quarter as a whole, they are expected to show a lower level of TOIL being lost than in the past.

The main service area where a significant amount of TOIL has been forfeit is ICT. This is almost certainly a “spike” caused by project work, in particular the transfer of support for Worcestershire Regulatory Services to WFDC.

The clear majority of the forfeited hours relate to managers, not front line staff. Fewer than 20 of the 80 hours were forfeit by frontline staff. The same pattern is found in respect of flexi leave as set out below.

FLEX



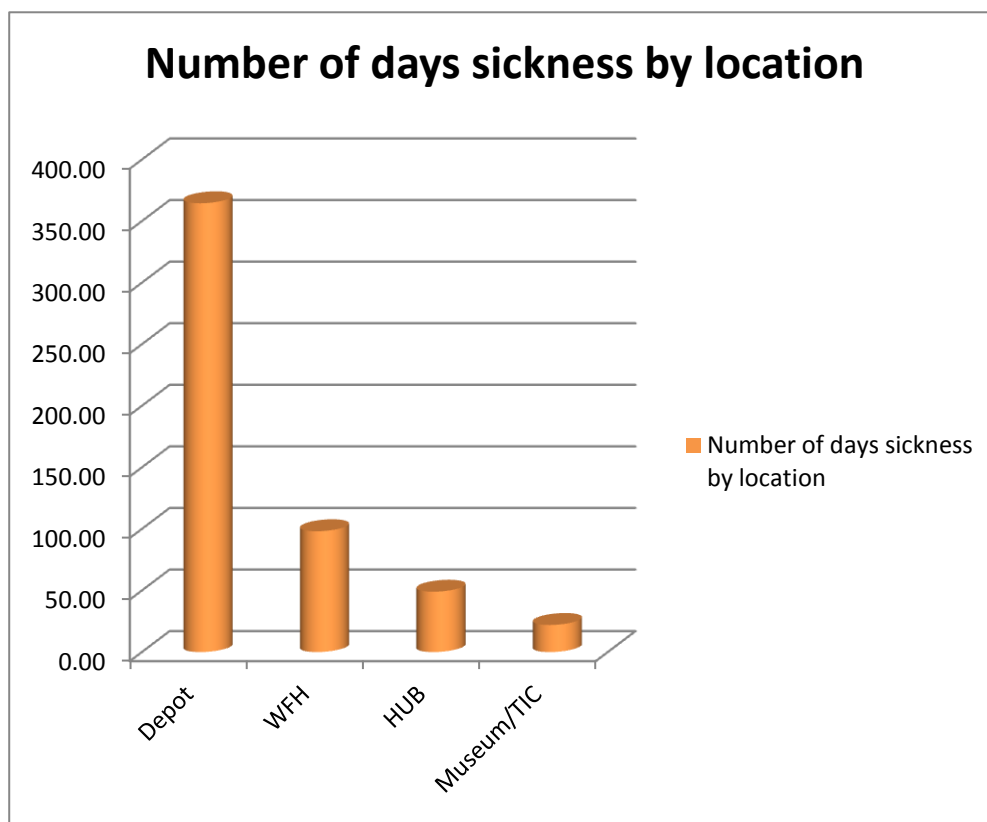
About 33 staff forfeit a total of 137 hours flexi leave in the month. The Depot Management section was responsible for a third of the total.

As with TOIL, the majority of the hours forfeit were worked by managers, often the service managers for the teams shown. Only about 26 hours of the 137 hours were worked by front-line staff.

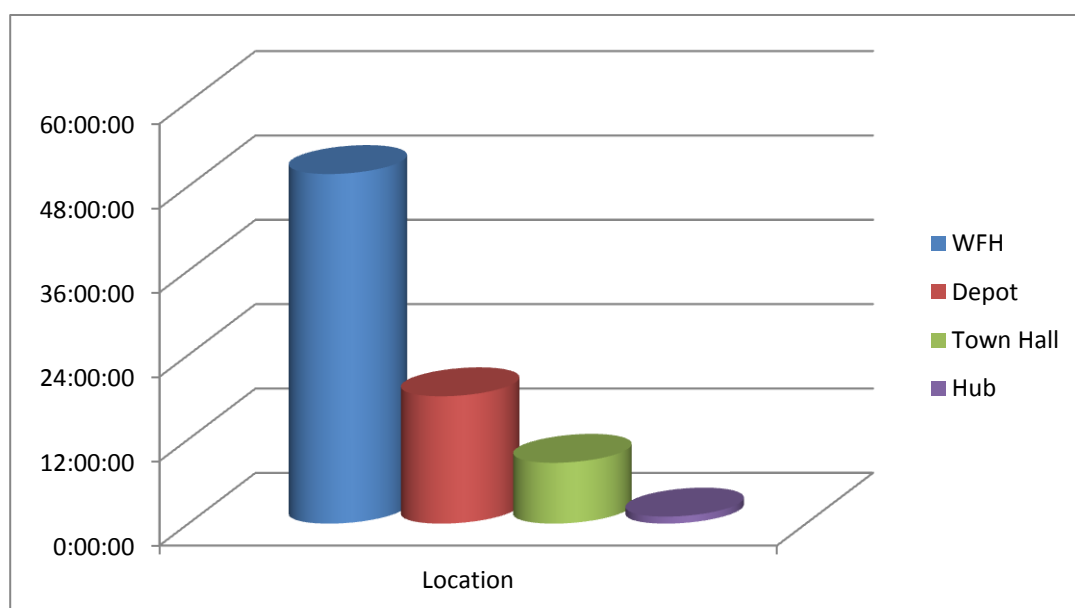
The evidence suggests that managers are more stretched by the reductions in staffing levels that have been implemented over the last 6 or 7 years, and this is reflected in hours that they work not being aligned over time with their contracted hours. By definition, managers are likely to have a range of other work commitments that may make it less easy for them to take time off when they have worked additional hours.

The Council does not have the ability to invest more resources in managerial posts and therefore, unless steps can be taken to reduce workloads (which means certain pieces of work or projects not being done or being done more slowly/to lower standard), it has to be accepted that there will continue to be hours forfeit under the system. Realistically, the Council cannot afford to pay staff for these extra hours now and certainly won't be able to in the future (because of further funding reductions). Therefore, as the evidence already shows, the Council will continue to rely on the goodwill and commitment of managers and other staff. The Council has support mechanisms in place as part of the well-being agenda e.g. Employee Assistance Programme, Health Fairs.

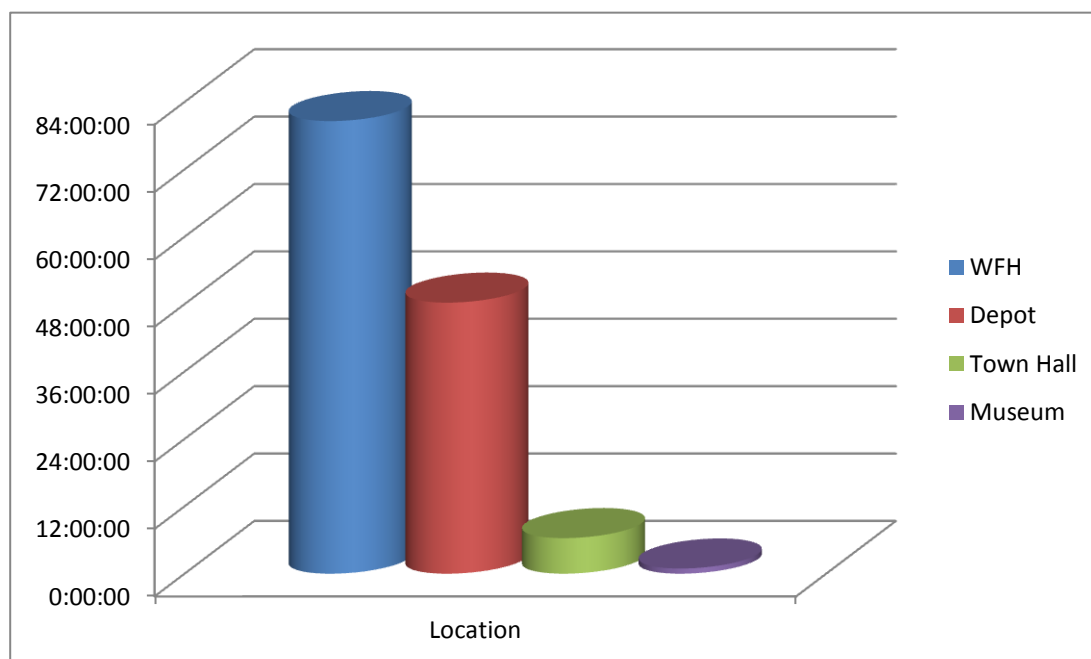
Below is the graph detailing the number of days' sickness for a whole quarter taken by location together with the TOIL/flex forfeited by location. The latter figures are for one month only.



TOIL by location



Flex by location



When looking at TOIL/flex forfeited against sickness in terms of location, the depot has much higher levels of sickness whereas Wyre Forest House has the highest amount of TOIL/flex forfeit (as shown in the graphs below). It is not at all surprising that sickness is much higher at the depot: physical work, in the outdoors or with machinery, is more likely to result in muscular strains, potential injuries and so on than desk-based work. The depot leadership team has deployed additional HR resources to support teams in reducing the sickness levels which, in the main, relate to a number of long term cases.

There is no correlation between the teams with the most sickness and the teams that forfeit the most TOIL/flex, although we will continue to review the relationship between forfeit TOIL/Flex and any impact on sickness levels across the Council.

Staff who forfeit hours under the system tend to be those that have the best attendance records. There is no evidence that the situation is being caused by sickness absence of other colleagues. The likeliest explanation is simply that WFDC demands more of its managers than the number of

managers it employs.

Next steps

The initial figures for 2015-16 suggest that the number of hours forfeit may be lower than previous quarters. Approaching the situation realistically, there will continue to be TOIL and flexi forfeit by staff and this is likely to relate mainly to managers. The intention is to continue to report data in respect of forfeit TOIL and flexi, as it remains a useful indicator about the extent to which staffing resources match the hours that staff are actually working.

The detailed examination in preparing this report has shown that our current system is unnecessarily complex administratively and needs fundamental review to make it easier for staff and managers to operate. We are therefore going to review the system of TOIL and flexi as part of the Wyre Forest Forward transformation programme.

WYRE FOREST DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

5TH NOVEMBER 2015

**Treasury Management Strategy Statement and
Annual Investment Strategy Mid-year Review Report 2015/16**

OPEN	
CABINET MEMBER:	Councillor N J Desmond
RESPONSIBLE OFFICER:	Chief Financial Officer
CONTACT OFFICERS:	Tracey Southall - Ext. 2100 tracey.southall@wyreforestdc.gov.uk Lisa Hutchinson - Ext. 2120 lisa.hutchinson@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 - Prudential and Treasury Indicators

1. PURPOSE OF REPORT

- 1.1 To provide Members with a mid-year review of the Council's treasury management policies, practices and activities in accordance with the revised CIPFA Treasury Management Code of Practice.

2. RECOMMENDATION

Overview and Scrutiny Committee recommends to Council to:-

- 2.1 **Approve this Treasury Management Mid-year Review and updated Prudential Indicators.**

3. BACKGROUND

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

3.3 Accordingly, Treasury management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3.4 The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council on 29th February 2012.

3.5 The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement that sets out the policies and objectives of the Council’s Treasury Management activities.
2. Creation and maintenance of Treasury Management Practices that set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Full Council of an Annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Treasury Management Review Panel who considered and endorsed this report on 3rd November 2015, and made recommendations to this Committee. Council approval will then be sought.

3.6 This mid-year report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2015/16 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council’s capital expenditure (prudential indicators);
- A review of the Council’s investment portfolio for 2015/16;
- A review of the Council’s borrowing strategy for 2015/16;
- A review of any debt rescheduling undertaken during 2015/16;

- A review of compliance with Treasury and Prudential Limits for 2015/16.

4. ECONOMIC UPDATE (as provided by Capita Asset Services)

4.1 Economic performance to date and outlook

4.1.1 United Kingdom (UK)

UK Gross Domestic Product (GDP) growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country (G7 comprises United States of America (US), UK, Germany, Japan, France, Italy and Canada); the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y). Growth is expected to weaken marginally to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the European Union (EU), China and emerging markets, plus the dampening effect of the Government's continuing austerity programme, although the pace of reductions was eased in the May 2015 Budget.

Despite these headwinds, the Bank of England is forecasting growth to remain around 2.4% – 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that Consumer Price Index (CPI) inflation has fallen to, or near to, zero over the last quarter. Investment expenditure is also expected to support growth.

The August 2015 Bank of England Inflation Report forecast was notably subdued with inflation barely getting back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.

There are therefore considerable risks around whether inflation will rise in the near future as strongly as previously expected. This will make it more difficult for the central banks of both the US and the UK to raise rates as soon as had previously been expected, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.

4.1.2 United States of America (US)

The American economy has made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015. While there had been confident expectations during the summer that the Federal Reserve System (Fed), the central bank of the US, could start increasing rates by the end of 2015, the recent downbeat news about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed's decision to pull back from making that start. This has led to a reappraisal of the likelihood of any increase occurring in 2015 with early 2016 now being widely regarded as being more likely.

4.1.3 Eurozone (EZ)

In January 2015, the European Central Bank (ECB) unleashed a massive €1.1 trillion programme of quantitative easing (QE) to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This already appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January 2015, to EU demands. The surprise general election in September 2015 gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

4.1.4 China and Japan

Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth. In Q2 2015 growth was -1.6% (annualised) after a short burst of strong growth of 4.5% in Q1. During 2015, Japan has been hit hard by the downturn in China. This does not bode well for Japan as the Abe government has already tried to stimulate recovery and a rise in inflation from near zero, but has dithered about deregulation of protected and inefficient areas of the economy due to political lobbies which have traditionally been supporters of Abe's party.

As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer. Overall, China is still expected to achieve a growth figure that the EU would be envious of. However, concerns about whether the Chinese cooling of the economy could be heading for a hard landing, and the volatility of the Chinese stock market, have caused major volatility in financial markets in August and September 2015 such that confidence is, at best, fragile.

4.2 Capita's interest rate forecast:

4.2.1 The Council's treasury advisor, Capita, provides the following forecast (the forecasts are for Public Works Loan Board (PWLB) certainty rates; ie, 20 basis points below the standard PWLB rates):

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PWLB rate	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%
10yr PWLB rate	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PWLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
50yr PWLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%

- 4.2.2 Capita Asset Services undertook a review of its interest rate forecasts on 11th August 2015. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused PWLB rates to fall. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September 2015 in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.
- 4.2.3 Despite market turbulence in late August 2015, and then September, causing a sharp downturn in PWLB rates, the overall trend in the longer term will be for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.
- 4.2.4 The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

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

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows;
- UK economic growth turns significantly weaker than we currently anticipate;
- Weak growth or recession in the UK's main trading partners - the EU, US and China;
- A resurgence of the Eurozone sovereign debt crisis;
- Recapitalisation of European banks requiring more government financial support;
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan;
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens.

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

- Uncertainty around the risk of a UK exit from the EU.

- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
- The commencement by the US Federal Reserve of increases in the Fed funds rate in 2015, causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

5. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY UPDATE

- 5.1 The Treasury Management Strategy Statement (TMSS) for 2015/16 was approved by this Council on 25th February 2015.
- 5.2 There are no policy changes to the TMSS that require Council approval. The details in this report update the position in the light of the updated economic position and budgetary changes already approved.
- 5.3 The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:
- Security of Capital
 - Liquidity
- 5.4 The Council will also aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term, and only invest with highly credit rated financial institutions, using Capita's suggested creditworthiness approach and credit default swap (CDS) overlay information provided by Capita. However, consideration is given to special tranche rates that are occasionally offered by those banks that are part-nationalised.
- 5.5 A breakdown of the Council's current investment portfolio as at 30th September 2015 is shown in Section 7 of this report.
- 5.6 Borrowing rates generally increased during the first quarter of the 2015/16 financial year, then fell during the second quarter. The Council was able to take advantage of the fall in rates, securing a further 4 PWLB loans during July and August. The Council may be required to undertake further external borrowing during the next six months and will monitor the market to secure the most advantageous rates. Investments during the first six months of the year have been in line with the strategy, and there have been no deviations from the strategy.

- 5.7 As outlined in Section 4 above, there is still considerable uncertainty and volatility in the financial and banking market, both globally and in the UK.

6. THE COUNCIL'S CAPITAL POSITION (PRUDENTIAL INDICATORS)

- 6.1 This part of the report is structured to update:
- The Council's capital expenditure plans;
 - How these plans are being financed;
 - The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
 - Compliance with the limits in place for borrowing activity.

6.2 Prudential Indicator for Capital Expenditure

This table below shows the revised estimates for capital expenditure and the changes since the capital programme was agreed for the Budget.

Capital Expenditure by Service/Major Schemes	2015/16 Original Estimate £'000	Mid Year Position £'000	2015/16 Revised Estimate £'000
New Headquarters - Accommodation	-	32	49
Future Leisure Provision	8,216	1,772	6,927
Chief Executive	210	14	159
Community Well-being and Environment	168	37	203
Economic Prosperity and Place	2,211	1,177	3,980
Vehicle, Equipment and Systems Renewals	512	289	734
Total	11,317	3,321	12,052

6.3 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Agenda Item No. 7

Capital Expenditure	2015/16 Original Estimate £'000	Mid Year Position £'000	2015/16 Revised Estimate £'000
Supported (RSG Settlement)	-	-	-
Unsupported	11,317	3,321	12,052
Total spend	11,317	3,321	12,052
Financed by:			
Capital receipts	970	57	1,164
Capital grants	1,996	943	3,912
Revenue	-	82	99
Total financing	2,966	1,082	5,175
Borrowing need	8,351	2,239	6,877

6.4 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

The latest estimate of the Capital Financing Requirement is lower due to slippage in several capital schemes.

Prudential Indicator – External Debt / the Operational Boundary

	2015/16 Original Estimate £'000	2015/16 Revised Estimate £'000
CFR	16,872	14,614
External Debt/Operational Boundary	27,000	27,000

6.5 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, gross borrowing will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and next two financial years. This allows some flexibility for limited borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent (TMSS Section 8.5).

Limits to Borrowing Activity	2015/16 Original Estimate £'000	2015/16 Revised Estimate £'000
Gross Borrowing	16,752	16,011
Less Investments	(6,000)	(10,000)
Less Icelandic Investments (currently frozen)	-	(76)
Net Borrowing	10,752	5,935
CFR (year end position)	16,872	14,614

The Chief Financial Officer reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

- 6.6 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit for External Debt	2015/16 Original Indicator £'000	2015/16 Revised Indicator £'000
Borrowing	33,000	33,000

7. **INVESTMENT PORTFOLIO 2015/16**

- 7.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.
- 7.2 The investment portfolio yield for the first six months of the year against the benchmark (7 Day LIBID) is shown below:

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Benchmark	Benchmark Return	Council Performance to 30/09/2015	Investment Interest Earned to 30/09/2015
7 day LIBID	0.36%	0.54%	£60,400

As illustrated, the authority out-performed the benchmark by 18 bank basis points (bps). This was mainly due to there currently being slightly more high quality counterparties available for use by this Council, removing the use of the Debt Management Office (DMO) that only returns 0.25%. In addition, there have been higher cash balances during the first half of the year, enabling more fixed term deposits yielding slightly higher rates than those achieved on instant access investments. The Council's original budgeted investment return for 2015/16 is £75,000, and performance for the year to date is £60,400. The main reason for this increase is that the Council currently has more funds to invest due to Capital Programme slippage and slightly earlier timing of borrowing undertaken to enable the Council to benefit from historically low PWLB rates (cost of carry calculations were undertaken to evidence the affordability of taking such loans up to 6 months earlier than required). The Council is also a member of the Capita Benchmarking Club, the results of which are reported separately to the Treasury Management Review Panel at its September and January meetings.

- 7.3 The tables below show investments held at 1st April 2015 compared to investments held at 30th September 2015, excluding Icelandic investments.

Investments Held With	1 st April 2015 £	Average Rate of Return	Duration
Santander	3,500,000	0.40%	Instant Access
Lloyds	672,030	0.40%	Instant Access
Ignis Money Market Fund	4,000,000	0.42%	Instant Access
Black Rock Money Market Fund	3,910,000	0.42%	Instant Access
Federated Prime Money Market Fund	3,910,000	0.39%	Instant Access
Barclays	1,000,000	0.55%	Fixed to 04/06/15
Nationwide	1,000,000	0.66%	Fixed to 04/08/15
Lloyds	1,000,000	0.80%	Fixed to 29/04/15
Lloyds	1,000,000	1.00%	Fixed to 30/11/15
Lloyds	1,000,000	1.00%	Fixed to 03/03/16
Standard Chartered Certificate of Deposit	1,000,000	0.66%	Fixed to 05/06/15
Total	21,992,030		

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Investments Held With	30 th September 2015 £	Average Rate of Return	Duration
Santander	1,085,000	0.40%	Instant Access
Lloyds	607,030	0.40%	Instant Access
Ignis Money Market Fund	2,810,000	0.44%	Instant Access
Black Rock Money Market Fund	2,810,000	0.46%	Instant Access
Federated Prime Money Market Fund	1,480,000	0.44%	Instant Access
Federated Prime Short Term Cash Fund	1,000,000	0.54%	Trade Plus 1 Day
Santander	500,000	0.65%	31 Day Notice
Santander	500,000	0.75%	60 Day Notice
Santander	1,000,000	0.90%	95 Day Notice
Barclays	1,000,000	0.65%	Fixed to 06/11/15
Barclays	1,000,000	0.66%	Fixed to 04/12/15
Barclays	1,000,000	0.70%	Fixed to 08/02/16
Lloyds	1,000,000	1.00%	Fixed to 30/11/15
Lloyds	1,000,000	1.00%	Fixed to 03/03/16
Nationwide	1,000,000	0.66%	Fixed to 08/10/15
Nationwide	1,000,000	0.48%	Fixed to 19/10/15
Nationwide	1,000,000	0.49%	Fixed to 24/11/15
Standard Chartered Certificate of Deposit	1,000,000	0.69%	Fixed to 06/11/15
Standard Chartered Certificate of Deposit	1,000,000	0.77%	Fixed to 04/03/16
RBS Certificate of Deposit	1,000,000	0.87%	Fixed to 13/05/16
Total	22,792,030		

- 7.4 As illustrated in the economic background section above, investment rates available in the market are at an historical low point. The average level of funds available for investment purposes in the first six months of 2015/16 was £22,491,571. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme, including the timing of prudential borrowing.

7.5 Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function. However, yields continue to be low whilst the Council adheres to the low risk strategy due to the current economic climate.

The investment counterparty criteria continue to be very sensitive to any changes in the banking sector; this is particularly true for changes in the Credit Default Swap (CDS) overlay. For example, the current investments with Standard Chartered are being carefully monitored due to a slight deterioration in the CDS overlay since the investments were taken out, caused by the market perception that the bank may be subject to a fine from the US banking regulator as a result of foreign investments.

8. EXTERNAL BORROWING

8.1 The Council's capital financing requirement (CFR) – as at 1st April 2015 was £7.910m, projected to rise to £14.614m by 31st March 2016. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council's external borrowing totalled £10m at 1st April 2015. Due to the overall financial position and the underlying need to borrow for capital purposes (the CFR) new external borrowing of £5m was undertaken from the PWLB as detailed in 8.2 below, with the Council continuing to benefit from historically low borrowing rates.

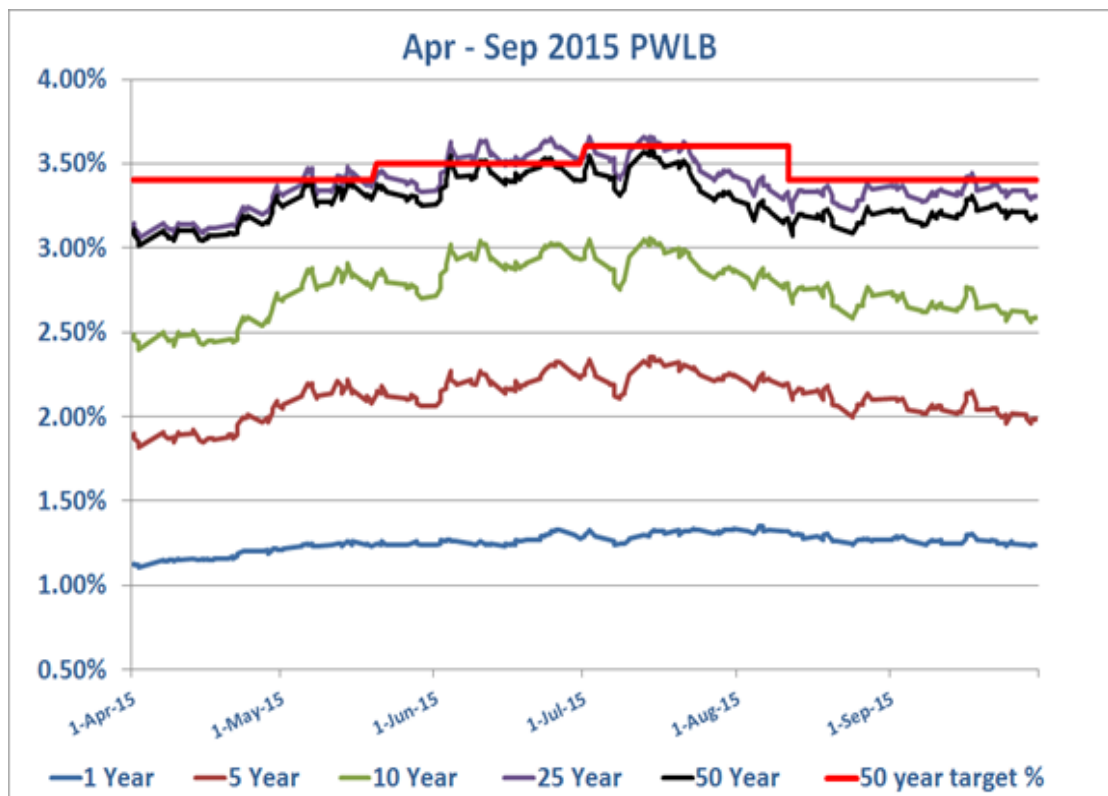
8.2 The table below shows the Council's external borrowing as at 30th September 2015.

Lender	Principal	Date	Type	Interest Rate	Maturity
PWLB	£1m	15/03/13	Fixed interest rate	2.62%	15/03/22 (9 years)
PWLB	£1m	02/04/13	Fixed interest rate	1.52%	02/04/18 (5 years)
Market - Borough of Kings Lynn & West Norfolk	£2m	14/07/14	Fixed interest rate	0.95%	14/07/16 (2 years)
PWLB	£1m	29/07/14	Fixed interest rate	3.99%	29/07/33 (19 years)
PWLB	£1m	20/10/14	Fixed interest rate	3.54%	20/10/56 (42 years)
PWLB	£1m	02/12/14	Fixed interest rate	3.44%	02/12/39 (25 years)
PWLB	£1m	20/01/15	Fixed interest rate	2.99%	20/01/39 (24 years)

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Lender	Principal	Date	Type	Interest Rate	Maturity
PWLB	£1m	04/02/15	Fixed interest rate	2.87%	04/02/41 (26 years)
PWLB	£1m	04/02/15	Fixed interest rate	2.80%	04/02/37 (22 years)
PWLB	£1m	08/04/15	Fixed interest rate	2.96%	08/04/35 (20 years)
PWLB	£1m	02/07/15	Fixed interest rate	3.35%	02/07/32 (17 years)
PWLB	£1m	20/07/15	Fixed interest rate	3.40%	20/07/31 (16 years)
PWLB	£1m	29/07/15	Fixed interest rate	3.13%	29/07/30 (15 years)
PWLB	£1m	06/08/15	Fixed interest rate	2.96%	06/08/28 (13 years)
Total	£15m				

- 8.3 Further borrowing may be undertaken during this financial year.
- 8.4 As outlined below, the general trend has been an increase in interest rates during the first quarter, but then a fall during the second quarter.
- 8.5 The graph below shows the movement in PWLB certainty rates for the first six months of the year.



9. DEBT RESCHEDULING

- 9.1 There has been no requirement for debt rescheduling during the first six months of 2015/16.

10. COMPLIANCE WITH TREASURY AND PRUDENTIAL LIMITS

- 10.1 It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. Council’s approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Policy and Strategy Report.
- 10.2 During the financial year to date the Chief Financial Officer confirms that the Council has operated within the treasury limits and Prudential Indicators set out in the Council’s Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.
- 10.3 The Prudential and Treasury Indicators are shown in Appendix 1. These have been updated for the slippage in the Capital Programme and the associated requirements to undertake external borrowing.

11. LOCAL ISSUES

- 11.1 The Council had £9m invested in Icelandic Banks at the time of collapse in October 2008. In January 2014 the Council sold its Landsbanki claim, recovering almost 97% of the £3million that it had deposited.
- 11.2 The table below details the Council’s remaining Icelandic investments as at 30th September 2015.

Bank	Original Investment £	Interest Claimed £	Total Claim £	Dividends Received £	Balance Outstanding including Interest Due £	Balance Outstanding Principal Only £
Kaupthing Singer & Friedlander	5,000,000	156,378	5,156,378	4,254,012	902,366	875,000
Heritable Bank	1,000,000	31,110	1,031,110	1,010,488	20,622	20,357
Total	6,000,000	187,488	6,187,488	5,264,500	922,988	895,357

- 11.3 Over this, and the ensuing years, the funds available for investment will reduce as the Council progresses its Transformation Agenda in areas such as the completion of the ICT Strategy, the Carbon Management Plan and the Future Leisure Provision. Each of these schemes is being pursued to ensure that the Council can reduce the on-going cost of delivering services.

