

Borough Council of  
**King's Lynn &  
West Norfolk**



# **CABINET**

**Agenda**

**TUESDAY, 6 DECEMBER 2011  
at 5.30pm**

in

**Committee Suite  
King's Court  
Chapel Street  
King's Lynn**



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Borough Council of  
**King's Lynn &  
West Norfolk**



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Telephone: 01553 616200  
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24 November 2011

**CABINET AGENDA**

**DATE: CABINET – TUESDAY, 6 DECEMBER 2011**

**VENUE: COMMITTEE SUITE, KING'S COURT, CHAPEL STREET, KING'S LYNN**

**TIME: 5.30 pm**

**1. MINUTES**

To approve the Minutes of the Meetings held on 1 November 2011, subject to in CAB104 Revenues and Benefits – Shared Service - the date of the Cabinet meeting referred to in the recommendation being changed from 1 to 6 December.

**2. APOLOGIES**

To receive apologies for absence.

**3. URGENT BUSINESS**

To consider any business, which by reason of special circumstances, the Chair proposes to accept, under Section 100(b)(4)(b) of the Local Government Act 1972.

**4. DECLARATION OF INTEREST**

Please indicate whether the interest is a personal one only or one which is also prejudicial. A declaration of an interest should indicate the nature of the interest and the agenda item to which it relates. In the case of a personal interest, the member may

speak and vote on the matter. If a prejudicial interest is declared, the member should withdraw from the room whilst the matter is discussed.

These declarations apply to all those members present, whether the member is part of the meeting, attending to speak as a local member on an item or simply observing the meeting from the public seating area.

**5. CHAIRMAN'S CORRESPONDENCE**

To receive any Chairman's correspondence.

**6. MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

To note the names of any Councillors who wish to address the meeting under Standing Order 34.

**7. CALLED IN MATTERS**

To report on any Cabinet decisions called in.

**8. FORWARD DECISIONS LIST**

A copy of the Forward Decisions List is attached (Page 8 )

**9. MATTERS REFERRED TO CABINET FROM OTHER COUNCIL BODIES**

To receive any comments and recommendations from other Council bodies some of which meet after the dispatch of this agenda. Copies of any comments made will be circulated as soon as they are available.

- Resources and Performance Panel – 29 November 2011
- Regeneration, Environment & Community Panel – 30 November 2011

**10. REPORTS**

**1 HOUSING INVESTMENT - PROMOTING ECONOMIC GROWTH IN WEST NORFOLK (page 10)**

This report deals with two separate proposals relating to housing investment. The report covers proposals to adopt a new approach to investing in affordable housing and a specific proposal with Freebridge Community Housing (FCH) to utilise S106 affordable housing funds.

## **2 HILLINGTON SQUARE (page 22)**

This report considers a request for Freebridge Community Housing Association (FCH) for the Council to formally approve the inclusion within the VAT shelter (established at the time of the housing stock transfer) of the comprehensive enhancement scheme which has been developed for Hillington Square. The Council is also requested to agree that the Borough Council's share arising from the extension of the scheme be directly reinvested into the enhancement scheme itself. The report explains the nature and benefits of the proposed scheme, provides some background on the operation of the VAT shelter, and examines the financial implications for the Borough Council arising from a decision to respond in the affirmative to FCH's proposal.

## **3 UPDATE ON THE PROGRESS OF THE NORA HOUSING JOINT VENTURE FOLLOWING NORFOLK COUNTY COUNCIL'S DECISION TO SUSPEND ITS CONTRIBUTION TO THE SCHEME (page 30)**

This report informs Members of the current position of Norfolk County Council (NCC) funding for the project and seeks permission to complete the works outlined in paragraph 3.1 and 3.2 of this report. These works will bring the site to a position where the site can be fully developed.

## **4 REVENUES AND BENEFITS SHARED SERVICE (page 36)**

This report updates Members on progress to date with the Revenues and Benefits Partnership between the Borough Council of King's Lynn and West Norfolk (BCKLWN) and North Norfolk District Council (NNDC) and makes a number of key interdependent recommendations to allow the Partnership to move into implementation stage.

The original Business Case has been reviewed following the ICT Procurement exercise, work on the ICT Infrastructure project and a revision of employee, supplies and services budgets.

The total estimated savings over the five year period to 2016/2017 to the Partnership (including capital investment) are £460,622

## **5 LOCAL AUTHORITY LEISURE COMPANY / TRUST (page 53)**

This paper provides members with a progress report on the feasibility work which has been undertaken to examine ways of reducing the cost to the Council of the delivery of its' cultural

services, without compromising the quality or range of service offered to the public. The feasibility work has focused upon the development of a linked Local Authority Company / Independent Trust model which is designed to best meet the Council's objectives. The report outlines the considerable positive progress made to date and the need for 'in principle' approval from members of the model, before progressing to the production of a detailed business case and implementation plan.

## **6 NOTICE OF MOTION 5/11 – SECOND HOMES COUNCIL TAX (page 58)**

At the 27 October Council meeting Councillor Collop placed a motion seeking support to call on the Government to raise the council tax on second homes to 100%. Since the meeting the Government has issued a consultation document that includes allowing councils the power to levy a full council tax on second homes.

The consultation ends on 29 December 2011. The proposal is to give delegated authority to the Leader of the Council to approve the response to the document to be sent by that date. The document and response will then be submitted to the Resources and Performance Panel on 4 January 2012. Any additional comments received from the Panel will be sent to Government as an addition to the Council's initial response.

## **7 PROCUREMENT TIMETABLE FOR BLACK BIN RECYCLING PROJECT (page 93)**

On the 4<sup>th</sup> October 2011 Cabinet authorised Officers to commence a procurement exercise for the recycling of 'Black Bin Waste'. This report updates Members on the proposed timetable for the project and indicates how Members might wish to contribute to the process.

## **8 SOUTH LYNN COMMUNITY TRUST AND APPOINTMENT OF BOROUGH COUNCIL REPRESENTATIVE (page 98)**

Community stewardship is a model envisaged for the Nar Ouse Regeneration Area's Millennium Community as a mechanism to empower residents to take responsibility for running and maintaining their local environment and influencing local facilities. In line with this vision, this report proposes the establishment of the South Lynn Community Trust to be responsible for management of community facilities on NORA, in the first instance this will be the new South Lynn Community Centre. The report also requests the appointment of a Cabinet member to the South Lynn Community Trust Board of Directors, as one of the four stakeholder members of the Trust.

**9 RETENTION POLICY (page 103)**

This report sets out the background for the need to change the current policy for the retention of documents and records of the Council.

**10 REVIEW AND UPDATE OF FINANCIAL REGULATIONS (page 145)**

This report presents proposed amendments to the Financial Regulations to reflect recent changes in the Management Team.

**11 SCHEME OF DELEGATION - UPDATE (page 170)**

The report recommends an updated scheme of delegation for approval. The Scheme has been amended to take account of the changes in the Cabinet area of responsibility for tourism related matters.

**EXCLUSION OF THE PRESS AND PUBLIC**

To consider passing the following resolution:

“That under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.”

**12 ST JAMES' SWIMMING AND FITNESS CENTRE (page 204)**

**13 FREEHOLD DISPOSAL OF DEVELOPMENT SITE-  
PART BAKER LANE CAR PARK, KINGS LYNN (page 206)**

To: Members of the Cabinet  
Councillors N J Daubney (Chairman), A Beales, Lord Howard, B Long, Mrs E A Nockolds, D Pope and Mrs V Spikings.

Cabinet Scrutiny Committee

For further information, please contact:  
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## FORWARD DECISIONS LIST

Officer Portfolio Responsible

### 6 December 2011

Local Authority Leisure Company	Exec Dir Leisure and Public Space	Leader/Leisure and Operational Assets
Document Retention Policy	Deputy Chief Executive	Leader
Update to Financial Regulations	Deputy Chief Executive	Leader
Contract for shared service Revs & Bens system with NNDC	Deputy Chief Executive	Shared Services
Amendment to Scheme of Delegation following tourism changes	Exec Dir Central Services	Leader
NoM 5/11: Cllr J Collop : Second homes Council Tax	Dep Chief Exec	Leader
Freehold Disposal of Development Site, King's Lynn	Dep Chief Executive	Regeneration and Commercial Services
Housing investment - Promoting economic growth in West Norfolk	Exec Dir Environmental Health & Housing	Deputy Leader
Hillington Square	Chief Executive	Leader
South Lynn Community Trust Nomination	Exec Dir Development & Regeneration	Leader/Leisure and Operational Assets
Procurement Timetable for Black Bin Recycling Project	Exec Dir Leisure and Public Space	Deputy Leader
Update on progress concerning NORA Joint Housing Venture following NCC decision to suspend its contribution to the scheme	Dep Chief Executive	Regeneration and Commercial Services
St James' Swimming and Fitness Centre	Exec Dir Leisure and Public Space	Leisure and Operational Assets

### 10 January 2012

NoM 4/11: Cllr Mack : Localism Bill & NoM 9/11: Cllr Collis – Parishing of King's Lynn	Chief Executive	Leader
Section 106 funding	Exec Dir Development and Regeneration	Development
NoM 8/11: Cllr Tilbury : Development of employment opportunities in villages	Exec Dir Development & Regeneration	Regeneration and Commercial Services
Timetable of Meetings 2012/13	Exec Dir Central Services	Leader
Capital Programme 2011 – 2015	Dep Chief Exec	Leader



**7 February 2012**

Careline Alarm Monitoring Contract	Exec Dir Environmental Health & Housing	Deputy Leader
Financial Plan 2011 – 2015	Dep Chief Exec	Leader

**6 March 2012****Forthcoming Items, as yet unprogrammed**

Planning Fees	Exec Dir Regeneration & Development	Development
Community Governance Review	Chief Executive	Leader
Revised KLATS & KL Car Parking Strategy	Exec Dir Regeneration & Development	Regeneration / Shared Services
Community Cohesion Strategy	Chief Executive	Community
Town Centre Plan	Exec Dir Regeneration & Development	Regeneration
Lynnsport Skate Park	Exec Dir Leisure and Public Space	Leader/Leisure and Operational Assets
Care and Repair Framework Agreement	Exec Dir Environmental Health & Housing	Dep Leader

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Mandatory	(a) Be entirely within cabinet's powers to decide NO		
		(b) Need to be recommendations to Council YES		
		(c) Be partly for recommendations to Council NO and partly within Cabinets powers –		
Lead Member: Cllr Brian Long E-mail:		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Duncan Hall E-mail: Direct Dial:01553 616445		Other Officers consulted: Ray Harding, David Thomason, Andy Piper		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications YES

Date of meeting: 6<sup>th</sup> December 2011

### **1 HOUSING INVESTMENT - PROMOTING ECONOMIC GROWTH IN WEST NORFOLK**

#### **Summary**

This report deals with two separate proposals relating to housing investment. The report covers proposals to adopt a new approach to investing in affordable housing and a specific proposal with Freebridge Community Housing (FCH) to utilise S106 affordable housing funds.

#### **Recommendation**

Members are asked to consider the following:

- 1. Approve the first phase of the scheme to allocate £213,645 of S106 affordable housing funds to Freebridge Community Housing (FCH) for the initiative outlined in section 1 of the report, and to delegate authority to Executive Director Environmental Health & Housing in consultation with Portfolio Holder Community to authorise payments on a scheme by scheme basis.**
- 2. Endorse the principles of a new approach to investing in affordable housing subject to further work on examining alternative approaches to investment.**

#### **Reason for Decision**

1. The proposal involving FCH will unlock the potential to develop a number of sites delivering some 40 new homes
2. In respect of considering a new approach to affordable housing investment – significant national policy changes have driven this proposal

## **NATIONAL CONTEXT**

This report deals with three matters all relating to housing investment. Increasing housing supply is a significant priority for the Government. The Government intends to publish a new national housing strategy before the end of the year which will set out plans on how supply could be increased. Whilst each section of this report deals with a separate initiative, the proposals are packaged together in one report, as they all in different ways offer opportunities to boost local economic activity by supporting housing investment.

There is a strong economic case for housing investment. As Shelter and others have shown, for every £1 of public money spent on house-building the economy gets £3.50 back. New homes in the right places enhance labour mobility and facilitate local economic growth.

There are three separate matters in this report as follows:-

- 1) Freebridge Community Housing Proposal
- 2) Local Authority Mortgage Scheme (LAMS)
- 3) Investment approach to affordable housing

## **1) FREEBRIDGE COMMUNITY HOUSING (FCH) – DEVELOPMENT PROPOSAL**

The first part of this report relates to a specific proposal from FCH.

### **1.1 Introduction**

1.1.1 FCH have identified a number of new sites for the development of new affordable housing. These sites essentially comprise 'garage' areas and garden areas within or adjacent to existing housing stock. The proposed developments sites have the potential to deliver some forty affordable homes over the next 2/3 years.

1.1.2 Under the new arrangements for investment funding the HCA grant likely to be available for these units is around £20k per dwelling (a significantly lower grant per unit than preceding investment programmes). As things stand FCH cannot consider developing these sites because of the requirements to pay the Council on each site, a sum equivalent to half of the value of the uplift in value. The uplift in value reflects the sites change in use on grant of planning permission to 'development' land.

### **1.2 Proposal**

1.2.1 The proposal being made is that funding is used from the Council's existing available capital resources for affordable housing (subject to the specific contractual terms of the subject S106 development agreements) to fund the schemes to a value equal to the sum that will be owed to the Council under the 'development claw back' arrangement.

1.2.2 An initial 14 units are being proposed under stage 1 of the proposal to be delivered in 2012/13, where the claw back is estimated to be £213,645.

### **1.3 The benefits**

- 1) Delivery of new affordable homes and the associated benefits to the local economy and additional revenue from Council tax and New Homes Bonus.
- 2) Utilise funds that can only be used contractually for affordable housing
- 3) Creates a receipt for the Council that will be free from any contractual constraints imposed by S106 development agreements and enables the Council to re-invest in affordable housing or any other priority.

### **1.4 Conclusion**

1.4.1 The support provided by the Council would be cost neutral on the basis that the funds provided will be of equivalent value to the development 'claw back' funds received. Without the assistance FCH will not deliver the sites as the cost of the 'claw back' provision will make scheme development costs prohibitive.

### **1.5 Recommendation**

**Agree to authorise the first stage of 14 units where the value of claw-back is equal to £213,645. It is further recommended that authority is delegated to Executive Director Environmental Health and Housing in consultation with Portfolio holder Community to agree payments on a scheme by scheme basis where appropriate.**

## **2) INVESTMENT APPROACH TO AFFORDABLE HOUSING**

### **2.1 Introduction**

2.1.1 Over the last twelve months the arrangements by which central government and Registered Providers (RPs) of social housing (including RSLs) invest in new affordable housing has changed. The Homes and Communities Agency (HCA) the central government body that provides development funding to support new affordable housing have reduced grant levels significantly. Under a new investment model launched by the HCA this year, a greater share of development finance is expected to be raised by RPs. The ability of RPs to raise additional capital has been enhanced by the introduction in 2011 of a new rent regime 'affordable rents', with rents rising to up to 80% of market rent.

2.1.2 The HCA expect RPs to maximise the potential of their existing assets to achieve housing investment growth. The HCA in their investment prospectus 2011 refer to a 'something for something' approach where there is an expectation that investment will be forthcoming in return for clear commitments from RPs to use the value of their assets to maximise their investment capacity. The HCA is also now are keen to consider opportunities for long term investment, recycling of funds, and ensuring they make the best use of their limited resources.

2.1.3 In this context it is proposed that the Council review its approach to investing in affordable housing, and adopt a more 'investor' based approach, rather than a public funding role. In a similar way to the HCA it is proposed that the Council adopt a 'something for something' approach. The Council has up until now essentially 'pump-primed' investment by providing small levels of direct subsidy to reduce the level of HCA grant required, so making the grant bid more attractive. This approach has not seen the Council benefit from a return or any capital growth.

2.1.4 It is clear that with the advent of a new rent regime and new flexibilities relating to changes in tenure, the conditions are emerging for new investment opportunities in the social housing sector. Historically residential property investment has been viewed by some as time consuming and expensive, however the volumes of stock held in the social sector together with efficient maintenance and management arrangements delivering economies of scale make it a more attractive investment. A draft Finance Bill in December 2011 bringing changes to the rules relating to Real Estate Investment Trusts, which will offer new ways of investing in social housing. Whilst these opportunities are being widely reported (an investment by Aviva earlier this year, being one example) for the benefit of institutional investors there are also opportunities for the Council to invest.

## **2.2 Proposal**

2.2.1 It is proposed that the Council undertakes a review of its approach to investment and examines the range of different opportunities that could be developed. Such opportunities might include equity sharing or having a stake in housing development that effectively retains the value of any subsidy for the Council or delivers a future return on the investment. This does not mean that there is necessarily a need for new funds to be found, but to use the funds that exist and the subsidy that is created through the planning system.

2.2.2 In no sense will any new approach mean the Council will be involved in managing or maintaining homes. A number of new models of affordable housing investment emerging incorporate the role of RPs in managing and maintaining housing stock under developer lease arrangements.

2.2.3 In examining new models of investment it is important to engage the views of partners particularly RPs. In discussions with RPs over the last 12 months it is clear that there is acknowledgement that the new regime will require them to be adaptable and consider managing and maintaining stock without owning/ investing in stock.

2.2.4 It is proposed that the following principles are adopted in devising a new investment approach.

## **2.3 Key principles:**

- Commit funding to sustainable affordable housing, whilst retaining an interest and benefitting from some form of return
- Follow a 'something for something' approach to investment

- Ensure that the benefits of available resources are maximised.
- Seek ways to ensure that resources available to the Council and other partners where appropriate are re-cycled in West Norfolk for the benefit of local communities.

## **2.4 Funding sources for affordable housing**

2.4.1 The available resources that the Council would have to invest in affordable housing include the following:

- 1) Cash either via commuted sum in lieu of onsite affordable housing provision (currently via section 106 agreements and in future possibly via Community Infrastructure Levy)
- 2) Subsidy created by the Section 106 completed affordable housing unit by control of the transfer price
- 3) Any other capital resources the Council may wish to invest

2.4.2 The available resources that the Council has for affordable housing investment has arisen primarily from section 106 development agreement commuted sum payments. Whilst in recent years the Council's approach has been to favour on site provision, some historic agreements have provided for commuted sums. In the future there may be greater opportunities to control decisions on investing in affordable housing along with other infrastructure matters under the new Community Infrastructure Levy arrangements.

2.4.3 Furthermore, it is clear that some RP's have recently been more cautious in respect of raising development finance, and evidence this may be based on the position taken by banks that higher rent levels equate to a greater risk, and a higher price for borrowing. The prospect of RP's having a reduced capacity or commitment to invest further supports the rationale to consider a new approach to investment.

## **2.5 Working with partners**

2.5.1 Recent discussions between the HCA and the Council have affirmed the view that it is appropriate for the Council to look again at its approach to investment. The HCA have offered their assistance, and can draw on other work that they have recently undertaken in the East of England. Two of the Council's key RP development partners have confirmed their interest in supporting any development work or specialist advice that may be required. An example of a scheme recently developed by the HCA that create an equity share product via a S106 agreement is shown in **Appendix B**.

## **2.6 Local Investment**

2.6.1 A further significant reason behind seeking a stake is to have greater control over investment decisions now and in the future. An independent RP may take investment decisions that don't favour local communities and see new development elsewhere.

## **2.7 Conclusion**

2.7.1 Subsidy created by the Council whether via section 106 agreement or in future CIL (via completed units or cash equivalent sums) could be used under alternative investment models that can better support the provision of

new affordable housing in the locality. It is proposed that models of investment are examined that create some form of a return for the Council, which can be used for further investment in the locality. The change will effectively mean a move away subsidy being created and passed immediately to others. This may represent a radical change in the context of a 'social' provision but it is consistent in the context of RPs taking a more commercial approach, charging closer to market rents, and operating in a soon to be less regulated sector.

## **2.8 Recommendation**

**2.8.1 Agree with the principles of a new approach to investing in affordable housing and support work on examining alternative approaches to investment.**

# **3 OVERALL IMPLICATIONS AND CONSIDERATIONS**

## **3.1 Policy Implications**

**3.1.1** There are no specific changes to policy outlined at this stage – although future alternative investment approaches could represent a change in policy.

## **3.2 Financial Implications**

- The decisions on allocating S106 funds to affordable housing schemes will be undertaken in line with existing delegated authority arrangements.
- Costs associated with any specialist advice on the matter of new investment approaches will be met from within existing budgets.

## **4 Staffing Implications**

None

## **5 Statutory Considerations**

None

## **6 Equality Impact Assessment (EIA)**

Attached screening reports shown in **Appendix B** for each section of the report. There is no requirement for detailed EIA assessments.

## **7 Risk Management**

- There are no immediate risks identified in the proposed work on a new affordable housing investment strategy
- In respect of the proposal for FCH it is important to ensure that any transfer of funds complies with the contractual obligations contained within subject S106 development agreements.

**Appendix A – EIA Screening reports**

**Appendix B – Shared Equity example HCA**



**FCH Proposal  
Pre-Screening Equality Impact Assessment**

**Borough Council of  
King's Lynn &  
West Norfolk**



Question	Answer	Decision	Comments
<p><b>1.</b> Does this policy/service impact on internal/external customers differently <b>according to their different equality communities</b>, for example, because they have particular needs, experiences or priorities?</p>	Yes/ No	No - impact assessment not required	Access to new affordable housing will be on needs basis
<p><b>2.</b> Is there any reason to believe that staff or customers could be affected differently by the proposed policy/<b>service according to their equality community</b>, for example in terms of access to a service, or the ability to take advantage of proposed opportunities?</p>	Yes / No	No - impact assessment not required	
<p><b>3.</b> Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the council, for example because it is seen as favouring a particular community or denying opportunities to another?</p>	Yes / No	No - impact assessment not required	
<p><b>4.</b> Could this policy/service be perceived as impacting on communities differently?</p>	Yes / No	No - impact assessment not required	
<p><b>5.</b> Is this policy/service rigidly constrained by statutory obligations?</p>	Yes / No	No - impact assessment not required	
<p><b>6.</b> Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</p>	Yes / No	Yes	The decision will help support the provision of affordable housing for households unable to pay a market price to meet their accommodation requirements.
<p><b>Assessment completed by: Name: Duncan Hall Job title: Housing and Health Manager</b></p>	<p><b>Date: 22 November 2011</b></p>		

**Affordable housing investment approach  
Pre-Screening Equality Impact Assessment**

**Borough Council of  
King's Lynn &  
West Norfolk**



Question	Answer	Decision	Comments
<p><b>1.</b> Does this policy/service impact on internal/external customers differently <b>according to their different equality communities</b>, for example, because they have particular needs, experiences or priorities?</p>	Yes / No	No - impact assessment not required	
<p><b>2.</b> Is there any reason to believe that staff or customers could be affected differently by the proposed policy/<b>service according to their equality community</b>, for example in terms of access to a service, or the ability to take advantage of proposed opportunities?</p>	Yes / No	No - impact assessment not required	
<p><b>3.</b> Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the council, for example because it is seen as favouring a particular community or denying opportunities to another?</p>	Yes / No	No - impact assessment not required	
<p><b>4.</b> Could this policy/service be perceived as impacting on communities differently?</p>	Yes / No	No - impact assessment not required	
<p><b>5.</b> Is this policy/service rigidly constrained by statutory obligations?</p>	Yes / No	No - impact assessment not required	
<p><b>6.</b> Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</p>	Yes / No	No - impact assessment not required	
<p><b>Assessment completed by:</b> <b>Name: Duncan Hall</b>  <b>Job title: Housing and Health Manager</b></p>	<p><b>Date: 22 November 2011</b></p>		

## Appendix B

### Shared Equity Model HCA - 16 November 2011

This model has been developed by Terry Fuller at the HCA in response to the problems with the lending market following the financial crisis and the ever increasing viability issues being demonstrated on many schemes.

In the last two years scheme viability has been one of the most critical factors in determining whether or not a scheme will proceed.

This model has recently been piloted in Colchester. The model involves the Local Authority receiving an equity share of the property once a developer sells a proportion of the property on the open market. This in turn effectively counts towards the developers' affordable housing S.106 contribution. Under the terms of the agreement the developer would be required to build the property and sell it (leasehold) at no more than total build costs. The difference between the total build costs and the open market value is transferred to the Local Authority along with the freehold. As land owner and equity share holder the LA retains control over the future tenure and potential purchasers of the property should the LA wish to secure full nomination rights on eligible households/purchasers. After a period of the time the purchaser may wish to dispose of the property on the open market, at this point the LA can decide to retain the freehold and equity share and continue to with the product in perpetuity, or sell its share.

#### Example Scheme

Type	2 bed house-70m2	3 bed house-80m2
House Build	£71,300	£82,500
Prelims	£7,000	£7,000
Fees	£5,000	£7,000
Demolition & Asbestos	£7,000	£5,000
Finance Costs	£7,500	£7,500
Sales Costs	£2,500	£2,500
Overheads	£5,000	£5,000
Profit	£15,200	£17,500
S.106 Contribution	£0	£0
<b>Total Costs</b>	<b>£120,500</b>	<b>£134,000</b>
<b>Sales Values</b>	<b>£165,000</b>	<b>£190,000</b>

Residual Land value held

As equity: £44,500 £56,000

Number of units 6 5

Equity held by LA £267,000 £280,000

**Total Equity £547,000**

Weekly Mortgage Cost:	£93	£103
Affordable Rent	£107	£138
LHA	£132	£150

It is important to note that whilst the cost figures quoted above are applicable to most areas across the country and have been supplied by a reputable house builder the model does not assume any abnormal costs that may impact on the overall development costs. The figures are purely illustrative.

One of main aims of this model like many others currently being looked at is to enable first time buyers to enter the property market and in doing so help to stimulate the local housing market. It is also to assist with scheme viability and ensure that affordable housing of all tenures can continue to be developed on site creating mixed sustainable communities whilst also presenting the LA with opportunity to hold potential long term investments with no upfront capital costs. There is also further opportunity for the LA should they chose, to obtain a yearly revenue income by way of charging an annual ground rent per property of approximately £100 per year.

### **Benefits for the purchaser**

This model automatically allows the purchaser/first time buyer to obtain a much more reasonably priced mortgage as they are only borrowing the build cost as opposed to the full open market value of the property. There is also no rent to pay on the equity held by the LA unlike the traditional shared ownership model offered by the RSL's which lenders are currently wary of, resulting in high lending rates of around 6%-8%. One the main areas of concern reported by the lenders is the charging of rent on the unsold share.

### **Positive Factors**

- No capital cost to the LA
- 100% nomination rights (if chosen)
- No Management or maintenance for LA
- Revenue income in perpetuity
- Capital asset for LA
- Can increase private sector investment & assist with boosting local housing market
- Held on general account to avoid generating HRA
- Potential to free up existing social rented properties should existing occupiers wish to purchase a property
- More competitive lending rates for purchasers
- No rent being paid on equity, more affordable
- No timescale unlike First Buy product where purchaser must purchase equity within ten years
- Assist with meeting LA identified housing need
- Opportunity to vary tenure mix on site against scheme viability & kick start stalled S.106 schemes
- Ensures that affordable housing continues to be provided on site

- Flexible product i.e. can be used on LA's own land ie NORA and S.106 schemes

#### Possible Restrictions

- Sensitive to sales values-may not work in all areas of the Borough
- Subject to variables i.e. higher build costs depending on site condition/constraints
- Developer does not receive stage payments unlike traditional RSL models
- Weekly cost to purchaser assumes interest only mortgage not repayment
- LA second charge

A standard set of clauses for the S.106 Agreement is currently being drafted and will be available to view in the near future. A standard lease agreement is also being considered by the HCA should the LA wish to impose a ground rent.

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>  St Margarets with St Nicholas	Operational	(a) Be entirely within Cabinet's powers to decide	YES	
		(b) Need to be recommendations to Council	NO	
		(c) Be partly for recommendations to Council and partly within Cabinet's powers –	No	
Lead Member: Cllr Nick Daubney E-mail: <a href="mailto:cllr.nick.daubney@west-norfolk.gov.uk">cllr.nick.daubney@west-norfolk.gov.uk</a>		Other Cabinet Members consulted: Cllr A Beales, Cllr B Long, Cllr V Spikings, Cllr D Pope		
		Other Members consulted: None		
Lead Officer: Ray Harding E-mail: <a href="mailto:ray.harding@west-norfolk.gov.uk">ray.harding@west-norfolk.gov.uk</a> Direct Dial: 01553 616246		Other Officers consulted: Management Team		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications (incl S.17) YES	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications YES

**Cabinet Date:** 6 December 2011

## 2 HILLINGTON SQUARE

### Summary

This report considers a request for Freebridge Community Housing Association (FCH) for the Council to formally approve the inclusion within the VAT shelter (established at the time of the housing stock transfer) of the comprehensive enhancement scheme which has been developed for Hillington Square. The Council is also requested to agree that the Borough Council's share arising from the extension of the scheme be directly reinvested into the enhancement scheme itself. The report explains the nature and benefits of the proposed scheme, provides some background on the operation of the VAT shelter, and examines the financial implications for the Borough Council arising from a decision to respond in the affirmative to FCH's proposal.

### Recommendations:

**Cabinet is recommended to:**

- 1. Endorse and support the proposals produced by Freebridge Community Housing to regenerate the Hillington Square estate.**
- 2. To work with Freebridge Community Housing to secure the inclusion of the comprehensive scheme for Hillington Square within the VAT shelter.**
- 3. To reinvest the Borough Council's share of the additional VAT released directly into the Hillington Square Regeneration Scheme.**

## **Reason for Decision**

To work with and support Freebridge Community Housing to achieve a comprehensive uplift and improvement to this large prominent social housing estate.

### **1 Background**

- 1.1 Hillington Square was built in the late 1960's. It is a "Slab-Block" construction, typical of the era. Although at the time it was an improvement in living standards for local residents, it has not stood the test of time. The design is not sympathetic to the surrounding terraced streets; the construction has cut off a number of the traditional homes, turning its back on the surrounding area. The 320 properties require investment in order to bring them up to the Decent Homes Standard; however, the external fabric, services and communal space also require significant investment to bring the buildings and general environment up to a secure and modern condition.
- 1.2 Demand for the properties is low and the estate is seen as a symbol of poor quality housing by non-residents within King's Lynn and often appears in the media with negative connotations.
- 1.3 The Freebridge Board started the options appraisal process for Hillington Square in 2009. It assessed the costs and benefits of demolition and rebuild, refurbishment only and redesign.

### **2 Options Appraisal Summary**

- Demolition and Redevelopment - costs of demolition and planning requirements to lower densities made this option uneconomic. The significantly reduced availability of Government grants has further compounded the viability of this approach.
  - Decent Homes Only - Investment to bring the properties up to a modern standard is already factored into the Stock Transfer Business Plan. On its own this does not address the wider social issues on the estate or the inherent design problems. The investment will not increase the desirability of the estate or address its visual impact on the surrounding area.
  - Redesign the estate through community engagement. This approach was developed in an attempt to draw together the benefits of the redevelopment options with reduced financial risk.
- 2.1 The Board approved a redesign approach with the aim to 'Develop an architectural vision for the revitalisation of Hillington Square that ensures any investment maximises the quality of life for residents, protects our assets and minimises maintenance liabilities in the future'.

- 2.2 The approach will tackle the social and environmental issues on the estate, improving open space and creating a more mixed community. It would make the best use of the buildings by using design and materials to either enhance or change the visual impact, with the result of making Hillington Square a better place to live and to complement the surrounding area.

### **3 Design Stage**

- 3.1 Wayne Hemingway, Hemingway Design, was appointed to lead the design vision. Mae Architects have been subsequently appointed to complete the detailed design work. A series of consultation events have taken place with the residents of Hillington Square and the neighbouring area as well as key stakeholders. The latest designs are a result of the outcomes of these events.
- 3.2 A Steering Group has been established of which the Borough Council of King's Lynn & West Norfolk are a member and Freebridge is finalising plans to submit plans to the Planning Authority.

### **4 Funding implications for Freebridge Community Housing**

- 4.1 The Decent Homes work is estimated at £5.1m based on the Savills stock condition survey and this sum is contained within the original Business Plan. The additional costs above is for wider improvements is £15.4m.
- 4.2 Freebridge can fund £9.9m through a combination of efficiency gains and our share of the VAT shelter, but it still leaves a £5.5m gap. At the present time this can only be funded through the sale of properties. Both the Freebridge Board and the regulator see this as high risk, both in times of the likelihood of sales and timing of any income.
- 4.3 It is feasible to extend the VAT agreement with the Borough Council to incorporate the additional improvement costs. This is explored below.

### **5 VAT Shelter**

- 5.3 As a charitable organisation, under normal circumstances Freebridge would not be able to reclaim any VAT on spending on repairs and maintenance of property. As part of the regulations on stock transfer the Government did allow a scheme to be used – a VAT Shelter – which gave the right to the Freebridge to reclaim all VAT on repairs to property that are incurred in bringing them up to decent homes standards.
- 5.2 As part of the transfer negotiations the Council gained a share of the £19m of VAT that could be recovered. The minimum sum to be paid over by Freebridge to the Council from the £19m was set at £13.3m. Any sum of VAT in excess of the £19m that can be recovered by Freebridge is to be shared 50/50.



5.3 At present Freebridge are on target to carry out the programme of decent homes repairs and has paid over to the Council a total of £9.9m as at October 2011. The Council will over the next few years receive the remaining balance of the VAT shelter.

5.4 In the event that Freebridge can agree with HMRC that certain works in the refurbishment of Hillington Square can be added to the VAT shelter then the estimate of the £19m original shelter figure would rise. If this was the case then the Council could benefit from an additional VAT shelter payment of around £2m. It should be noted that this can only occur if the works are carried out and if the HMRC agree to the extension of the shelter arrangements.

## **6 Financial Implications**

6.1 If the scheme goes ahead then it will be on the basis that the Council reinvests the gains made from the extension of the VAT shelter. If this is the case then there is no financial implication for the Council – in effect a windfall gain from VAT will be spent on investing in a regeneration project.

6.2 If the Council does not agree to a reinvestment of the VAT then the scheme will not come about and the £2m not become available. Once again this has no financial implication for the Council.

6.3 If the refurbishment maintains the level of stock within the development then the council tax base is protected and there is no net reduction in the calculation of new homes bonus.

## **7 Policy and Personnel**

7.1 The proposal to undertake a comprehensive regeneration scheme for Hillington Square is entirely in accordance with the Borough Council's new Corporate Strategy. In particular outcome 2, People in West Norfolk live in a quality environment:

- Improve our built environment
- Planned action, support Freebridge's work in redeveloping Hillington Square to improve the living conditions and environment of King's Lynn only deck-access estate.
- The improvements proposed to Hillington Square will enhance the setting of the Council's land holdings in the waterfront area, one of the Council's key regeneration sites.

## **8 Equalities Impact**

This project will have a strongly positive equalities impact.

## Equality Impact Assessment: Quick Assessment Form

### Section 1: Define what is being impact assessed

What is the purpose of the proposed policy, procedure, service or function (or the changes you want to make)? What are you are trying to achieve through the proposed policy, procedure, service or function and why?

Regeneration of Hillington Square

### Section 2: Decide if the policy is relevant to equality issues

Consider the following questions to assess whether you need to complete the Impact Assessment Matrix, below.

Question	Y/N
1. If the proposal has consequences for, the people Freebridge serves and/or employs, could these consequences differ according to people’s racial, gender or ability group?	N
2. Could people be affected differently by the proposal, according to their racial, gender or ability group?	Y
3. Could any part of the proposal discriminate unlawfully, directly or indirectly, against people from some racial, gender or ability groups?	N
4. Could people from some groups may have different expectations of the proposal in question?	N
5. Could the proposal likely to affect relations between certain racial groups?	N

If you have answered Yes to any of the above questions please complete **Sections 3,4 & 5**

Otherwise just complete **Section 5**

**Section 3: Complete the Impact Assessment Matrix**

Equality Group	Equality Sub-Group	Tick to identify impact			Reasons
		Positive	Negative	None	
<b>GENDER</b>	Men			✓	
	Women			✓	
<b>RACE</b>	Asian or Asian British people			✓	
	Black or Black British people			✓	
	People of Mixed Race			✓	
	White Irish people			✓	
	White British people			✓	
	White Eastern European			✓	All correspondence translated where possible
	Romany Gypsy			✓	
	Irish Traveller			✓	

Equality Group	Equality Sub-Group	Tick to identify impact			Reasons
		Positive	Negative	None	
<b>RACE</b>	Travelling Show People			✓	
	New traveller or Other			✓	
	Chinese or other ethnic groups			✓	
<b>DISABILITY</b>	Physical	✓			Areas will be upgraded where possible to improve access
	Sensory	✓			Lighting will be upgraded where possible and design will consider sensory and disability needs
<b>SEXUALITY</b>	Lesbians, gay men and bisexuals			✓	
<b>Gender Identity</b>	Trans people			✓	
<b>AGE</b>	Older people (60+)			✓	
	Younger people (17-25) and children	✓			Play areas to be considered as part of the design
<b>BELIEF</b>	Faith groups			✓	No change to places of worship on the estate

Faith groups cover a wide range of groupings, the most common of which are Buddhists, Christians, Hindus, Jews, Muslims, Sikhs. Consider faith

categories individually and collectively, as appropriate, when considering positive and negative impacts.

Consideration should be given to the needs of specific local communities such as Portuguese, Polish, Latvian, Lithuanian etc. and others that do not appear as separate categories.

#### **Section 4: Action points**

Outline any action(s) that need to be taken prior to the proposal being implemented to:

- minimise or remove any negative impact?
- improve the positive impact?
- *promote* equality, equal opportunities or improved relations?

All forms of communication explored to give maximum information access.

Important documents translated.

Resident Liaison Officers to work with residents before work starts to look at their long term housing needs and find suitable alternative accommodation where possible/necessary.

#### **Section 5: Completion and Review**

**Assessment completed by:** Jacqueline Fry

**Date:** 10<sup>th</sup> November 2011

**Assessment reviewed by:** Tony Hall

**Date:** 11<sup>th</sup> November 2011

Please return a copy of this completed form to an Executive Assistant to record centrally

**Assessment Recorded by:** Judith Carter

**Date:** 11<sup>th</sup> November 2011

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Discretionary /	(a) Be entirely within cabinet's powers to decide YES		
	Operational	(b) Need to be recommendations to Council NO		
		(c) Be partly for recommendations to Council NO and partly within Cabinets powers –		
Lead Member: Cllr Alistair Beales E-mail: Cllr Alistair.Beaales@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Nick Daubney		
		Other Members consulted:		
Lead Officer: E-mail: dale.gagen@west-norfolk.gov.uk Direct Dial: 01553 616505		Other Officers consulted: Management Team		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES

Date of meeting: 6 December 2011

### **3 UPDATE ON THE PROGRESS OF THE NORA HOUSING JOINT VENTURE FOLLOWING NORFOLK COUNTY COUNCIL'S DECISION TO SUSPEND ITS CONTRIBUTION TO THE SCHEME**

#### **Summary**

This report informs Members of the current position of Norfolk County Council (NCC) funding for the project and seeks permission to complete the works outlined in paragraph 3.1 and 3.2 of this report. These works will bring the site to a position where the site can be fully developed.

#### **Recommendation**

##### **That Cabinet**

- 1. Approves the continuation of the works described in paragraph 5.3 estimated to be £108,660.**
- 2. Instructs officers to investigate other methods of bringing the site forward.**
- 3. Requires a further report which updates the project plan for phase 1a together with any progress on alternative methods of bringing the site forward, before a contract is let to build the first 19 housing units.**

#### **Reason for Decision**

To progress the development of the NORA housing land.

## **1. Background**

1.1 The Borough Council of King's Lynn and West Norfolk has led the redevelopment of the Nar Ouse Regeneration Area (NORA) since its inception in 1998. NORA aims to deliver the comprehensive regeneration of an area of around 53 hectares of underused and derelict land extending from Boal Street to the A47 adjacent to South Lynn. The Council has worked in partnership with the East of England Development Agency (EEDA), English Partnerships (now the Homes and Communities Agency), Norfolk County Council and developers Morston Assets to deliver the NORA Millennium Community on the southern site since 2002. Throughout the programme, community stakeholders have been actively engaged in the development of detailed plans through the NORA Consultative Group.

1.2 The scale, complexity and scope of the Council's regeneration programme for a district level authority is exceptional. The Economic Regeneration Service Inspection by the Audit Commission in 2009 drew particular attention to the Council's capacity to deliver our ambitions, particularly during the recent recession. The AC recommended that 'the Council should take stock of future economic regeneration plans in light of the findings of their report, using it to develop more robust alternative delivery plans...'

1.3 Officers investigated options to address the limitation faced by the Council in terms of its capacity and available capital resources to deliver the regeneration programme. This resulted in an agreement with Norfolk County Council (NCC) to create a contractual Joint Venture to deliver the first phase of residential units on the Council's land at the NORA, which was approved by Cabinet on 3<sup>rd</sup> April 2010. This approach also gave access to NCC capital funding and housing related specialist expertise and staffing capacity that are currently restricting the Council's ability to deliver the housing for NORA.

1.4 Under the JV NPS (one of the NCC's framework contractors) staff took responsibility for delivering the project which includes all services relating to the design of the scheme supported by officers from the Borough Council.

1.5 An initial design review was undertaken in 2009 and draft issue of the master plan developed. In June 2010 NPS was commissioned to develop the master plan further to develop the design to a stage where a contractor could be brought on board.

1.6 The scheme was given Planning permission on 10<sup>th</sup> October 2011

## **2 The current Position of the NCC**

2.1 On 10<sup>th</sup> November 2011 the Council received the following message via email from the NCC : -

'Following the Government's decision to suspend the PFI credits for the Energy from Waste Plant in Kings Lynn the County Council is reviewing all its capital commitments as a matter of urgency and therefore we are suspending all works on the NORA site with immediate effect. All costs incurred to date will be honoured, I will however confirm to May Gurney that the site settlement work is suspended and all further design / tender work is on hold.

I do not know how long this review will take, nor the likely outcome but ask for your patience and understanding at this difficult time.'

### **3 Development Position of the Site**

3.1 The site now has Planning Permission, but before it can be developed one conditions relating to human health and controlled water issue needs to be discharged. These works will cost £49,710. Also due to the large amount of infilling there needs to be a small amount of geotechnical work carried out. These works will confirm whether utilities and roads need to be piled and will cost £39,000.

3.2 Tenders to build the first phase based on the cost of one of the units have been received. Based on the tendered figure and other associated costs the first phase (1A 19 units) would make a small profit of £168,150. These figures are currently being developed into a fixed price for the whole of phase 1A to try and reduce the risk of developing in these difficult times. The results of this exercise will be known by the end of January 2012. The cost of negotiations with the Contractor, Clerk of works for the above work and project managing the planning and other issues will cost £19,950 and are included in these costs.

### **4 Policy Implications**

4.1 The contents of this report are in line with the Councils policy to develop the NORA site.

### **5 Financial Implications**

5.1 The terms of reference for cost sharing to date has been that each participating organisation contributes equal shares towards the approved costs of the JV. Prior to the recent Government budget cuts this arrangement also included the Homes and Communities Agency (HCA). Once the Joint Venture is live / signed (originally planned for December 2012), each member was due to put in their agreed contribution. For us 2.5 acres of land, for the NCC £1,000,000 cash.

5.2 The following is a summary of costs incurred to date on the project and how it has been funded. The Borough Councils contribution is currently charged against the £1,000,000 provision for the JV.

<b>Contractor</b>	<b>Description of Work</b>	<b>£</b>
Harvey & Co	Market Appraisals	2,625



Eversheds	Legal Work on Joint Venture	20,304
NPS	Work to Bring the Site Forward	651,141
Borough Council	Planning Fees	27,065
<b>Total Cost to Date</b>		<b><u>701,135</u></b>

#### **Funding**

Borough Council	338,016.84
Homes and Communities Agency	25,101.33
NCC	338,016.83
<b>Total Funding To Date</b>	<b><u>701,135.00</u></b>

5.3 The following is a summary of works necessary to make the site 'fully developable'.

<b>Description of Work</b>	<b>£</b>
Geotechnical Work	39,000
Project Management Etc	19,950
Environmental Works	49,710
<b>Total</b>	<b><u>108,660</u></b>

5.4 Once the JV was signed all our contributions to date and future expenditure (up to a total of £1 million) would have been met from the NCC's £1 million contribution. After the £1 million sum had been exhausted, costs would have been charged to the JV account and funded by prudential borrowing, until the housing units had been built and sold.

5.5 Under the agreement if the JV did not succeed and go forward no party would be entitled to their share back from any of the others. This in effect means that if the NCC chooses not to be part of the JV and the Borough either goes it alone or finds other methods / partners to develop the site, then the costs to date have been subsidised by the HCA by £25,101.33 and the NCC by £338,016.33.

5.6 As our contribution was in kind (Land), there is an assumption in the Capital programme financing table that the net cost of this scheme in cash terms was zero. Should the JV not have been successful our share of the abortive costs were going to be met from Growth Point funds. These budgets still remain. It is proposed that the additional works amounting to £108,660 is met from Growth Point monies. Should the development not go ahead the sum of £338,016.84 can be met from existing NORA budgets.

5.7 The current appraisals assumes that the £1 million land value is used in the development and apportions the remaining land value over the whole development in equal amounts. This equates to £331,000 per acre. As such if the development merely broke even the Borough Council should have a surplus of £4,013,118, representing £3,650,000 (equates to £331,000 per acre after the £1 million subsidy) for land value and £363,118 for the non returnable contributions from the HCA and NCC.

## **6 Staffing Implications**

6.1 There are no direct staffing implications associated with this report.

## **7 Statutory Considerations**

7.1 There are no statutory considerations associated with this report.

## **8 Equality Impact Assessments (EIA's)**

8.1 There are no detrimental impacts from equality impact assessment scoping undertaken in relation to this proposal.

## **9 Risk Management**

9.1 The reason the Council was progressing the JV with the NCC was to reduce the risks to this Council by sharing them with the NCC. The main risk arrears negated by the use of the JV related to the capacity and expertise in bringing forward a housing development. The NCC was also to contribute £1,000,000 in cash to the joint venture but on this basis would also share in 50% of any profits made in developing the site. By utilising the NCC contracts and staff the 'expertise' risk has been reduced and is demonstrated by the site being almost ready for the final stage of development. As we are the administering body, going forward there is no problem with utilising these same staff to finalise the development without the financial support of the NCC. On the issue of reducing the financial risk to the Council the NCC and HCA have already contributed over £363,000 to the project, which is non refundable in the event that the JV agreement is not signed.

9.2 The other main development risks outstanding on this site relates to issues such as :-

(i) The market drops further as a result of the continuing economic problems and as a consequence the Council decides not to progress the development at this time. However the works to date will have added value to the site and the site could be sold or developed once market conditions allowed.

(ii) Some of the works identified in this report may find additional cost associated to the site (roads and utilities might need piling). These investigations are in themselves risk mitigation methods in that it will ensure we understand the full cost of developing this site.

(iii) There is also a risk that if the work does not start that Planning permission in the future could lapse.

9.3 There are also other financial risks associated with the development these relate to the building costs and the sales income associated with the project. The cost side is being mitigated by negotiating fixed price contracts for all the works and reducing development risk as far as possible. The sale income area is being managed by obtaining up to date market intelligence and by developing the site in phases of 19 to 30 units at a time.

Background Papers  
NORA Board meeting Sept 2011

Cabinet Report - Joint Venture With The Homes And Communities Agency  
and Norfolk County Council - 13<sup>th</sup> April 2010

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Operational	(a) Be entirely within Cabinet's powers to decide	NO	
		(b) Need to be recommendations to Council	YES	
		(c) Be partly for recommendations to Council and partly within Cabinet's powers –	No	
None				
Lead Member: Cllr E Nockolds E-mail: <a href="mailto:cldr.elizabeth.nockolds@west-norfolk.gov.uk">cldr.elizabeth.nockolds@west-norfolk.gov.uk</a>		Other Cabinet Members consulted: Cllr N Daubney		
Lead Officer: David Thomason E-mail: <a href="mailto:david.thomason@west-norfolk.gov.uk">david.thomason@west-norfolk.gov.uk</a> Direct Dial: 01553 616246		Other Members consulted:		
		Other Officers consulted: Management Team.		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications (incl S.17) NO	Equality Impact Assessment reqd? NO	Risk Management Implications YES

**Cabinet Date:** 6 December 2011

### 4 REVENUES AND BENEFITS SHARED SERVICE

#### Summary

This report updates Members on progress to date with the Revenues and Benefits Partnership between the Borough Council of King's Lynn and West Norfolk (BCKLWN) and North Norfolk District Council (NNDC) and makes a number of key interdependent recommendations to allow the Partnership to move into implementation stage.

The original Business Case has been reviewed following the ICT Procurement exercise, work on the ICT Infrastructure project and a revision of employee, supplies and services budgets.

The total estimated savings over the five year period to 2016/2017 to the Partnership (including capital investment) are £460,622

#### Recommendations:

#### Members are asked to:

- 1) Consider the revised financial information, agree the Baseline Budget for the Partnership and agree the viability of the Business Case for the partnership
- 2) Agree the signing of the Partnership Agreement by the two Council Leaders and delegate authority to the newly formed Joint Committee to agree further amendments as the Partnership develops
- 3) Agree Civica as the winning bidder for the replacement Revenues and

**Benefits software and give authority for the Contract to be completed**

**4) Approve BCKLWN as the host authority for the ICT Infrastructure, Revenues and Benefits software and application support and the Disaster Recovery arrangements**

**5) Members approve NNDC as the host for the shared Revenues and Benefits Management Team, approve the use of Secondment as the employment model for the team and delegate authority to approve the final staffing structure to the Deputy Chief Executive in consultation with the Leader and Cabinet Member for Shared Services and External Relations.**

**6) Delegate authority to the Deputy Chief Executive in consultation with the Leader and Cabinet Member for Shared Services and External Relations to develop Service Level Agreements for the supply of Support Services**

**7) Give authority for Management Team, in consultation with the Leader and Cabinet Member for Shared Services and External Relations, to appoint additional temporary staff and/or contractors to mitigate the risks of conversion.**

#### **Reason for Decision**

The Council and North Norfolk District Council have determined to enter into a partnership for Revenues and Benefits and must now agree to governance arrangements, formal acceptance of the contract arrangements for ICT systems and other issues to enable the Revenues and Benefits Partnership to move to implementation stage.

The Partnership is estimated to realise savings of £460,622 over a period of five years. The Borough Council's revenue savings over the period 2012/2013 to 2016/2017 will be £848,234 which will contribute towards the cost reduction programme.

## **1.0 Introduction**

1.1 In February 2011 North Norfolk District Council (NNDC) and the Borough Council of King's Lynn & West Norfolk (BCKLWN) agreed to start work to enter into a formal Partnership to deliver a shared Revenues and Benefits service. Delegated authority was given to the Deputy Chief Executive in consultation with the relevant Portfolio Holder to enter into a procurement process for the joint core Revenues and Benefits software.

1.2 The original Business Case was revised in February 2011 to reflect BCKLWN and NNDC as the two partners and include an impact analysis of the Welfare Reform changes announced by Central Government including the unprecedented budget cuts, the impact of Universal Credit and the localisation of support for Council tax costs.

1.3 Members of NNDC will be asked to formally approve the Partnership and the ICT Contract at its meeting in December 2011. To keep in sync with NNDC, on 24 November 2011 the full Council of BCKLWN formally delegated authority to make these decision to its Cabinet. This report

details the recommendations to Members following the delegation of authority from Cabinet.

## **2.0 Progress to Date**

- 2.1 Much of the work carried out to date has centred around the procurement of the Revenues and Benefits software and examining options on employment issues. The Partnership Board met on 14 September 2011 to review progress and agreed their commitment to moving ahead with a Partnership to develop a shared service arrangement.
- 2.2 A number of inter-related proposals are put forward within the Cabinet reports to both Councils. These cover;
  - The updated Business Case
  - A formal Partnership Agreement
  - Procurement of the replacement Revenues and Benefits Software
  - Hosting of the ICT Infrastructure, disaster recovery arrangements, ICT Systems and application support
  - Hosting arrangements for a shared Management Team
  - Supply of support services including Customer Services
  - Risks and issues and the cost of mitigation

## **3 Updated Business Case - Costs**

- 3.1 The Revenues and Benefits Partnership originally included four partners and a comprehensive Business Case was drawn up in December 2010 supporting the creation of a Partnership. Since December there have been some key changes with two partners deciding to withdraw, unprecedented cuts to local authority funding and the announcements from Central Government on Welfare Reform.
- 3.2 The Business Case was revised in February 2011 to reflect BCKLWN and NNDC as the two remaining partners and recommended an impact analysis of the Welfare Reform changes. Both Councils then agreed to start work to enter into a formal Partnership to deliver Revenues and Benefits services. Delegated authority was given to the Deputy Chief Executives to enter into a procurement process for a joint Revenues and Benefits core software system.
- 3.3 The financial section of the revised Business Case has now been updated to reflect the results of the Procurement exercise, the proposed costings for the ICT Infrastructure project, the estimated costs to implement a replacement core Revenues and Benefits software system and the impact of the introduction of Universal Credit (UC) from October 2013. The estimated savings have also been updated to reflect 2011/12 actual budgets.

3.4 Table 1 summarises the Capital and Revenue costs and Funding position for Year 1 of the Partnership. The Council has put aside sufficient funding into reserve, to meet the contribution required in Year 1.

3.5 Table 1

<b>Year 1</b>			
<b>Capital Costs</b>			
ICT Procurement	£283,950		
ICT Infrastructure	£92,835		
Project Management	£50,000		
Year 1 Licenses	£41,100		
Contingency	£46,788		
<b>Total Capital Costs</b>		<b>£514,673</b>	
<b>Revenue Costs</b>			
Ongoing Fraud licence	£9,670		
Ongoing Licences Cost**	£38,581		
Infrastructure Costs	£52,059		
Backfilling Costs	£356,000		
<b>Total Revenue Costs</b>		<b>£456,310</b>	
<b>Total Year 1 Costs</b>		<b>£970,983</b>	
<b>Funding</b>			
RIEP	(£278,000)		
NNDC Contribution	(£346,492)		
BCKLWN Contribution	(£346,492)		
<b>Total Funding</b>		<b>(£970,983)</b>	
<b>Net Position</b>			<b>£0</b>

\*\*Northgate and Civica charge for the notice period and storage of the remaining data

3.6 BCKLWN will need to divert in house resource to the conversion of the core Revenues and Benefits system. Table 2 summarises the estimated value of in house resource that will be committed to the project.

3.7 Table 2

<b>BCKLWN In house resource to be utilised on the software conversion project</b>		
<b>Resource</b>	<b>Reason</b>	<b>Value</b>
Core Project Team	The constant resource required to support the conversion project	£108,857
Testing team for conversion and functionality	The additional resource required to cleanse, convert, test and reconcile data and to test system functionality	£90,708
Training	Days required to train all staff on the new system	£99,163
<b>Total in house resource</b>		<b>£298,728</b>



## 4 Updated Business Case – Savings

- 4.1 The Business Case has now been updated profiling the actual impact of the introduction of Universal Credit and how this can be mapped against the current budgets to produce more accurate anticipated savings.
- 4.2 The localisation of support for Council Tax to replace Council Tax Benefit (CTB), timetabled for April 2013, and in particular the 10% cut in funding will further reduce the Administration Grant and place an additional burden on local authorities.
- 4.3 In order to more precisely profile the savings, the known facts for the introduction and transition of Housing Benefit (HB) claims to Universal Credit has been balanced against some educated assumptions as the full detail is not yet known.
- 4.4 Universal Credit Briefing Note 15 states the following for the planned transitional arrangements:
- Oct 13 – April 14: 13% of claims will transfer to UC
  - April 14 – Dec 15: 47% of claims will transfer to UC
  - Dec 15 – Dec 17: the remaining 40% of claims will transfer
- 4.5 In order to calculate the savings, this profile has been used to predict the reduction in staffing salary budgets and the baseline budgets against which the savings can be made have been restated accordingly.
- 4.6 Certain assumptions have been made when profiling the impact of UC on the existing benefits service:
- All new claims to HB will end April 2014
  - Pensioner claims will transition at the same rate as working age claims
  - The Fraud service will transfer to DWP in 2015
  - A residual core of staff has been retained to administer the new Local Council Tax Support scheme (3FTE)
  - CIC staff have been left out of scope except for backfilling during any software conversion as it is anticipated there will still be a role to play in the administration of UC
  - Our administration grant will continue to reduce at a rate of 5% per year
  - Our grant for Local Council Tax support will be the current figure less 10%
  - Administration grant has been apportioned on a straightforward cost per weighted claim basis
  - The average redundancy cost is £33,000 based on an average of all redundancies in the Council over the past year. This only represents redundancy costs for Revenues staff as benefit staff will be affected regardless due to Universal Credit

- Salaries have been on-costed to reflect additional staff costs in the budget such as transport and training
- The salaries have not been uplifted in the profile, but neither have future salary savings
- North Norfolk's salary savings have been profiled on the same basis as King's Lynn's.
- The backfilling cost includes sufficient posts to cover the staff resource which will be needed to cover the conversion and mitigate the risk to King's Lynn benefit subsidy
- The impact of UC has only been profiled across the Benefit salary budgets, the Revenues salary budgets have remained unchanged
- The proposed senior management structure for the partnership has been delayed for a period of 3 months to July 2013 to allow adequate time to embed the software conversion and to complete the annual billing year end processes
- The savings have been estimated over 5 years, although it will take 6 years for the full transition to UC
- The risk mitigation cost includes a further 3 FTE's across 3 years
- No risk mitigation has been applied for North Norfolk District Council as they have not included this cost

4.7 No savings have been anticipated for a reduction in support service charges at this stage. These will initially be a fixed charge to the partnership and opportunities to reduce them will be explored as the Partnership develops.