- 11.4 Over the coming years the Council is also scheduled to make disposals of assets. Careful consideration will be made on each opportunity to ensure that the Council sells at a time that maximises the return to the authority. The approval of the Future Investment Evergreen Fund initiative by Council in September 2014 will provide a sustainable source of funding for future investments in approved projects. This fund will help the Council to realise the regenerative benefits of some of its vacant and underused assets as well as securing some longer term returns from working in partnership with developers. The aim is to help the district grow in housing, business and/or general economic terms. Each business case will be considered by Overview and Scrutiny and it is hoped that once capital receipts start to be realised this may provide the source of some innovative proposals.
- 11.5 As the capital programme expenditure progresses and balances of reserves that contribute to the make-up of the cash reserves available for investment reduce, external borrowing will be used as an affordable means of funding for approved projects. The timing of this borrowing is crucial, particularly given the forecast albeit gradual increase in borrowing interest rates. Advice will be sought, as usual from Capita and appropriate market information referenced. The Chief Financial Officer currently considers that cash balances should be held at no less than £5m for a Council of our size (including the Council's Working Balance of £1m). This forecast reduction in daily cash balances, together with the current limitations on the counterparty list, that are highly likely to continue, will make longer term investments unviable and it is therefore highly likely investments yields will decrease as projected in the new revenue base budget.
- 11.6 The most significant issue facing the Council remains its financial position. The net revenue budget will have reduced from £16.4m in 2009/10 to £11.47m in 2017/18 based upon current plans. This represents a fall of around 30% in absolute terms, and more in real terms. The Wyre Forest Forward Programme and the approved budget proposals go a very considerable way towards closing the gap between what we are spending and our income. Alongside this work, the Council is overseeing its most significant capital investment programme in many years, including the new leisure centre, for which construction is well under-way, as well as major injections of finance in its key priority of securing the economic prosperity of the district.
- 11.7 The Summer Budget announced in early July 2015 launched the Chancellor's spending review with a call for £20bn reductions to Whitehall budgets. The Government has ring-fenced the NHS, international development, defence and parts of education, meaning departments such as Communities and Local Government are expected to face significant cuts. Each unprotected department has been asked to come up with savings plans of between 25% and 40% of their budget. This has set the scene for another challenging budget cycle for 2016/17. However, the underlying economic tone continues to be more positive.

- 11.8 In early October plans to return 100% of business rates to local government were announced at the Conservative Party conference. The Chancellor announced that the government will return the business rates to local control by giving local authorities all £26bn of business rates, phasing out the core revenue support grant and scrapping the uniform rate. However because only broad details were released at this early stage we are awaiting further details about how the revised funding regime will work in practice. Further information will be provided in the Autumn Statement expected on the 25th November 2015.

12. KEY ISSUES

- 12.1 The Key issues are contained in sections 3 to 11 of this report.
- 12.2 As reported previously, the returns the Council is currently receiving from investments are significantly lower than those achieved during years up to 2007/08. Although we are forecasting increases in interest rates in later years, increases are expected to be modest and implemented over a long period. This together with the lower sums available to invest as detailed in this report will result in lower investment income.

13. FINANCIAL IMPLICATIONS

- 13.1 The Financial Implications of the treasury management function will be included in the Council's Medium Term Financial Strategy and Budget and Policy Framework, currently being prepared.

14. LEGAL AND POLICY IMPLICATIONS

- 14.1 The Local Government Act 2003 supplemented by Regulations set out a new framework for a prudential system for local authority capital finance. This Act, together with CIPFA's Prudential Code for Capital Finance in Local Authorities, came into effect on 1st April 2004. This code together with recent revised editions, guides decisions on what Local Authorities can afford to borrow and has statutory backing under Regulations issued in accordance with the Local Government Act 2003.
- 14.2 Adoption of the CIPFA Code of Practice on Treasury Management in the Public Services as part of the Authority's Standing Orders and Financial Regulations, gives it the status of a "code of practice made or approved by or under any enactment", and hence proper practice under the provisions of the Local Government and Housing Act 1989.

15. RISK MANAGEMENT

- 15.1 The Council is aware of the risks of passive management of the treasury portfolio. With the support of its external consultants we continue to proactively manage our investments. Capita Asset Services – Treasury Solutions (formerly Sector Treasury Services) are the Council's advisors, appointed from 1st September 2010. A new contract for Treasury Services was secured from 1st September 2015 for 3 years with the option to extend for a further 2 years on favourable terms.
- 15.2 Shorter-term variable rates and likely future movement in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the lending list, accurately forecasting returns can be difficult.
- 15.3 The Council is overseeing its most significant capital investment programme in many years as well as major injections of finance in its key priority of securing the economic prosperity of the district. The prospect of increasing interest rates that could increase the costs of borrowing are a risk to these schemes and affordability of capital is an issue we continue to monitor closely. However, this risk has reduced compared to 12 months ago due to favourable rates achieved so far for the Council's increased borrowing need.
- 15.4 The anticipated Autumn Statement and the Government's intention to fundamentally review local government finance including changes to Business Rates retention and the phasing out of Revenue Support Grant means there is further uncertainty over funding. The lack of detailed information on future funding represents a risk to the ensuing budget cycle as we are planning against many unknowns and have little/no ability to influence future funding levels going into the future. These macro-economic issues will have a knock-on effect to treasury management for all councils.

16. EQUALITY IMPACT ASSESSMENT

- 16.1 This is a financial report and there is no requirement to consider an Equality Impact Assessment.

17. CONCLUSION

- 17.1 See Recommendations.

18. CONSULTEES

- 18.1 Capita Asset Services – Treasury Solutions (Treasury Advisors).
- 18.2 Leader of the Council.
- 18.3 Cabinet Member for Resources.
- 18.4 Corporate Leadership Team.
- 18.5 Treasury Management Review Panel.

19. BACKGROUND PAPERS

- 19.1 Local Government Act 2003.
- 19.2 CIPFA's Revised Prudential Code for Capital Finance in Local Authorities, 2011.
- 19.3 CIPFA's Revised Code of Practice on Treasury Management in the Public Services, 2011.
- 19.4 Local Government and Housing Act 1989.
- 19.5 Council 25/02/15 – Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and updated Prudential Indicators 2015/16.
- 19.6 Council 30/09/15 - Annual Report on Treasury Management Service and Actual Prudential Indicators 2014/15.
- 19.7 Treasury Management Review Panel 03/11/15 - Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2015/16.

APPENDIX 1 Prudential and Treasury Indicators

PRUDENTIAL INDICATORS	2014/15	2015/16	2016/17	2017/18	2018/19
	actual	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure	4,512	12,052	8,583	2,251	2,926
Ratio of financing costs to net revenue stream	1.72%	3.73%	6.29%	9.65%	9.71%
Gross Borrowing					
brought forward 1 April	5,018	10,014	16,011	18,008	18,005
carried forward 31 March	10,014	16,011	18,008	18,005	18,002
Capital Financing Requirement as at 31 March	7,910	14,614	17,951	18,511	18,391
Annual change in Capital Financing Requirement	2,371	6,704	3,337	560	(120)
Incremental impact of capital investment decisions		£ p	£ p	£ p	£ p
Increase in council tax (band D) per annum		1.23	2.25	2.25	2.25

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TREASURY MANAGEMENT INDICATORS	2014/15	2015/16	2016/17	2017/18	2018/19
	actual	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt -					
borrowing	30,000	33,000	33,000	33,000	33,000
other long term liabilities	0	0	0	0	0
TOTAL	30,000	33,000	33,000	33,000	33,000
Operational Boundary for external debt -					
borrowing	25,000	27,000	27,000	27,000	27,000
other long term liabilities	0	0	0	0	0
TOTAL	25,000	27,000	27,000	27,000	27,000
Actual external debt	10,014	16,011	18,008	18,005	18,002
Upper limit for fixed interest rate exposure					
Net principal re fixed rate investments	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments	100%	100%	100%	100%	100%
Upper limit for total principal sums invested for over 364 days	£	£	£	£	£
(per maturity date)	2m	2m	2m	2m	2m

Maturity structure of fixed rate borrowing during 2015/16	upper limit	lower limit
under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%



Overview & Scrutiny Committee

Agenda Item No. 8

Briefing Paper

Report of: Lucy Wright, Revenues, Benefits & Customer Services Manager

Date: Thursday, 5th November 2015
Open

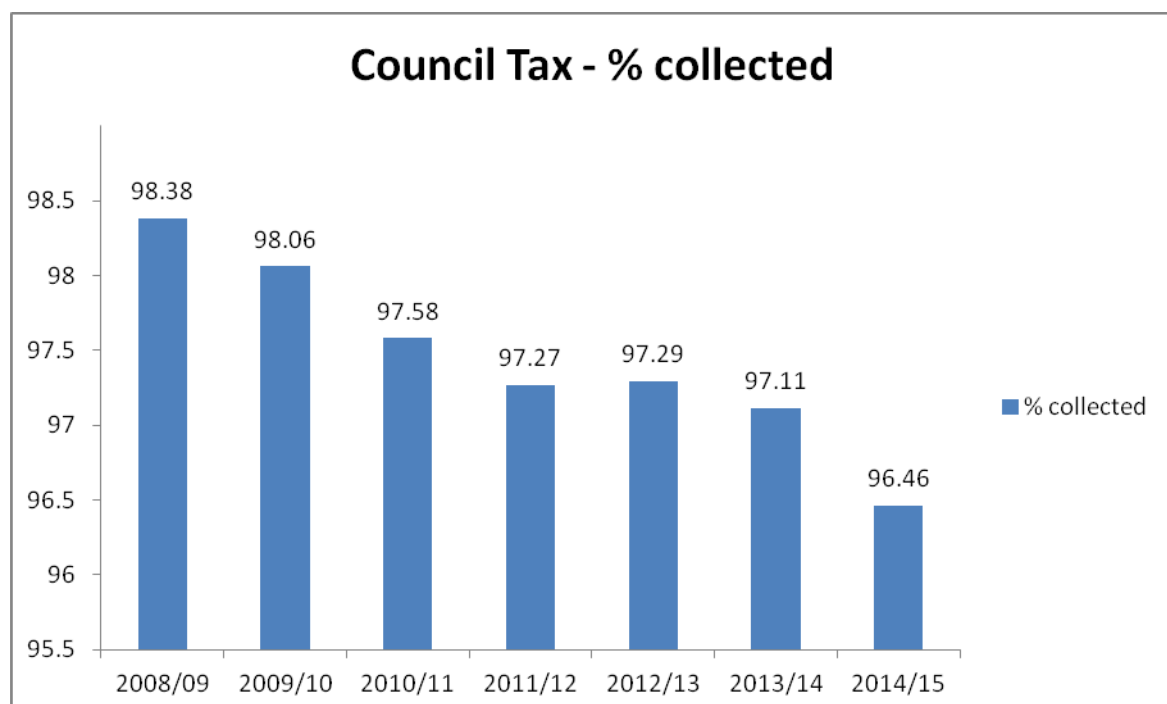
Council Tax Reduction Scheme Review 2016/17

1. Summary

- 1.1 This report provides the results of the consultation exercise that the Council is required to undertake if there are any proposed changes to the Council Tax Reduction Scheme; and invites the Overview and Scrutiny Committee to provide recommendations to the Cabinet.

2. Background

- 2.1 Under paragraph 4 of Schedule 1A to the Local Government Finance Act 1992, the Council is required to consider whether to revise its scheme or to replace its scheme for the forthcoming financial year.
- 2.2 The current Council Tax Reduction Scheme (CTRS) requires all working age claimants to pay a minimum contribution of 10% towards their council tax liability. Since the scheme was implemented in 2013, the Council's income has increased although there has been an impact on collection rates as shown below:



- 2.3 On 23rd June 2015, the Cabinet agreed to undertake a public consultation to gauge opinion on various options to alter the current Council Tax Reduction Scheme in order to generate additional income and bridge the funding gap. The consultation ran for 12 weeks from 6th July to 27th September 2015 and received 117 responses in total.
- 2.4 The first part of the consultation asked respondents whether they agreed to change the current scheme to make financial savings. For those that selected “no”, opinions were sought as to how the Council should make savings. Those who agreed to change the scheme were asked for their opinion on various options outlined below.
- 2.5 The consultation proposed making technical changes as follows:
- Changing from a reduction in entitlement where the percentage (10% under our current scheme) is taken off the award figure to a cut in council tax liability before any entitlements are calculated. This will be at a percentage rate to be agreed following consultation. Such a change would bring that element of the scheme in line with the vast majority of councils and in particular with Wychavon, Redditch and Bromsgrove
 - Reducing the minimum award of Council Tax Reduction from £5 per week to 50p per week in line with housing benefit minimum entitlements. Such a change would benefit some claimants who are entitled to support but in practice receive nothing as their weekly award is less than £5
 - Allow backdating of awards at the Council’s discretion in line with housing benefit regulations
- 2.6 The consultation asked respondents for their views on whether to increase the minimum council tax payment for all working age claimants from 10% to either 15% or 20%.
- 2.7 Opinions were sought as to whether the amount of capital/savings allowed should be reduced from £16,000 and asked respondents to make suggestions as to an appropriate limit.
- 2.8 The final question asked opinions regarding the retention of an exceptional hardship fund for tax payers experiencing financial hardship.
- 2.9 Detailed results of the consultation can be found in **Appendix A** and a summary of the responses is outlined overleaf.