4.8 Table 3 shows the estimated savings to the Partnership and the apportionment between BCKLWN and NNDC. The apportionment is based on the ratio of employee costs between the two Councils.

4.9 Table 3:

<b>Estimated Partnership Savings from 2013/14</b>			
	<b>Current Budget</b>	<b>2013/14 Budget</b>	<b>Saving</b>
Salaries	£2,738,491	£2,485,640	£252,851
Supplies & Services	£559,866	£451,920	£107,946
Support Services	£1,790,390	£1,790,390	£0
Software Licenses	£168,990	£103,059	£65,931*
<b>Total</b>	<b>£5,257,737</b>	<b>£4,831,009</b>	<b>£426,728</b>
BCKLWN share (55.6%)			£237,261
NNDC share (44.4%)			£189,467

\*saving from 2012/13

4.10 The overall savings profile for BCKLWN including Capital investment over five years is shown in Table 4 below:

Table 4:

	2012/13	2013/14	2014/15	2015/16	2016/17	5 Years
Staffing Savings	£0	- £140,585	- £118,755	-£90,739	-£74,798	- £424,877
Supplies and services	£0	-£60,018	- £60,018	-£60,018	-£60,018	- £240,072
Software	-£36,657	-£36,657	- £36,657	-£36,657	-£36,657	- £183,285
Capital Investment	£346,492	£0	£0	£0	£0	£346,492
Risk Mitigation Costs (see 3.2)	£90,000	£67,500	£0	£0	£0	£157,500
Redundancies	£0	£107,250	£0	£0	£0	£107,250
<b>Total</b>	<b>£399,835</b>	<b>-£62,510</b>	<b>£-215,430</b>	<b>- £187,414</b>	<b>- £171,473</b>	<b>£-236,992</b>

4.11 The overall revenue savings profile excluding capital investment for BCKLWN is shown in Table 5 below:

Table 5:

	2012/13	2013/14	2014/15	2015/16	2016/17	5 Years
Staffing Savings	£0	- £140,585	- £118,755	-£90,739	-£74,798	- £424,877
Supplies and services	£0	-£60,018	- £60,018	-£60,018	-£60,018	- £240,072
Software	-£36,657	-£36,657	- £36,657	-£36,657	-£36,657	- £183,285
	<b>-£36,657</b>	<b>- £237,260</b>	<b>£-215,430</b>	<b>- £187,414</b>	<b>- £171,473</b>	<b>£-848,234</b>

4.12 The overall savings profile for the Partnership including total capital costs to both partners over five years is shown in Table 6 below:

Table 6:

	2012/13	2013/14	2014/15	2015/16	2016/17	5 Years
Staffing Savings	£0	- £252,851	- £213,588	- £163,200	- £134,528	-£764,167
Supplies and services	£0	- £107,946	- £107,946	- £107,946	- £107,946	-£431,784
Software	-£65,931	-£65,931	-£65,931	-£65,931	-£65,931	-£329,655
Capital Investment	£692,984	£0	£0	£0	£0	£692,684

Risk Mitigation Costs (see 3.2)	£90,000	£67,500	£0	£0	£0	£157,500
Redundancies	£0	£214,500	£0	£0	£0	£214,500
<b>Total</b>	<b>£717,053</b>	<b>-</b> <b>£144,728</b>	<b>-</b> <b>£387,465</b>	<b>-</b> <b>£337,077</b>	<b>-</b> <b>£308,405</b>	<b>-£460,622</b>

4.13 The overall savings profile for the Partnership excluding capital investment is shown in Table 7 below:

Table 7:

	2012/13	2013/14	2014/15	2015/16	2016/17	5 Years
Staffing Savings	£0	- £252,851	- £213,588	- £163,200	- £134,528	-£764,167
Supplies and services	£0	- £107,946	- £107,946	- £107,946	- £107,946	-£431,784
Software	-£65,931	-£65,931	-£65,931	-£65,931	-£65,931	-£329,655
<b>Total</b>	<b>-£65,931</b>	<b>-</b> <b>£426,728</b>	<b>-</b> <b>£387,465</b>	<b>-</b> <b>£337,077</b>	<b>-</b> <b>£308,405</b>	<b>-£1,525,606</b>

4.14 Overall, with capital costs included the Partnership would make a saving of £460,622 over the five years, to be apportioned between the two Councils. The payback period for the capital; investment of £611,242, including redundancies, for BCKLWN is 4 years.

## 5. Impact of Universal Credit on Partnership Business Case

5.1 The inclusion of Universal Credit into the Partnership Business Case has eroded the anticipated salary savings over a five year period and will reduce the savings to the Partnership to £460,622 over 5 years.

5.2 The Risk Mitigation Costs have been included in the capital investment. However, it should be highlighted that this is simply a mitigation exercise as it is impossible to completely remove the risk. It remains likely that the software conversion for BCKLWN will cause an increase in LA error overpayments and could result in the loss of benefit subsidy.

## 6.0 The formal Partnership Agreement

6.1 The joint Partnership Board of 14 September 2011 reaffirmed the commitment from NNDC and BCKLWN to moving ahead with a Partnership. The Board agreed it was necessary for a formal Partnership Agreement to be signed in order to finalise the software procurement.

6.2 The formal Partnership Agreement is to be completed but will create the Joint Committee for the Partnership, govern the commercial arrangements and provide legal assurance for both councils.

**6.3 Members are asked to agree the signing of the Partnership Agreement by the two Council Leaders and delegate authority to the newly formed Joint Committee to agree further amendments as the Partnership develops.**

**7.0 Procurement of Revenues and Benefits software**

7.1 To realise savings and efficiencies both authorities need to operate the same core Revenues and Benefits software. NNDC currently use the character based system supplied by Civica that is being de-supported in the coming months and have to procure a new software system. BCKLWN use the latest version of the Northgate system.

7.2 The tender for the Revenues and Benefits Software was conducted through the full Official European Journal (OJEU) process. Two completed tenders were received by the deadline of 27 June 2011, one from Civica and one from Northgate. Both offer a shared database solution that supports Partnership working.

7.3 Following extensive and detailed evaluation of the two tenders Civica emerged as the preferred supplier. The updated scores following discussions with the two suppliers is shown below:

	<b>Capital</b>	<b>Revenue (5 years)</b>	<b>Total cost</b>	<b>Quality Score</b>
<b>Civica</b>	£283,950	£205,500	£489,450	3460
<b>Northgate</b>	£281,030	£228,595	£512,125	3454

7.4 A full analysis of the risks and potential costs to BCKLWN of a software conversion has been undertaken. The analysis shows the 'whole' cost of conversion i.e. the staff resource directed to the project which would have been used for another purpose but would have been spent regardless, and the cost of backfilling only.

7.5 A joint project team for the software conversion will be established with NNDC and skills and expertise from both authorities will be utilised. It is estimated NNDC required six additional posts for 12 months to backfill the resource being used on the conversion. BCKLWN estimate eight posts for backfilling. These costs are detailed at Section 3.0. The posts could either be recruited on a temporary basis or remote processing could be considered.

**7.6 Members agree Civica as the winning bidder for the replacement Revenues and Benefits software and give authority for the Contract to be completed.**

## **8.0 ICT Infrastructure, Disaster Recovery, ICT Software and Application Support arrangements**

- 8.1 The Business Case recognises efficiencies will be made by having one host authority for the ICT Infrastructure, software hosting and application support. An independent report commissioned by both authorities recommended BCKLWN as the host authority for the ICT Infrastructure, Revenues and Benefits Software and application support. This decision is supported by both Councils' ICT Strategy Boards and the Partnership Board.
- 8.2 A working group has considered the options and costs of setting up the necessary infrastructure to support the Partnership. A detailed report of the options and indicative costs was presented to the Partnership Board on 14 September 2011. The chosen solutions will be subject to a tender process so costs are indicative rather than actuals.
- 8.3 In order to align ICT systems a core network connection is required to link BCKLWN and NNDC. The proposal recommends a cost effective solution that is scalable and reuses existing assets from both authorities wherever possible. Being scalable allows the core network connection to support future shared services between the two authorities.
- 8.4 The proposed link will be routed via NNDC's office in Fakenham and may also support a reciprocal Disaster Recovery arrangement at the same site which would facilitate a more robust Disaster Recovery solution for not only the Partnership but for both Councils' total ICT provision.
- 8.5 The indicative costs for the complete ICT Infrastructure and Disaster Recovery arrangements including the cost of deploying the server requirements in BCKLWN's Data Centre are:

Set up costs (Capital)	£119,530
Year 1 costs onwards (Revenue)	£52,059

## **8.6 Members are asked to approve BCKLWN as the host authority for the ICT Infrastructure, Revenues and Benefits software and application support and the Disaster Recovery arrangements**

## **9.0 Shared Revenues and Benefits Management Team and Shared Services Model**

- 9.1 The Business Case recognises that joint procurement of shared Revenues and Benefits software creates an opportunity for the service to be jointly managed. Front line service delivery will remain with each authority but a joint Management Team will be put in place.

- 9.2 The Human Resource Workpackage recommended employees in the shared Management Team be seconded to NNDC. Although both authorities have the ability to host the team and it has been agreed that NNDC will fulfil that role. To equalise the risks to the two authorities the Partnership will develop a Service Level Agreement with BCKLWN to deliver the application support for the Revenues and Benefits software, and with NNDC to host the shared Management Team.
- 9.3 The employee savings are based on an estimated reduction of approximately 13 FTEs across both authorities:

<b>Current Costs</b>	<b>Staffing</b>	<b>Revised Costs</b>	<b>Staffing</b>	<b>Saving</b>
£2,918,634		£2,530,634		<b>£388,000</b>

- 9.4 Over the next few months the Project Team will work together to implement the ICT Infrastructure, Revenues and Benefits software and develop and consult on a Shared Services Model including the Management Team.
- 9.5 **Members approve NNDC as the host for the shared Revenues and Benefits Management Team, approve the use of Secondment as the employment model for the team and delegate authority to approve the final staffing structure to the Deputy Chief Executive in consultation with the Leader.**

## **10.0 Supply of Support Services including Customer Services**

- 10.1 BCKLWN receive all telephony contacts and face to face enquiries through the corporate Council Information Centre. Scanning and Indexing is delivered by the corporate Scanning and Indexing team. NNDC receive all customer telephone contacts directly into the back office and face to face enquiries, scanning and indexing are currently delivered by the corporate customer service team.
- 10.2 There is no proposal to unpick any Corporate teams so it is recommended that Service Level Agreements are developed between the Partnership and its support services including Customer Services and Scanning and Indexing.
- 10.3 As part of the ongoing work to develop a shared service organisational model NNDC's telephony system and the delivery of scanning and indexing for the Partnership in the future will be reviewed.
- 10.4 **Members delegate authority to the Deputy Chief Executive in consultation with the Leader to develop Service Level Agreements for the supply of Support Services**

## **11.0 Issues and Risks**

- 11.1 Whilst there remains a degree of uncertainty surrounding the implementation of the governments Universal Credit Scheme which will incorporate housing benefits which are at present delivered through the Revenues and Benefits service there is now sufficient clarity to enable reasonable assumptions to be built with the business case in terms of both its overall financial impact and the time frame for the transfer of the existing case load to the DWP. The assumptions built into the business case are outlined in paragraph 4.4 above. These are considered to be both cautious and robust.
- 11.2 Uncertainty also remains concerning what is now referred to as a Council Tax support. This was originally envisaged as a Council Tax discount which would have been straight forward and cheap to administer. Subsequent announcements now indicate that for recipients of pensionable age there is to be no change from the current Council Tax benefit arrangements and that there is also to apply to newly qualifying people who reach pensionable age. This group represents 54% of our case load and 60% of North Norfolk's. Government has also specified that families with children and other vulnerable groups are also to be 'protected'. Advice from the industry suggests that this is therefore likely to lead to the continuation of a Council Tax benefit scheme not greatly dissimilar to the current system, all be it somewhat less generous to certain categories of claimants.
- 11.3 It is now believed that this is likely to require the retention of up to 40-45% of the current benefits workforce within local authorities. The business case included in this paper therefore now would appear in anything to be quite conservative in terms of some of the assumptions built into the projections, as far as the achievable level of ongoing savings are concerned.
- 11.4 The second major area of concern/risk has been the necessity of converting from the Councils present software supplier to Civica. It is worth pointing out at the outset that the tender exercise undertaken has secured a reduction of costs of £66,000 per annum. The primary issue to resolve has been the requirement to avoid breaching the Councils DWP subsidy limit of circa £220,000 in 2012/13 (year of conversion) and in the subsequent year. A considerable amount of work has now been undertaken to devise an implementation plan which should eliminate entirely any risk of breaking the subsidy in 2013/14 and considerably reduce the risk of breaching the subsidy in 2012/13 down to an acceptable level.
- 11.5 The issue here is that during the financial year there will be overpayments of benefit that are categorised for subsidy purposes as local authority error. Where the sum total of all LA Error overpayment is less than 0.48% of the total correct payments the LA is reimbursed 100% of all LA Error, between 0.48% and 0.54% they are reimbursed at only 40% of all LA Error and over 0.54% there is no reimbursement.



- 11.6 There are two forms of local authority error in terms of subsidy categorisation (the following description is taken from the DWP Subsidy Guidance Manual):

**LA error** – *this is an overpayment which has arisen from a mistake being made. This may be in the form of an act or omission made by the LA or someone acting on their behalf, for example when an LA miscalculates the amount of HB or CTB entitlement. This classification is not appropriate if the claimant, their appointee or agent, or the person to whom the benefit was paid, caused or materially contributed to the mistake, act or omission.*

**Administrative (Admin) delay** – *this is an overpayment arising when the LA is notified of a change of circumstances and has sufficient information and evidence to make a revision or supersession decision, and*

*the LA does not make a decision on that change of circumstances or suspend the benefit before the claimant's next payday, and*

*the delay was not due to a mistake, whether in the form of an act or omission, made by the LA or someone acting on their behalf, and*

*the delay was not caused or contributed to by the claimant, a person acting on the claimant's behalf, or any other person to whom the benefit was paid.*

*When all of the information needed to process a change of circumstances that would reduce a claimant's HB/CTB entitlement is received, the LA must action it before the claimant's next payday. If it is not actioned before the next payday, any overpayment from the first day of the benefit week following receipt of all of the information should be classified as LA official error or Admin delay (depending on whether the delay was caused by a mistake, in the form of an act or omission). It is this area that is the primary cause for concern.*

- 11.7 The likelihood of breaching the subsidy level at which point the costs fall upon the Borough Council rather than being met by the DWP rises from the following factors:-

1. *Issue* - Existing back log of work arising from a decision made not to replace (3) staff on maternity leave.

*Action* – Recruit and train staff to fill these posts and support the transition (in the event that all 3 staff return to work on a full time basis) with immediate effect.

2. *Issue* – Projected 14 day shut down for conversion

*Action* – Following discussions with Civica this will be reduced to a maximum of 9 days hence reducing the back log arising by 30%.

3. *Issue* – Conversion date of November 2012 would mean that by the time staff were familiarising themselves with the new system and getting into their stride we would be firstly into the Christmas/New Year break and then taking on the system changes to introduce the new Council Tax Support/Benefit Software. Consequently the likelihood of carrying a back log into 2012/14 would be considerable.

*Action* - Shared with Civica to move the conversion date for West Norfolk forward to no later than 30 July thereby eliminating this likelihood.

4. *Issue* The Borough routinely carries a backlog of cases as it is not considered financially prudent to staff up to periodic peaks in workload, hence our position on commencing the conversion would be to have an existing backlog of work on the 'old' system, in addition to the acquired backlog on the new system as a result of the conversion shutdown.

*Action* – Recruit 3 additional agency/temporary staff to assist staff to go into the closedown period with a minimal amount of work outstanding as such work will give rise to Admin Delay when the system comes back up. It has been agreed that this cost will form part of the partnership start up costs rather than fall entirely on the Borough Council.

5. *Issue* – There will be a backlog of work created following the shut down for the conversion and staff will initially be unfamiliar with the new system and hence less productive in the first few weeks. This would mean that it will be difficult to clear the backlog and it may even grow.

*Action* – OPENRevenues functionality will assist BCKLWN in processing certain aspects of incoming work more quickly. One of the largest if not the largest source of work will be received via the DWP ATLAS files. These files contain information on new awards, changes and terminations of award of New Tax Credits and DWP Benefits. OPENRevenues provides the ability to process up to 60% of record types automatically, recalculating benefit, posting credits and debits of CTB to the council tax account and generating revised bills and notification letters, all with no manual back office processing. System validation controls the loading of files to ensure they are loaded in date order

Civica will also 'enable' North Norfolk based staff to assist Borough Council staff in dealing with the backlog prior to the merging of the databases. As North Norfolk will convert two months prior to West Norfolk and the new system will release staff capacity (their existing system is very old and inefficient) staff based in Cromer will be available to assist West Norfolk staff as soon as the system is up and running. In addition to this the budget provides for the temporary outsourcing of part of our backlog of work to one of two Civica based Councils which undertake such work. The combination of these measures should

enable both the backlog to be speedily processed and will assist staff in coping with the inflow of new cases.

6. *Issue* – Concern that the risk of conversion leading to a breach of the subsidy limit is higher to West Norfolk than to our partners at North Norfolk as their existing system is less efficient than Northgate (and hence the new system will release spare capacity to cope with the change) and they will find the change easier to adapt to as they are converting from an ‘old’ Civica system to a ‘new’ Civica system whereas we are converting from a entirely different software provider.

*Action* – The partnership agreement will provide for the partnership rather than an individual Council to meet the cost of any breach of either Councils subsidy limits.

7. *Issue* – Staff motivation, a major change project of this nature undertaken at a time of uncertainty will impact upon staff morale.

*Action* – The partnership will need to work hard to involve and engage staff fully in the implementation plans as well as the need for management at the Borough Council to take action to manage through the change over to universal credit and equip staff who may eventually need to find employment elsewhere either within or outside the Council with the best possible skills needed to successfully secure future employment.

8. *Issue* - Collection falls for Council Tax/Recovery of overpaid housing benefit, concern has been expressed that these will fall due to the originally projected lengthy down time period and the subsequent accrual of a back log of work

*Action* – The reduction of the closedown, earlier conversion date and support from north Norfolk. Plus additional staffing to be recruited will significantly reduce the risk of this eventuality occurring

## 11.8 Conclusion

All of the above mitigation measures have been fully costed into the business case and the comprehensive package of actions will reduce the risks to an acceptable level. Consequently the balance of risk and reward makes the proposition to proceed with the partnership an attractive proposition to this Council.

## 12.0 Next Steps

	<b>Project Actions</b>	<b>External Factors</b>
Dec 2011 to Jan 2012	Replacement Revenues and Benefits software contract signed ICT Infrastructure	Ongoing changes to HB start to peak

	implementation starts Software Implementation starts	
Jan 2012 – Aug 2012	Infrastructure implemented Software installed NNDC go live on software Management Structure proposals developed	Design of new CT Support scheme starts Preparation for Business Rates retention Annual Billing testing and live run
Jul 2012 – Oct 2012	Structure Consultation Reports to Cabinet and Councils	Testing of new CT Support scheme Business Rates retention baselines?
Nov 2012 – Dec 2012	BCKLWN go live on software New structure recruitment starts	Implementation of new CT support scheme
Jan 2013 – Mar 2013	Notice periods for unsuccessful applications	Annual Billing testing and live run
Apr 2013	Go live with new structure	Council Tax benefit ends Localised CT Support starts Business Rates retention starts
Oct 2013		Universal Credit transition starts

## Background Papers

Council agendas/ Minutes  
Partnership Board Agendas/Minutes  
ICT Tenders and Tender Evaluations  
Financial Plan 2010/2014

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
Any especially affected Wards	Operational	(a) Be entirely within Cabinet's powers to decide	No	
NONE		(b) Need to be recommendations to Council	Yes	
		(c) Be partly for recommendations to Council and partly within Cabinet's powers –	No	
Lead Members: Cllr Nick Daubney / Cllr David Pope/Cllr E Nockolds E-mail: <a href="mailto:cllr.nick.daubney@west-norfolk.gov.uk">cllr.nick.daubney@west-norfolk.gov.uk</a> <a href="mailto:cllr.david.pope@west-norfolk.gov.uk">cllr.david.pope@west-norfolk.gov.uk</a> ; <a href="mailto:Cllr.elizabeth.nockolds@west-norfolk.gov.uk">Cllr.elizabeth.nockolds@west-norfolk.gov.uk</a>		Other Cabinet Members consulted: Cllr A Beales, Cllr V Spikings, Cllr B Long		
		Other Members consulted: None		
Lead Officers: Ray Harding / Chris Bamfield E-mail: <a href="mailto:ray.harding@west-norfolk.gov.uk">ray.harding@west-norfolk.gov.uk</a> <a href="mailto:chris.bamfield@west-norfolk.gov.uk">chris.bamfield@west-norfolk.gov.uk</a> Direct Dial: 01553 616246 / 01553 616648		Other Officers consulted: Debbie Gates, Dale Gagen, Honor Howell, David Thomason		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications (incl S.17) NO	Equality Impact Assessment NO	Risk Management Implications YES

**Cabinet Date:** 6 December 2011

### 5 LOCAL AUTHORITY LEISURE COMPANY / TRUST

#### Summary

This paper provides members with a progress report on the feasibility work which has been undertaken to examine ways of reducing the cost to the Council of the delivery of its' cultural services, without compromising the quality or range of service offered to the public. The feasibility work has focused upon the development of a linked Local Authority Company / Independent Trust model which is designed to best meet the Council's objectives. The report outlines the considerable positive progress made to date and the need for 'in principle' approval from members of the model, before progressing to the production of a detailed business case and implementation plan.

#### Recommendations

**Cabinet is invited to;**

- 1) Endorse the Objectives set out in Section 1**
- 2) Endorse 'in principle' the model described in Section 2.2 incorporating the creation of an independent charitable Trust and a Local Authority Company.**
- 3) In light of the need to make early progress on the project to agree to**

**waive Contract Standing Order 8.7 with respect to the procurement of consultancy support.**

**Reason for Decision**

To contribute towards the Council's savings target for 2013/14 of £2.2 million.

**1 Background**

1.1 As part of the Councils Expenditure Reduction Programme a small officer team (Chief Executive, Executive Director Leisure and Public Space, Corporate Project Officer) has been working with our tax advisors (Elysian), their legal associates and a specialist leisure industry consultant undertaking a feasibility study into the creation of a local authority controlled company and a linked charitable trust.

1.2 The objectives for the feasibility work are as follows:-

1. to secure NNDR savings of circa £300,000 pa.
2. to establish the arrangement with the proposed Trust and company in a tax efficient manner such that the impact upon VAT is neutral or better and to ensure the Councils future VAT diminimus level is protected without detrimental impact on future capital spending.
3. To ensure that the arrangement is acceptable to HMRC.
4. To ensure that savings achieved are not undermined by factors such as loss of economies of scale, additional pensions costs and loss of current multi skilling arrangements for staff.
5. To set up the arrangements in such a way as to enable the company, in future years, to be in a position to expand to take on the running of leisure facilities from other public authorities should the company board so wish.
6. To ensure that any future surplus generated can be returned to the Borough Council.
7. To retain a measure of control of the Council's leisure facilities, and the activities which take place within them.
8. To enable the company to be in a position to take on 'non charitable' contract work on behalf of the Council to ensure cross service benefits can continue, including the need to meet the Councils emergency planning requirements and to deal with any relevant changes in service demands.

9. To obtain the operational benefit of a greater involvement of the community service delivery

## **2 Progress to date**

2.1 Considerable progress has been made in a short space of time and this is summarised below:-

1. It is possible to set up an arrangement involving the creation of an independent charitable Trust and a separate Local Authority Company which will secure the target level of savings together with an additional positive contribution from VAT.

2. The arrangement would involve the creation of an independent trust (with Council representation) which would lease the building. The Trust would pay a 'peppercorn' rent for the premises. The Council would then commission the provision of 'charitable' activities from the Trust for which it would be paid a 'management fee' by the Council. Separately a local authority company would be established to actually run the facilities on behalf of the Trust. Staff would be 'jointly employed' by both entities.

3. It is understood that such an arrangement would potentially meet the requirements of HMRC.

4. It has been confirmed that it is possible to set these arrangements in place in such a way as to enable the company to expand in future years by taking on the management of the other publicly owned leisure facilities and also to take on contracts for non charitable work.

## **3 Next Steps**

3.1 In order to finalise the feasibility stage of the work the outstanding issue to be resolved is to confirm that a genuine joint employment contractual arrangement would be created. The Executive Director Central Services who has now joined the officer team is exploring this with the Council's specialist employment lawyers. Subject to a satisfactory outcome of this work it will be necessary to progress the project as follows:-

1. Secure 'in principle' Cabinet approval to the proposed model, in so doing it would be helpful to establish a small group of senior members to provide a 'political steer' over the next 3 to 4 months as the project progresses.

2. Complete a financial business case to underpin the proposal and prepare a comprehensive implementation plan.

3. Secure budget approval to fund the required level of external expertise to support the implementation of the project plan.

4. Secure exemption from the relevant standing orders with respect to the procurement of the external support. The primary reason for this being the need to progress at some speed with the project implementation in order to ensure that the NNDR relief is in place prior to the implementation of the Local Government Resource Review and in particular prior to the date at which the 'base line' level of business rate income is set for our Council.
5. Member oversight will be maintained by the respective lead Cabinet members identified in the report.

#### **4 Financial Implications**

- 4.1 At present there is no detailed business case available but the benefit of reduced rate bills and tax efficiencies on VAT appear to offer savings to the Council in the order of £500,000 pa.
- 4.2 In establishing the model the Council will incur costs mainly on legal and tax advisory services. Current estimates are that the costs could be in the order of £80,000 to the Council. In addition independent advice will be required for the Leisure Trust. It is thought proper to allow a budget provision of £140,000. There is no budget provision for these services and it will be necessary for the Council to draw this sum from the savings made to date from the cost reduction programme. The savings presently total £440,000 against a target of £231,000.

#### **5 Policy & Personnel**

- 5.1 This report is recommending that members give in principle support for the creation of a new model of service delivery for this authority, that of the creation of a local authority company. The company would be wholly owned by the Borough Council, the Board would be made up of nominees from the Council and the accounts of the company would have to be incorporated into the Borough Councils annual accounts. This model devised for the delivery of local authority leisure services is breaking new ground for local authorities, combining as it does aspects of the outsourcing to a charitable trust model used by around a third of councils with aspects of the private sector outsourcing model, also used by around a third of local authorities. The advantages of the model are;

- It is tax efficient and secures significant revenue savings to the Council.
- Secures a measure of influence for the Council over the future use of its facilities, and the activities undertaken within them.
- The Local Authority continues to supply back office support for the Company.
- Returns any surpluses generated to the Borough Council.
- Scaleable and able to take on additional work.



- Retains access to the staff for emergency planning situations.
- Retains the integrated management and service delivery arrangements across service areas.
- Creates greater flexibility than outsourced arrangements in terms of any future requirements for the Council to either reduce its outgoings or change aspects of service delivery.
- Terms and conditions of staff are protected.

## 5.2 The disadvantages of the model are:

- Less responsive than direct in house provision.
- More complex arrangement than 'pure' outsourcing.

5.3 In terms of personnel implications it will be essential to undertake a comprehensive and ongoing programme of staff consultation and involvement, not only to meet our statutory commitments but also to secure staff support and enthusiasm for this new operating model. Members may wish to consider incorporating a degree of 'mutualisation' with the model, say provide staff with an equity stake in the company with the advantage of rewarding staff performance via a share in any dividends paid by the company.

## 6 Equalities Impact

6.1 An equalities impact assessment will be undertaken alongside the finalisation of the feasibility stage of the work and this will be reported to the January Cabinet. In broad terms however there are no proposals to deviate from the Councils' equalities commitments and this will be built into the management agreement.

## 7 Risk

7.1 There are risks associated with this model as it is testing new ground for local authorities. In order to mitigate this risk it is proposed to continue to work with external specialist consultants to assist the Council in meeting all the requirements of HMRC, and in building a robust and substantial business case.

## 8 Background Papers

8.1 Feasibility file Chief Executives Office

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Discretionary / Operational	(a) Be entirely within Cabinet's powers to decide YES		
<b>None</b>		(b) Need to be recommendations to Council NO		
Lead Member: Cllr N Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: David Thomason E-mail: david.thomason@west-norfolk.gov.uk Direct Dial: 01553 616246		Other Officers consulted: Management Team		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications NO	Equality Impact Assessment NO If YES: Pre-screening/ Full Assessment	Risk Management Implications NO

Date of meeting: 6 December 2011

### 6 NOTICE OF MOTION 5/11 – SECOND HOMES COUNCIL TAX

#### Summary

At the 27 October Council meeting Councillor Collop placed a motion seeking support to call on the Government to raise the council tax on second homes to 100%. Since the meeting the Government has issued a consultation document that includes allowing councils the power to levy a full council tax on second homes.