3. Key Issues

Table 1 Summary of consultation responses

<p>Number of responses received via the consultation portal: 115 however not everyone who responded answered every question.</p> <p>Organisations that provided an named response: 2</p> <p>Worcestershire County Council support changes to optimise council tax income whilst balancing this with the needs of lower paid families.</p> <p>The Children's Society provided a 5 page response and do not support any increase to the scheme given the recently announced changes through the Welfare Reform and Work Bill that 'will have a damaging effect on the income of families with children' and request that the 'Council see the decision they take in the wider context of these families lives and not in isolation'. They also request that care leavers receive 100% council tax reduction until they reach the age of 21.</p> <p>() represents the number of respondents.</p>				
<p>Q1. Do you agree the council should change the current Council Tax Reduction Scheme to help make savings? <i>115 answers</i></p>				
Yes	57%		No	29%
			Don't know	15%
<p>Number of comments received – 20</p> <ul style="list-style-type: none"> • The scheme helps those in need (particularly those who go out to work on a low income) and to increase the amount they have to pay would put them in greater hardship (14) • 'Poor people' already get rent subsidised, why give them more reason not to work (1) • We all have to contribute (1) • Not enough information to make a decision (2) • This is not guaranteed income if people can't afford to pay (1) • I work with vulnerable people across Worcestershire – Wyre Forest is one of the most needy areas (1) 				
<p>Q2. If there is no change to the scheme, how should the Council make savings? <i>47 answers</i></p>				
	Yes	No	Don't know	Total
Increase council tax for all households	57%	30%	13%	37
Use the Council's reserves	50%	29%	21%	34
Reduce funding for other services	44%	34%	22%	41

Q3. If there is no change to the scheme, what is your preference to make the savings? 1 is the option most preferred and 3 is the least 47 answers						
	1	2	3	Total		
Increase council tax for all households	58%	12%	30%	40		
Use the Council's reserves	25%	55%	20%	34		
Reduce funding for other services	24%	34%	42%	41		
Q4. Do you support the proposed changes to the way the calculations are made (technical changes)? 96 answers						
Yes	52%		No	31%	Don't know	17%
Number of comments received – 9						
<ul style="list-style-type: none">• Would like more avenues explored that would save the Council money (3)• This negatively affects those who work on low wages and does not incentivise people to remain employed (2)• The system works as it is – why change it? (2)• Everyone should contribute regardless of income (1)• Disabled persons should not be treated as normal working age people (1)						
Q5. If the level of support was reduced, what should the minimum payment be? 82 answers						
15%	38%		20%	27%	Don't know/Other	35%
Number of comments received – 18						
<ul style="list-style-type: none">• Do not increase the minimum payment and leave it at 10% (18)						
Q6. Do you agree the level of savings/capital limit should be reduced? 77 answers						
Yes	57%		No	33%	Don't know	10%
Q7. How much should the savings/capital limit be before support is stopped? 77 answers						
£6,000	34%		£12,000	35%	Other	31%
Number of comments received for 'Other' – 24						
<ul style="list-style-type: none">• No change £16,000 (9)• £10,000 or below (7)• £11,000 - £50,000 (5)• Above £50,000 (3)						
Additional comments received – 15						

<ul style="list-style-type: none"> • If someone has savings, they should not be asking for financial help (5) • Wrong to penalise those with savings (4) • Difficult to decide (2) • Should be £12,000 for a couple and £6,000 for a single person (1) • This is the only option that does not affect the poor (2) 							
Q8. Do you agree to the council maintaining a hardship fund? <i>77 answers</i>							
Yes	68%		No	23%		Don't know	9%
Number of comments received – 9 <ul style="list-style-type: none"> • Support should be available for helping those who need it (6) • Should be used so disabled and pensioners don't have to pay council tax and should not be discretionary (1) • Unaware scheme existed (1) • Difficult to answer without knowing how it is used (1) 							
Q9. Any other comments to add?							
<ul style="list-style-type: none"> • Need to do a full impact study to understand overall implications of those less able to pay. • Use a residency test like Sandwell <i>[this has been ruled illegal by the courts: therefore it is not an option]</i> • Include some disregarded income such as child benefit/child maintenance. • Increase council tax on empty and second home to 150%. • Apply a benchmark for living costs based on the family structure then everyone contributes – a percentage income. And allow more payment dates so people can pay weekly or monthly as their circumstances allow. • This support needs to continue as without it some people struggle. 							
Q10. Are you in receipt of Council Tax Reduction Scheme?							
Yes	20%		No	80%			

Summary of consultation

3.1 The responses to the consultation show the following:

- 52% support making the proposed technical changes to the scheme
- 57% support altering the maximum level of capital limits however there was no clear amount the limit should be set at
- 68% support the continuation of an exceptional hardship fund

3.2 47 respondents opted for other ways the council could make savings rather than change the scheme and the majority (57%) preferred to increase council tax for all households. The second most preferred option was to use the council's reserves followed by reducing funding for other council services.

Capital limit

- 3.3 77 people responded to the question regarding reducing the capital limit and the majority (57%) supported reducing the current limit of £16,000 but there were a variety of views with regard to the amount it should be reduced to.
- 3.4 The consultation gave three options – £6,000, £12,000 and ‘other’ and the responses across all three options were evenly split as follows:
- 34% opted to reduce the limit to £6,000
 - 25% opted to reduce the limit to £12,000
 - 31% suggested leaving the limit unchanged, increasing the limit up to £50,000 or more, or decreasing it.
- 3.5 As forecast in the Cabinet report dated 23rd June 2015, the estimated savings from altering the capital limit is shown in the table below. It should be noted that if the capital limit is reduced, this will be out of line with housing benefit regulations and pension age CTRS claims which remain at £16,000.

Scheme variation	Estimated annual additional income across all preceptors	Estimated annual additional income for Wyre Forest District Council
Limit capital to £6,000	£22,000	£3,000
Limit capital to £12,000	£10,000	£1,300

Contribution of working age people

- 3.6 The current scheme requires a minimum payment of 10% for working age claimants. Part of the consultation was to gauge opinion on whether to increase the minimum percentage payment and respondents were given a choice to select either 15%, 20% or don't know.
- 3.7 82 people answered this question and the majority (65%) supported an increase to either 15% or 20%. However overall, these represent fewer than half of the people who responded to the survey as 47 people chose to support other ways for the council to make savings rather than change the scheme.
- 3.8 18 people provided additional comments to the question regarding the level of minimum payment. 7 people selected 15% however their comments imply that they do not support an increase as shown in the detailed consultation summary. 1 person suggested a stepped approach and the remaining 10 people, who commented that the scheme should remain as it is, selected the 'don't know' option.

Impact of national changes

- 3.9 The Chancellor's Summer Budget announced significant changes and reductions that will be made to benefits eligibility rules, which will be applied over the next three years. The changes particularly affect – but are not restricted to – child tax credit and working tax credit, as many of the changes also apply to the calculation of universal credit and housing benefit entitlement.

- 3.10 It should be noted that these changes were announced after the CTRS consultation had started. The CTRS is currently aligned to housing benefit regulations. If this is to continue and the scheme is changed to ensure continued alignment, a further consultation will be required next year for the new changes taking place from April 2017.
- 3.11 These national changes will see non working and low income household budgets reduce even further leaving less disposable income to pay additional council tax.

Current council tax collection rates and recovery

- 3.12 When looking at the overall council tax caseload, the collection rates for 2014/15 were 96.46%.
- 3.13 When looking at working age claimants in receipt of CTRS only, the collection rates for 2014/15 were 91.14%.

4. Options

- 4.1 There is a range of options on each of the issues raised in the consultation, including making no change to current arrangements, implementing technical changes and increasing the minimum contribution. If the changes are implemented they would compliment the overall package of welfare reform that seeks to encourage work and delivers fairness for people who are paying the full amount of council tax. The following recommendations take account of the responses to the consultation and reflect the administration's position, which will be considered by the Cabinet on 10th November. The committee is invited to consider endorsing that the following points are incorporated into the Council Tax Reduction Scheme from 1st April 2016:
- a) Retention of the hardship fund, to ensure that people who face genuine difficulty in meeting their commitments can be assisted. This support is not available to people who have savings, for example;
 - b) Implement the technical changes outlined in paragraph 2.5;
 - c) Reduce the capital limit to £12,000 (in other words, anyone with savings in excess of that sum would not be eligible for support);
 - d) Increase the minimum council tax contribution to be made by working age people to 20%, on the basis that the Council's policy position is that it wants stability and is therefore not minded to make a series of incremental changes nor to review the minimum contribution rate in the medium term.

5. Consultation

- 5.1 A public consultation was undertaken for 12 weeks between 6th July and 27th September 2015.

- 5.2 Recommendations arising from this Overview and Scrutiny Committee will be reported to Cabinet on 10 November for its subsequent recommendation to Council. The final decisions will be taken by full Council in December.

6. Related Decisions

- 6.1 None.

7. Relevant Council Policies/Strategies

- 7.1 Corporate Plan 2014/19.
7.2 Equality and Diversity Policy.

8. Implications

- 8.1 Resources: The financial implications of the proposed approach would produce a modest increase in income for the Council in the region of £60k p.a. as shown below:

Scheme variation	Annual additional council tax income	Annual additional council tax income for WFDC
20% Top slicing (no minimum award)	£461,000	£60,000
£12,000 Capital limit	£10,000	£1,300

Since the scheme was introduced in 2013, all preceptors have benefited from the savings made from the Council Tax Reduction Scheme as detailed in the Cabinet report of 23rd June 2015. Worcestershire County Council as the major preceptor have agreed to provide the district council with approximately £75,000 per annum from April 2016 as outlined in their response to the consultation. This additional income will be used to maintain the exceptional hardship fund and the impact of collection rates will be closely monitored.

- 8.2 Equalities: A full Equality Impact Assessment has been undertaken and any negative equality impacts can be mitigated by the continuation of the exceptional hardship fund.
- 8.3 Partnership working: No direct implications from this report.
- 8.4 Human Rights: No direct implications from this report.
- 8.5 E-Government: No direct implications from this report.
- 8.6 Transformation: No direct implications from this report.

9. Equality Impact Needs Assessment

- 9.1 A full equality impact assessment has been undertaken and there is deemed to be a negative impact on age, people with disabilities and poverty within the district. These negative equality impacts that have been identified can be

mitigated by the continuation of the exceptional hardship fund for those affected.

10. Wards affected

10.1 All wards.

11. Appendices

11.1 Appendix A – full consultation responses together with 2 additional responses from the Children’s Society and Worcestershire County Council.

12. Background Papers

Council Tax Benefit Reform, Overview and Scrutiny Committee 8th November 2012

Council Tax Benefit Reform, Cabinet 12th November 2012

Council Tax Benefit Reform, Council 21st November 2012

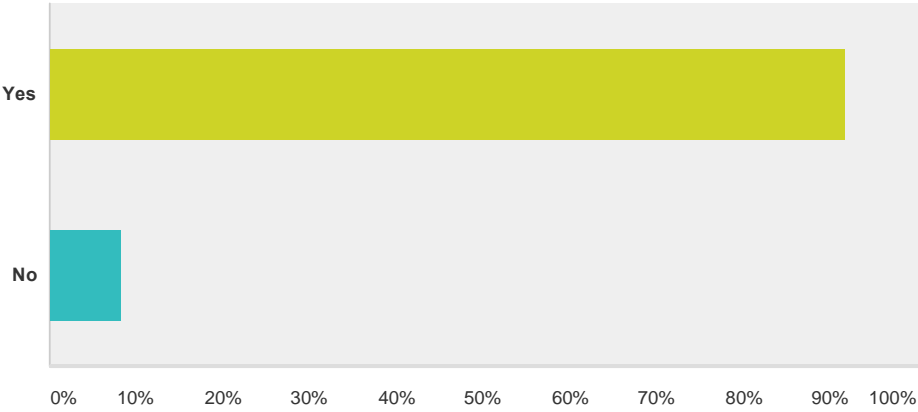
Welfare Support Fund, Cabinet 23rd June 2015

Officer Contact Details:

Name	Lucy Wright
Title	Revenues, Benefits and Customer Services Manager
Contact Number	Ext 2948
Email	lucy.wright@wyreforestdc.gov.uk

Q1 I have read the background information about the Council Tax Reduction Scheme.

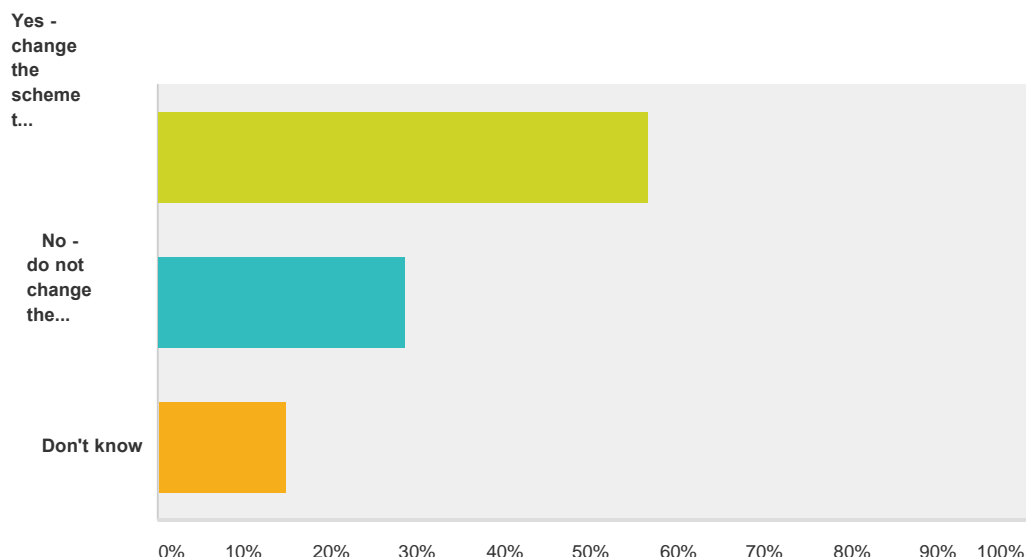
Answered: 157
Skipped: 0



Answer Choices	Responses	
Yes	91.72%	144
No	8.28%	13
Total		157

Q2 Paying for the scheme Do you agree the council should change the current Council Tax Reduction Scheme to help make the savings needed? Please choose one answer only.

Answered: 115
Skipped: 42



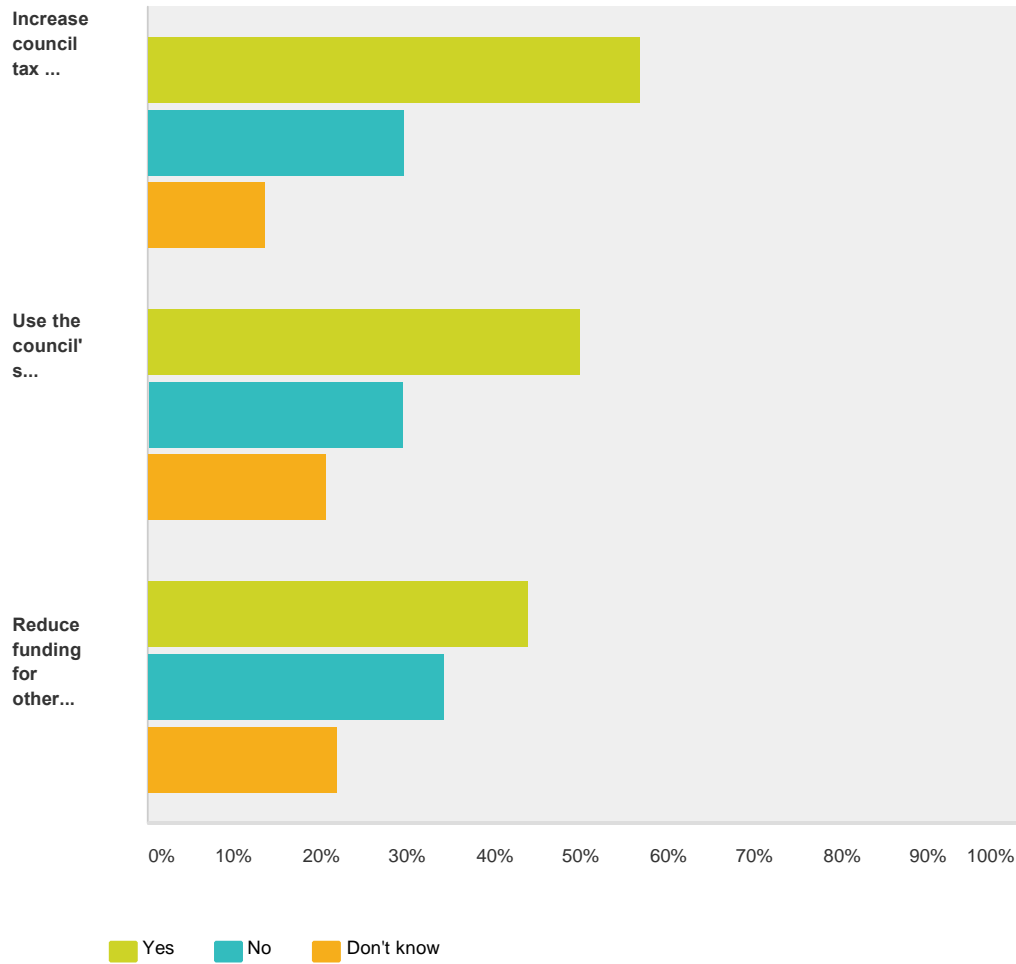
Answer Choices	Responses	
Yes - change the scheme to make savings	56.52%	65
No - do not change the scheme	28.70%	33
Don't know	14.78%	17
Total		115

#	Please use the space below to make any comments you have:	Date
1	<p>Providing support to the most vulnerable families is essential to help them make ends meet. For many families, the localisation of council tax benefit resulted in them no longer having the support they need to cover their council tax costs, whilst in some situations still living on an income below the poverty line. Evidence from The Children's Society found that in the past three years the number of households falling behind on their council tax has increased by over 25%. The FOI response that The Children's Society received from Wyre Forest showed that in 2013/14 the council do not know how many households are currently in council tax arrears. Research from the Institute for Fiscal Studies (IFS) 'has shown that following a 10% cut worth £414m in central government funding and support protected for pensioners, many low-income working age families were faced with a shortfall on the support they needed to cover their council tax. This situation is mirrored in Wyre Forest which provided information in a Freedom of Information request that in 2012/13 6,025 households were in receipt of 100% subsidy for council tax which reduced to 2,709 in 2013/14. Under the Wyre Forest scheme 100% support is available only to pensioners as required by central government and the maximum entitlement for the working age scheme is 91.5%, reducing to 90% in 2014/15. This has resulted in families in Wyre Forest faced with council tax support which is insufficient to cover their liabilities for the first time and may have resulted in more families failing into council tax debt. Across the country the localisation of council tax debt has resulted in an increased number of children living in families that are in council tax debt, and therefore experiencing the consequences of this as the problem escalates. We would urge Wyre Forest to review their collection policies are part of any wider reforms to council tax support as any changes to the support families receive will affect the number of households falling into arrears. Whilst we welcome the council's policy of no further action being taken once an account is brought up to date, we are concerned by the speed of escalation to court summons employed by the council, as evidenced by the council's own debt collection policy that shows a summons can be issued after a first reminder notice, and how additional costs are incurred at early stages of proceedings.</p>	9/21/2015 11:15 AM

2	If Council Tax Benefit was changed, to make savings, hence increasing the amount a claimant has to pay, this, potentially, could cause further problems, as already a percentage of those on benefits are currently having to use Food banks, due to lack of income and those who are carefully budgeting to meet their 'outcome v income' may well find that the extra '£'s' needed each month are just not available? Could this cause more problems for the Council by having to take people to court as they cannot meet payments? Could it cause more people to turn to theft? More people using NHS due to stress/illness caused by financial worries. All of these, of course, a great cost to the tax payer & a severe burden & strain on an already extremely busy Council, who have, themselves, suffered cuts. It is a bad economic time for many and I appreciate monies need to be found but I feel certain there are other areas where savings could be made, thus, not affecting the poorer community. May be the cost of unnecessary consultations could be investigated. The cost of such things as the postage stamps outside the Town Hall which already look shabby. I am sure there are areas that could be addressed at a future date when the economic climate allows us to pursue projects which are luxury's rather than what is needed right now.	9/13/2015 10:21 AM
3	However I think 20% is too harsh - 15% would be fairer	9/3/2015 11:20 AM
4	There may be parts which can be changed but removing HB from 16 - 25 year olds leaves them even more vulnerable to living on the streets, this should not even be contemplated.	8/5/2015 5:59 PM
5	I work with some of the most vulnerable people in worcestershire, wyre forest is one of the most needy areas.	8/5/2015 12:54 AM
6	All working council tax payers could pay a little more council tax. All "on benefit" council tax payers should pay a minimal amount according to how much benefit help is received. Seems a backward step taking council tax from the impoverished who have a job to manage their daily affairs when no work is in sight. Start taking small amounts when they do find employment according to the hours worked, until they are gaining a reasonable wage.	8/4/2015 11:27 AM
7	Should not apply to anyone..."poor people" already get rent subsidised in the social housing sector..why give them more reason to not work??	7/31/2015 2:43 PM
8	But ensure that working age claimants do not need to pay anymore because they are already having to pay a significant amount and will continue to have pressures on their budgets	7/26/2015 7:15 AM
9	Will WFDC increases resources in recovery to mitigate the risk of not realising these savings? It's not guarantee'd income - It has to be collected first	7/23/2015 9:36 AM
10	To alter the scheme would mean that the government's cuts would fall more heavily on those members of the community who are least well off.	7/19/2015 3:10 PM
11	I believe all unemployed people and those on ESA or Low income should be exempt Council Tax	7/19/2015 11:28 AM
12	Do not increase council tax for working people. Do increase council tax for those on benefits. We all use the same service.	7/17/2015 12:47 PM
13	We all have to contribute as we all use the services. As long as it is a percentage change it will affect us all the same way.	7/13/2015 11:07 AM
14	I do not have sufficient information to make a decision. Have all other saving avenues been explored. Capitol expenditure. Increased entrance fees on recreation centres. Any double digit figures that show on the expenditure sheets should be looked at and local councils expenditure. The number of new builds in the area should increase revenue, has this been taken into account. I do not know how many individual cases you have on the books but are, as said, individual cases and should be treated as such and not on a blanket rule, although rules need to apply.	7/13/2015 10:47 AM
15	I do not have sufficient information to make a judgement. Have all possible alternative savings been exhausted. How about capitol expenditure. Larger entrance fees on recreation centre's. Parish expenditure and figures that show a double digit expenditure.	7/13/2015 10:34 AM
16	Those who qualify for Council Tax reduction qualify because they are IN NEED! The rules are very stringent and rightly so. The 10% payment is to a very small number and that is because they are desperate.	7/13/2015 9:38 AM
17	The scheme helps the poorest people and any further reductions will cause real hardship.	7/12/2015 11:19 AM
18	As a carer with only £61 per week to live on, I would find myself in extreme financial difficulty my outgoings are now getting out of hand due to government cut backs... £10 per month Council Tax, £10.40 PM for Worcestershire Telecare, No longer entitled to a concessionary TV Licence... When is this going to stop? Its about time the government and local councils went after the wealthy and tax evasion, instead of picking on us little people as we are seen not to matter or have voices... well we are voters too. Disabled persons should not be treated as normal working age people... there is a reason Disable People don't work and do not claim JSA.	7/10/2015 7:16 PM
19	I believe the council tax charges are way to high now and for what people get for the amount is very little	7/9/2015 11:14 AM
20	charge people who can afford it stop picking on the poor	7/7/2015 7:21 PM

Q3 If there is no change to the Council Tax Reduction Scheme, how do you think the council should make savings?
Please tick one box in each line.

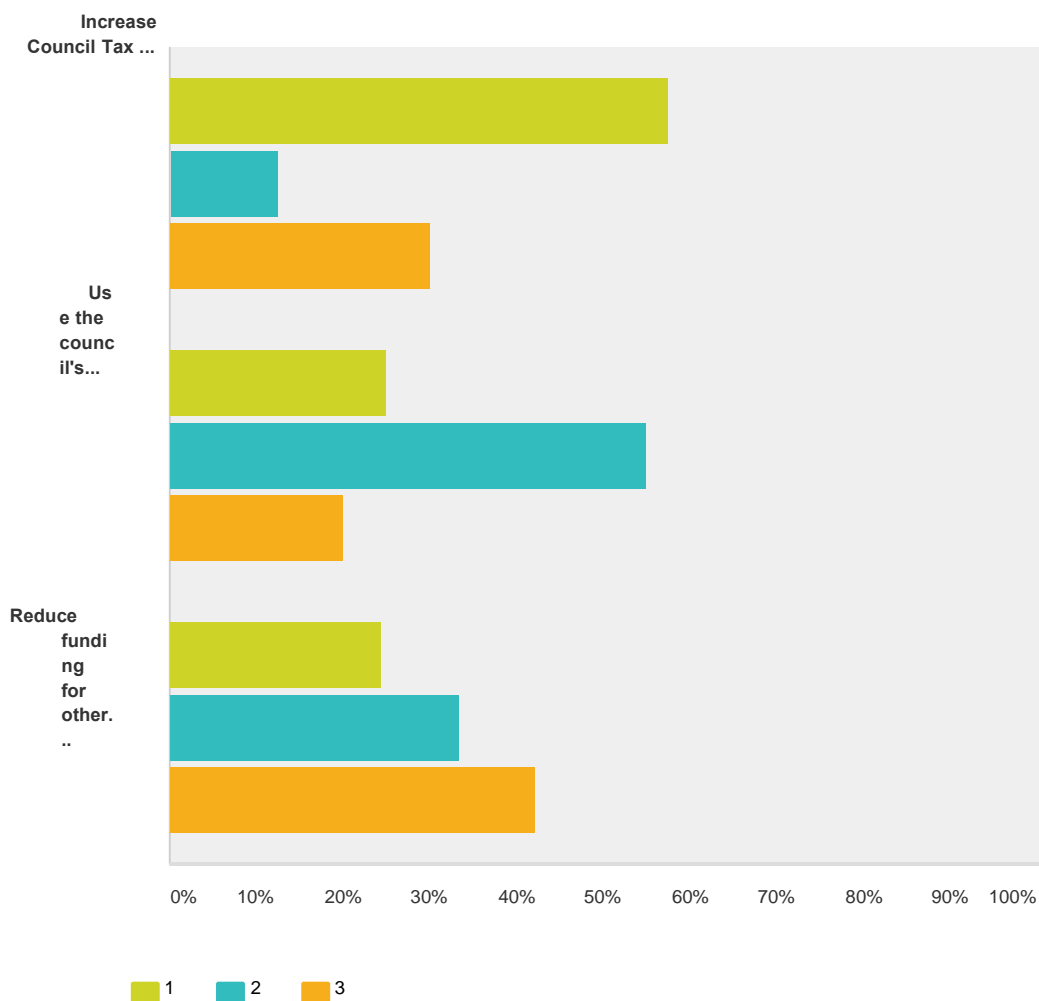
Answered: 47 Skipped: 110



	Yes	No	Don't know	Total
Increase council tax for all households	56.76% 21	29.73% 11	13.51% 5	37
Use the council's limited reserves	50.00% 17	29.41% 10	20.59% 7	34
Reduce funding for other council services	43.90% 18	34.15% 14	21.95% 9	41

Q4 If the council did not make changes to the Council Tax Reduction Scheme, what would be your preference for ways to make the savings required? Please rank in order of preference (1, 2 or 3), where 1 is the option you most prefer and 3 is the least. Please tick one box only in each line:

Answered: 47 Skipped: 110



	1	2	3	Total
Increase Council Tax for all households	57.50% 23	12.50% 5	30.00% 12	40
Use the council's limited reserves	25.00% 10	55.00% 22	20.00% 8	40
Reduce funding for other council services	24.44% 11	33.33% 15	42.22% 19	45

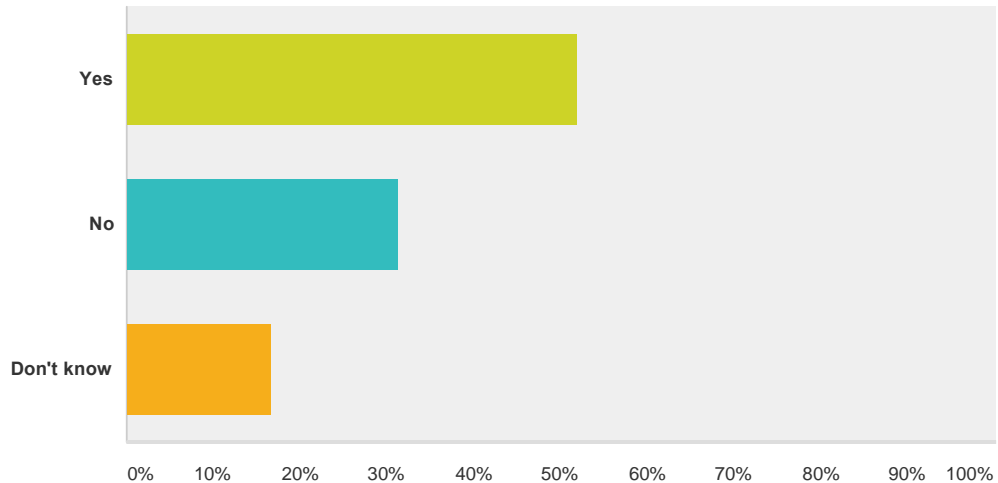
#	Please use the space below to make any other comments you have about the scheme:	Date
1	Stop buying new furniture for your offices when the current furniture is still in good condition	9/27/2015 12:49 PM

Council Tax Reduction Scheme Consultation

2	Not knowing or having enough information to make a fair and correct judgement I would initially suggest increasing council tax, use some of the council's reserves & take a look at council services to scrutinize if there are any areas which, at this current time, we could 'do without' until better days.	9/13/2015 10:28 AM
3	I asked for help when my partner was on maternity leave...no help given whatsoever	7/31/2015 2:45 PM
4	Could do with more info on the actual 'other council services' you are on about reducing	7/20/2015 10:22 AM
5	see previous comments.	7/13/2015 10:50 AM
6	As a carer with only £61 per week to live on, I would find myself in extreme financial difficulty my outgoings are now getting out of hand due to government cut backs... £10 per month Council Tax, £10.40 PM for Worcestershire Telecare, No longer entitled to a concessionary TV Licence... When is this going to stop? Its about time the government and local councils went after the wealthy and tax evasion, instead of picking on us little people as we are seen not to matter or have voices... well we are voters too. Disabled persons should not be treated as normal working age people... there is a reason Disable People don't work and do not claim JSA.	7/10/2015 7:16 PM
7	you have not thought this through have you	7/7/2015 7:22 PM

Q5 Thinking about Option 1 (technical changes), do you support these proposed changes to the way the calculations are made? Please choose one answer only.