The consultation ends on 29 December 2011. The proposal is to give delegated authority to the Leader of the Council to approve the response to the document to be sent by that date. The document and response will then be submitted to the Resources and Performance Panel on 4 January 2012. Any additional comments received from the Panel will be sent to Government as an addition to the Council's initial response.

#### Recommendation

**Cabinet agrees to give delegated authority to the Leader of the Council to approve the response to the document to be sent by the due date.**

#### Reason for Decision

To enable the Council to respond to a consultation document by the due date.

## **1 Introduction**

1.1 At the 27 October Council meeting Councillor Collop placed a motion seeking support to call on the Government to raise the council tax on second homes to 100%. Since the meeting the Government has issued a consultation document that includes allowing councils the power to levy a full council tax on second homes. In effect the consultation paper has overtaken the notice of motion and seeks views on giving authorities much wider powers than simply raising second homes charges to 100% of council tax. A full copy of the consultation document is shown at appendix 1.

## **2 Summary of the Government Proposals**

2.1 The Government proposes that reforms to the council tax system from 2013/2014 include:

- Give billing authorities (the Borough Council) power to levy up to full council tax on second homes
- Replace existing class A and C exemptions for vacant homes with discounts of up to 100%, the amount of which will be for the billing authority to determine
- Abolish the Class L exemption and make mortgagees in possession of empty dwellings liable to council tax in respect of them
- Allow billing authorities to levy an 'empty homes premium' over and above full council tax liability in respect of dwellings which have been left empty for two years or more
- Set a default assumption that payment of council tax be by installments over 12 months rather than 10 at present
- Allow authorities to publish online the 'information to be supplied with demand notices'

## **3 Response to the Consultation**

3.1 It is suggested that the Leader be given delegated authority to approve an initial response to the consultation document to be sent by the due date of 29 December 2011. The Resources and Performance Panel will be given the opportunity to examine the response and comment accordingly.

3.2 In general terms it is proposed to respond to the consultation along the lines of agreeing to matters where the power to determine discounts and exemptions will fall to the local council and come away from national regulations. This will include agreeing to the power to levy up to full council tax on second homes

## **4 Financial Implications**

4.1 There are no immediate financial implications to the response to the consultation. If the proposals to allow the Council to raise a 100%

charge on second homes or empty properties does come about then if the Council so determine, it will result in an increase in the Council Tax Base. This in turn will reduce the amount to be collected from each council tax payer. The impact however will be marginal and only reduce the annual bill by a matter of pence.

## **5 Policy Implications**

- 5.1 If the proposals give more power to councils then there will be a need to adopt various policy lines in how the Council treats various council tax matters.

## **6 Access to Information**

Consultation Document – Technical Reforms to Council Tax Council Agendas.

## Technical reforms of council tax **Consultation**



Technical reforms of council tax  
**Consultation**

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# About this consultation

## Scope of consultation

<b>Topic of consultation</b>	Proposals to give billing authorities greater discretion over the reliefs from council tax available in respect of second homes and some empty properties; and other potential reforms of the council tax system.
<b>Scope of consultation</b>	This consultation seeks views on the desirability and practicability of the proposed changes. It also seeks preliminary views on issues about which Government is not yet ready to bring forward proposals.
<b>Geographical scope</b>	England. The relevant legislation covers both England and Wales but the administration of council tax in Wales is a matter for the Welsh Assembly Government.
<b>Impact assessment</b>	An impact assessment will be prepared once Government has firmed up policy proposals in the light of the consultation.

## Basic information

<b>To</b>	A public consultation of particular interest to local authorities (including police authorities, fire and rescue authorities and local precepting authorities), representative organisations (including the Local Government Association (LGA), London councils, Institute of Revenue Rating & Valuation (IRRV), The Chartered Institute of Public Finance and Accountancy (CIPFA), National Association of Local Councils (NALC)), mortgagees (especially banks and building societies), house builders, and others with an interest in local taxation issues.
<b>Body responsible for the consultation</b>	Department for Communities and Local Government
<b>Duration</b>	<b>31 October 2011 to 29 December 2011</b>
<b>Enquiries</b>	Mr. D. Kelly Local Government Finance Directorate Department for Communities and Local Government Zone 5/D2 Eland House Bressenden Place London SW1 E 5DU Telephone: 0303 444 2099 Email: <a href="mailto:counciltax.consultations@communities.gsi.gov.uk">counciltax.consultations@communities.gsi.gov.uk</a>



<b>How to respond</b>	To either of the addresses above.
<b>Additional ways to become involved</b>	Not applicable.
<b>After the consultation</b>	The Government will take into account the responses to this consultation when considering whether to bring forward legislative proposals.
<b>Compliance with the code of practice on consultation</b>	This consultation complies with the Code but will run for eight weeks in order to meet the requirements of the legislative timetable.

# Consultation criteria

This consultation document and consultation process have been planned to adhere to the Code of Practice on Consultation issued by the Department for Business, Innovation and Skills and is in line with the seven consultation criteria, which are:

1. Formal consultation should take place at a stage when there is scope to influence the policy outcome.
2. Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible<sup>1</sup>.
3. Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.
4. Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.
5. Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.
6. Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.
7. Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

Representative groups are asked to give a summary of the people and organisations they represent and, where relevant, who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for

<sup>1</sup> Paragraph 2.3 of the Code has been applied in this case as a shorter consultation period is necessary.

disclosure of the information we will take full account of your explanation but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

The Department for Communities and Local Government will process your personal data in accordance with the Data Protection Act and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed these criteria? If not or you have any other observations about how we can improve the process please contact:

DCLG Consultation Co-coordinator  
Zone 6/H 10  
Eland House  
London SW1 E 5 DU

or by e-mail to: [consultationcoordinator@communities.gsi.gov.uk](mailto:consultationcoordinator@communities.gsi.gov.uk)

# Consultation process

The Department for Communities and Local Government invites comments on the proposals set out in this document. The Government expects to include appropriate measures in a local government finance bill to be brought forward in this session of Parliament. Given the potential impact on taxpayers, it is of course important that adequate time is allowed for the consultation. In striking a balance between these factors, the Government has decided that this consultation will run for eight weeks.

When responding, please state whether you are responding as an individual or representing the views of an organisation. Responses to this consultation must be received by **29 December 2011**.

You can email your response to: [counciltax.consultations@communities.gsi.gov.uk](mailto:counciltax.consultations@communities.gsi.gov.uk), or you can respond in writing to:

Technical Reforms of Council Tax Consultation  
Local Government Finance Directorate  
Department for Communities and Local Government  
Zone 5/D2 Eland House  
Bressenden Place  
London SW1 E 5DU

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# Section 1

## Introduction

Setting the agenda for decentralisation and localism is one of the Coalition Government's core objectives. The goal is a radical redistribution of power and funding from government to local people to deliver what they want for their communities. Council tax is a local tax, and it is therefore natural that, as part of its broad agenda, the Government should look for changes that further empower local communities.

It is vital that we keep the overall level of council tax down, and in the Spending Review, the Government undertook to consider providing greater flexibilities to local authorities to manage pressures on council tax. This must be seen in the context of:

- necessarily tight local government finance settlements for the next few years as we tackle the fiscal deficit
- proposals recently published to return some control of business rates to local authorities; and
- proposals to replace council tax benefit with local support for council tax.

This consultation is also an opportunity for the Government to address some technical issues which have arisen in recent years, to explore modernising the system in certain minor respects, and to seek views on whether some other aspects of the system should be changed.

In summary, the changes being contemplated include:

- (a) giving billing authorities power to levy up to full council tax on second homes
- (b) replacing exemption Classes A and C<sup>2</sup> with discounts, the amount of which would be for billing authorities to determine
- (c) abolishing Class L exemption, and making mortgagees in possession of empty dwellings liable to council tax in respect of them
- (d) allowing billing authorities to levy an 'empty homes premium' in respect of dwellings which have been left empty for two years or more

<sup>2</sup> Exemption classes A, C and L relate to certain empty properties. Details are in Annex B.

- (e) setting a default assumption that payment of council tax by instalments will be over twelve months rather than (as is currently the case) ten
- (f) allowing authorities to publish online the 'Information to be supplied with demand notices'<sup>3</sup>, but with a duty to supply it in hardcopy to any council tax payer requesting it – as an efficiency measure, and to encourage the takeup of electronic billing
- (g) changes to eliminate potential tax complications from arrangements involving third party suppliers where solar panels are placed on the roofs of dwellings without coming into the paramount control of the resident.

These proposals will help local authorities keep the overall level of council tax down, supporting hard-working families and pensioners by adjusting the tax relief in respect of second homes and empty properties when authorities judge that they do not merit the special treatment they currently get. If authorities choose to operate these new flexibilities to maximise revenue in order to relieve upward on council tax, the value would be equivalent to approximately £20 reduction in the bill for a Band D property (averaged across England). In practice, the value will vary considerably between areas, and will of course depend on the discounts actually determined by each billing authority.

The Government has no plans to change the rules on exemptions currently available in respect of properties left empty because a person has moved into a hospital or care home, or has died, or has moved to provide care to another should be lost.

Government is also seeking views on whether changes are desirable to require that where one part of a hereditament has been adapted for separate occupation but is not in fact separately occupied, the whole should be banded as one.

Where the proposals in this document would require primary legislation, the Government plans to bring it forward in a local government finance bill in this Parliamentary session.

<sup>3</sup> That is, the information currently itemised in Part 2 of Schedule 2 to The Council Tax (Demand Notices) (England) Regulations 2010

# Section 2

## Second homes and empty dwellings

### Summary

Government is minded to seek changes to legislation, with a view that they should come into effect for 2013-14 and subsequent years.

- to provide that the range of billing authorities' discretion over second homes discount, currently 10-50 per cent, be extended to 0-50 per cent
- to abolish exemption Classes A and C, and instead to give billing authorities discretion to give discounts of between 0 and 100 per cent.

Although simple abolition of exemption Classes A and C could be accomplished by amending the relevant secondary legislation, the range of discount available to billing authorities would then be restricted to a maximum of 50 per cent. These changes would therefore require primary legislation.

The Government also seeks views on two other propositions, both of which would require primary legislation if adopted:

- Making mortgagees in possession of empty dwellings liable for council tax in respect of them. Such a change would be coupled with the abolition of Class L exemption, which would no longer be necessary
- Empowering billing authorities to charge an 'empty homes premium' in respect of dwellings which have been empty for two years or more, as an incentive for owners to bring them back into use.



## Background

### Discounts from council tax bills

Since council tax was introduced in 1993, taxpayers have in certain circumstances been entitled to pay an amount of council tax which is reduced by a discount. In particular, different discounts are available where:

- only one adult<sup>4</sup> occupies a chargeable dwelling as their sole or main residence
- no adult occupies a chargeable dwelling as their sole or main residence.

The rules on discounts where no adult occupies a dwelling as their sole or main residence have evolved since council tax was introduced in 1993. Originally, the discount was set at 50 per cent but, over the years, that has changed so that, now, four contexts are recognised<sup>5</sup> in practice, as follows.

- (a) A furnished dwelling which is not the sole or main residence of any individual (known collectively as ‘second homes’) attracts a discount which billing authorities can set at between 10 and 50 per cent (but see (c) below)
- (b) Any dwelling which consists of a pitch occupied by a caravan, or a mooring occupied by a boat attracts a discount of 50 per cent when unoccupied
- (c) A furnished dwelling which is not the sole or main residence of a council taxpayer attracts a discount of 50 per cent if the person liable for council tax necessarily occupies it and another dwelling, and one or other of the occupations is job-related
- (d) A dwelling which is unoccupied and substantially unfurnished attracts a discount which the billing authority can set at between 0 and 50 per cent, once any period of exemption has passed. Such dwellings are known collectively as ‘long term empties’.

A general power to give discounts was conferred on billing authorities by section 76 of the Local Government Act 2003, which inserted section 13A into the Local Government Finance Act 1992. It empowered a billing authority to reduce the amount of a liability as it thinks fit, including to nil. This power may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

<sup>4</sup> Some adults have to be disregarded when deciding how many adults are in occupation. The commonest example is full-time students.

<sup>5</sup> Section 75 of the Local Government Act 2003 inserted section 11A into the 1992 Act. It empowers the Secretary of State to prescribe one or more classes of dwelling in England for the purposes of these discounts. The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 sets out the details, and distinguishes classes for which billing authorities have discretion to set discounts at between 10%-50% under section 11A(3) from that for which they have discretion to set 0-50% under section 11A(4).

Other discounts and reductions apply in some circumstances, but as Government has no proposals to bring forward in respect of them, they are not described in this paper.

### **Exempt dwellings**

In a wide variety of circumstances (see list at Annex A), dwellings are exempt from council tax either for a period of time, or indefinitely while conditions are met. This consultation addresses possible changes to three of these exemptions: Classes A, C and L. They are formally described in Annex B. In brief:

- Class A exemption is currently available for up to 12 months in respect of a vacant property which requires, is undergoing, or has recently undergone major repair work to render it habitable, or structural alteration
- Class C exemption is currently available for up to six months after a dwelling becomes vacant
- The practical effect of Class L exemption is to release mortgagors who have had their homes re-possessed by a bank or building society from any liability to pay council tax (and therefore to relieve billing authorities of the obligation to collect the tax).

### **Proposals on second homes**

On second homes, Government is minded to extend the range of discount available to billing authorities to allow them to levy up to full council tax on second homes, thereby placing them on the same basis as normal homes. Representations favouring change along these lines have been made from time to time, most recently by South Hams District Council in Devon, and by Cornwall Council. A second home owner is taking up a unit of the local housing stock; and the original purpose of giving local authorities discretion over second homes discount was to give them a tool they could use to encourage or discourage second home ownership in their areas. The Government's present proposal will make that tool somewhat more powerful. Moreover, authorities with a high level of second home ownership will be able to levy tax from a base which is not 'damaged' by that fact – they will, if they wish, be levying tax on the same base as an authority for which second home ownership is not a significant issue.

#### **Question 1**

Do you agree with the Government's proposal to extend the range of discount available to billing authorities in respect of second homes to 0 to 50 per cent?

For second homes, the rules governing the calculation of an authority's council tax base for formula grant purposes currently require an arbitrary assumption that a discount of 50 per cent is given in all cases. The tax base used for the calculation of council tax in each area, on the other hand, reflects the actual rates of discount that authorities have chosen to adopt. The effect is that any extra council tax revenue which an authority generates by

giving a discount of less than 50 per cent on second homes is not set off by any reduction in its formula grant<sup>6</sup>.

When the rules on discounts for second homes were revised by the Local Government Act 2003, the minimum 10 per cent discount was retained so that second home owners would still have an incentive to identify their properties as second homes. Without this, it was felt, that there would be no way to identify the additional resources generated by second homes and allow the intended retention of the extra revenue by local authorities. The Government recognises that if authorities choose, as it proposes they might, not to offer a discount on second homes, it will become more difficult in practice to distinguish second homes from other dwellings.

### Question 2

How might authorities choosing not to offer any discount on second homes identify them in order to report second homes as necessary for formula grant purposes?

### Empty Homes

The Coalition Government's Programme for Government committed it to exploring a range of measures to bring empty homes into use. Empty homes are often a blight on the local community, harming the local amenity of neighbouring properties. They are wasted assets, so putting empty homes more quickly back into productive use would increase housing supply. We are therefore proposing to give councils more flexibility to adjust or, if they think it appropriate, deny relief from council tax in some circumstances which currently entitle owners to short term exemptions. Councils will continue to be able to use their existing powers to apply discretionary discounts in cases where homes are empty due to special circumstances – e.g. hardship, fire, flooding. We would encourage councils which removed the empty discount to have an explicit policy on such hardship cases.

There are other circumstances in which it would be quite wrong to deny exemption. The existing exemptions are listed at Annex A. Several of them relate to unoccupied dwellings, but reflect circumstances which fully justify continuing exemption. For example, it would be wrong to interfere with exemption Class F which applies due to the death of the owner of a property, and we have no intention of doing so – we recognise the difficulties that probate can cause. Similarly, exemption classes E, I and J will all remain intact (they relate to dwellings left empty because the residents have moved into hospital, or to give or receive care).

### Proposals on Class A exemption

It is reasonable that council tax payers should get some relief in respect of vacant dwellings that are, for a time, uninhabitable for one good reason or another. When council tax was introduced, the system provided for an open-ended period of exemption in such

<sup>6</sup> The same is not true of other discounts, and in particular the actual rate of discount given for long term empty properties is used in the calculation of an authority's tax base for formula grant purposes.

circumstances. It continued while the state of the dwelling warranted it. However, in 2000 the law was changed to limit the period of exemption to a maximum of one year, after which the dwelling (if still vacant) is to be treated as a long term empty property. Billing authorities' discretion over the rate of discount then applies, so such properties do not necessarily attract any discount at all.

This limitation has generally encouraged owners to bring dwellings back into use in a reasonable time; and that remains the Government's aim. It is, however, a central prescription. There is no scope for billing authorities to use discretion about what is reasonable in terms of foregoing council tax in respect of such properties. In pursuit of the broader goals of localism, Government is therefore minded to abolish the exemption, but replace it with a discount which billing authorities have discretion to set at 100 per cent, or any lower percentage which seems reasonable to them having regard to local circumstances.

If authorities choose to levy council tax in circumstances in which, under the current rules, they could not, Government would wish them to be able to retain the additional revenue locally. Under the present system, in the calculation of council tax bases for formula grant purposes, a discount of 100 per cent would therefore be assumed (following the approach taken to second homes in this context). The Government acknowledges that proposals discussed in the concurrent consultation *Local Government Resource Review: Proposals for Business Rates Retention* may have a bearing on how this objective will be achieved in practice.

In their October 2010 council tax base returns<sup>7</sup>, authorities reported that, in September 2010, Class A exemption applied to 32,900 dwellings in England. The tax foregone in 2011-12 by virtue of Class A exemption is estimated to be around £40m<sup>8</sup>.

### Question 3

Do you agree with the Government's proposal to abolish Class A exemption and replace it with a discount which billing authorities may set in the range 0 to 100 per cent?

### Question 4

If Class A exemption is replaced by a discount, for what period should the new discount apply before such properties are treated as long term empties? Should the one-year time limit continue to apply, or should billing authorities have any discretion about it?

<sup>7</sup> <http://www.communities.gov.uk/documents/statistics/xls/1877000.xls>

<sup>8</sup> figures are based on 2011-12 basic amounts of council tax and estimated from a band level split for non student exemptions, on the assumption that exemption levels will remain consistent throughout the year 2011-12.

### Question 5

If Class A exemption is replaced by a discount, should billing authorities be empowered to give different levels of discount for different cases?

### Proposals on Class C exemption

In their October 2010 council tax base returns, authorities reported that, in September 2010, Class C exemption applied to 266,100 dwellings in England. The tax foregone in 2011-12 by virtue of Class C exemption is estimated to be around £320m<sup>9</sup>.

In parallel with the abolition of Class A exemption, in the spirit of localism, Government is minded to:

- abolish Class C exemption, replacing it with a discount which billing authorities have discretion to set at 100 per cent, or any lower percentage which seems reasonable to them having regard to local circumstances
- make provision to ensure that any extra revenue generated if billing authorities set a discount of less than 100 per cent is retained and does not affect the distribution of central government grant.

Class C exemption, of course, applies for a shorter time than Class A, and in different circumstances. Government is aware that the potential impact of converting it into a discount will fall on people who have moved home without selling or letting their properties; and, possibly, on developers who have vacant new properties on their books.

At the moment, taxpayers are entirely relieved of liability for six months, and (in areas where long term empties attract zero discount) then have to pay the tax in full. There is no compelling reason why the first six months should be treated so generously. We therefore seek views on whether a change towards giving billing authorities discretion to have regard to local circumstances is reasonable, and if so, what degrees of discretion should be provided to billing authorities.

### Question 6

Do you agree with the Government's proposal to abolish Class C exemption and replace it with a discount which billing authorities may set in the range 0 to 100 per cent?

<sup>9</sup> figures are based on 2011-12 basic amounts of council tax and estimated from a band level split for non student exemptions, on the assumption that exemption levels will remain consistent throughout the year 2011-12.

**Question 7**

If Class C exemption is replaced by a discount, for what period should the new discount apply before such properties are treated as long term empties? Should the six month time limit continue to apply, or should billing authorities have any discretion about it?

**Question 8**

If Class C exemption is replaced by a discount, should billing authorities be empowered to give different levels of discount for different cases?

**Class L exemption**

In their October 2010 council tax base returns, authorities reported that, in September 2010, Class L exemption applied to 11,800 dwellings in England. The tax foregone in 2011-12 by virtue of Class L exemption is estimated to be around £15m.<sup>10</sup>

The Government's position on Class L exemption is somewhat different from that on Classes A and C. There would be no point in amending the law to provide that owners of dwellings who have had them repossessed by a mortgagee – a bank or building society – should nevertheless be liable for council tax. The tax would very probably be uncollectible. However, these are units of accommodation which, in other hands, would usually generate council tax.

One way forward would be to amend council tax legislation so that, in the 'hierarchy of liability', mortgagees in possession rank higher than 'owner' but lower than 'resident' of any description. The hierarchy of liability is defined in section 6 of the Local Government Finance Act 1992<sup>11</sup>, in the following terms:

- (1) The person who is liable to pay council tax in respect of any chargeable dwelling and any day is the person who falls within the first paragraph of subsection (2) below to apply, taking paragraph (a) of that subsection first, paragraph (b) next, and so on.
- (2) A person falls within this subsection in relation to any chargeable dwelling and any day if, on that day—
- (a) he is a resident of the dwelling and has a freehold interest in the whole or any part of it;
  - (b) he is such a resident and has a leasehold interest in the whole or any part of the dwelling which is not inferior to another such interest held by another such resident;
  - (c) he is both such a resident and a statutory, secure or introductory tenant of the whole or any part of the dwelling;
  - (d) he is such a resident and has a contractual licence to occupy the whole or any part of the dwelling;
  - (e) he is such a resident; or
  - (f) he is the owner of the dwelling.

<sup>10</sup> figures are based on 2011-12 basic amounts of council tax and estimated from a band level split for non student exemptions, on the assumption that exemption levels will remain consistent throughout the year 2011-12.

<sup>11</sup> as amended by The Housing Act 1996 (Consequential Amendments) Order 1997

If such a change were made, Class L exemption would not then be needed. The institutions which have taken possession of such dwellings would become liable for council tax while the properties are empty. This seems fair, since they effectively have control of the properties until they are sold or let, and there is no good reason why other taxpayers should have to make up the shortfall in council tax revenue suffered by the local authorities when properties are repossessed.

### Question 9

Should Government seek to make mortgagees in possession of empty dwellings liable to council tax?

### Empty Homes Premium

At present, billing authorities have discretion to reduce the discount they give when a non-exempt dwelling is unoccupied and substantially unfurnished, or indeed to determine that there shall be no discount at all. If authorities do not exercise their discretion, the discount applicable is 50 per cent. This measure was introduced via the Local Government Act 2003, and affected tax liabilities from 1 April 2004 onwards. The policy aim was to encourage owners to bring empty properties back into use more quickly.

However, it remains the case that a distressing number of dwellings are being left empty, at a time when there is an overall housing shortage. There are over 300,000 long-term empty homes across England. As well as being an unused resource when 1.7 million people are on social housing waiting lists, long-term empty properties attract squatters, vandalism and anti-social behaviour, and are a blight on the local community.

Government is therefore seeking views on whether the billing authorities should be given the option to levy an ‘empty homes premium’ on the council tax payable in respect of dwellings that have been left empty for a long time (two years or more, for example). In areas where authorities have already resolved not to discount the council tax payable in respect of empty dwellings, this might mean that they could levy substantially more than 100 per cent of the council tax which would be payable if a dwelling were occupied.

There would obviously be concerns that would have to be very carefully addressed before such a change in the council tax regime were implemented. It must be seen to operate fairly, for example, and must make sense in the context of broader local strategies for dealing with empty homes. Issues of collectibility, and avoidance, would need to be considered.

Before it decides whether to take such a policy forward, therefore the Government would like to receive views on the following questions:

**Question 10**

Would enabling local authorities to levy an empty homes premium on council tax have a significant impact on the number of homes being left empty?

**Question 11**

In terms of a percentage of normal council tax, what should the maximum permitted premium be?

**Question 12**

How long should a dwelling have remained empty before the empty homes premium might be applied in respect of it?

**Question 13**

Should constraints be placed on the purposes to which the additional tax revenue generated from an empty homes premium may be devoted?

**Question 14**

What circumstances if any should be defined as being inappropriate for levying the empty homes premium, and why?

**Question 15**

What practical issues would have to be addressed if the premium were to be implemented (for example in the consistent identification of empty homes) and how should they be resolved?



## Section 3

### Other technical changes to council tax

Several areas in which changes might usefully be made are outlined in this section. Government is now seeking views about whether change is desirable, and if so, what form it should take.

#### The definition of ‘relevant person’

Government is also considering legislation to close a loophole in the provisions of sections 66(2B)(a) and (b), which provide that, if a ‘relevant person’ intends to let a building or part of a building for short periods totalling 140 day or more per year, it should be subject to non-domestic rates. It achieves this objective by reference to the intentions of the ‘relevant person’ who is defined by subsection (2C). The loophole arises because the legislation defines a ‘relevant person’ in terms which fail to cover the case where a freeholder retains part of a building for such purposes.

In the Curzon Berkeley case<sup>12</sup>, the Claimant’s argument was that they could not be the ‘relevant person’ in respect of self contained parts of a building where Curzon Berkeley were the freeholders and which they operated as Service Apartments. Accordingly, they did not fall to be assessed to non-domestic rates. In his judgement, James Goudie QC (sitting as a Deputy High Court Judge) found that this was a plain case of a drafting mistake (there being no explanation as to why, in the circumstances of this case, a long leaseholder was defined as a ‘relevant person’ but a freeholder was not).

The Government now proposes that section 66(2C)(a) should be amended along the following lines:–

‘Where the property in question is a building or a self contained part of a building and is not subject as a whole to a relevant leasehold interest, the person having the freehold in the whole of the building or self contained part’.

#### Question 16

Do you agree that Section 66(2C)(a) should be amended along the lines suggested?

<sup>12</sup> R (on the application of Curzon Berkeley Ltd) -v- Bliss (VO) [2002] RA 45

## Payment by instalments

A council tax bill can be paid through a lump sum or through instalments<sup>13</sup>. The number of instalments is normally 10, and the majority of the 22 million council tax bills issued each year are paid by this method. Local billing authorities may however agree with the taxpayer to payment in some other manner. In practice, some authorities provide an on-line application form for council taxpayers to complete if they wish to pay over 12 months: others only offer 12 monthly on condition that payment is made by direct debit.

The Government believes that council taxpayers should be entitled to pay by 12 month instalments without having to enter into an agreement with the billing authority. This would provide more flexibility to individuals when managing their personal finances, would mean that their monthly payments would be somewhat smaller, and aligns with most modern arrangements for the payment of routine bills such as utility bills.

The Government is therefore minded to amend the statutory instalment scheme to allow the taxpayer the choice of paying their council tax by either 10 or 12 instalments.

### Question 17

Do you agree that the default pattern of council tax bill instalments should be payment by 12 monthly instalments (with other arrangements to be reached by agreement between taxpayer and billing authority)?

## Information to be supplied with demand notices

Council tax demand notices are normally printed and issued on paper. Matters to be contained in demand notices are set out in Regulations<sup>14</sup>. In particular, explanatory notes must form part of the demand notice. The Government does not propose changes to this, but notes that powers already exist for electronic billing and payment by agreement between the taxpayer and the billing authority<sup>15</sup>, and that councils can give a discount if they wish to encourage taxpayers to adopt this approach, to reflect the reduced administration costs.

<sup>13</sup> Regulation 21, and Schedule 1 of The Council Tax (Administration and Enforcement) Regulations 1992

<sup>14</sup> Part 2 of Schedule 1 to the Council Tax (Demand Notices) (England) Regulations 2010.

<sup>15</sup> Regulation 2(4) of the Council Tax (Administration and Enforcement) Regulations 1992 allows a local authority to provide the council tax demand notice by electronic means, if agreed by the individual taxpayer. Electronic means can cover a simple e-mail sent to the taxpayer or an on-line account created by the local authority, which the taxpayer can access.

The Regulations<sup>16</sup> require that certain information must be supplied with demand notices, as follows:

2. The gross expenditure of—
  - (a) the billing authority,
  - (b) each relevant precepting authority, and
  - (c) each relevant levying body,
 for the relevant year and the **preceding** year.
3. The budget requirement of—
  - (a) the billing authority, and
  - (b) each relevant precepting authority,
 for the relevant year and the preceding year.
4. The billing authority's reasons for any difference between the amounts stated in accordance with—
  - (a) paragraphs 2(a) and 3(a), or
  - (b) paragraphs 2(b) and 3(b),
 for the same year.
5. The billing authority's opinion of the effect that—
  - (a) its budget requirement, and
  - (b) its gross expenditure,
 has on the level of council tax set for the relevant year.
6. Each relevant precepting authority's opinion of the effect that—
  - (a) its budget requirement, and
  - (b) its gross expenditure,
 has on the level of its precept issued for the relevant year.
7. Where—
  - (a) an amount is being recovered under the notice in respect of a penalty, but
  - (b) the person on whom the notice is served has not previously been informed of the ground on which the penalty is imposed,
 a statement of that ground.

This information is costly to publish on an individual household basis. With the exception of the last item (for which different provision would have to be made), Government is minded to allow billing authorities to publish the information to be published online, but with a duty to provide hard copy for free to any resident who requests it. The demand notice should include a weblink to the online publication and provide details of how a hard copy can be obtained. Relieving authorities of the duty to provide the information in hardcopy may help encourage the take-up of electronic billing, as all parts of the process can be paper-less if the taxpayer so chooses.

### Question 18

Do you agree that billing authorities should be able to discharge their duty to provide the information that must currently be supplied with demand notices by publishing it online (with the exception of information relating to penalty charges, and subject to the right of any resident to require hard copy)?

<sup>16</sup> Part 2 of Schedule 2 to the Council Tax (Demand Notices) (England) Regulations 2010.

## 'Rent a Roof' solar photovoltaic installations on domestic properties

Currently, domestic scale solar photovoltaic installations on domestic properties – generally the roofs of homes – are treated by the Valuation Office Agency as part of the dwelling and reflected in the council tax band. The Valuation Office Agency considers that these installations have no material impact on value: so they do not lead to any change in council tax bands. Moreover, the council tax system ensures that material improvements to a home never result in any banding re-assessment, unless the home is sold. This ensures that council tax is not a home improvement tax.

An alternative practice is now emerging in the renewables industry, under which third party providers take part possession of the roof of homes and install solar photovoltaic at their own cost. The provider receives payments under the Feed-in Tariffs scheme for the electricity generated and the home owner receives the benefit of free electricity generated by the installation. These arrangements are known as 'rent a roof' schemes.

Depending upon the circumstances in each case, rent a roof installations may, under existing law, warrant their own business rates assessment separate from the council tax on the home. However, establishing whether a separate assessment is merited could require detailed case by case consideration by the Valuation Office Agency and the resulting rates bills would generally be very small in comparison to the cost of administration.

We do not know how many of the 40,000 domestic solar photovoltaic would merit separate business rates assessment. Leaving rent a roof schemes to be assessed for business rates as necessary would follow strict rating principles but would require house by house investigation by the Valuation Office Agency. It could then lead to thousands of small rate bills. It would create uncertainty in the sector and the likely outcome of a patchwork of assessments (with only some domestic solar schemes assessed for rates) would not be seen as fair.

Government therefore proposes to amend the legislation to provide that domestic scale solar photovoltaic installed on domestic properties will be treated as part of those properties, and therefore not be liable to non-domestic rates. This would preserve the current treatment of domestic solar photovoltaic and ensure all rent a roof schemes are treated consistently with home installed schemes. Any home owner or commercial operator considering installing domestic scale solar photovoltaic on the roofs of houses will know that such installations will not attract business rates. All such installations would be treated consistently and the need for detailed house to house enquiries by the Valuation Office Agency would be avoided.

**Question 19**

Do you agree that domestic scale solar photovoltaic installed on dwellings should be treated as part of those properties?

Commercial scale renewable technologies are, and will continue to be, generally liable for business rates either as part of a property used for other purposes (such as an industrial site) or as a stand alone renewable power station. A definition of domestic scale solar photovoltaic installations will therefore be required to distinguish them from such larger scale operations.

The Government proposes that domestic scale solar photovoltaic should be defined by reference to the installed electricity generating capacity of the installation. A typical domestic solar photovoltaic system is between 1.5 kW and 3 kW. The Government is minded to provide that the upper limit of an installation considered to be domestic in scale should be 10 kW. Any solar photovoltaic installations of 10 kW or less attached to a dwelling would therefore be treated as part of the dwelling. A 10 kW installation may cover between 50 m<sup>2</sup> and 90 m<sup>2</sup> of roof space depending upon the type of technology.

**Question 20**

Do you agree that domestic scale solar photovoltaic should be defined as installations having a maximum generating capacity of 10 kW?

## Annexes to dwellings

Generally, if parts of a building are in separate occupations, each part is a separate hereditament; and each is a dwelling liable to council tax (unless its use is non-domestic). It will receive its own banding in the normal way. Where one occupier has paramount control of the whole, which makes the property a single hereditament, self-contained units of accommodation within the property must each be treated as separate dwellings for council tax purposes. The test for a 'self-contained unit' is whether a part is physically constructed or adapted for use as separate living accommodation. This relates entirely to the physical state of the building – not to the intentions of the owner, nor to the actual use to which the accommodation is put. It is not an issue over which the Valuation Office Agency, or the billing authority, has discretion: it all turns on the facts of the case.

These rules are applied frequently to define separately banded dwellings in hostels, flatlet houses etc., and the Government has no intention of changing their general application. However, we have occasionally received representations that the outcome might be unfair in some circumstances. An example is where part of a house has been physically adapted as a 'granny annexe', and been separately banded for council tax purposes as a consequence,

but is no longer occupied as a separate unit of accommodation. The law requires that it should continue to be separately banded for council tax until such time as the physical adaptations are undone – which can be expensive and inconvenient.

The Government therefore invites views on whether any changes to these rules should be contemplated.

**Question 21**

In what circumstances if any do the rules requiring the separate banding of self contained units of accommodation within a hereditament give rise to unfairness?

**Question 22**

Should the Government seek to make changes to these rules, and if so, what changes?

# Section 4

## Questions for consultation

We welcome your views on the proposals outlined in this consultation. In particular we would welcome responses to the following questions:

### ***Proposals on second homes***

Question 1	Do you agree with the Government’s proposal to extend the range of discount available to billing authorities in respect of second homes to 0 to 50 per cent?
Question 2	How might authorities choosing not to offer any discount on second homes identify them in order to report second homes as necessary for formula grant purposes?

### ***Proposals on Class A exemption***

Question 3	Do you agree with the Government’s proposal to abolish Class A exemption and replace it with a discount which billing authorities may set in the range 0 to 100 per cent?
Question 4	If Class A exemption is replaced by a discount, for what period should the new discount apply before such properties are treated as long term empties? Should the one-year time limit continue to apply, or should billing authorities have any discretion about it?
Question 5	If Class A exemption is replaced by a discount, should billing authorities be empowered to give different levels of discount for different cases?

**Proposals on Class C exemption**

Question 6	Do you agree with the Government's proposal to abolish Class C exemption and replace it with a discount which billing authorities may set in the range 0 to 100 per cent?
Question 7	If Class C exemption is replaced by a discount, for what period should the new discount apply before such properties are treated as long term empties? Should the six month time limit continue to apply, or should billing authorities have any discretion about it?
Question 8	If Class C exemption is replaced by a discount, should billing authorities be empowered to give different levels of discount for different cases?

**Class L exemption**

Question 9	Should Government seek to make mortgagees in possession of empty dwellings liable to council tax?
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**Long Term Empty Dwellings**

Question 10	Would enabling local authorities to levy an empty homes premium on council tax have a significant impact on the number of homes being left empty?
Question 11	In terms of a percentage of normal council tax, what should the maximum permitted premium be?
Question 12	How long should a dwelling have remained empty before the empty homes premium might be applied in respect of it?
Question 13	Should constraints be placed on the purposes to which the additional tax revenue generated from an empty homes premium may be devoted?
Question 14	What circumstances if any should be defined as being inappropriate for levying the empty homes premium, and why?
Question 15	What practical issues would have to be addressed if the premium were to be implemented (for example in the consistent identification of empty homes) and how should they be resolved?



***The definition of ‘relevant person’***

Question 16	Do you agree that Section 66(2C)(a) should be amended along the lines suggested?
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***Payment by instalments***

Question 17	Do you agree that the default pattern of council tax bill instalments should be payment by 12 monthly instalments (with other arrangements to be reached by agreement between taxpayer and billing authority)?
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***Information to be supplied with demand notices***

Question 18	Do you agree that billing authorities should be able to discharge their duty to provide the information that must currently be supplied with demand notices by publishing it online (with the exception of information relating to penalty charges, and subject to the right of any resident to require hard copy)?
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***‘Rent a Roof’ solar PV installations on domestic properties***

Question 19	Do you agree that domestic scale solar photovoltaic installed on dwellings should be treated as part of those properties?
Question 20	Do you agree that domestic scale solar photovoltaic should be defined as installations having a maximum generating capacity of 10 kW?

***Annexes to dwellings***

Question 21	In what circumstances if any do the rules requiring the separate banding of self contained units of accommodation within a hereditament give rise to injustice?
Question 22	Should the Government seek to make changes to these rules, and if so, what changes?

# Annex A

## Current exemptions from council tax

Class	Description
A	Vacant dwellings where major repair works or structural alterations are required, under way or recently completed (up to twelve months).
B	Unoccupied dwellings owned by a charity (up to six months).
C	A vacant dwelling (i.e. empty and substantially unfurnished) (up to six months).
D	A dwelling left unoccupied by people who are in prison.
E	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
F	Dwellings left empty by deceased persons.
G	An unoccupied dwelling where the occupation is prohibited by law.
H	Unoccupied clergy dwellings.
I	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and has moved to receive personal care.
J	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved in order to provide personal care to another person.
K	An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
L	An unoccupied dwelling which has been taken into possession by a mortgage lender.
M	A hall of residence provided predominantly for the accommodation of students.
N	A dwelling which is occupied only by students, the foreign spouses of students, or school and college leavers.
O	Armed forces' accommodation <sup>16</sup> .
P	A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
Q	An unoccupied dwelling where the person who would otherwise be liable is a trustee in bankruptcy.
R	Empty caravan pitches and boat moorings.

<sup>17</sup> Note that armed forces' accommodation is exempt but that contributions in lieu of council tax are paid in respect of them.

S	A dwelling occupied only by a person, or persons, aged under 18.
T	A dwelling which forms part of a single property which includes another dwelling and may not be let separately from that dwelling, without a breach of planning control.
U	A dwelling occupied only by a person, or persons, who is or are severely mentally impaired who would otherwise be liable to pay the council tax or only by one or more severely mentally impaired person.
V	A dwelling in which at least one person who would otherwise be liable is a diplomat.
W	A dwelling which forms part of a single property, including at least one or other dwelling, and which is the sole or main residence of a dependent relative of a person who is resident in the other dwelling.

# Annex B

## Exemption Classes A, C and L

Class A exemption is defined in the following terms by The Council Tax (Exempt Dwellings) (England) Order 1992<sup>18</sup>:

- (1) A dwelling which satisfies the requirement set out in paragraph (2) unless it has been such a dwelling for a continuous period of twelve months or more ending immediately before the day in question;
- (2) the requirement referred to in paragraph (1) is that the dwelling is vacant and—
- (a) requires or is undergoing major repair work to render it habitable, or
  - (b) is undergoing structural alteration, or
  - (c) has undergone major repair work to render it habitable, if less than six months have elapsed since the date on which the work was substantially completed and the dwelling has continuously remained vacant since that date, or
  - (d) has undergone structural alteration, if less than six months have elapsed since the date on which the alteration was substantially completed and the dwelling has continuously remained vacant since that date;
- (3) for the purposes of paragraph (2) above 'major repair work' includes structural repair work.

Class C exemption is defined in the following terms by The Council Tax (Exempt Dwellings) Order 1992<sup>19</sup>:

A vacant dwelling which has been such for a continuous period of less than six months ending immediately before the day in question;

Class L exemption is defined in the following terms by The Council Tax (Exempt Dwellings) Order 1992:

An unoccupied dwelling where a mortgagee is in possession under the mortgage.

<sup>18</sup> As amended by the Council Tax (Exempt Dwellings) (Amendment) (England) Order 2000 (SI 2000/424)

<sup>19</sup> As amended by the Council Tax (Exempt Dwellings) (Amendment) Order 1993 (SI 1993/150)

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Discretionary / Operational	(a) Be entirely within cabinet's powers to decide YES (b) Need to be recommendations to Council NO (c) Be partly for recommendations to Council NO and partly within Cabinets powers –		
Lead Member: Cllr Brian Long E-mail Cllr Brian.Long@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted: Cllr Nick Daubney		
Lead Officer: Barry Brandford / Dale Gagen E-mail: dale.gagen@west-norfolk.gov.uk Direct Dial:01553 616505		Other Officers consulted: Management Team, Sharon Clifton		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO If YES: Pre-screening/ Full Assessment	Risk Management Implications NO

Date of meeting: 6 December 2011

### **7 PROCUREMENT TIMETABLE FOR BLACK BIN RECYCLING PROJECT**

#### **Summary**

On the 4<sup>th</sup> October 2011 Cabinet authorised Officers to commence a procurement exercise for the recycling of 'Black Bin Waste'. This report updates Members on the proposed timetable for the project and indicates how Members might wish to contribute to the process.

#### **Recommendation**

**That Cabinet approves the proposed timetable.**

#### **Reason for Decision**

To enable the procurement exercise to be managed as outlined in the report.

### **1. Background**

1.1 On the 4<sup>th</sup> October 2011 Cabinet authorised Officers to commence a procurement exercise for the recycling of 'Black Bin Waste'. This report updates Members on the proposed timetable for the project and considers how Members might wish to contribute to the process.

## 2. Proposed Timetable

2.1 The following table shows the proposed timetable for the procurement exercise. Members should note that it is normal for some of these dates to change slightly during the process as events and or issues arise. All periods for carrying out the proposed task comply with the relevant European procurement regulations.

<b>Start Date</b>	<b>End Date</b>	<b>Task</b>
21-Nov-11		Decision on Award Criteria
7-Nov-11	18-Jan-12	Produce Specification
28-Nov-11		Advertise in EJ
4-Jan-12		Deadline for PQQ
4-Jan-12	18-Jan-12	PQQ Shortlist
18-Jan-12		Issue Invitation to submit outline Solutions
29-Feb-12		Submit Initial Submissions
29-Feb-12	14-Mar-12	Evaluate Initial Submissions
21-Mar-12	28-Mar-12	Start First Dialogue Sessions
11-Apr-12		Submit amendments to initial Submissions
18-Apr-12	23-Apr-12	Start Second Dialogue Sessions
30-Apr-12		Invite Detailed Solutions
28-May-12		Submit Final Detailed Solutions
28-May-12	11-Jun-12	Evaluate Final Detailed Solutions
11-Jun-12	13-Jun-12	Talks with Preferred Bidder
13-Jun-12	11-Jul-12	All Authorities Obtain Permission to Award Contract
11-Jul-12		Award Of Contract

## 3. Decision on Award Criteria

3.1 To enable the procurement to be advertised by 28<sup>th</sup> November 2011, in accordance with the European Procurement regulations, Officers have had to agree the award criteria for the project. This has been done in consultation

with the Deputy Leader and Chief Executive as authorised in the Cabinet report of 4<sup>th</sup> October 2011. These award criteria are shown below.

<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Cost (51%)</b>	Nett Cost (90%)	Gate Fee less allowance for likely benefits of profit sharing (100%)
	Profit Sharing Proposals (10%)	Details & robustness of proposals (100%)
<b>Quality (49%)</b>	Recycling Rate (26%)	Estimated % of inputs recycled (35%)
		Evidence of end of Waste certification (35%)
		Arrangements during planned maintenance (30%)
	Development Proposals (20%)	Timescales (50%)
		Proposals for Permits/Licences (20%)
		Site (availability/highways/access/sensitive receptors) (15%)
		Business Continuity Plan (10%)
		Experience/Proposals for obtaining Planning Permission (5%)
	Environmental Impact (18%)	Impact of emissions on local residents (40%)
		Impact of emissions on local flora and fauna (40%)
		Impact of emission from transport (20%)
	Proximity Principle (16%)	Proximity of proposed site to collection/ transfer points (100%)
	Waste Hierarchy (10%)	Position of outputs on the Waste Hierarchy (100%)
	Job Creation (10%)	Number of jobs to be created within the Borough/District from which the waste originates (100%)

#### **4. Members Input Into the Process**

4.1 The procurement process has been set up so that other District Councils may take part of the process. To enable all to participate in the exercise without delaying the project it is proposed that the participating Authorities be invited to 'Joint Panel Meetings'. These Members could then report back to their respective Councils as necessary.

4.2 To enable the above timetable to be adhered to there will be little scope as to the timing of these proposed 'Joint Panel meetings' or the subject matter to be discussed. The following is a proposal of when and how Members might wish to contribute to the project.

<b>Item</b>	<b>From</b>	<b>TO</b>	<b>Business</b>
1	03-Jan-12	- 17-Jan-12	Discuss and agree Specification
2	28-Mar-12	- 11-Apr-12	Receive update on 1st Dialogue Session
3	11-Jul-12	- 18-Jul-12	Receive update on Preferred bidder

#### **5. Policy Implications**

5.1 These proposals are in line with the Councils current policies relating to Refuse and Recycling.

#### **6. Financial Implications**

6.1 There are no current financial implications to this report. A full financial analysis of the tender exercise will form part of the report that follows the procurement exercise.

#### **7. Staffing Implications**

7.1 The procurement process will have no staffing implications and it is anticipated that a successful procurement exercise would not result in a requirement for additional Council staff resources.

#### **8. Statutory Considerations**

8.1 The procurement exercise will be run in accordance with the European Procurement rules.

#### **9. Equality Impact Assessments (EIA's)**

9.1 There are no detrimental impacts from equality impact assessment scoping undertaken in relation to this proposal.



## **10. Risk Management**

10.1 The joining of authorities in a combined contract is likely to increase the level of commercial interest in the contract and assist in driving down costs through competition. The level of complexity is increased where there are many partners in a procurement. The contract offers the opportunity to achieve a fully costed contract within the next 12 months and the Council is not bound to accept the offer of any contract.

10.2 There remains an opportunity to tender as a single authority contract on our own and to have a contract in place in 2012.

10.3 Although not a risk to this Council, the delivery of a waste recycling facility of this nature may have implications for Norfolk County Council's proposal to build and locate a waste treatment plant, with reference to both volumes of municipal waste and the location of the proposed plant.

## **11. Background Papers**

None

## REPORT TO CABINET

<b>Open</b>	Would any decisions proposed :			
<b>Any especially affected Wards</b>				
	(a) Be entirely within cabinet's powers to decide			
	(b) Need to be recommendations to Council			
	(c) Be partly for recommendations to Council and partly within Cabinets powers –			
Lead Member: Cllr David Pope E-mail: cllr.david.pope@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Nick Daubney		
		Other Members consulted:		
Lead Officer: Jemma Curtis E-mail: jemma.curtis@west-norfolk.gov.uk Direct Dial: 01553 616716		Other Officers consulted: Chris Bamfield		
Financial Implications No	Policy/Personnel Implications No	Statutory Implications (incl S.17) No	Equality Impact Assessment reqd No	Risk Management Implications No

Date of meeting: 6<sup>th</sup> December 2011

### **8 SOUTH LYNN COMMUNITY TRUST AND APPOINTMENT OF BOROUGH COUNCIL REPRESENTATIVE**

#### **Summary**

Community stewardship is a model envisaged for the Nar Ouse Regeneration Area's Millennium Community as a mechanism to empower residents to take responsibility for running and maintaining their local environment and influencing local facilities. In line with this vision, this report proposes the establishment of the South Lynn Community Trust to be responsible for management of community facilities on NORA, in the first instance this will be the new South Lynn Community Centre. The report also requests the appointment of a Cabinet member to the South Lynn Community Trust Board of Directors, as one of the four stakeholder members of the Trust.

#### **Recommendation**

- 1. That Borough Council officers facilitate the establishment of the South Lynn Community Trust**
- 2. That a Cabinet member is appointed to the Trust as one of four 'stakeholder' directors on the Board.**

#### **Reason for Decision**

To continue to support the vision of Community Stewardship within the Nar Ouse Regeneration Area.

## **1.0 BACKGROUND**

- 1.1 The Nar Ouse Regeneration Area is the Borough Council's highest profile regeneration project to date, designated as one of Millennium Communities in 2001. The project to date has remediated and serviced the NORA site and delivered a range of community facilities to support the planned new low carbon homes and quality employment opportunities for King's Lynn. The aim of a Millennium Community is to provide sustainable mixed use development to demonstrate environmentally friendly way of living and providing integrated work, home and community facilities.
- 1.2 £2m of grant funding was obtained by the Borough Council from English Partnerships (now known as Homes & Communities Agency) to provide a range of community facilities in South Lynn as part of their commitment in the Millennium Communities Agreement dated 2006. The new South Lynn Community Centre is just one of the community facilities which have been provided as part of the agreement. Other include the football pitch, play area and changing rooms.
- 1.3 The Borough Council acquired the former St Michael's Primary School in April 2011 and has completed extensive refurbishment of the building to transform it into the new Community Centre. The Centre is now operational under the management of the Leisure Services team on a transitional basis. Bookings are progressing well with weekly bookings in place for community activities.
- 1.4 Morston Assets have already put in place their Courtyard Management and Resident Association structures using the community stewardship model.

## **2.0 THE ESTABLISHMENT OF THE SOUTH LYNN COMMUNITY TRUST**

- 2.1 Over the past 5 years, a number of public consultations have taken place by the former NORA Programmes team and the Improving Neighbourhoods team on the community facilities for NORA, in particular the Community Centre. A number of people have been engaged in this process and expressed an interest getting involved in the management of the Community Centre.
- 2.2 Building on the Community Stewardship model envisaged for the Millennium Community, a Community Stewardship Company with charitable status is in the process of being formed, this company is to be called the 'South Lynn Community Trust.'
- 2.3 The broad structure proposed in the draft Articles of Association of the Trust are as follows;

- 2.3.1. The charity will be established as a company limited by guarantee. It will have charitable objects and will require approval by the Charity Commission;
- 2.3.2 The charitable objects of the Trust are as follows; *'The charity's objects are specifically restricted to the provision of facilities for recreation and other leisure –time occupation in the interests of social welfare with the object of improving the conditions of life wholly or mainly for the inhabitants, businesses and organisations of South Lynn.'*
- 2.3.3 It will have 2 types of members:
- (1) specified stakeholder members;
- The Borough Council of King's Lynn & West Norfolk or its successor in title
  - Norfolk County Council or its successor in title
  - Homes and Communities Agency or its successor in title
  - Morston Assets or its successor in title
- (2) general members, i.e. any individuals who wish to apply to become members who have a connection with the South Lynn ward area (including residents, businesses, a local group or organisation operating in the South Lynn area);
- 2.3.4. There will be provision for up to 15 directors. Each of the specified stakeholder members will have a director. The general members as a body can elect up to 8 general member directors (these directors would be subject to retirement by rotation at least every 3 years); There will be the ability to co-opt a further 3 directors if the trust requires additional directors for future initiatives it may choose to undertake to deliver its objects.
- 2.3.5. This Company will have no share capital but will have membership open to both individual and corporate members. Irrespective of the type of membership each member will have one vote at the General Meetings of the Company and each member will guarantee a sum, not exceeding £10 (ten pounds), in the event of the Company going into receivership, or liquidation, within 12 months of the membership remaining valid.
- 2.3.6 The Company will be governed by national legislation i.e. the Companies Act and also, because of its charitable status, by the Charity Commission. The Company must make an Annual Return to Companies House, and also to the Charity Commission and will be subject to established audit rules. Most importantly the Company cannot dispose of its assets to members, and members do not have a direct financial interest in the Company.

2.3.7 Directors and Trustees are normally prevented from any financial gain arising directly from the Company as a result of their position.

2.3.8 The Memorandum and Articles of the Company will provide for the rotation of directors on a regular basis and the election of a significant number of the directors by the membership of the Company.

2.3.9 Any funding generated over and above its running operational costs to be reinvested in the facilities or community projects.

2.4 It is very important to recognise that Directors should be the most suitable and capable people available as they are responsible for the overall management of the Charitable Company. It is also crucial to recognise that under governance requirements outlined in the 2006 Companies Act, every director of a limited company is obliged to act only in the interests of the company.

2.5 An invitation has been sent out to all proposed stakeholder partners asking them to nominate a representative from their organisation to become a stakeholder director of the trust and to comment on the draft articles of association.

### **3.0 DECISION REQUIRED**

3.1 It is recommended that Cabinet agree that the Borough Council facilitate the formation of the South Lynn Community Trust, and to appoint a Cabinet member to be a stakeholder director on the South Lynn Community Trust to assist in delivering the objectives of the Trust in line with the community stewardship model.

### **4.0 POLICY IMPLICATIONS**

4.1 The proposed creation of the South Lynn Community Trust is consistent with the vision of Community Stewardship set within the Millennium Community programme for NORA and also identified in the corporate plan 2011-15.

### **5.0 FINANCIAL IMPLICATIONS**

5.1 One of the first tasks for the Trust once formed is to develop a business plan. Because the centre is in its infancy it will take some time to establish regular bookings and income streams to finance the running costs of the centre. There are rooms at the centre available for office use and it is anticipated a tenant(s) will be secured in the New Year providing a valuable income to support the running costs of the centre. In the mean time while the centre is establishing a regular income, the remaining funding from the HCA community facilities grant is used to support the running costs of the centre on a progressive and tapering basis over approx 5 years. Afterwards, the charity will need to raise its own funds and should seek to recover the costs of operating

the facilities i.e. utilities, caretaker, cleaning, maintenance etc, or if necessary any deficit could be granted to the Trust from the Borough Council which will be met by special expenses.

## **6.0 RISK ASSESSMENT**

- 6.1 The Leisure Team will be required to maintain operation of the Community Centre and facilities until the Trust and the Council are satisfied that they are confident and competent enough to do so. It will be crucial to the development of the Trust for adequate and effective training to be provided to the directors to enable them to fulfil their obligations to the Company. The West Norfolk Voluntary Community Action has agreed to provide support to the Trust while it is being established and will identify any training for the directors that may be required.
- 6.2 The South Lynn Community Centre building will remain a Borough Council asset. It will be leased to the Trust on a peppercorn basis with forfeiture and step in rights should the Borough need to do so in the future.

## **7.0 EQUALITIES ASSESSMENT**

- 7.1 The membership of the trust and subsequent nomination to the board of directors will be open to those who have a legitimate interest in the South Lynn i.e. a resident, owner of a business or involved in an organisation that operates in South Lynn.

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Mandatory/Operational	(a) Be entirely within cabinet's powers to decide NO		
		(b) Need to be recommendations to Council YES		
		(c) Be partly for recommendations to Council and partly within Cabinets powers – NO		
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Kate Littlewood, Audit Manager E-mail: kate.littlewood@west-norfolk.gov.uk Direct Dial: 01553 616252		Other Officers consulted: Karen Butler, Internal Audit Diane Cross, Document Management System Manager Executive Director, Finance and Resources		
Financial Implications NO	Policy/Personnel Implications YES	Statutory Implications (incl S.17) YES	Equality Impact Assessment NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES

Date of meeting: 6 December 2011

### 9 RETENTION POLICY

#### **Summary**

This report sets out the background for the need to change the current policy for the retention of documents and records of the Council.

#### **Recommendation**

For Cabinet to recommend that Council approve the Retention Policy

#### **Reason for Decision**

To detail the Council's commitment to records management, advising on the policy and procedures to be adopted regarding document retention and disposals.

### 1. Background

- 1.1 As a result of training courses run by the East of England Development Agency (EEDA) on Data Protection and Freedom of Information. It was identified that the current arrangements for the retention of records were insufficient to cover the range of documents held within the Council.
- 1.2 Currently, document retention is included as an appendix in Financial Regulations. This initially covered purely finance related documents

and has grown over time to incorporate other areas as they have been identified.

- 1.3 It is clear that the current policy is insufficient as the retention of documents is not simply a finance function, but has wider implications in respect of Data Protection, Freedom of Information and ISO 15489 (BS ISO 15489-1:2001) the international standard on records management which is the standard adopted by the Corporate Scanning Team.
- 1.4 The Council may need to prove (to a court of law or some other statutory body) that the contents of a particular document or data file created or existing within an Electronic Document Management System have not changed since the time of storage. BSI BIP 0008, Legal Admissibility of Documents is a code of practice that provides guidance to ensure, as far as possible, that electronic documents and scanned images will be accepted as evidence by the courts. This standard has also been adopted by the Corporate Scanning Team.
- 1.5 The Freedom of Information Act 2000 came into effect on 1st January 2005. The Act gives anyone a right of access to any information held by the Council. Requests for access to information must comply with simple rules and they can only be turned down in a limited number of ways. It is particularly important that the disposal of records is undertaken in accordance with clearly established policies which have been formally adopted by the Authority.
- 1.6 The Data Protection Act 1998, requires that personal data processed for any purpose "shall not be kept for longer than is necessary for that purpose". Therefore it is necessary to ensure that records containing personnel data are securely disposed of when no longer required.
- 1.7 On developing the policy reference was made to the national Archives guidelines and service areas have been contacted for their input regarding the type of documents they store and how long for. External Audit has also been consulted on the type of documentation they will accept for audit.
- 1.8 The Retention Policy will provide a corporate policy framework to govern decisions on whether a particular record should be retained and for what period. The Policy also sets out the criteria to be followed in making a decision whether to retain or dispose of a record and the format it is kept in, either hard copy, scanned or electronic.
- 1.9 The future management and review of the policy will be the responsibility of the Document Management System Manager and will form part of any future information management system.