Answered: 96
Skipped: 61

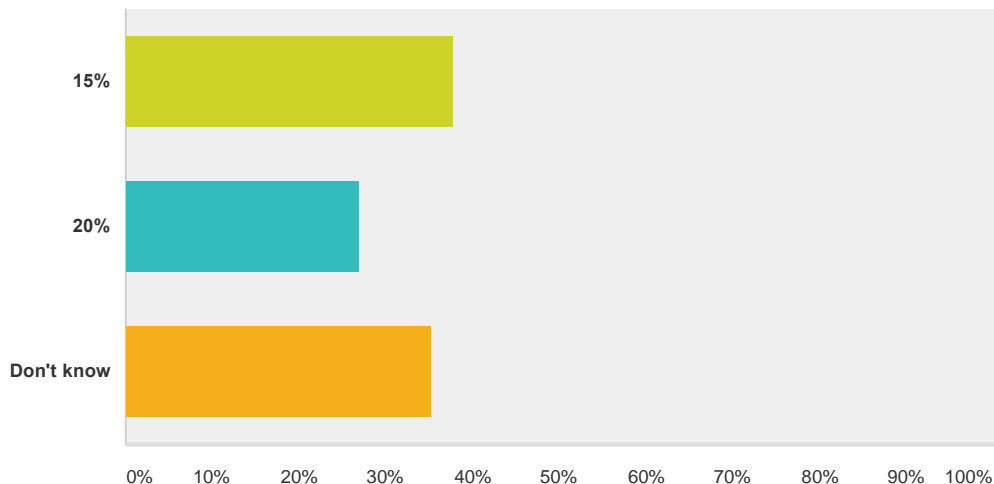


Answer Choices	Responses
Yes	52.08% 50
No	31.25% 30
Don't know	16.67% 16
Total	96

#	Please use the space below to make comments you have about Option 1:	Date
1	Too technical	9/10/2015 10:14 AM
2	Those in receipt of partial benefits are more likely to be low earning workers - Surely any changes to the Scheme should incentivise people to remain in work	7/23/2015 9:39 AM
3	I don't see why we shouldn't all have to contribute regardless of income.	7/13/2015 11:08 AM
4	Tis questionnaire was put together back to front. Yes but only if as previously said all other avenues have been explored to find other savings.	7/13/2015 10:56 AM
5	This would affect working people on low or part time wages / salary and could discourage the unemployed from taking low income work.	7/12/2015 11:26 AM
6	Disabled persons should not be treated as normal working age people... there is a reason Disable People don't work and do not claim JSA.	7/10/2015 7:19 PM
7	Try to save more money helping those of us who pay our Council Tax in full.	7/9/2015 3:32 PM
8	stop wasting money changing a system that is working your the problem	7/7/2015 7:23 PM
9	I think this seems fair, however I would like to see what other changes would be needed alongside this one and/or other options.	7/6/2015 11:17 PM

Q6 Thinking about Option 2 (reducing the maximum level of support), what level of minimum payment do you think should be applied?

Answered: 82
Skipped: 75



Answer Choices	Responses
15%	37.80% 31
20%	26.83% 22
Don't know	35.37% 29
Total	82

#	Please use the space below to make any additional comments you have about Option 2:	Date
1	I do not agree with this option.	9/13/2015 10:34 AM
2	Some people have no money for food as their weekly benefits are being used to pay off debts already accumulated over the years from non-payment ie.gas, electricity, council tax, TV licence. These should be excused paying council tax until debts are paid off as they have no hope of ever sorting their affairs out.	8/4/2015 11:34 AM
3	Increasing the amount people have to pay will surely only work if people can afford to pay it? People on £57 or £73 a week and having to pay for food, gas, elec & possibly more council tax, simply won't be able to pay. You'll only get extra income if people pay their bill and this is increasingly more unlikely if they're being asked to pay more from an already limited household budget, whether they work or not. My experience is those who don't have money are the best at managing on a budget - you need to think carefully about asking them to pay too much when they don't have it. If you make the technical changes suggested in option 1, this will impact on people who work but are on a low income and need a little help by getting partial benefits. Surely asking them to go from paying 10% to 20% does nothing to incentivise people who work?	8/3/2015 1:41 PM
4	0%	7/31/2015 2:46 PM
5	Both are bad options really bad if working age claimants have to contribute more towards there council tax	7/26/2015 7:18 AM
6	I believe a stepped approach (although possibly a little more difficult to administer) would be less risky. Rather than double the amount that some people will have to pay, this increase could be introduced over the next 2 years, giving customers the opportunity a greater opportunity to manage their finances. Their will be some people currently struggling to repay a 10% charge, but have managed to keep up with their repayments. The risk involved in increasing directly to 20% is that these people won't be able to repay the 20% charge, but rather then continue to pay the exisiting 10% (which they can just about afford),they cease all payments. This may have a detrimental impact on the Local Authority's collection rates. An initially smaller increase to 15% will not seem as daunting to these people who will then attempt to repay the higher charge.	7/23/2015 9:48 AM
7	Completely unacceptable to increase the percentage in any way.	7/19/2015 3:14 PM

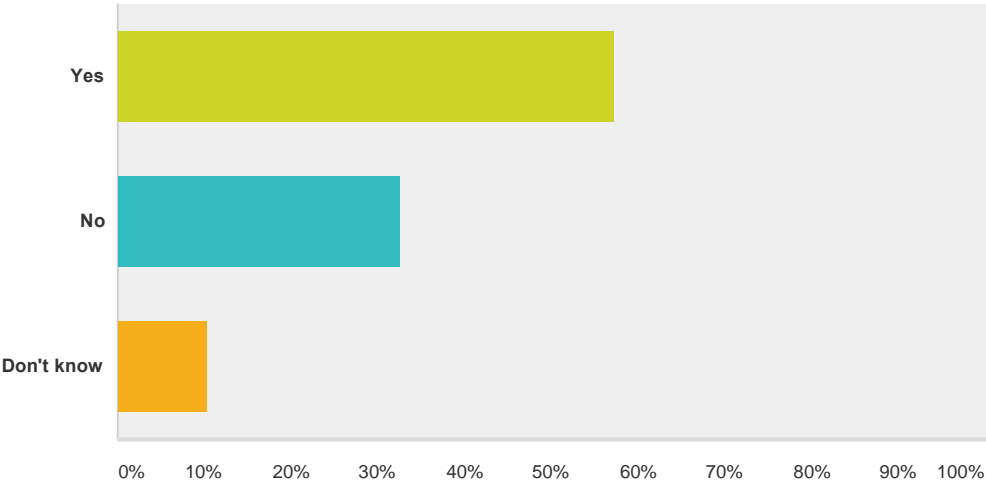
Council Tax Reduction Scheme Consultation

Survey Monkey

8	Neither all unemployed and low income earners should be exempt CTax	7/19/2015 11:30 AM
9	This cannot be introduced on a blanket scheme as previously said but no doubt it could be applied in some cases and would suggest starting at 15% or lower to give room for possible realignment.	7/13/2015 11:02 AM
10	I think everyone should pay something but 20% is too high.	7/13/2015 9:40 AM
11	Any reduction will cause hardship to the poorest.	7/12/2015 11:29 AM
12	Again... People on benefits are being targeted by government... It should stay at 90% CTR for working age and 100% CTR for pensioners and disabled persons The government and councils need to leave us alone and go after the people NOT paying TAX first!	7/10/2015 7:22 PM
13	Do not change	7/10/2015 5:07 PM
14	this is a non ideal ambiguous question	7/7/2015 7:24 PM
15	A 15% minimum would still be a 50% increase on what that person is currently paying (rather than 100%).	7/6/2015 11:20 PM
16	Non it should be based on income including benefits. If you earn/receive more than say £15,000 you should pay,not everyone gets that much	7/6/2015 8:38 PM
17	It should remain at 10% , why are the answers tailored to make it so you are unable to indicate this??	7/6/2015 3:07 PM

Q7 Thinking about Option 3 (reducing the capital limit), do you agree with the principle that the level of capital is reduced?

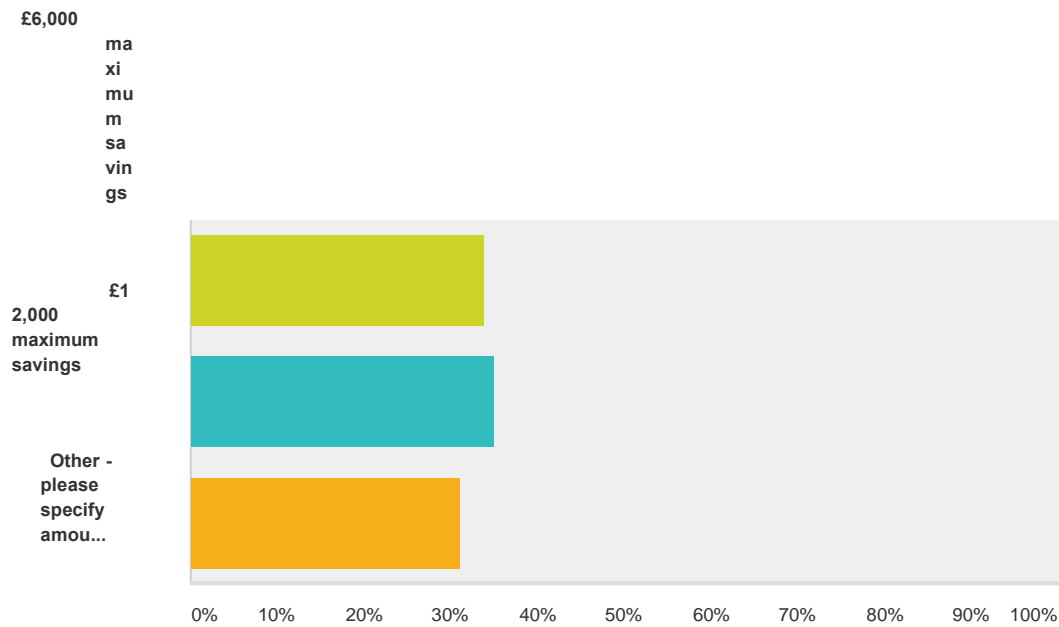
Answered: 77
Skipped: 80



Answer Choices	Responses	
Yes	57.14%	44
No	32.47%	25
Don't know	10.39%	8
Total		77

Q8 How much do you think the savings limit should be before support is stopped?

Answered: 77
Skipped: 80



Answer Choices	Responses
£6,000 maximum savings	33.77% 26
£12,000 maximum savings	35.06% 27
Other - please specify amount	31.17% 24
Total	77

#	Other - please specify amount	Date
1	25000	9/24/2015 4:49 PM
2	16000	9/14/2015 3:55 PM
3	999999999	8/29/2015 10:14 AM
4	£7,500	8/21/2015 3:51 PM
5	no change	8/14/2015 1:35 PM
6	£20000	8/5/2015 1:57 PM
7	£16,000	8/5/2015 11:35 AM
8	3000	8/4/2015 3:38 PM
9	£100000	8/3/2015 3:38 PM
10	£10,000	8/3/2015 1:42 PM
11	£10,000	7/23/2015 9:57 AM
12	£16000	7/22/2015 2:46 PM
13	1000	7/21/2015 11:41 PM
14	£20,000.00	7/20/2015 10:32 AM

Council Tax Reduction Scheme Consultation

Survey Monkey

15	£16000	7/19/2015 3:18 PM
16	£30000	7/19/2015 11:32 AM
17	2000.00	7/15/2015 8:41 AM
18	As present	7/13/2015 11:05 AM
19	leave as is	7/10/2015 5:08 PM
20	£3.56	7/7/2015 10:14 PM
21	Leave it as it is. £16,000	7/7/2015 5:44 PM
22	Variable	7/6/2015 11:28 PM
23	£50000	7/6/2015 9:15 PM
24	16000	7/6/2015 12:37 PM

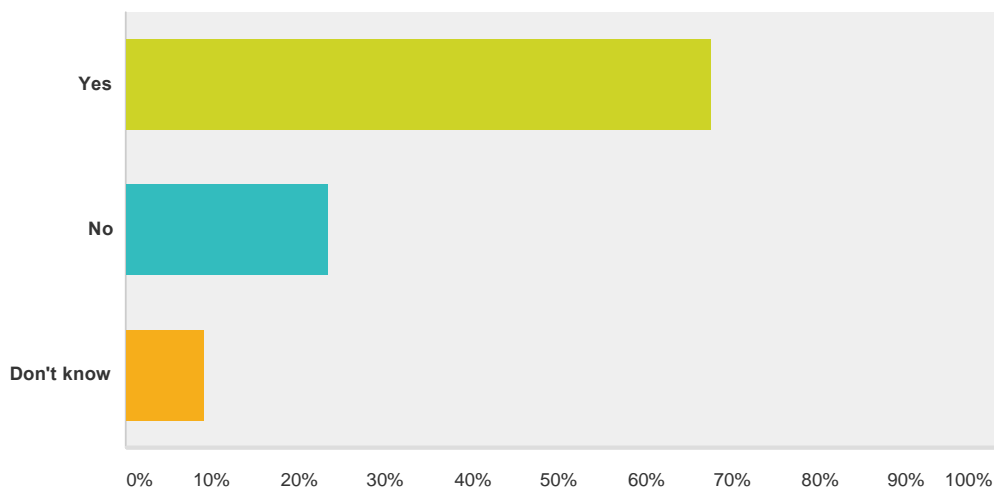
Q9 Please use the space below to make any comments you have about Option 3 - reducing the capital limit.

Answered: 15 Skipped:
142

#	Responses	Date
1	A difficult one, but it would seem very unfair if someone had substantial savings/investments but was still claiming council tax. However, for people who have very little income/future pension(s) & dependent on their age & circumstances, such as living alone, it would seem appropriate that they are allowed savings for their near retirement and needed living expenses.	9/13/2015 10:44 AM
2	Wrong to penalise those who have made the effort to save	8/29/2015 10:14 AM
3	I suggest those figures should be used as £12,000 for a couple, and £6,000 for a single person. They then have funds should it be necessary to pay for a funeral instead of claiming from social funds and having feelings of guilt. It can be very distressing for families to have a social worker pushing for them to pay funeral expenses. No adult in this country is responsible for another adults debts, and funeral expenses rise annually.	8/4/2015 11:56 AM
4	If someone has more than £10,000 in their bank, they should be expected to use this towards their living expenses.	8/3/2015 1:42 PM
5	Seems fair that those with savings should contribute towards their council tax	7/26/2015 7:20 AM
6	The Govt encourage everyone to make financial provisions for your later years, therefore it's a little harsh to then penalise someone for being sensible and accruing savings. I do however believe that if a person has savings, it is not unreasonable to expect some of those savings be used to cover general living expenses (ie, Rent, Council Tax, Food, Utilities). I support reducing the Capital limit to £10,000, with a tariff income to be calculated for any capital held between £6,000 - £10,000	7/23/2015 9:57 AM
7	If you have money saved then you need to use this to pay your day to day bills and not ask for help	7/21/2015 11:41 PM
8	Most people that have saving have done so through hard work and will have paid tax during their working life, so should not keep being penalized, they do not claim 'other benefits' from the state, so should not keep 'paying' for actually working.	7/20/2015 10:32 AM
9	The present level of £16000 should either be retained or increased in line with inflation (as it has already been in place for a number of years).	7/19/2015 3:18 PM
10	16.000 is not a lot in this day and people should be left a little to do things in every day life and leave them feeling they have a little independence.	7/13/2015 11:05 AM
11	if people have even £6,000 in savings they are well able to afford the full council tax. Reduced council tax should be for people who REALLY DO HAVE NOTHING. If you have £6,000 of savings you don't need help.	7/13/2015 9:42 AM
12	The only option that does not affect the poorest people.	7/12/2015 11:33 AM
13	I like the idea the the richest are gone after before the poor... It has worked in Ireland for years the rich support the poor, we need this in England!	7/10/2015 7:25 PM
14	if you have that much savings "you can actually access" you will be fine paying a bit extra	7/7/2015 7:25 PM
15	I feel very conflicted on this. I personally do not have savings so this would not effect me if something was to happen in our family. Part of me feels if someone has savings and can then afford to still pay their way, great, they should. BUT that would also mean someone who has worked hard and saved would get less help than someone who might never have done any work and purely lives on benefits etc..I am sure these are minorities but it seems unjust.	7/6/2015 11:28 PM

Q10 Thinking about Option 4 (maintaining a Council Tax Support Fund), do you agree with the principle of the council maintaining such a fund?