## **2. Policy Implications**

- 2.1 This is a new policy document.



### **3. Financial Implications**

- 3.1 There are no direct financial implications but there is the requirement to reduce the amount of space each service requires as the Council is looking to maximise the potential income by letting parts of the building and there are associated costs for the external storage of unnecessary documents.

### **4. Statutory Consideration**

- 4.1 It is particularly important under the Freedom of Information Act 2000 and Data Protection Act that the disposal of records which is defined as the point in their life cycle when they are either transferred to an archive or destroyed is undertaken in accordance with clearly established policies.

### **5. Risk Assessment**

- 5.1 The Council does not need to keep all the records it creates or receives. However, the Council does need to adhere to recommended and mandatory minimum retention periods for specific classes of records where specific rules and considerations apply.

### **6. Access to Information**

- 6.1 The draft retention policy is attached to this report as **Appendix 1**.



# Borough Council of King's Lynn & West Norfolk

## Managing Records Retention And Disposal Corporate Policy

Issue 1

### Revision History

<u>Date</u>	<u>Version</u>	<u>Description</u>	<u>Changed by</u>
<a href="#">30/09/2011</a>	<a href="#">Draft</a>	<a href="#">First Issue</a>	<a href="#">Diane Cross</a>

**Contents:**

<u>1. Introduction</u>	<u>3</u>
<u>2. Scope and Purpose</u>	<u>3</u>
<u>3. Retention and Disposal Protocol</u>	<u>5</u>
<u>4. Roles and Responsibilities</u>	<u>6</u>
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<u>Appendix A – Retention Schedule</u>	

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## 1. Introduction

1.1 In the course of carrying out its various functions and activities, the Council collects information from individual and external organisations and generates a wide range of data/information/documentation which is recorded.

1.2 For the purpose of this policy no distinction will be made between data, records, documents, and files, all of which hold information in or on them that in turn makes them part of the 'information lifecycle'.

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1.3 Modern day records management philosophy emphasises the importance of organisations having in place systems for the timely and secure disposal of records and information that are no longer required for business purposes.

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1.4 These guidelines have evolved through two stages:

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- Research into best practice
- Additional input from staff.

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1.5 By formalising the policy it seeks to:

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- Assist in identifying records that may be worth preserving permanently
- Prevent the premature destruction of records that need to be retained for a specified period to satisfy legal, financial and other requirements of public administration
- Provide consistency for the destruction of records not required permanently after specified periods
- Improved records management practices within the authority.

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## 2. Scope and Purpose

2.1 The purpose of this policy is to provide a corporate policy framework to offer guidance and support to BCKLWN staff when making decisions on whether particular records and information should either be:

- Retained – and if so in what format, and for what period; or
- Disposed of – and if so when and by what method.

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2.2 The guidelines are intended to cover all records and information from creation through to either destruction or retention.

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2.3 Record retention policies were primarily created to define retention periods for paper records. However as more of the Council business is performed electronically there is a need to define the retention periods of electronic records. These guidelines are relevant to records which

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are electronic, paper or records which have been transferred to another format such as microfiche.

2.4 Retention of documents may be necessary to:

- Meet operational needs
- Fulfil statutory or other regulatory requirements
- Evidence events/agreements in case of disputes
- Ensure the preservation of documents of historical or other value

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2.5 There are however some records that do not need to be retained for any length of time. Standard Operating Procedure defines types of records that staff may routinely destroy in normal course of business. It usually applies to information that is duplicated, unimportant or only of short-term facilitative value. Such records or information include:

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- Compliment slips
- Catalogues and trade journals
- Telephone message slips
- Non-acceptance to invitations
- Requests for stock information such as planning applications and regeneration plans
- Out of date distribution lists
- Working papers which lead to a final report
- Duplicated and superseded material including manuals and drafts

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2.6 Permanent retention of records and information is undesirable, and appropriate disposal is to be encouraged for the following reasons:

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- Indefinite retention of personal data may be unlawful
- There is a shortage of new storage space and what is available can be costly
- Disposal of existing paper records can free up office space for more productive activities
- Reduction of fire risk (for paper records)
- There is evidence that the de-cluttering of office accommodation can be psychologically beneficial for many workers.

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### 3. Retention and Disposal Protocol

3.1 The Retention Schedule (appendix A) provides guidance on recommended and mandatory minimum retention periods for specific classes of records and information.

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3.2 If you wish to transfer permanent records to an archive please contact the Document Management Systems (DMS) Manager, who will outline options for both paper and electronic records.

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3.3 Where a retention period has expired in relation to a particular record or information a review should be carried out before a final decision is made to dispose. Such reviews need not necessarily be detailed or time consuming. Where the designated officer is familiar with the contents or where contents are straightforward and easily apparent then such an exercise may only take a few minutes.

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3.4 In the event that a decision is taken to dispose of a particular record or set of records, then consideration should be given to the method of disposal.

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3.4.1 Confidential Waste – making available for collection by a designated refuse service by placing paper documents containing personal data or confidential information in the blue 'confidential waste' bins.

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3.4.2 Recycling – where practicable disposal should further recycling in line with the Council's commitment to promoting an alternative waste disposal strategy.

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3.4.3 Deletion - Documents held on an electronic document management system and main back office systems are subject to national discussions with various software suppliers to enable archiving of data and records. The Information Commissioner has advised that if steps are taken to make data virtually impossible to retrieve, then this will be regarded as equivalent deletion.

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3.4.4 Migration of documents to an external body – this method will be relevant where records or documents are of historic interest. The third party could be the National Archives (formally the Public Records Office).

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3.5 Disposal should be documented to facilitate an audit trail by keeping a record of the document or information disposed of, the date and method of disposal, and the officer who authorised disposal. The documenting of the disposal is particularly important due to the Freedom of Information Act.

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#### 4. Roles and Responsibilities

4.1 Service Managers - Responsibility for determining (in accordance with the Retention and Disposal Protocol mentioned above) whether to retain or dispose of specific documents rests with the individual Service Manager, in respect of those documents that properly fall within the remit or control of his/her Service.

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The rationale for this is that it is reasonable to both assume and expect that each Service Manager should be broadly conversant with the types of documents received, generated and stored by his/her Service.

Service Managers may delegate the operational aspects of this function to one or more senior officers within their Service. However in doing so they should ensure that any such Officer is fully conversant with this Policy and is also familiar with the operational requirements of the Service in relation to document retention/disposal.

4.2 Legal Services - can advise on whether minimum retention periods are prescribed by law, and whether retention is necessary to protect the Council's position where the likelihood of a claim has been identified by the relevant Service Managers

Legal Services staff cannot be expected to possess the operational or background knowledge required to assess whether a particular document may be required by the Service concerned for operational need. This is the responsibility of the relevant Service Manager or his/her designated Officers.

4.3 ICT – should be contacted regarding the destruction of video, CD and DVD, as the use of specialised shredding equipment is required.

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4.4 The DMS Manager is available to provide Service Managers with advice and guidance on effective records management practices, and any queries regarding this policy and the attached Retention Schedule.

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This policy will be reviewed by the DMS Manager on a bi-annual basis unless any practical implications are identified sooner, at which time the guidance will be updated to reflect the latest position.

## 5. Legislative Framework

5.1 Many of the retention periods are laid down by statute, whilst others are guideline following best practice in our Departments. Every effort has been made to ensure that these retention periods are compliant with the requirements of the Data Protection Act 1998 and the Freedom of information Act 2000.

5.2 Data Protection Act (DPA)– the fifth Principle of the Act states ‘Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes’

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If any personal detail is of sufficient interest to be archived indefinitely, the DPA makes provisions for the personal data processed only for ‘historical’, ‘statistical’ or ‘research purposes’. This is conditional on meeting the criteria outlined in the Act.

5.3 Freedom Of Information Act (FOIA) – The FOIA gives anyone the right access to any information held by the Council.

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There should be clearly defined policies and procedures for the retention and disposal of records. To ensure compliance the Council has established a Corporate Retention Schedule (Appendix A) which details record types held by all areas of the organisation.

5.4 Local Government Act 1972 (LGA) Part VA – This governs public access to certain documents relating to Council and Committee meetings. Certain documents that form part of the public part of the agenda are required to be available for inspection by members of the public.

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5.5 Tax Legislation – Minimum retention for certain financial records are imposed by statutes such as the VAT Act 1994, and the Taxes Management Act 1970.

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5.6 Statutory Registers – Various local government statutes require registers to be kept of certain events, notifications, or transactions. It is implicit within such legislation that these records be maintained on a permanent basis, unless the legislation concerned stipulates otherwise.

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5.7 The Audit Commission Act 1998 – This provides auditors with a right of access to every document relating to the Council that appears necessary for the purposes of carrying out the auditor’s function’s under the Act.

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## Bibliography

ISO 15489 (BS ISO 15489-1:2001) – Information and Documentation – Records Management

BSI BIP 0008 – Legal Admissibility and Evidential Weight of Information Stored Electronically

The National Archives (formally the Public Records Office).

The Records Management Society of Great Britain for local authorities draft retention guidance.

Managing Records Retention and Disposal guidance – Alison North – Ark Group

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**Appendix A: Retention Schedule**

**Section 1 - Democratic Services**

Ref No	Function Description	Examples of Records	Retention Periods (Authority)
1.1	<u>Electoral Registration</u>		
	<u>Electoral Registration has a separate policy. This should be referred to for retention of documents relating to the Electoral Register, election results and ballot papers.</u>		
1.2	<b>Member Declarations</b>		
1.2.1	Member Acceptance of Office	Bound register	Permanent
1.2.2	Members Registration of Interest	Declarations of all current members retained.	In the event of a Members' resignation/retirement/ non election declarations are required to be retained for a period of 18 months.
1.2.3	<u>Members Allowances</u>	<u>Travel and subsistence claim forms</u>	<u>Current year + 6</u>
1.3	<b>Council and Committee Meetings</b>		
1.3.1	The process of preparing business for Council consideration and making the record of discussion, debate and resolutions.	Minute Books and Indexes.	Permanent.  Transfer to Place of Deposit after 6 years. (Local Government Act 1972 Section 100C.)
1.3.2	Agenda and non confidential reports considered by each Council, Cabinet, Committee and Panel meetings		CY + 5 years (Local Government Act 1972 Section 100C)
1.3.3	Background Papers		CY + 4 years (Local Government Act 1972 Section 100D)
1.4	<b>Partnership, Agency and External Meetings</b>		
1.4.1	Preparing business for partnership and agencies consideration and making the record of discussion, debate and resolutions, <u>where the local authority legally owns the record.</u>	Documents establishing the committee Agendas and Minutes Reports Recommendations Supporting docs- such as briefing and discussion papers	6 years after the end of the financial year in which the records were created
1.4.2	Preparing business for external committees' consideration, and making the record of discussion, debate and resolutions, <u>where the local authority does not own the record</u>	Documents establishing the committee reports Recommendations Supporting documents such as briefing and discussion papers	7 years after last action
1.5	<b>Honours and Submissions</b>		
1.5.1	Preparing of honours submission	Honours nomination form Covering documentation Letters of support Referral for comment from lord lieutenant	5 years after last action
1.6	<b>Political Party Papers</b>		
1.6.1	Undertaking representation of the local authority – local authority representatives	Leader of opposition papers Leader of council papers Party Political Group filing system and leaders records.	3 years after last action.

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## Section 2 – Corporate Management

Ref No	Function Description	Examples of Records	Retention Periods (Authority)
<b>2</b>	<b>MANAGEMENT &amp; ADMINISTRATION</b>		
<b>2.1</b>	<b>Corporate Planning &amp; Reporting</b>		
2.1.1	Corporate planning and reporting activities of local authorities	Corporate Plans Strategy Plans Business Plans Quarterly and Annual Reports Departmental Plans	Indefinitely
2.1.2	Preparing business for strategic consideration and making the record of discussion, debate and resolutions	Management Team Extended Management Team Councillor Meetings	Indefinitely
2.1.3	Preparing business for cross departmental consideration and making the record of discussion, debate and resolutions	Corporate Cross Cutting Groups Dept Coordinators Minutes	5 years
<b>2.2</b>	<b>Statutory Returns</b>		
2.1.1	The process of preparing information to be passed on to central government as part of statutory requirements.	Reports to central government BVPP, BVPIs and NI's	7 years
<b>2.3</b>	<b>Policy, Procedures Strategy and Structure</b>		
2.3.1	Activities that develop policies, procedures, strategies and structures for the local authorities	Policy, procedure, precedent, instructions Organisation charts Divisional Information Policy implementation and development Asset management plan Community safety plan Performance Management Guidance HR Strategy Financial Plan Other Corporate Critical Plans	12 years
2.3.2	Monitoring and reviewing strategic plans, policies or procedure.	Quarterly and Annual Performance Reports LSP Performance Management Framework	5 years from closure
2.3.3	The management of detailed responses on Council actions, policy or procedure.	Reports Returns Correspondence Ombudsman	Destroy 6 years after administrative use is concluded.
<b>2.4</b>	<b>Public Consultation</b>		
2.4.1	Consulting the public and staff in the development of significant policies of the local authority	Citizens Panel Best Value General Surveys Staff Surveys Satisfaction Questionnaires Area Forum Questionnaires	1 year for one-off surveys 5 years for repeated surveys
2.4.2	Consulting the public and staff in the development of minor policies of the local authority		1 year from closure

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<b>2.5</b>	<b>Information Management</b>		
2.5.1	<u>Activity of standards, authorities, restraints and verifications are introduced and maintained to manage information effectively</u>	<u>Classification schemes</u> <u>Registers</u> <u>Indexes</u> <u>Authorised lists of file headings</u>	<u>5 years</u>
2.5.2	<u>Recording the disposal of records</u>	<u>Disposal certificates</u>	<u>1 year after last action</u>
<b>2.6</b>	<b>Enquiries and Complaints</b>		
2.6.1	<u>The management of enquiries, submissions and complaints which result in significant changes to policy or procedures</u>	<u>Reports</u> <u>Returns</u> <u>Correspondence</u> <u>Area Forum Queries</u>	<u>5 years</u>
2.6.2	<u>The management of detailed and routine responses on council actions, policy or procedure</u>	<u>Reports</u> <u>Returns</u> <u>Correspondence</u> <u>Ombudsman</u>	<u>5 years</u>
<b>2.7</b>	<b>Quality and Performance Management</b>		
2.7.1	<u>Monitoring or reviewing the quality, efficiency, or performance of a local authority service or unit</u>	<u>Corporate Performance Reports</u>	<u>3 years</u>
2.7.2	<u>Assessing the quality, efficiency, or performance of a local authority service or unit</u>	<u>Audit and Inspection reports</u>	<u>3 years</u>
<b>2.8</b>	<b>Public Relations - Publications</b>		
2.8.1	<u>The process of designing information for publication</u>		<u>Destroy six months after publication has been distributed and all administrative use is concluded</u>
2.8.2	<u>The published work of the local authority</u>	<u>Newsletters</u> <u>Annual reports</u> <u>Community Strategy Summary</u> <u>Area Forum Progress Reports</u>	<u>Five copies from initial print run to be archived as a permanent record.</u>
<b>2.9</b>	<b>Public Relations – Media Relations</b>		
2.9.1	<u>Interaction with the media</u>	<u>Enquiries</u> <u>Releases</u> <u>Statements</u> <u>Briefing Papers</u>	<u>All logged electronically on Newsflash</u>
2.9.2	<u>Media publications concerning local authorities</u>	<u>Press cuttings</u> <u>Media reports</u>	<u>All logged electronically. Physical clippings retained for one year from date of publication</u>
<b>2.10</b>	<b>Marketing</b>		
2.10.1	<u>Developing and promotion of local authorities campaigns events</u>		<u>3 years</u>
<b>2.11</b>	<b>Civic and Royal Events</b>		
2.11.1	<u>Recording of ceremonial events and civic occasions</u>	<u>Visitors book</u> <u>Audio tapes</u> <u>Video tapes</u> <u>Photographs</u>	<u>Permanent</u>

### Section 3 Legal Services

<u>Ref No</u>	<u>Function Description</u>	<u>Examples of Records</u>	<u>Retention Periods (Authority)</u>
<b>3.1</b>	<b>All Case Files</b>		
3.1.1	<u>Working files and papers.</u>	<u>Section 106 agreements, TPO's, Leases, licences and general matters.</u>	<u>Destroy paper copies 3 years after matter closed. Retain electronic copies for period identified by Legal Services Manager</u>
<b>3.2</b>	<b>Litigation</b>		
3.2.1	<u>The process of managing, undertaking or defending for or against litigation on behalf of the local authority</u>	<u>Criminal case file Civil case file Correspondence</u>	<u>7 years after last action.</u>
3.2.2	<u>The process of providing legal advice on a point of law</u>		<u>7 years after last action Unless a major precedent, then review</u>
<b>3.3</b>	<b>Agreements</b>		
3.3.1	<u>Process of agreeing terms between organisations</u> <b>Note:</b> this does not include contractual agreements	<u>Concordat</u>	<u>6 years after agreement expires or is terminated</u>
<b>3.4</b>	<b>Conveyance - see also Property Acquisition and Disposal</b>		
3.4.1	<u>Deeds of Title</u>	<u>Deeds of Covenant</u>	<u>Permanent</u>
3.4.2	<u>The process of changing ownership of land or property</u>	<u>Conveyancing files</u>	<u>12 years after closure</u>

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## Section 4 – Quotations (U£100k), Contracts (O£100k) and Tendering

Ref No	Function Description	Examples of Records	Retention Periods (Authority)	Formatted Table
<b>4.1</b>	<b>Pre Contract Advice</b>			
4.1.1	The process of calling for and evaluating expressions of interest.	Pre Qualification Questionnaire (PQQ) PQQ evaluation spreadsheet.	Destroy 6 months after contract let or not proceeded with.	
<b>4.2</b>	<b>Specification and Contract Development</b>			
4.2.1	Tender Specification	Invitation to quote or tender including specification Note: For project files containing drafts leading to a final version these records can be destroyed.	1 year after contract has been completed	
<b>4.3</b>	<b>Tender Issuing and Return</b>			
4.3.1	Return of Tender process and tender opening	Opening Record Book Tender Envelope	Indefinite Forms part of main contract	
<b>4.4</b>	<b>Evaluation of Tender</b>			
4.4.1	Summary tender evaluation criteria	Evaluation spreadsheet	Destroy at end of contract or after 6 months.  Contracts Under Seal – paper copy Destroy 12 years after the terms of contract have expired. Electronic Copies of both types. Retain for 12 years (Statutory)	
4.4.2	Successful Tender Document	Tender Documents Quotations	Ordinary Contracts – Paper copy Destroy 1 year after the terms of contract or any warranties have expired.  Contracts Under Seal – paper copy Destroy 12 years after the terms of contract have expired. Electronic Copies of both types. Retain for 12 years (Statutory)	
4.4.3	Unsuccessful Tender Document	Tender documents Quotations	Destroy at end of contract or 3 years after start of contract. Whichever is soonest.	
<b>4.5</b>	<b>Post Tender Negotiation</b>			
4.5.1	The process in negotiation of a contract after a preferred tender is selected	Clarification of contract Post tender negotiation minutes	To be kept as part of the contract	

<b>4.6</b>	<b>Awarding of Contract</b>			Formatted Table
4.6.1	<u>The process awarding of contract</u>	<u>Under £100k. Purchase Order</u>  <u>Over £100k. Signed contract</u>	<u>Current + 6 years in accordance with Financial Regulations .</u>  <u>Contracts Under Seal – paper copy</u> <u>Destroy 12 years after the terms of contract have expired.</u> <u>Electronic Copies of both types. Retain for 12 years (Statutory)</u>	
<b>4.7</b>	<b>Contract Management</b>			
4.7.1	<u>Contract management operation and monitoring</u>	<u>Service Level Agreements</u> <u>Contract and Statistical Monitoring Reports</u> <u>Complaints</u> <u>Disputes on payment</u>	<u>6 months after the terms of contract have expired</u>	
4.7.2	<u>Amendment of contract</u>	<u>Minutes and papers of meetings</u> <u>Changes to requirements</u> <u>Variation forms</u> <u>Extension of contract</u>	<u>To be passed to Legal services to be stored with the contract.</u>	

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**Section 5 – Human Resources**

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<u>Ref No</u>	<u>Function Description</u>	<u>Examples of Records</u>	<u>Retention Periods (Authority)</u>
<b>5.1</b>	<b>Core Personnel Information</b>		
5.1.1	<u>Basic HR information required for employment purposes, including:</u> <u>Name</u> <u>DOB</u> <u>Gender</u> <u>Ethnicity</u> <u>Disability status</u> <u>Address</u> <u>Contact telephone numbers</u> <u>National Insurance Number</u> <u>Work Permit records (if applicable)</u> <u>Date of appointment</u> <u>Continuous service date</u> <u>Bank details</u> <u>Employment history details, including position/designation titles and dates posts held</u> <u>Basic salary</u> <u>Allowances payable</u> <u>Hours of work</u> <u>Car allowances payable</u> <u>Emergency contact details</u> <u>Pension scheme contribution bands</u>	<u>Personnel file held for each employee including:</u> <u>Job application form</u> <u>Equal opportunities monitoring form</u> <u>Rehabilitation of Offenders disclosure form</u> <u>Pre-employment medical questionnaire</u> <u>References</u> <u>Letter of appointment and contract of employment and acceptance thereof</u> <u>Copies of qualification certificates</u> <u>Confirmation of eligibility to work in the UK</u> <u>Information relating to pre-employment medical (if any)</u> <u>Information relating to probationary period</u> <u>Pension scheme application form (?)</u> <u>Job description and personal specification</u> <u>Details of political restriction (if any)</u> <u>Details of hours of work</u> <u>Records of any changes to job role, job description or other terms and conditions of employment</u>  <u>HR system</u>	<u>Permanent</u>  <u>Details retained on Employee Personal File – file archived after employment ends – file held on site for 12 months and then retained off site indefinitely</u>
5.1.2	<u>Records relating to staff working with children and vulnerable adults</u>	<u>Confidential file used to hold completed checks</u>  <u>HR system</u>	<u>Originals of checks – retained for 6 months</u> <u>A record that a CRB check has been undertaken is retained indefinitely</u> <u>NB. Details of the check are destroyed after 6 months in accordance with CRB requirements</u>
<b>5.2</b>	<b>Employee Relations Records</b>		
5.2.1	<u>Records of consultation and negotiation with recognised trade unions relating to employee relation matters</u>	<u>Minutes from Senior Management/Trade Union meetings</u> <u>Evidence of consultation for specific projects</u> <u>Minutes from Joint Employee Committee meetings</u> <u>Minutes/notes from meetings to discuss specific projects/incidents</u> <u>Local Agreements (contained within Employee Handbook)</u>	<u>Indefinite</u>  <u>Kept until superseded</u>

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5.2.2	<u>Records of disciplinary, grievances and harassment investigations</u>	<u>Correspondence relating to investigation</u> <u>Investigating Officers report and supporting documentation (including witness statements where applicable)</u> <u>Records of meetings/hearings undertaken as part of an investigation</u> <u>Record of the outcome of any hearing (including if the case is unfounded)</u> <u>Records of any appeal processes</u>	<u>Records of investigations held permanently on personal file</u>  <u>Warnings to be disregarded in relation to <b>disciplinary procedures</b> after the timescale agreed in the decision of the hearing panel chair</u>
<b>5.3</b>	<b><u>Equal Opportunities Monitoring</u></b>		
5.3.1	<u>As per 5.1.1</u>	<u>Equal Opportunities Monitoring form</u>	<u>As per 5.1.1</u>
<b>5.4</b>	<b><u>Occupational Health</u></b>		
5.4.1	<u>Records of specific activities undertaken to check or ensure the health of an employee</u>	<u>Pre-employment medical questionnaire</u> <u>Occupational health referral forms and associated medical reports</u> <u>Records of adjustment to work place</u> <u>Records of pre-employment meetings</u> <u>Records of meetings to discuss specific issues</u>	<u>Permanent</u>  <u>Details retained on Employee Personal File</u>
<b>5.5</b>	<b><u>Recruitment</u></b>		
5.5.1	<u>The selection of successful candidates to vacancies within the organisation</u>	<u>Job application form</u> <u>Equal opportunities monitoring form</u> <u>Rehabilitation of Offenders disclosure form</u> <u>Interview notes</u> <u>Copies of qualification certificates</u> <u>Confirmation of eligibility to work in the UK</u> <u>References</u>	<u>Permanent</u>  <u>Details retained on Employee Personal File and key records also held on HR system</u>
5.5.2	<u>Records of unsuccessful job applicants for vacancies within the organisation</u>	<u>Job application form</u> <u>Equal opportunities monitoring form</u> <u>Rehabilitation of Offenders disclosure form</u> <u>Interview notes (if selected for interview)</u> <u>Copies of qualification certificates</u> <u>Confirmation of eligibility to work in the UK</u> <u>References</u>	<u>6 months</u>
<b>5.6</b>	<b><u>Staff Monitoring (General)</u></b>		
5.6.1	<u>Performance</u>	<u>Correspondence/reports relating to probationary periods</u> <u>Performance/improvement plans (where applicable)</u> <u>Records of performance as assessed via annual appraisal process</u>	<u>Permanent</u>  <u>Details retained on Employee Personal File</u> <u>Records of performance ratings also held on HR system</u>

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5.6.2	<a href="#">Leave/attendance records</a>	<a href="#">Sickness absence records</a> <a href="#">Special leave requests</a> <a href="#">Jury/Study Leave</a> <a href="#">Records of return to work discussions</a> <a href="#">Annual leave requests and record cards</a> <a href="#">Flexitime sheets</a> <a href="#">Records of maternity, paternity, parental and adoption leave</a> <a href="#">Record of KIT days</a>	Permanent  <a href="#">Details retained on Employee Personal File</a> <a href="#">Records also held on HR system</a> <a href="#">Flexitime records held on Wintime system</a>
5.6.3	<a href="#">Stress risk assessments</a>	<a href="#">Completed forms referred to Personnel/Safety and Welfare</a>	Permanent <a href="#">Details retained on Employee Personal File</a>
<b>5.7</b>	<b><a href="#">Termination of Employment</a></b>		
5.7.1	<a href="#">Records relating to the termination of employment of an employee</a>	<a href="#">Correspondence to/from employee regarding arrangements for termination</a> <a href="#">Redundancy payment calculations (if applicable)</a> <a href="#">Pension estimates (if applicable)</a> <a href="#">Correspondence/records of any meetings leading to a dismissal (if applicable)</a>	Permanent  <a href="#">Details retained on Employee Personal File</a> <a href="#">Record of leaving date and leaving reason held on HR system</a>
<b>5.8</b>	<b><a href="#">Training and Development</a></b>		
5.8.1	<a href="#">Records relating to training/development activities undertaken by employees</a>	<a href="#">Record of date(s), course title and costs</a>	<a href="#">CPD – Permanently recorded on CIPHR. Administration paperwork retained (1 full previous year and 1 rolling year).</a>  <a href="#">In House – Permanently recorded on CIPHR. Administration paperwork retained (2 full previous years and 1 rolling year)</a>
5.8.2	<a href="#">Records relating to qualification training undertaken by employees</a>	<a href="#">Post entry training scheme application form</a> <a href="#">Records of costs incurred</a> <a href="#">Correspondence with employee/qualification provider</a> <a href="#">Evidence of progress/completion of qualification</a>	<a href="#">Permanently recorded on CIPHR and completed paperwork is retained in Employee Personal File. Post Entry paperwork is kept in A4 files in locked cupboard until the employee has passed the qualification, then it is finalised and filed away.</a>
<b>5.9</b>	<b><a href="#">Appointments of Statutory Officers</a></b>		
5.9	<a href="#">Appointment of an individual for a statutory position</a>	<a href="#">As per 5.1.1</a>	<a href="#">As per 5.1.1</a>
<b>5.10</b>	<b><a href="#">Miscellaneous Employment Records</a></b>		
5.10.1	<a href="#">Death in Service beneficiaries</a>	<a href="#">Completed form</a>	<a href="#">Details retained on personal file – kept until superseded by updated form</a>
5.10.2	<a href="#">Eye Tests</a>	<a href="#">Record of test dates</a>	Permanent – held on HR system
5.10.3	<a href="#">Bank/Building society references</a>	<a href="#">Correspondence to/from external organisation</a>	Permanent – held on personal file

<b>5.11</b>	<b>Pay, Payroll and Pension Records</b>			Formatted: Left: 85.05 pt
5.11.1	<u>Starters, Leavers and Transfers</u>	<u>As per 5.1.1.</u>	<u>As per 5.1.1.</u>	Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt
5.11.2	<u>Change of personal details (including bank account, address, name, tax circumstances, voluntary/statutory deductions)</u>	<u>Change form, letter, copy of marriage certificate, copy of decree absolute, P45, P46, deduction authorisation forms. Held on Personnel file as per 5.1.1.</u>  <u>Age exception certificate</u>	<u>As per 5.1.1.</u>  <u>Original returned to employee on termination of employment. Copy retained on Personnel file as per 5.1.1.</u>	Formatted Table Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt
5.11.3	<u>Statutory Payments. Records of SMP, SSP, SPP, SAP payments made and leave taken</u>	<u>Correspondence to/from employee. Statutory forms Mat B1, SC3 etc held on Personnel file as per 5.1.1.</u>  <u>Fit notes and other sickness forms held by Safety and Welfare section. Details relevant to personnel are recorded on CIPHR</u>  <u>Records of payments made and calculations held by outsourced payroll provider</u>	<u>As per 5.1.1.</u>	Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt
5.11.4	<u>Overpayment documentation</u>	<u>Correspondence to/from employee held on Personnel file as per 5.1.1.</u>	<u>As per 5.1.1.</u>	Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt
5.11.5	<u>Personal payroll history. Record of pay history, performance related pay, overtime pay, allowances, pay enhancements, other taxable allowances, payment for untaken leave, reduced pay, no pay, maternity leave. Tax and NI deductions</u>	<u>Timesheets and other input documentation.</u>  <u>Electronic records held on payroll system by outsourced payroll provider.</u>	<u>Held on site for current year then sent to storage for a further 6 years.</u>	Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt
5.11.6	<u>Pension Administration</u>	<u>Employee &amp; employer forms held on Personnel file as per 5.1.1.</u>  <u>Bandings information held on CIPHR</u>  <u>Contributions records held on payroll system by outsourced payroll provider.</u>	<u>As per 5.1.1.</u>	Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt
5.11.7	<u>Travel &amp; Subsistence claims</u>	<u>Claims held by outsourced payroll provider</u>		Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt
5.11.8	<u>Year End processes</u>	<u>Collated information on individual taxable benefits, PSA calculations, Dispensation &amp; PSA documentation, payment records. Pension returns, P11D, P9D, P14 P35, P60 etc stored electronically by outsourced payroll provider.</u>	<u>Held on site for current year and then stored off site for a further 6 years.</u>	Formatted: Indent: Left: 8.85 pt, Right: 10.3 pt
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**Section 6 - Health and Safety**

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<b>Ref No</b>	<b>Function Description</b>	<b>Examples of Records</b>	<b>Retention Periods (Authority)</b>
<b>6.1</b>	<b>Health</b>		
6.1.1	Health referrals, including medical reports from doctors or consultants, corres with the appointed medical advisor to the PCSPS currently BMI Health Services, the Civil Service Occupational Health Service or the Medical Advisory Service MAS	Letters Correspondence	All kept on personal files.
6.1.2	Papers relating to any injury on duty	Incident Reporting Form 2 <sup>nd</sup> Party Claims	3 years
6.1.3	Medical/Self Certificates – unrelated to industrial injury		3 years
<b>6.2</b>	<b>General Public Services</b>		
6.2.1	Records of the development and establishment of the Health and Safety Policy and plans.	Health and safety policies. Health & safety management strategies.	Reviewed Annually
6.2.2	Monitoring health & safety performance.	Health & Safety Audit records Records of actions to address issues raised.	Completion of audit plus 5 years.
6.2.3	Recording consultation and communication with employees.	Records documenting the formation, proceedings and decisions of safety committees formed under the Safety Representatives and Safety Committee Regulations 1977 or other consultation/ communication with employee representatives under the Consultation with Employees Regulations 1996.	Life of the Committee or the current year plus 3 years.
6.2.4	Recording consultation and communication with employees.	Records documenting the formation, proceedings and decisions of safety committees formed under the Safety Representatives and Safety Committee Regulations 1977 or other consultation/ communication with employee representatives under the Consultation with Employees Regulations 1996.	Life of the Committee or the current year plus 3 years.
6.2.5	Recording consultation and communication with employees.	Records documenting the formation, proceedings and decisions of safety committees formed under the Safety Representatives and Safety Committee Regulations 1977 or other consultation/ communication with employee representatives under the Consultation with Employees Regulations 1996.	Life of the Committee or the current year plus 3 years.

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<b>6.3</b>	<b>Risk Assessments &amp; Procedures</b>		
6.3.1	<u>Assessing the level of work and the process to eliminate related risk.</u>	<u>Results of risk assessments.</u>	<u>Life of the work plus 6 months</u>
6.3.2	<u>Records of hazardous substances present or in use in the workplace &amp; exposure to them.</u>	<u>Record of hazardous substances present or in use.</u>	<u>While product is in use.</u>
6.3.4	<u>Process to determine the presence of asbestos</u>	<u>Documented assessments to determine the presence of asbestos</u>	<u>Elimination of asbestos plus 5 years.</u>
<b>6.4</b>	<b>Site &amp; Equipment Safety</b>		
6.4.1	<u>Process of monitoring land, buildings, facilities or operations for purposes of ensuring health and safety.</u>	<u>Site &amp; safety inspection records.</u> <u>Records of actions to address issues raised.</u>	<u>Until superseded</u>
6.4.2	<u>Monitoring work equipment for purposes of ensuring health and safety.</u>	<u>Equipment repair log.</u> <u>Records of the issue of protective equipment.</u>	<u>Date of examination, test or repair plus 5 years.</u>
6.4.3	<u>Monitoring work equipment for purposes of ensuring health and safety.</u>	<u>Equipment repair log.</u> <u>Records of the issue of protective equipment.</u>	<u>Date of examination, test or repair plus 5 years.</u>
<b>6.5</b>	<b>Accidents</b>		
6.5.1	<u>Process that records and notifies the HSE of injuries, ill-health, dangerous occurrences and notifiable diseases affecting/involving adults.</u>	<u>Accident book records.</u> <u>Accident reports.</u> <u>Incident reports.</u> <u>Work related Ill-health reports.</u> <u>Notifiable diseases reports.</u>	<u>The date of recording or HSE notification plus 3 years.</u>
6.5.2	<u>Process that records injuries, ill-health, dangerous occurrences and notifiable diseases affecting/involving children.</u>	<u>Accident book records.</u> <u>Accident reports.</u> <u>Incident reports.</u> <u>Work related Ill-health reports.</u> <u>Notifiable diseases reports.</u>	<u>Until the child has reached the age of 21.</u>
6.5.3	<u>Investigation of accidents, dangerous occurrences and notifiable diseases.</u>	<u>Investigation reports.</u> <u>Witness Statements.</u>	<u>3 years from the closure of the investigation.</u>

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**Section 7 - Finance**

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<u>Ref No</u>	<u>Function Description</u>	<u>Examples of Records</u>	<u>Retention Periods (Authority)</u>
<u>7.0</u>	<u>Financial Management</u>	<u>This Schedule is also part of the Council's Financial Regulations.</u>	<u>All - Current Year + 6 unless otherwise indicated. (Statutory Retention Requirements)</u>
<u>7.1</u>	<u>Accounts &amp; Audit Reporting</u>		
<u>7.1.1</u>	<u>Process that consolidates financial transactions on an annual basis for corporate reporting purposes</u>	<u>Consolidated annual reports and financial statements</u> <u>Statement of financial position</u> <u>Operating statements</u> <u>General ledger</u> <u>Grant claims / returns</u>	
<u>7.1.2</u>	<u>Process that supports and consolidates financial transactions on a periodic less than annual basis, superseding those from the previous period. NOT journals, subsidiary ledgers or cash books</u>	<u>Consolidated monthly and quarterly reports &amp; financial statements</u> <u>Working papers for the above</u> <u>Monthly accrual statements</u> <u>Cashflow statements</u> <u>Creditor listings and reports</u> <u>Debtor listings &amp; reports</u>	
<u>7.2</u>	<u>Financial Transactions Management</u>		
<u>7.2.1</u>	<u>Management of the approvals process for purchase, including investigations</u>	<u>Appointments &amp; delegations</u> <u>Audit investigations</u>	
<u>7.2.2</u>	<u>Identification of the receipt, expenditure and write offs of public monies</u>	<u>Allowances</u> <u>Creditors of Payroll</u> <u>Overpayments</u> <u>Invoices</u> <u>Credit card statements</u> <u>Cash books</u> <u>Receipts</u> <u>Cheque counterfoils</u> <u>Bank statements</u> <u>Subsidiary ledgers annual</u> <u>Journals annual</u> <u>Vouchers</u> <u>Till Rolls (Car Parks)</u> <u>BACS transaction, amendment and error reports</u>  <u>Merchant copies of credit/debit card receipts</u>  <u>Write off schedules</u>	<u>Where retained for reconciliation purposes. Merchant copies of credit/debit card receipts must not contain the full 16 digit PAN number. All but the last 4 digits of the PAN must be obscured as soon as the receipt is printed.</u>  <u>Indefinitely</u>
<u>7.2.3</u>	<u>Process for the provision and support for individuals using public transport</u>	<u>Applications</u> <u>Card issue</u> <u>Rail warrants</u>	<u>6 years after the conclusion of the financial transaction that the record supports</u>
<u>7.2.4</u>	<u>Processes that balance &amp; reconcile financial accounts</u>	<u>Reconciliation (including bank)</u> <u>Summaries of accounts</u>	<u>6 years after the end of the financial year in which the records were created</u>

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<b>7.3</b>	<b>Financial Provisions Budgets &amp; Estimates</b>		
7.3.1	Process of finalising local authorities annual budget	Annual budget	5 years
7.3.2	Process of developing local authorities annual budget	Draft budgets Departmental budgets Draft estimates	6 years after annual budget adopted by local authorities
7.3.3	Process of reporting which examines the budget in relation to actual revenue and expenditure	Monthly statements	Destroy after next year's annual budget has been adopted by Local Authorities
<b>7.4</b>	<b>Loans and Investments</b>		
7.4.1	Borrowing money to enable a local authority to perform its functions and exercise its powers	Loan files PWLB Year End Statements	7 years after the loan has been repaid
7.4.2	Summary management of loans	Loan certificates and registers	5 years
7.4.3	Investing money to generate income.	Investment files	6 years after the investment has been repaid
7.4.4	Summary management of investments	Investment certificates and registers	6 years
<b>7.5</b>	<b>Housing</b>		
7.5.1	Mortgages	Mortgage agreements Correspondence	Last payment + 6 years if signed Last payment +12 years if unsigned
7.5.2	"Right to Buy"	Agreement concerning sale	2 years after sale of house
7.5.3	Home Improvement Grants	Agreement to pay loan Details of payments Corres relating to loan	6 years after last payment for grants under £50,000 12 years for over £50,000
<b>7.6</b>	<b>Council Tax Valuation</b>		
7.6.1	The valuation of rateable land within a municipal district for the purpose of the making of the rate	Valuation lists Correspondence Objections Reports	Valuation lists-Permanent 10 years after the year in which the valuation was made
<b>7.7</b>	<b>Property History</b>		
7.7.1	Recording of information for rateable properties identifying the person or company rated, value of the property. Note: records containing primarily accounts information and not being a source of property history, should be disposed of according to the appropriate record class within the Accounts & Audit function	Rate books Rate cards Register of rateable properties	7 years. Tenants Details 20 years
<b>7.8</b>	<b>Rates &amp; Local Authorities Tax Correspondence</b>		
7.8.1	The activity of corresponding with ratepayers in relation to valuations, rates and charges, objections, submissions, appeals, rate remissions and other rates related matters.	Notices Objections Applications Correspondence Rate certificates Notices of acquisition and disposition Rate property files	7 years after last action
<b>7.9</b>	<b>Summary Assets Management</b>		
7.9.1	See Property Management for real property assets. (Section 8) See Transport Management for vehicle assets. (Section 7.19)		

7.9.2	<u>Summary management reporting on the overall assets of the local authorities</u>	<u>Schedules of acquisitions</u> <u>Consolidated current asset reports</u> <u>Annual reports</u> <u>Summary of current assets</u> <u>Asset registers</u>	<u>5 years</u>  <u>6 years after disposal of item/asset or last one in register</u>
<b>7.10</b>	<b><u>Asset Monitoring and Maintenance</u></b>		
7.10.1	<u>Management systems that allow the monitoring &amp; management of assets in summary form</u>	<u>Subsidiary asset registers</u>	<u>10 years after the conclusion of the financial transaction that the record supports</u>
7.10.2	<u>Reporting and reviewing assets status</u>	<u>Returns &amp; reports on asset status</u> <u>Inventories</u> <u>Stocktaking</u> <u>Acquisition and disposal reports &amp; proposals</u>	<u>2 years after administrative use is concluded</u>  <u>2 years</u>
7.10.3	<u>Process of maintaining assets</u>		<u>7 years after last action</u>
7.10.4	<u>Process of maintaining plant &amp; equipment</u>	<u>Service records</u> <u>Plant files</u>	<u>7 years after sale or disposal of asset</u>
<b>7.11</b>	<b><u>Bank Records</u></b>		
7.11.1	<u>Cheques and associated records types:-</u>	<u>Paid and Presented Lists</u> <u>Cheque numbers</u> <u>Cancelled</u> <u>Dishonoured</u> <u>Stoppage of cheque</u> <u>Record of open cheque books</u> <u>Record of cheques drawn for payment</u> <u>Bank deposits</u> <u>Bank deposit book/slip/butts</u> <u>Bank deposit summary sheets.</u> <u>Summaries of daily banking.</u> <u>cheque schedules</u> <u>Register of cheques lodged for collection</u> <u>Reconciliation files/sheets</u>	
7.11.2	<u>Unpaid cheque records</u>	<u>Daily list of paid cheques</u>	
7.11.3	<u>Bank statements</u>	<u>Periodic reconciliation</u> <u>Bank certificates of balance</u>	
7.11.4	<u>Electronic banking and electronic funds transfer (CHAPS)</u>		
7.11.5	<u>Cash transactions, payment instructions, deposits and withdrawals</u>		
7.11.6	<u>Securicor Records</u>		
<b>7.12</b>	<b><u>Expenditure Records including Accounts Payable</u></b>		
7.12.1	<u>Cash books/sheets</u> <u>Expenditure sheets</u> <u>Petty cash records</u> <u>Record/book/sheet/receipts</u> <u>Postal cash book/ sheets,</u> <u>postage/courier account/cash records.</u>		
7.12.2	<u>Register of postage expenditure.</u>	<u>Postage paid records, postage books/sheets</u> <u>Summary cash books</u>	
7.12.3	<u>Creditors history records, lists/reports</u>		

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7.12.4	<u>Statements of accounts outstanding, outstanding orders</u> <u>Statement of accounts-rendered; statements of accounts – payable</u> <u>Subsidiary records</u>		<u>2 years</u>
7.12.5	<u>Credit notes</u>		
<b>7.13</b>	<b><u>Ledger Records</u></b>		
7.13.1	<u>General and subsidiary ledgers produced for preparing certified financial statements or published information</u>	<u>Budget Book</u> <u>Statement of Accounts</u>	<u>Indefinitely</u>
7.13.2	<u>Other ledgers e.g. contracts, costs, purchases, etc</u>		
7.13.3	<u>Creditors ledgers</u>		
7.13.4	<u>Related records</u>		
7.13.5	<u>Audit sheets – ledger postings / transfers</u>		
7.13.6	<u>Journals prime records for the raising of charges</u> <u>Journals routine adjustments</u>		
7.13.7	<u>Trial balances &amp; reconciliation</u>		
7.13.8	<u>Year-end balances, reconciliation and variations to support ledger balances and published accounts</u>		
<b>7.14</b>	<b><u>Receipts and Revenue Records</u></b>		
7.14.1	<u>Receipt butts/books; office copies of receipts.</u>	<u>Cashiers', cash register, fines and costs, sale of publications and general receipt books/butts/records</u>	
7.14.2	<u>Cash registers</u>	<u>Butts/copies of cash register forms</u> <u>Cash register reconciliation sheets</u> <u>Cash register audit rolls analysis and summary records</u> <u>Cash register reading books/sheets</u>	
7.14.3	<u>Revenue records</u>	<u>Revenue cash books /sheets/records; receipt cash books/sheets</u>	
7.14.4	<u>Debtors invoices – includes invoices paid and invoices unpaid and registers of invoices – debtors ledgers</u> <u>Source documents/records used for raising of invoices/debit notes</u>		
7.14.5	<u>Debts/refunds</u>	<u>Records relating to unrecoverable revenue, debts and overpayments – include register of debts written off, register of refunds, etc</u>	

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<b>7.15</b>	<b>Stores and Services Records</b>		
7.15.1	<u>Stores records</u>	<u>Delivery dockets</u> <u>Stock/stores control cards/sheets/records</u>	<u>2 years</u>
7.15.2	<u>Stock/stores issue registers/records</u> <u>stocktaking sheets/records – includes inventories, stock reconciliations, stock take reports</u>	<u>Goods inwards books, records,</u> <u>Purchase order records</u> <u>Purchase order books/records</u> <u>Railway/courier consignment books/records</u>  <u>Stock transfer forms</u>	<u>6 years after disposal of item/asset, or last one in register</u>
7.15.3	<u>Requisition records</u> <u>Asset registers</u> <u>Assets/equipment</u>		<u>3 years</u>
7.15.4	<u>Financial statements</u>	<u>Ad Hoc Statements</u> <u>Statements/summaries prepared for inclusion in the quarterly and annual reports</u>	<u>1 year</u>
7.15.5	<u>Periodic financial statements prepared for management on a regular basis</u>		<u>2 years</u> <u>Destroy when cumulated into quarterly or annual reports</u>
<b>7.16</b>	<b>Systems Management</b>		
7.16.1	<u>Process to develop or extend the capabilities of a system.</u>		<u>Retain for life of system</u>
7.16.2	<u>Process to implement a system.</u>	<u>Implementation plan</u>	<u>Review 6-12 months after Implementation</u>
7.16.3	<u>Process to support and administer a system.</u>		<u>5 years after last action</u>
<b>7.17</b>	<b>Transport Management</b>		
7.17.1	<u>Acquisition and disposal of vehicles through lease or purchase</u>	<u>Leases, Contracts, Quotes, Approvals</u> <u>Fleet authorisation numbers</u>	<u>7 years after the disposal of the vehicle</u>
7.17.2	<u>Managing allocation &amp; maintenance of vehicles</u>	<u>Approvals as drivers</u> <u>Allocations &amp; authorisations for vehicles</u> <u>Maintenance</u>	<u>7 years after the sale or disposal of the vehicle</u>
7.17.3	<u>Recording vehicle usage</u>	<u>Vehicle usage reports</u>	<u>18 months – VOSA</u> <u>7 years HMRC</u>
7.17.4	<u>Recording drivers usage</u>	<u>Vehicle log book</u>	<u>18 months – VOSA</u> <u>7 years HMRC</u>
<b>7.18</b>	<b>Insurance Policy Management</b>		
7.18.1	<u>Summary management of insurance arrangements</u>	<u>Insurance register</u>	<u>Indefinite</u>
7.18.2	<u>Insuring local authority officers, property, vehicles and equipment against negligence, loss or damage</u>	<u>Insurance policies</u> <u>Correspondence</u> <u>Schedules</u> <u>Valuations</u>	<u>Indefinite</u>  <u>6 years</u>
7.18.3	<u>Renewing insurance policies</u>	<u>Insurance policy</u> <u>Renewal records</u> <u>Correspondence</u>	<u>5 years after the insurance policy has been renewed</u>
7.18.4	<u>Insurance Claims Management</u> <u>Process that records insurance claims against the local authority or local authority officers</u>	<u>Claims records</u> <u>Correspondence</u>	<u>7 years after all obligations/entitlements are concluded, allowing for the claimant to reach 25 years of age</u>
<b>7.19</b>	<b><u>Audit - Audit is subject to its own retention policy.</u></b>		

## Section 8 – Property and Building Records

<u>Ref No</u>	<u>Function Description</u>	<u>Examples of Records</u>	<u>Retention Periods (Authority)</u>
<b>8.1</b>	<b><u>Property &amp; Land Management</u></b>		
8.1.1	<u>Reports to management on overall property of the local authority</u>	<u>Consolidated property &amp; buildings annual reports</u> <u>Summary of leased property</u> <u>Summary of owned property</u> <u>Site register</u> <u>Register of leases</u>	<u>6 years after the conclusion of the financial year in which the records were created</u>
<b>8.2</b>	<b><u>Property Acquisition and Disposal</u></b>		
8.2.1	<u>See also Conveyance Management of the acquisition by financial lease of purchase process for real property.</u>	<u>Plans</u>	<u>QA PMP3 Files retained for 10 years. Offer material re major/significant properties to Archivist for review</u>
8.2.2	<u>Management of the disposal by sale or transfer for real property</u>	<u>Legal documents relating to the sale</u> <u>Particulars of sale documents</u> <u>Tender documents</u> <u>Conditions of contracts</u>	<u>QAPMP2 (Competitive Sale) Files retained for 10 years after sale.</u> <u>QAPMP5a/b (Right to Buy) Sale records retained indefinitely and held in deed packet</u>
<b>8.3</b>	<b><u>Property Development and Renovation</u></b>		
8.3.1	<u>Management of all other buildings and estates</u>	<u>Project specifications</u> <u>Plans</u> <u>Installation manuals</u> <u>Certificates of approval</u>	<u>Retain for life of property or until sold</u>
8.3.2	<u>Process of development and renovation of property</u>	<u>Work orders</u> <u>Tender documents</u> <u>Conditions of contracts</u>	<u>7 years after the conclusion of the transaction that the record supports</u>
<b>8.4</b>	<b><u>Bills of quantity</u></b>		<u>Review 12 years after project completion</u>
<b>8.5</b>	<b><u>Schedules of known tenant alterations</u></b>		
8.5.1	<u>Tenant alterations</u>		<u>Retain until property sold.</u>
<b>8.6</b>	<b><u>Tests and Statutory Certificates</u></b>		<u>12 years after expiry or when superseded</u>
<b>8.7</b>	<b><u>Planning consents and correspondence</u></b>		
8.7.1	<u>Alterations to buildings</u> <u>New buildings</u>		<u>Review 12 years after issue</u>
8.7.2	<u>Listed buildings consents and correspondence</u>		<u>Review 12 years after issue</u>
8.7.3	<u>Correspondence</u> <u>Consultants and Contractors</u>		<u>Review 12 years after date of last paper</u>
8.7.6	<u>Photographic records</u>		<u>Review 10 yrs after compilation</u>
8.7.8	<u>Maintenance manuals</u>		<u>Review 2 years after revision or cancellation</u>
8.7.9	<u>Maintenance Contracts</u>		<u>Review after 7 years after contract ends</u>

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<b>8.8</b>	<b><u>Major Projects</u></b>		
8.8.1	<u>Record set</u> <u>All other copies</u>	<u>Minutes &amp; papers</u>	<u>Review 12 years after project completion</u>
8.8.2	<u>Tender and evaluation papers</u>		<u>Successful review after 7 years</u> <u>Unsuccessful review after 1 year</u>
<b>8.9</b>	<b><u>Architectural</u></b>		
8.9.1	<u>Architectural</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.2	<u>Structural engineering</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.3	<u>Mechanical and electrical engineering</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.4	<u>Drainage services</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.5	<u>Building condition surveys</u>		<u>Review 10 years after issue</u>
8.9.6	<u>Quinquennial inspections</u>		<u>Review 15 years after issue</u>
8.9.7	<u>Fire precautions and services</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.8	<u>Asbestos inspections</u>	<u>Original surveys reports</u>	<u>Retain for life of building, review on disposal of building</u>
8.9.9	<u>Conservation Historic &amp; Listed Buildings</u>	<u>Listed Building and Scheduled Ancient Monument Consents</u>	<u>Review 12 years after issue</u>
8.9.10	<u>Other specialist reports not referred to above</u>		<u>Review 12 years after compilation</u>
8.9.11	<u>Buildings Records, Maps, Plans, &amp; Drawings Site surveys</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.12	<u>Measured surveys</u>		<u>Review 10 years after compilation or on disposal of building</u>
8.9.13	<u>Archaeological record</u>		<u>Review 25 years after compilation</u>
8.9.14	<u>Design drawings</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.15	<u>Perspective drawings</u>		<u>Review 5 years after compilation</u>
8.9.16	<u>Working copies of above</u>		<u>Review 5 years after compilation</u>
8.9.17	<u>Consultants and contractors drawings and associated records</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.18	<u>'As built' or 'as installed' drawings</u>		<u>Life of building – CDM H&amp;S File</u>
8.9.19	<u>Presentation records, include drawings, photographs, models, etc</u>		<u>Review 5 years after compilation</u>
8.9.20	<u>Competition drawings</u>		<u>Review successful after 7 years</u> <u>Review unsuccessful after 1 year</u>
8.9.21	<u>Feasibility studies, preliminary designs and other proposals not implemented</u>		<u>Indefinitely at least life of building</u>
8.9.22	<u>Computer Aided Design CAD records</u>		<u>At least life of building</u>

<a href="#">8.9.23</a>	<a href="#">Maintenance schedules</a>		<a href="#">Review 10 years after final entry</a>
<a href="#">8.9.24</a>	<a href="#">Maintenance diaries or logs</a>		<a href="#">Review 10 years after final entry</a>
<a href="#">8.9.25</a>	<a href="#">Installation surveys plant &amp; services</a>		<a href="#">Life of building – CDM H&amp;S File</a>
<a href="#">8.9.26</a>	<a href="#">Maintenance programme</a>		<a href="#">Review 10 years after final entry</a>
<a href="#">8.9.27</a>	<a href="#">Maintenance and operational manuals</a>		<a href="#">Life of building – CDM H&amp;S file</a>
<a href="#">8.9.28</a>	<a href="#">Health and safety inspection reports</a>		<a href="#">Until superseded</a>
<a href="#">8.9.29</a>	<a href="#">Plant and equipment condition surveys</a>		<a href="#">Review 10 years after final entry</a>
<a href="#">8.9.30</a>	<a href="#">Maintenance contracts and related correspondence</a>		<a href="#">Review 5 years after end of contract</a>
<b><a href="#">8.10</a></b>	<b><a href="#">Meetings with contractors</a></b>		
<a href="#">8.10.1</a>	<a href="#">Agenda, minutes etc, record set</a>	<a href="#">Agenda, minutes etc, other copies</a> <a href="#">Drafts, domestic arrangements etc</a>	<a href="#">Review 12 years after project completion</a>
<a href="#">8.10.2</a>	<a href="#">Asbestos registers</a>		<a href="#">Review 30 years after date of event</a>
<a href="#">8.10.3</a>	<a href="#">Asbestos incidents- correspondence, reports and papers</a>		<a href="#">Indefinitely, transfer to new freeholder on disposal</a>
<a href="#">8.10.4</a>	<a href="#">Title deeds</a>	<a href="#">Also other documents relating to freehold property – not public records</a>	<a href="#">Indefinitely in deed packet</a>
<a href="#">8.10.5</a>	<a href="#">Leases signed copies</a>		<a href="#">Indefinitely in deed packet</a>
<a href="#">8.10.6</a>	<a href="#">Memoranda of terms</a>		<a href="#">Indefinitely in deed packet</a>
<a href="#">8.10.7</a>	<a href="#">Subletting agreements</a>		<a href="#">Indefinitely in deed packet</a>
<a href="#">8.10.8</a>	<a href="#">Way leave agreements</a>		<a href="#">Indefinitely in deed packet</a>
<a href="#">8.10.9</a>	<a href="#">Landlord's consents</a>		<a href="#">Indefinitely in deed packet</a>
<a href="#">8.10.10</a>	<a href="#">Licences</a>		<a href="#">Indefinitely in deed packet</a>

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**Section 9 – Environmental Health**

Ref No	Function Description	Examples of Records	Retention Periods (Authorit
<b>9.1</b>	<b>Food and Health and Safety</b>		
9.1.1	Health & Safety notices	Health & Safety Act 1974, Regulations and Orders made thereunder.	Duration of notice + plus 6 years (insurance claims reasons).
9.1.2	Accident report forms	Health & Safety Act 1974	Current plus 6 years (insurance claims reasons).
9.1.3	Food Poisoning results	Food & Safety Act 1990	3 years after all actions have been completed.
<b>9.2</b>	<b>Licensing</b>		
9.2.1	Applications for individual premises and vehicle licences.	Application forms, photos correspondence etc	3 years after cease of licence.
<b>9.3</b>	<b>Choice-Based Lettings &amp; Housing Options Service</b>		
9.3.1	Administration of housing register and choice-based lettings scheme	Application forms and all letters and supporting material	2 years
9.3.2	Prevention of Homelessness	Letters and all information relating to those seeking assistance to prevent their homelessness	2 years
9.8.3	Homelessness	Homelessness applications and all supporting letters and information	2 years
<b>9.4</b>	<b>Cemeteries &amp; Crematoria</b>		
9.4.1	Statutory documentation	Certificate of Medical Attendance	Original – 2 years Electronic - Indefinitely
9.4.2	Summary management systems that record the location of burials and identity of deceased individuals	Register of interments Cemetery register Cemetery plans	Burial records kept Indefinitely
<b>9.5</b>	<b>Civil Emergency</b>		
9.5.1	Activities that report on all civil emergencies in the local community, whether the emergency plan has been invoked or not	Borough Emergency Response and Recovery Plan	Indefinite
<b>9.6</b>	<b>Waste management data retention records</b>		
9.6.1	Waste transfer notes Commercial waste	Bulk annual notes	Current year +2
9.6.2	Waste transfer notes Household waste	Bulk annual notes	Contract +2
9.6.3	Weighbridge tickets Non recyclable waste	Individual notes (contractor)	Current year +2
9.6.4	Weighbridge Tickets Recyclable waste	Individual notes (Council Copy)	Not retained as required to be passed to County for Recycling Credits
9.6.5	Commercial waste contracts	Contract document (electronic or paper)	Contract period +6
9.6.6	Garden Waste Contracts Household waste	Electronic details	Contract period +1
9.6.7	Bring Sites Agreements Household waste	Agreement (electronic or paper)	Agreement +2
9.6.8	Waste Carriers Licence	Licence	Licence period +6