Answered: 77
Skipped: 80



Answer Choices	Responses
Yes	67.53% 52
No	23.38% 18
Don't know	9.09% 7
Total	77

#	Please use the space below to make any comments you have about Option 4 - Maintaining Council Tax Support Fund.	Date
1	Did not know this existed!	9/13/2015 10:46 AM
2	Difficult to answer this without examples of how it is used	8/29/2015 10:15 AM
3	Important for those in difficulty allows council to help those with additional needs	7/26/2015 7:20 AM
4	Our main Scheme is already less generous then the previous Council Tax Benefit scheme and the current provision of a Council Tax Support Fund gives us the opportunity to assist those in real hardship who previously (Under Council Tax Benefit) would not have a charge to pay. It is imperative that the Local Authority continues to maintain a Council Tax Support Fund especially if a decision is made to make disadvantageous changes to the main Reduction Scheme. One assumes that the an increase to 15% or 20% will simply increase the demand for additional support (whcih in turn will become more time consuming/costly to adminster).	7/23/2015 10:06 AM
5	If this is not maintained where would moneys come from? I would assume all moneys are invested where possible and I would think this would be the same to provide a % return.	7/13/2015 11:12 AM
6	sometimes people are in need because of circumstances - not because it's their fault. We've been in that position - at on point we only had £3.58p to live on - and we got help after a lot of form filling etc (which is as it should be) Without the fund we would not have survived. We only needed that help for 3 months but it really was a life saver.	7/13/2015 9:45 AM
7	This fund should be used to ensure that Disabled People and Pensioners are granted a 100% CTR and not used for discretionary payments.	7/10/2015 7:26 PM
8	Yes, I am sure there are times when people just need a little help once in a while.	7/6/2015 11:29 PM
9	We must always support the poorest in society	7/6/2015 8:40 PM

Q11 Your comments Please use the space below if you would like the Council to consider other options (please explain what they are):

Answered: 11 Skipped: 146

#	Responses	Date
1	I think you should do an impact study to understand the overall implications of these proposals on the those less able to pay and their families. I also think the district should not act alone but should include the county council	9/3/2015 11:22 AM
2	The council should consider reducing elections and councillors and if necessary raising business rates	8/3/2015 3:39 PM
3	Use a residency test before will be eligible for CTS, like Sandwell MBC	7/26/2015 7:22 AM
4	The inclusion of some disregarded benefits/payments as income (Child Benefit, Child Maintenance)	7/23/2015 10:07 AM
5	increase council tax on empty homes and second homes to 150%	7/22/2015 2:47 PM
6	Surely it should just be means tested whilst taking into account essential living costs. I think a benchmark for living costs based on the family structure should be applied and then everyone should be contributing. Regardless. If it's a percentage of income then it's fair to everyone. £4 a week is less than a packet of cigarettes isn't it. I see no reason that essential living costs can't be met and perhaps if the council introduce easier payment methods it would help you secure more income and less enforcement action. Let people pay weekly. If they have benefits weekly it makes sense. Or, even better, for the people that receive housing benefit pay it monthly. Most people pay their bills monthly. Council tax is paid monthly, why don't you give a once a month fixed date for payment. I think you'd see less arrears and so would landlords. Whether it be social or private. Increase the actual money you receive by making payment easier. I wonder how many more cars are taxed since monthly direct debit was introduced. If you quote £4 a week, let them pay £4 a week.	7/13/2015 11:22 AM
7	All ready said.	7/13/2015 11:13 AM
8	I have explained in previous questions however I can be contacted if more information is required MR. Jackson. 07929 360 830	7/10/2015 7:28 PM
9	Please stop trying to take more from the most vulnerable. There ARE other ways, please find them!	7/10/2015 5:09 PM
10	stop wasting money on pointless consultations and you wont have to save money by attacking the poor	7/7/2015 7:26 PM
11	Give moneyto youthcentres	7/6/2015 7:16 PM

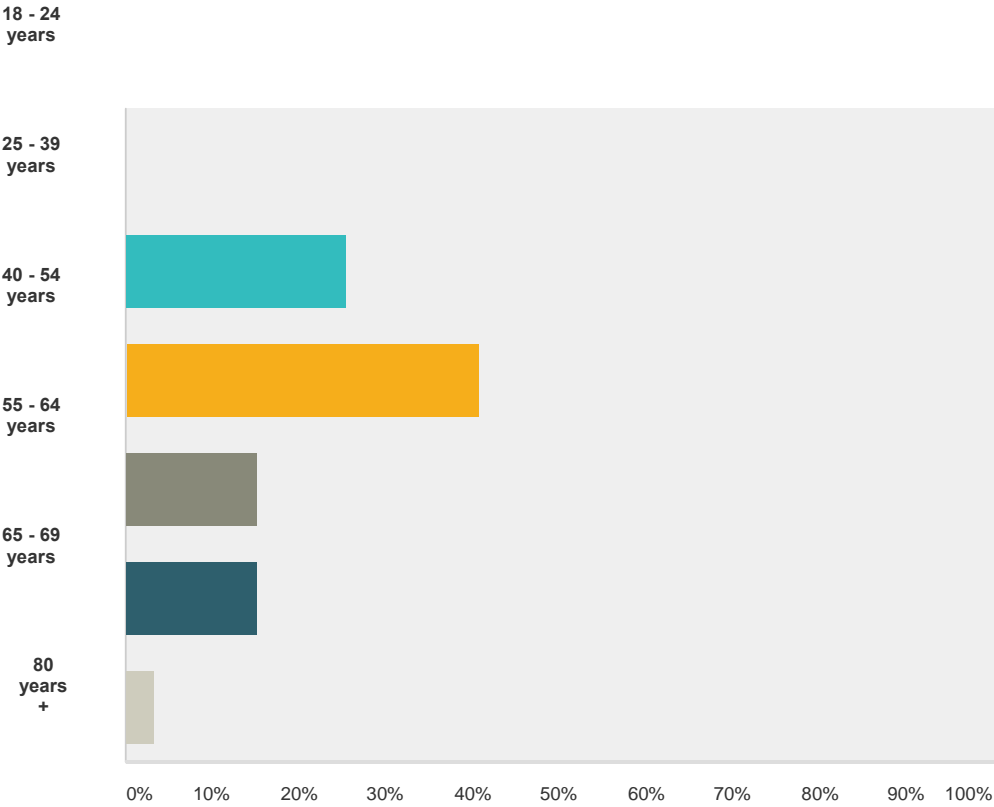
**Q12 Please use the space below for
any further comments on the Council
Tax Reduction Scheme:**

Answered: 4 Skipped:
153

#	Responses	Date
1	I work with vulnerable, low income households and i see how they genuinely struggle without this support	8/13/2015 7:25 PM
2	I think your response to claimants change of circumstances needs to more robust. I had a short period where I needed to claim. Due to working overtime my monthly payment fluctuated but due to the time taken to process I was left with a £150 underpayment at the end of the year. Agree a flat rate that's always deducted and can be adjusted after. There were at least 3 months where a payment wasn't taken due to a recalculation. It's all about making payments easier, more manageable and transparent.	7/13/2015 11:22 AM
3	To be fare it requires individual assessment at all times.	7/13/2015 11:13 AM
4	With iut youth centres young people have no ware to go and theyhelp young people to behave and have fun in a safe place	7/6/2015 7:16 PM

Q13 What is your age?

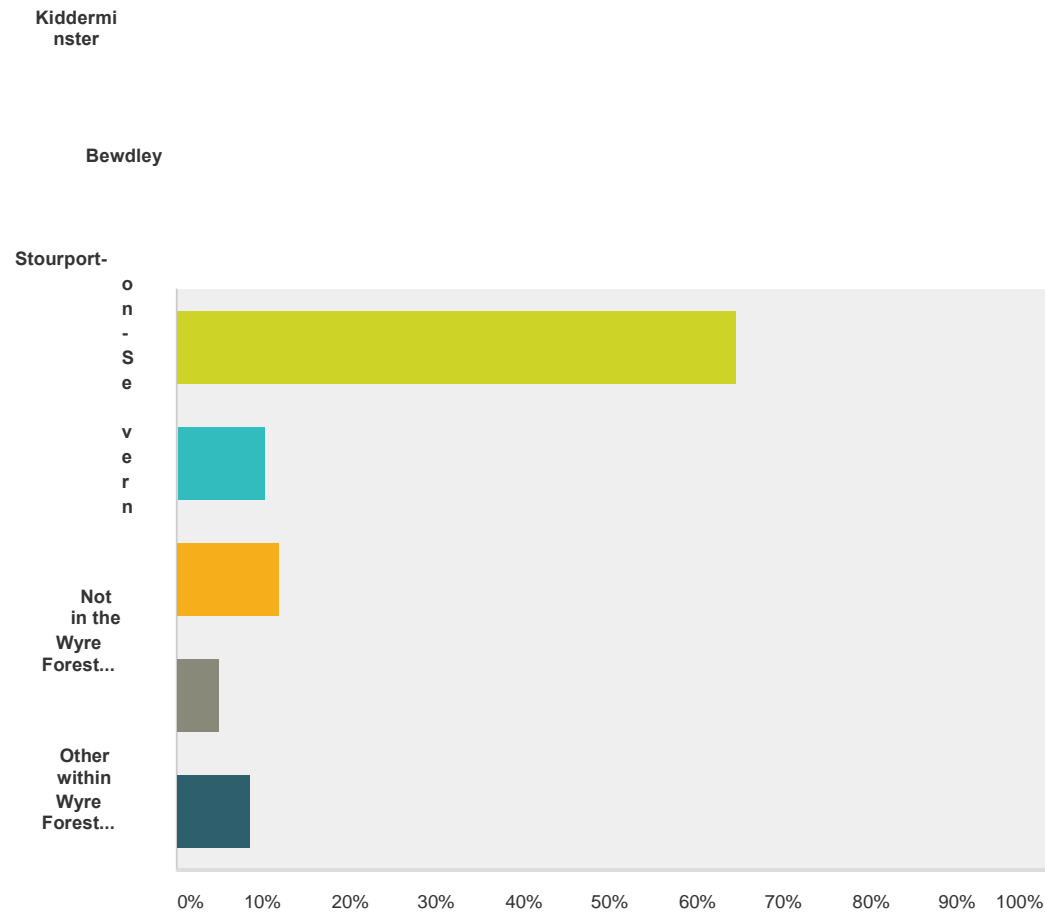
Answered: 59
Skipped: 98



Answer Choices	Responses	
18 - 24 years	0.00%	0
25 - 39 years	25.42%	15
40 - 54 years	40.68%	24
55 - 64 years	15.25%	9
65 - 69 years	15.25%	9
80 years +	3.39%	2
Total		59

Q14 Where do you live?

Answered: 59
Skipped: 98

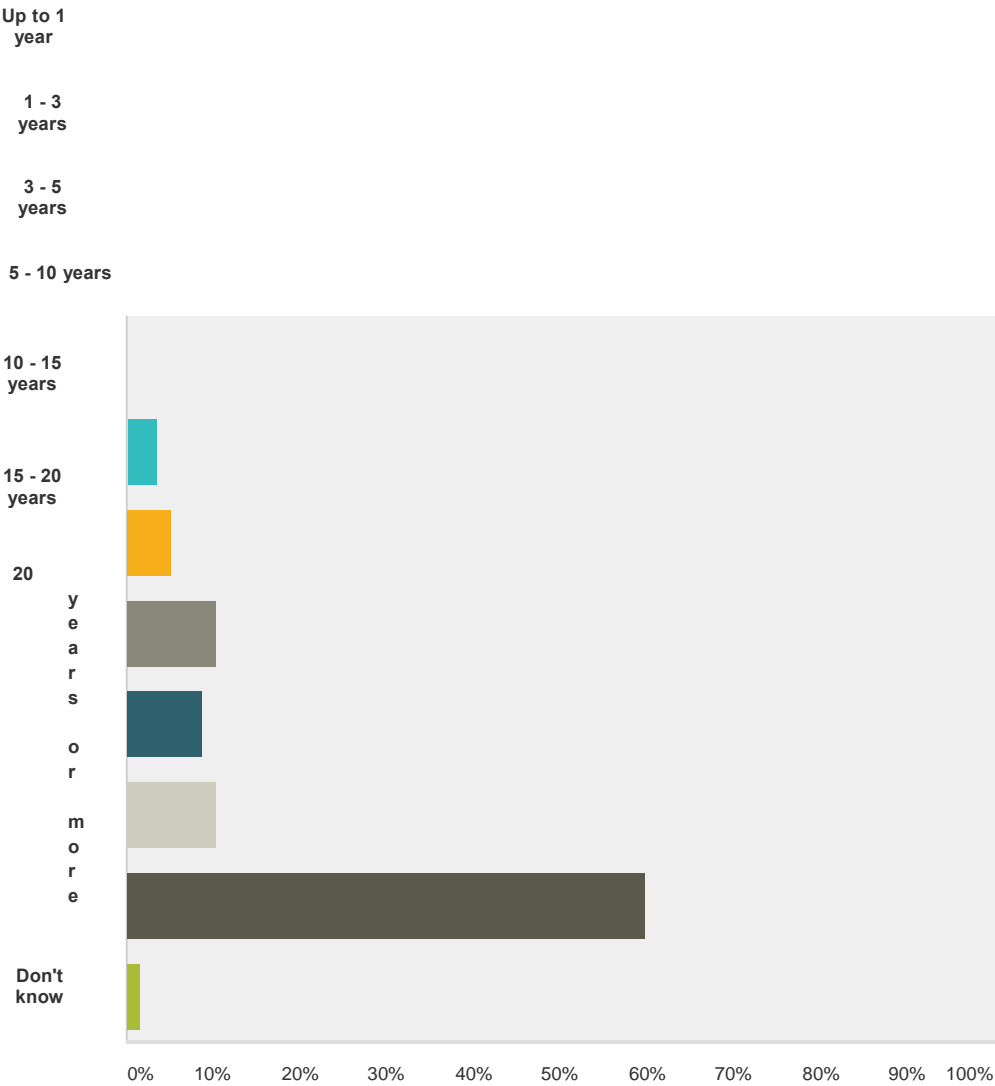


Answer Choices	Responses
Kidderminster	64.41%38
Bewdley	10.17%6
Stourport-on-Severn	11.86%7
Not in the Wyre Forest District area	5.08%3
Other within Wyre Forest (please specify)	8.47%5
Total	59

#	Other within Wyre Forest (please specify)	Date
1	You dont appear to have an age group for me so I've lied and made myself younger	8/5/2015 1:58 PM
2	Wolverley & Cookley	8/3/2015 1:43 PM
3	rock	7/13/2015 11:14 AM
4	Blakedown	7/9/2015 2:18 PM
5	wolverley	7/6/2015 7:06 PM

Q15 How long have you lived in the
Wyre
Forest
District?

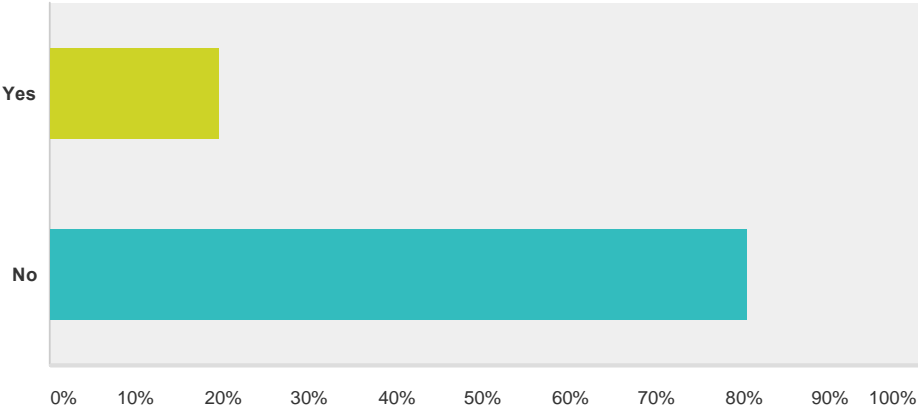
Answered: 57 Skipped: 100



Answer Choices	Responses
Up to 1 year	0.00%0
1 - 3 years	3.51%2
3 - 5 years	5.26%3
5 - 10 years	10.53%6
10 - 15 years	8.77%5
15 - 20 years	10.53%6
20 years or more	59.65%34
Don't know	1.75%1
Total	57

Q16 Are you in receipt of Council
Tax
Reduction?
n?

Answered: 61
Skipped: 96



Answer Choices	Responses	
Yes	19.67%	12
No	80.33%	49
Total		61



Wyre Forest 2016/17 Council Tax Reduction Scheme Consultation

The Children's Society's official response

The Children's Society is a national charity that runs local projects to support children and young people who are at risk of exploitation or harm, living in care or let down by the systems meant to protect them. In total, we worked with 34,893 children and young people, providing intensive support to 15,820 in 2014/15.

We ran a total of 127 services across England, which includes 88 targeted services through which we had sustained contact with 5,658 young people aged between five and 24. In addition, we saw 29,235 under-fives and gave intensive support to 10,162 through our network of 39 children's centres.

Question 2: Do you agree the council should change the current Council Tax Reduction Scheme to help make the savings needed?

Providing support to the most vulnerable families is essential to help them make ends meet. For many families, the localisation of council tax benefit resulted in them no longer having the support they need to cover their council tax costs, whilst in some situations still living on an income below the poverty line. Evidence from The Children's Society found that in the past three years the number of households falling behind on their council tax has increased by over 25%. The FOI response that The Children's Society received from Wyre Forest showed that in 2013/14 the council do not know how many households are currently in council tax arrears.

Research from the Institute for Fiscal Studies (IFS) 'has shown that following a 10% cut worth £414m in central government funding and support protected for pensioners, many low-income working age families were faced with a shortfall on the support they needed to cover their council tax. This situation is mirrored in Wyre Forest which provided information in a Freedom of Information request that in 2012/13 6,025 households were in receipt of 100% subsidy for council tax which reduced to 2,709 in 2013/14. Under the Wyre Forest scheme 100% support is available only to pensioners as required by central government and the maximum entitlement for the working age scheme is 91.5%, reducing to 90% in 2014/15.

This has resulted in families in Wyre Forest faced with council tax support which is insufficient to cover their liabilities for the first time and may have resulted in more families failing into council tax debt. Across the country the localisation of council tax debt has resulted in an increased number of children living in families that are in council tax debt, and therefore experiencing the consequences of this as the problem escalates.

We would urge Wyre Forest to review their collection policies are part of any wider reforms to council tax support as any changes to the support families receive will affect the number of households falling into

arrears. Whilst we welcome the council's policy of no further action being taken once an account is brought up to date, we are concerned by the speed of escalation to court summons employed by the council, as evidenced by the council's own debt collection policy that shows a summons can be issued after a first reminder notice, and how additional costs are incurred at early stages of proceedings.

Question 3: If there is no change to the Council Tax Reduction Scheme how do you think the council should make savings?

Question 4: If the Council do not make changes to the Council Tax Reduction Scheme, what would your preference be for ways to make the savings required?

We would urge Wyre Forest to systemically review their collection policies as part of any wider reforms to council tax support.

Our research highlighted that care leavers are a particularly vulnerable group at risk of council tax debt as they move into independent living and adulthood for the first time. Evidence from our own services shows how challenging care leavers can find managing their own budgets and how scary they found falling behind on their council tax. Many expressed concern as to how quickly bailiffs are sent round and felt the council should not move to this response so quickly, with bailiff visits being the cause of stress and sleepless nights for some of the young people we spoke to.

In Worcestershire County there were 640 children being looked after by the local authority at the end of March 2014. We believe that 100% council tax support should be made available to care leavers up to the age of 21 as they are an extremely vulnerable group of young people and should be protected from falling into debt whilst they are still under a duty of care as care leavers. This would require coordination between the county and district level and The Children's Society would be happy to support this.

There are examples of council that have put in place improved debt collection policies to better protect families whilst still maintaining – and indeed being above average – in terms of their council tax debt collection rates. These include Islington Council, who have a policy of not referring enforcement agents (bailiffs) to households in receipt of council tax support, recognising the vulnerability that many claimants of council tax support will face. Alongside this, the council ensures that there are links to the council tax welfare provision in the Resident Support Scheme for residents who are facing difficulty. We would recommend that Wyre Forest District Council adopts a similar approach adopting an explicit policy of not referring council tax support cases to enforcement agents.

Question 5: Thinking about option 1 (technical changes) do you support these changes to the way calculations are made?

We appreciate that these changes would not affect those families on the very lowest incomes. However, we are concerned about the impact these will have on low income working families. If making changes which reduce support for families on a low income it needs to be considered what the impact could be in terms of families struggling to pay their bills and ending up in debt on their council tax.

We believe that councils could do more to ensure that they protect the most vulnerable residents. In addition the support that is provided to vulnerable residents through the Council Tax Reduction Scheme, the most vulnerable and those living on a low income could be protected by adopting a policy

of not engaging enforcement agents for those families in receipt of council tax support, and for care leavers up to the age of 21.

Additionally, the council should allow families with children the opportunity to have their monthly instalments reinstated and manage their account in a way that is fair and open to all parents or young people living independently, including those unable to pay by direct debit.

It is welcomed that Wyre Forest, according to their Freedom of Information request submitted to The Children's Society signpost to debt advice before the court summons is sent as it is crucial that families facing council tax debt receive support and advice early on in the process. Evidence from The Children's Society's report 'Wolf at the Door' found that almost two thirds of parents said they would have liked to receive advice earlier than they did.

We would recommend that the Council put in place more data gathering procedures to understand the scale of council tax debt amongst their residents. As discussed earlier Wyre Forest District Council was unable to provide information on the number of households facing council tax arrears and were also unable to provide information on the number of households that were paying back council tax arrears through a deduction from benefits order or an attachment from earnings. Without this information it is challenging to identifying how many families are able to pay back council tax debt through less harmful methods than referral to an enforcement agent and therefore we would recommend that the council starts to annually collect this information.

Question 6: Thinking about option 2 (reducing the maximum level of support) what level of minimum payment do you think should be supplied?

We are concerned that this measure reduces support for families living on the very lowest incomes. Families in receipt of council tax support are already struggling to make ends meet, and this measure would further reduce the support available to feed and clothe their children.

One likely response is for families to get into debt on their council tax. If the council introduces measure of this sort enforcement actions available to the council should be reviewed at the same time.

Parents in problem debt are engaged in a 'juggling act', caught between making payments on debts, buying essentials or cutting back. Whilst Wyre Forest did not provide figures for the number of families in arrears, we did note that the number of households referred to bailiffs has increased in the last year, and we would argue that the number of families being referred to enforcement agents will increase as the number of households liable for council tax increases, which is evidenced by trends from across the country. The changes that are being proposed by Wyre Forest through this consultation should be seen in the context of wider changes to family incomes that will see an overall reduction due to changes to the welfare system that are currently progressing through Parliament, primarily through the Welfare Reform and Work Bill.

Falling into debt has consequences not only for the ability of families to meet their basic needs, but also the potential for long term impacts on children, including effects on relationships with family and peers, and their ability to make the most out of their education and to take part in social activities. If the Council Tax Reduction Scheme were to be reduced so that the minimum payment were increased, this would produce an additional strain on family incomes and make it even more difficult for them to provide adequate support for their children.

There are impending changes at a national level that are due to come into place through the Welfare Reform and Work Bill that will have a damaging effect on the income of families with children. It is important that the council see the decision that they take in the wider context of these families' lives, rather than in isolation. The 2010 indices of multiple deprivation showed that while child poverty levels were low overall, there are some very deprived wards in the local authority area, and these families will need to be given proper and compassionate consideration.

Question 7, 8 & 9: Thinking about Option 3 (reducing the capital limit) do you agree with the principle that the capital level is reduced? How much do you think the savings limit should be before support is stopped?

We recognise this measure will have little impact on those families with the lowest levels of savings. However, we are concerned that such a measure could act as a disincentive to save, as families could ultimately see their financial situation become more difficult as a consequence of responsibly saving for future emergencies.

The impact on families with little to no savings should be minimised as much as possible. Even for families who appear to be financially secure, a substantial fall in income or increase in expenditure can lead to the use of credit, and difficulties in repayments, that can cause major financial problems. An unexpected 'shock' such as long-term illness or death can lead to family finances spiralling out of control. Having become indebted following an employment shock families then face the further expenditure pressure of having to find the money for debt repayments, while meeting basic living costs. Our interviews found that this often led to families being caught in a debt trap where they were borrowing simply in order to pay off previous debts.

Question 10: Thinking about Option 4 (maintaining a Council Tax Support Fund) do you agree with the principle of the council maintaining such a fund?

We agree that the council tax support fund should be maintained. We also believe that certain vulnerable groups in Wyre Forest should be told proactively about the fund before falling into debt – for instance, care leavers and families affected by the benefit cap.

We would also urge the council to ensure that knowledge of the support fund is as widespread as possible, by advertising it as visibly as possible in services that low income families access regularly, such as children's centres and services that support care leavers in their transition into independent living, and by making sure that local councillors have access to as much information as possible so that if a constituent comes to them they are in the strongest position possible to offer appropriate advice.

In line with this, we would also recommend that the councils works towards better integration with local welfare provision, and also with social care services so that if families are presenting in need of council tax support any underlying problems are addressed. Often, when a family falls into council tax debt, there are underlying issues that need to be addressed, and making sure a holistic response to any such situation is available is of paramount importance.

The Children's Society has created [this advice note](#) for local councillors which we believe should be circulated to all elected representatives in Wyre Forest.

Question 11 & 12: Space to outline what other considerations the council should make

The Children's Society is submitting this response following our work examining the impact of council tax debt on families and children.

In the context of more limited support available for council tax bills, we would urge the council to review their debt collection policy and council tax support scheme alongside the following recommendations from that report:

1. Councils should not engage bailiffs for collecting council tax debt for families with children. This is particularly important for the most vulnerable families.
2. Families with children should be given at least one opportunity to bring their account back up to date and have their monthly instalments reinstated.
3. Local authorities should improve the way in which they provide independent advice and support for families with children and vulnerable young people who fall behind on their council tax.
4. Councils should always allow families to negotiate repayments even when the debt has been referred to an enforcement agency.
5. Councils should put in place a 'breathing space' scheme for families with children under 18 which places accounts on hold while the family receives independent and free debt advice
6. Care leavers should be eligible for 100% council tax support until the age of 21.
7. Court proceedings should not be pursued if a repayment plan for council tax debt has been agreed and is being observed by the family or young person.
8. Councils should review their council tax collection policy and include the following groups as being particularly vulnerable:
 - a. Care leavers
 - b. Families with children under 18 in receipt of council tax support or housing benefit
 - c. Families with disabled children

For more information please contact David Ayre, Policy Officer on david.ayre@childrenssociety.org.uk



Customer Services Team
Wyre Forest District Council
Wyre Forest House
Finepoint Way
Kidderminster
DY11 7WF

17 September 2015

Dear Sir

2016/17 Council Tax Reduction Scheme – Wyre Forest District Council

With regard to Wyre Forest District Council's (WFDC) current consultation on possible changes to WFDC's Council Tax reduction scheme, I welcome the opportunity to comment on behalf of Worcestershire County Council.

As the major preceptor in your area, I would thank you for your continued work to address the historic shortfall in funding created by Central Government as a result of changes to funding the former Council Tax Benefits system. I also acknowledge your proactive work that you are taking with the County Council and other District Council's within Worcestershire around system design.

The County Council and WFDC have a proven track record of close working, including the work undertaken together to secure new employment on the legacy Lawrence's site and the investment into the Hoobrook Link Road, for example, and I welcome continuing that close relationship. The meeting that took place on 14 September 2015 between respective Chief Financial Officers in relation to Council Tax Support provides further evidence of this collaboration.

Looking forward, as funding reductions are set to continue over the foreseeable future for Local Government, I am pleased that WFDC is again considering changes to the Council Tax Reduction Scheme and would encourage you to take steps to optimise council tax income collected whilst balancing this optimisation with the needs of lower paid working families. The County Council supports your strategic focus on supporting hard working families.

There is a need to ensure there is some consistency across Worcestershire and the County Council is willing to support further work in this area learning the lessons from the current schemes and the revisions made over the last 2-3 years by all the local district councils. Indeed some of the options you are consulting on have already been implemented, for example the 20%

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minimum payment in Wychavon and Malvern Hills, and I actively support this approach given the point around consistency.

In order to support this and recognising the transitional impact this may have, the County Council is happy to continue to provide hardship funds of £25,000 per annum as previously agreed. In addition, the County Council is pleased to extend this offer to an additional 10% of the excess precept income received by the County Council that arises due to the changes proposed in the WFDC Council Tax Support Scheme in excess of the gap created by the Government in their localisation of funding for council tax support. This is an offer consistent with other agreements reached across Worcestershire in a number of other District Council areas.

Following initial discussions with WFDC, I understand that you estimate this to be £75,000 per annum. This will be available from 1st April 2016 and be subject to a review after a period of three years to be consistent with other agreements across Worcestershire.

Kind Regards

Yours faithfully



Sean Pearce

Chief Financial Officer

Overview and Scrutiny Committee Work Programme 2015-2016

June 2015

How Are We Doing Q4 update (Housing and Planning)
Design Supplementary Planning Document (SPD)
Tracking Recommendations from 2014-2015

July 2015

H&W Fire Authority Consultation
Local Plan Revision – Issues and Options Consultation
Revised Local Development Scheme (LDS)
Nominations for the Treasury Management Review Panel

September 2015

8th “How are we doing?” Q1 update (Enabling)
Health Action Plan
Climate Change Action Plan
Treasury Management Strategy Statement and Annual Investment Strategy
Backward Look 2014/15
Verbal update on the Kidderminster Town Centre Market Provision Review Panel

24th Recommendations from the Kidderminster Town Centre Market Provision Review
Panel

November 2015

“How are we doing?” Q2 update (Business and People)
TOIL/Sickness briefing note
Treasury Management Strategy Statement and Annual Investment Strategy Mid Year
Report 2015/16
Review of Council Tax Reduction Scheme

December 2015

Planning Obligations Supplementary Planning Document (SPD)
Local Plan Revision - Issues and Options Consultation Responses
Annual Crime & Disorder Review

January 2016

Treasury Management Service Strategy 2016/17

February 2016

“How are we doing?” Q3 update (Place)

June 2016

“How are we doing?” Q4 update (Housing and Planning)