<a href="#">9.6.9</a>	<a href="#">Waste Collection Contracts Contract Documents</a>	<a href="#">Contract</a>	<a href="#">Contract Period +6</a>	Formatted: Font: 10.5 pt
<a href="#">9.6.10</a>	<a href="#">Waste Collection Contracts Contract Documents</a>	<a href="#">Work instructions (Paper)</a>	<a href="#">Current +2</a>	Formatted: Font: 10.5 pt
<a href="#">9.6.11</a>	<a href="#">Waste Collection Contracts Contract Documents</a>	<a href="#">Work instructions (Electronic)</a>	<a href="#">Contract +6</a>	Formatted: Font: 10.5 pt
<a href="#">9.6.12</a>	<a href="#">Waste Collection Contracts</a>	<a href="#">Formal Correspondence</a>	<a href="#">Contract +6</a>	Formatted: Font: 10.5 pt
<a href="#">9.6.13</a>	<a href="#">Hazardous Waste Collections Household waste</a>	<a href="#">Invoice electronic</a>	<a href="#">Current +3</a>	Formatted: Font: 10.5 pt
<a href="#">9.6.14</a>	<a href="#">Personal Data Household waste</a>	<a href="#">Service Request (Electronic)</a>	<a href="#">Period of Service +2</a>	Formatted: Font: 10.5 pt
<a href="#">9.6.15</a>	<a href="#">Sensitive Personal Data Household waste</a>	<a href="#">Service Request (Electronic)</a>	<a href="#">Period of Service + 6 months</a>	Formatted: Font: 10.5 pt
<a href="#">9.7</a>	<a href="#">Community Safety and Neighbourhood Nuisance</a>			Formatted: Font: 10.5 pt
	<a href="#">CSNN is subject to its own retention policy.</a>			Formatted: Font: 10.5 pt
<a href="#">9.8</a>	<a href="#">Car Parks</a>			Formatted: Font: 10.5 pt
<a href="#">9.8.1</a>	<a href="#">Excess Charge Payments</a>		<a href="#">1 year</a>	Formatted: Font: 10.5 pt
<a href="#">9.8.2</a>	<a href="#">Long Tern Season Tickets</a>	<a href="#">Application Forms</a>	<a href="#">Destroyed on Expiry</a>	Formatted: Font: Bold
<a href="#">9.8.3</a>	<a href="#">Penalty Charge notices</a>	<a href="#">Road Traffic Regulation Act 1984</a>	<a href="#">7 years</a>	Formatted: Font: Bold
<a href="#">9.8.4</a>	<a href="#">Excess Charge Posting Reports</a>		<a href="#">7 years</a>	
<a href="#">9.8.5</a>	<a href="#">Monthly Transaction Reports.</a>		<a href="#">7 years</a>	
<a href="#">9.8.6</a>	<a href="#">Ticket Machine Audit</a>	<a href="#">Tickets and corresponding details</a>	<a href="#">7 years</a>	
<a href="#">9.8.7</a>	<a href="#">Cash Count Slips.</a>		<a href="#">7 years</a>	
<a href="#">9.8.8</a>	<a href="#">Car Park Work Instructions</a>		<a href="#">7 years</a>	

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## Section 10 – Planning and Regeneration

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<u>Ref No</u>	<u>Function Description</u>	<u>Examples of Records</u>	<u>Retention Periods (Authority)</u>
<b>10.1</b>	<b><u>Planning Development and Land Use</u></b>		
10.1.1	<u>Developing a vision and strategic direction regarding existing/future land use within the LA.</u> <u>Development of local</u>	<u>Local Plan</u> <u>LDF documents</u>	<u>15 years</u>
10.1.2	<u>Consultation to gain approval for the LDF or Local Plans.</u>	<u>Consultation docs and replies</u> <u>Inquiries and Objections</u> <u>Public Inquiry documents</u>	<u>5 years from date of adoption of document.</u>
10.1.3	<u>Receiving, considering and responding to submissions and objections to planning schemes and amendments</u>	<u>Planning application files and plans</u> <u>Correspondence regarding any objections</u>	<u>Retain planning records (can be electronic etc.)</u>
10.1.4	<u>Controlling development through applications for planning permission</u>	<u>Planning application files and plans</u> <u>Correspondence regarding any objections</u> <u>Appeal papers</u> <u>Planning application register</u>	<u>Must keep the planning files (not necessarily hard copy).</u> <u>Recent Ombudsman ruling against Warrington BC highlights this</u>
10.1.5	<u>Maintaining and developing open spaces for public amenity</u>	<u>Tree preservation orders</u> <u>Public Open Spaces</u> <u>Development plans and correspondence</u> <u>Land purchase agreements</u>	<u>Must retain records of TPO's.</u> <u>Property services will retain records of land ownership.</u>
<b>10.2</b>	<b><u>Planning Scheme Regulation</u></b>		
10.2.1	<u>The summary management of planning scheme regulation</u>	<u>Building control registers</u>	<u>15 years after closure</u>
10.2.2	<u>Approving building applications in relation to listed or other significant buildings</u>	<u>Building files and Plans</u> <u>Specifications</u> <u>Corres and Applications</u> <u>Permits</u> <u>Certificates</u>	<u>15 years after construction completed</u>
10.2.3	<u>Approving building applications, for all other buildings</u>	<u>Building files and Plans</u> <u>Specifications</u> <u>Corres and Applications</u> <u>Permits and Certificates</u> <u>Objections</u>	<u>15 years after construction completed</u>
<b>10.3</b>	<b><u>Infrastructure Management and Maintenance</u></b>		
10.3.1	<u>Providing municipal services in relation to infrastructure within the local authority</u>	<u>Street files and records</u> <u>Requests for:</u> <u>Hedge clipping</u> <u>Tree planting</u> <u>Naming of streets</u> <u>Numbering of houses</u> <u>Street road limits</u> <u>Street signs</u> <u>Bus shelters</u> <u>Apps to dig up pavements</u> <u>HGV application</u> <u>Advice/comment</u> <u>Level crossings</u> <u>Right of ways</u> <u>Roundabouts</u> <u>Traffic calming measures</u> <u>Street lighting</u>	<u>7 years after last action</u>

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## Section 11 – Leisure Services

<u>Ref No</u>	<u>Function Description</u>	<u>Examples of Records (Authority)</u>	<u>Retention Periods</u>
11.1	<u>Leisure Card</u>	<u>Application Forms</u>	<u>Life of membership + 1 year</u>
11.2	<u>Holiday Schemes and Birthday Parties</u>	<u>Application forms</u>	<u>1 year after event</u>
11.3	<u>Application Forms for Courses &amp; Events</u>	<u>N/A</u>	<u>1 year after event</u>
11.4	<u>Daily pool water testing records</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>3 Years</u>
11.5	<u>Monthly microbiological pool water testing results</u>		<u>3 Years</u>
11.6	<u>Staff rotas</u>		<u>3 Years</u>
11.7	<u>Facility Inspection records - daily checklists</u>		<u>2 years</u>
11.8	<u>Fire extinguisher Checklists</u>	<u>N/A</u>	<u>2 years</u>
11.9	<u>Emergency Lighting Checklists</u>	<u>N/A</u>	<u>2 years</u>
	<u>Daily pool water testing records</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>3 Years</u>
11.10	<u>Equipment Safety checklist</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>2 years</u>
11.11	<u>Risk Assessments</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>3 Years</u>
11.12	<u>Risk Assessment Action Plans</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>3 Years</u>
11.13	<u>Accident/incident/"Near Miss" report forms</u>	<u>Health &amp; Safety at Act 1974</u>	<u>21 years</u>
11.14	<u>Verbal/Physical abuse reporting form</u>	<u>Health &amp; Safety at Act 1974</u>	<u>21 years</u>
11.15	<u>COSSH documentation, procedures and safety data sheets</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>Indefinitely</u>
11.16	<u>Health suite induction records</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>7 years</u>
11.17	<u>Fitness room equipment inspection checklist</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>2 years</u>
11.18	<u>Catering temperature Checklists for Fridges/freezers</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>1 year</u>
11.19	<u>Catering product temperature checklists</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>1 year</u>
11.20	<u>Catering product delivery checklist</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>1 year</u>
11.21	<u>Outdoor play area safety checklists</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>2 years</u>
11.22	<u>Safety audit reports</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>Indefinitely</u>
11.23	<u>Contractor vetting information</u>	<u>N/A</u>	<u>1 year</u>
11.24	<u>First Aid Checklists</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>1 year</u>
11.25	<u>Vending machine reconciliation forms</u>	<u>N/A</u>	<u>7 years</u>
11.26	<u>Lost property books</u>	<u>N/A</u>	<u>2 years</u>
11.27	<u>Visitors Contractors signing in books</u>	<u>N/A</u>	<u>Indefinitely</u>
11.28	<u>Fire Alarm checklists</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>Indefinitely</u>

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<u>Ref No</u>	<u>Function Description</u>	<u>Examples of Records (Authority)</u>	<u>Retention Periods</u>
<u>11.30</u>	<u>Building Electrical test certificates</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>Indefinitely</u>
<u>11.31</u>	<u>Portable appliance test inventory</u>	<u>Health &amp; Safety at Work Act 1974</u>	<u>Indefinitely</u>
<u>11.32</u>	<u>Building equipment furniture inventory</u>	<u>N/A</u>	<u>Indefinitely</u>
<u>11.33</u>	<u>Institute of Qualified lifeguards / The Royal Lifesaving Society</u>	<u>Lifeguard certificates</u>	<u>7 years</u>

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1.1.1	Summary certification of those eligible to vote	Electoral Register	15 years
	Voting Local elections only	Ballot papers	6 months from close of poll (Statutory)
1.2	Electoral Registration has a separate policy. This should be referred to for retention of documents relating the Electoral Register, election results and ballot papers. Election Results		

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1.2.1	Declaration of results (Local Government elections only)	Consolidated returns of votes received	6 months from date of election (Statutory)
	Declaration of results (European Parliamentary elections only)	Consolidated returns of votes received	12 months from date of election (Statutory)

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1.3.4	Members Allowances	Travel and subsistence claim forms	Current year + 6.

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1.4.2	Minute taking. – I am not aware that there is a requirement for this – I would rather not have it set in stone	Draft/Rough Minutes	Destroy after date of confirmation of the minutes.

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## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Mandatory/Operational	(a) Be entirely within cabinet's powers to decide NO		
		(b) Need to be recommendations to Council YES		
		(c) Be partly for recommendations to Council and partly within Cabinets powers – NO		
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Kate Littlewood, Audit Manager E-mail: kate.littlewood@west-norfolk.gov.uk Direct Dial: 01553 616252		Other Officers consulted: Executive Director, Finance and Resources Chief Accountant		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications (incl S.17) YES	Equality Impact Assessment NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES

Date of meeting: 6 December 2011

### 10 REVIEW AND UPDATE OF FINANCIAL REGULATIONS

#### Summary

This report presents proposed amendments to the Financial Regulations to reflect recent changes in the Management Team.

#### Recommendation

Cabinet is invited to recommend that Council approve the amended Financial Regulations.

#### Reason for Decision

To ensure the regulations remain relevant and fit for purpose.

### 1. Background

1.1 Financial Regulations were last reviewed in January 2009. Since then changes to the service structure and Management Team have meant that responsibility for certain functions in the regulations have been re-allocated. It was therefore considered necessary to update some references and at the same time review the regulations as a whole to ensure that they remain relevant and fit for purpose.

1.2 The draft revised version of 'Financial Regulations' is attached as **Appendix 1** to this report.

## **2. Summary of Changes**

- 2.1 Throughout the document some wording and order of sections has been amended simply to make the document easier to read and to aid clarity.
- 2.2 The title 'Chief Finance Officer' has been used to denote the Executive Director, Finance and Resources/ Deputy Chief Executive to more accurately reflect the role undertaken in this document.
- 2.3 The current Financial Regulations are ambiguous on the authorisation or reporting required for additional costs arising from the capital programme. The revisions clarify the differing treatments for unanticipated revenue implications arising from a capital schemes, and urgent or unanticipated capital needs to ensure that both are reported at an appropriate level.
- 2.4 The section referring to Third Party Cheques has been removed as the Council no longer accept them in payment.
- 2.5 Previously the writing off of irrecoverable debts below £5,000 had been delegated to the Executive Director, Revenues and Customer Services. This has now been delegated to the Revenues and Benefits Manager.
- 2.6 A new section has been inserted on the 'Use of Credit Cards' to reflect the increased use of corporate cards in Council business. The allocation and circumstances under which these cards can be used is limited.
- 2.7 Some of the wording and the order of the section on 'Orders for Work and Goods' has been revised to emphasise the need to comply with Contract Standing Orders. In addition the requirement to use the electronic Purchase Order Programme (POP) instead of manual orders has also been emphasised.
- 2.8 A separate section for 'Disposals (except Land and Property Assets)' has been inserted to clarify the necessary procedures. This is to ensure that items identified as being surplus to requirements are disposed of in a properly controlled manner. Land and Property Assets are already dealt with in a separate section.
- 2.9 Finally, the current regulations have an appendix 'Recommended Retention Periods for Documents'. This has been removed and a new 'Document Retention Policy' is being produced as a separate document, which will be presented for approval. This is considered necessary as the retention policy is not just a finance related document, but has wider implications in respect of Data Protection.

### **3. Policy Implications**

- 3.1 Financial Regulations govern the financial systems throughout the Council.
- 3.2 Removal of the appendix relating to Document Retention will result in a new policy document.

### **4. Financial Implications**

- 4.1 There are no direct financial implications, but the document affects all financial systems throughout the Council.

### **5. Statutory Consideration**

- 5.1 To ensure the Council meets its statutory obligations under s151 Local Government Act 1972 and s114 Local Government Finance Act 1988, which place a responsibility on the Chief Financial Officer for the proper administration of the Council's financial affairs.

### **6. Risk Assessment**

- 6.1 Financial Regulations must be kept up-to-date and relevant to reduce the risk of improper use of financial systems and resources.

### **7. Access to Information**

- 7.1 The current version of Financial Regulations is available through the Constitution.
- 7.2 The revised version is attached to this report as **Appendix 1**.

## Appendix 1

Borough Council of  
**King's Lynn &  
West Norfolk**



### FINANCIAL REGULATIONS

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**Next Review due – June 2013**

## **1. INTRODUCTION**

- 1.1 These Regulations are intended to ensure that the Council meets its statutory requirements regarding financial management, especially as regards the financial aspects of Corporate Governance and the requirements of the Accounts and Audit Regulations, which requires that there are arrangements in place to ensure that the Council has a sound system of internal control, which includes:
- Arrangements for the management of risk, in accordance with the Council's Risk Management Policy; and
  - Arrangements to conduct a review at least once a year of the effectiveness of its system of internal control, including an Annual Governance Statement with the annual statement of accounts, produced in accordance with the Accounts and Audit Regulations.
- 1.2 Throughout these regulations, references to:
- Chief Finance Officer refers to the Executive Director, Finance and Resources
  - Cabinet, Council Body, Leader, Portfolio Holder, Executive Director, Monitoring Officer are as defined in the Council's Constitution;
  - Members of staff or employees includes individuals who are acting on the Council's behalf, as consultants or contractors;
  - Management Team is the Chief Executive and Executive Directors as defined in the Council's Constitution.
- 1.3 These regulations apply to all employees and Members of the Council as well as any consultant or contractor acting as if they were Council employees. All Members and employees have a general responsibility to provide for the security of council assets under their control and for ensuring that the use of resources is legal, properly authorised and achieves best value.
- 1.4 Financial Regulations are to be used in conjunction with Contract Standing Orders and the Scheme of Delegation. The Chief Finance Officer, in consultation with the Monitoring Officer, shall determine any matter on which conflict may arise.
- 1.5 Every Executive Director must consult the Chief Finance Officer on any matter which would result in a variation to the overall budget agreed by Members at the annual budget meeting before any provisional or actual commitment is incurred.
- 1.6 The Chief Finance Officer, for the purposes of Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988 is responsible, under the general direction of the Cabinet, for the proper administration of the Council's financial affairs.
- 1.7 As the Council's financial and economic adviser, the Chief Finance Officer will report on the level of resources proposed to be utilised in each financial year and keep the Council informed regarding the Council's finances and financial performance.
- 1.8 The Council is responsible for periodically making and amending Financial Regulations as it considers necessary and desirable for supervising the finances,

accounts, income, expenditure and assets of the Council. In accordance with the Council's Scheme of Delegation, minor amendments to these Regulations can be made by the Chief Executive, in consultation with the Leader.

- 1.9 Nothing in these Financial Regulations will prevent the Chief Executive, in consultation with the Leader, the Chief Finance Officer and the Monitoring Officer from incurring expenditure required to meet any immediate needs created by a sudden emergency under Section 138 of the Local Government Act 1972, subject to such action being reported to the Council as soon as practicable thereafter.
- 1.10 The Chief Finance Officer will, after consultation with the Head of Paid Service (the Chief Executive) and the Monitoring Officer, report to the Council's Standards Committee any identified unauthorised case of non-compliance with these Financial Regulations by a Council Member. In addition, the Standards Board for England may investigate the matter. The Chief Finance Officer and the Monitoring Officer will review with the Council's Standards Committee the application of Financial Regulations as part of the ethical health of the Council.
- 1.11 It is the responsibility of each Executive Director to ensure that all staff within their service area are aware of and comply with the requirements of these Financial Regulations. Failure to observe these Regulations may be classified as misconduct justifying disciplinary action.

## **2. INTERNAL AUDIT**

- 2.1 Under S151 of the Local Government Act 1972, the Chief Finance Officer must ensure that there is a continuous internal audit function to carry out an examination of accounting, financial, and other operations of the Council.
- 2.2 The Council will maintain an adequate and effective system of internal audit of its systems of internal control and of its accounting procedures and records in accordance with the proper audit practices.
- 2.3 Any officer or Member of the Council must, if required:
  - Make available such documents or assets of the Council which appear to the auditor to be necessary for the purposes of the audit or investigation;
  - Supply any auditor (whether internal or external) with such information and explanations as the auditor considers necessary for their purpose;
  - Allow entry to auditors (whether internal or external) at all reasonable times to any Council premises or land;
- 2.4 Whenever any matter arises which involves or is thought to involve financial or other irregularity, the relevant Executive Director concerned must immediately notify the Chief Finance Officer, Monitoring Officer or the Audit Manager. These members of staff will take such steps as they consider necessary to investigate the matter, including notifying the police.
- 2.5 Where a member of staff identifies a potential fraud or irregularity, they should follow the guidance in the Council's Whistleblowing Policy and Anti-Fraud and Anti-Corruption Strategy.

- 2.6 Any such matter which involves, or is thought to involve, a Member of the Council, will be discussed by the Chief Finance Officer or Audit Manager with the Monitoring Officer and the Chief Executive, who together will decide what course of action then needs to be followed.

### **3. BUDGETS**

- 3.1 The Council shall approve the Council's policy framework and budget in accordance with Article 4 of the Constitution.

#### **PRUDENTIAL MANAGEMENT**

- 3.2 The Chief Finance Officer is responsible for the soundness of the Council's financial systems, the form of accounts and the supporting financial records. Changes made by any level of management to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer.
- 3.3 The Chief Finance Officer, in consultation with Management Team, must each year produce and make public:
- A medium-term plan showing a three year forward assessment of all revenue commitments and
  - A medium term plan showing a three year projection of capital resources in line with the CIPFA Prudential Code.
- 3.4 These must reflect any known changes in service level resulting from changes in Council priorities arising from changes in legislation or policy, demographic trends or resources. Budgets must aim to ensure that resources are matched to agreed Council priorities and prudent level of reserves are maintained.
- 3.5 Executive Directors must, having consulted the Chief Finance Officer, ensure that Cabinet reports proposing new or increased spending contain the following information:
- the revenue consequences of any decision over at least a three year period;
  - in the case of capital expenditure, a comparison between the chosen method of financing and other financing methods considered appropriate for the project;
  - the implications of the proposal on the medium-term plan (see Financial Regulation 3.1 above)
- 3.6 Council approval is required for all proposals that would increase expenditure or reduce income to the Council.
- 3.7 Where an Executive Director or portfolio holder proposes:
- (a) a new policy, or
  - (b) a variation of existing policy, or
  - (c) a variation in the means or timescale of implementing existing policy

that affect or may affect the Council's finances, they must submit a report to the Cabinet which will then report the matter to the Council.

- 3.8 All budgets, whether **capital** or **revenue**, are subject to cash limits. In the event of any budget likely to be overspent or income not achieved, the Executive Director, in consultation with the relevant portfolio holder, will be responsible for providing for a transfer of funding from elsewhere within their budgets to compensate for any deficit or to gain agreement for a transfer of funding from another Executive Director and/ or other relevant portfolio holder. This procedure will also be followed where an Executive Director wishes to utilise a saving on expenditure or additional income. The transfer of funding will be subject to the guidelines set out in Appendix 1 to these Regulations.
- 3.9 The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to any **partnership, joint venture** or **shared service arrangement** are satisfactory. In conjunction with the Monitoring Officer, he must also consider whether the appropriate Executive Director has adequately considered the overall corporate governance and legal issues and that risks have been fully appraised when arranging contracts or formal agreements with external bodies.
- 3.10 Executive Directors shall control income and expenditure within their service area and monitor performance, taking account of the financial information provided by the Chief Finance Officer and advice received from the accountancy staff. They shall report on variances within their own areas and take action to avoid exceeding their budget allocation, and alert the Chief Finance Officer to any problems.

### **REVENUE BUDGETS**

- 3.11 The Chief Finance Officer will approve the detailed corporate form and content of revenue service estimates, in line with the general directions of the Cabinet and after consultation with Management Team.
- 3.12 The Chief Finance Officer must prepare revenue estimates of income and expenditure in conjunction with the Executive Directors. The estimates will be collated and submitted by the Chief Finance Officer to Management Team and then to the Cabinet with Management Team's comments. The report(s) will show how the estimates comply with the Council's approved financial plan. Approval of the budget is the function of the Council.
- 3.13 Copies of all proposed Cabinet reports must be passed to the Chief Finance Officer in sufficient time for him to adequately consider the budget implications of any proposals.
- 3.14 The Chief Finance Officer will provide each Executive Director and portfolio holder with details of receipts and payments under their control by means of a corporate financial management system. This is for the purpose of monitoring the budget heads under their control.
- 3.15 Portfolio holders may transfer monies in accordance with the Ground Rules for Budget Transfer (Appendix 1 of these Regulations).



## **CAPITAL BUDGETS**

- 3.16 Prior to the annual consideration of revenue estimates, the appropriate Executive Director and the Chief Finance Officer, in consultation with the relevant portfolio holder, must prepare and submit to the Cabinet a programme of estimated capital expenditure for consideration (the Capital Programme).
- 3.17 The Cabinet will make recommendations as appropriate to the Council for final approval. The programme will provide full details of the revenue implications of schemes expected to start in the next ensuing two financial years (i.e. years two and three) and identify the methods of financing the recommended capital programme.
- 3.18 Once Council has approved the Capital Programme, the Executive Director concerned will be authorised:
- (a) to instruct the Property Services Manager to acquire, in due time, any land necessary for the purposes of the programme. .
  - (b) to prepare a detailed scheme and estimate including associated revenue expenditure. Any unanticipated Revenue implications, arising after approval of the scheme, must be dealt with in line with the Ground Rules for Budget Transfer (Appendix 1 of these Regulations).
- 3.19 If an urgent or unanticipated capital need arises, the proposal will be reported to Members as part of the monthly Budget Monitoring Report. The Council will receive a report at the earliest opportunity.
- 3.20 The Chief Finance Officer will provide Executive Directors with monthly financial monitoring statements in respect of each approved capital project including details of any known commitments.
- 3.21 Executive Directors shall ensure that:
- Their staff receive relevant training on the use of the financial systems as approved by the Chief Finance Officer.
  - Staff have been identified and authorised to act on that person's behalf in respect of payments, income collection and placing orders, together with limits of their authority.

## **4. ACCOUNTING**

- 4.1 The Chief Finance Officer must approve all accounting procedures and records. Where these are maintained in a service area other than that of Finance and Resources, these will be agreed in consultation with the appropriate Executive Director.
- 4.2 Any member of staff intending to revise or replace any accounting procedure or record (including local procedures or records) must obtain the approval of the Chief Finance Officer beforehand.

- 4.3 Where local accounting records are maintained, these must be reconciled to the general ledger at regular intervals, in order to ensure that the two records accurately show the financial and associated information recorded in them are correct. At all times, the central accounting system will take precedence.
- 4.4 All accounts and accounting records of the Council (including local accounts or accounting records) will be compiled by or be under the direction of the Chief Finance Officer, with the annual accounts being produced within the time limit required by the relevant Accounts and Audit Regulations.
- 4.5 An Executive Director or other responsible member of staff must ensure that expenditure and income under his/her control is properly accounted for and allocated to the correct budget. Budget holders must monitor their cost centre's performance throughout the year and discuss any major unanticipated discrepancies (either favourable or adverse) with the Chief Finance Officer at the earliest opportunity.
- 4.6 In order to provide an adequate separation of duties, the following principles must be observed in the allocation of accounting duties:
- (a) Individuals who identify, calculate, or record sums due to or from the Council should not, as far as is practically possible, collect or disburse them;
  - (b) Staff examining or checking the accounts of the above transactions must not themselves undertake any of the duties shown in 4.6 (a) above.
- 4.7 All invoices or documents relating to financial transactions must be retained for the minimum period set out in the Corporate Retention Policy in order to ensure that the necessary records are available for audit or examination by external agencies, as required.
- 4.8 Executive Directors must supply required information in the form and within the time-scale required by the Chief Finance Officer for accounting purposes, in order to ensure that the financial transactions of the Council are recorded as soon and as accurately as possible.

## **5. BANKING ARRANGEMENTS AND CHEQUES**

- 5.1 The Chief Finance Officer is responsible for all banking arrangements. No other employee or Member is authorised to open or operate a bank account on the Council's behalf.
- 5.2 The Chief Finance Officer is responsible for ordering and maintaining the safe custody of all cheque stationery and credit cards until allocated to authorised individuals.
- 5.3 Cheques on the Council's main bank accounts, including Girobank accounts, will bear the facsimile signature of the Chief Finance Officer or be signed by him or her or such other officer who has been authorised by him to do so.

- 5.4 Cheques for all payments exceeding £50,000 must be counter-signed by one of the employees authorised to do so by the Chief Finance Officer.
- 5.5 Alterations to cheques must be certified by an employee authorised to do so by the Chief Finance Officer. Alterations to cheques are limited to the removal of a crossing (subject to the amount of the cheque not exceeding £1,500), to the correction of the date, and/or to the correction of a mis-spelling of the name of the payee.
- 5.6 Where an error has been identified on a cheque valued at more than £1,500, the cheque must be replaced.

## **6. TREASURY MANAGEMENT**

- 6.1 Treasury Management will operate in accordance with the procedures and reporting requirements set down in CIPFA's "Code for Treasury Management in Local Authorities" and other appropriate codes.
- 6.2 All executive decisions on borrowing, investment or financing are delegated to the Chief Finance Officer or through him to his staff, who is required to act in accordance with the Council's Treasury Management Policy, within the limits set under the CIPFA Prudential Code.
- 6.3 In accordance with the Code, the Chief Finance Officer must inform Cabinet of the activities of the treasury management operation at least half-yearly and on the exercise of treasury management powers delegated to him by 30th September of the succeeding financial year.
- 6.4 Also, in accordance with the Code, Council must approve the Council's policy statement on treasury management for the forthcoming financial year. This statement will need to incorporate, amongst other things, the strategy on borrowing, investment and managing cash flow, approved methods of raising finance and approved sources of borrowing.
- 6.5 All money accruing to the Council must be aggregated for the purposes of treasury management and must be controlled by the Chief Finance Officer.
- 6.6 All money must be invested in the Council's name or in the name of nominees approved by the Council. Bearer securities are excepted from this regulation but their purchase must be reported to the Cabinet.
- 6.7 All securities which are the property of, or are in the name of the Council, or its nominees and title deeds of all property in its ownership or mortgaged to the Council, must be held in the custody of the Monitoring Officer.
- 6.8 All borrowing or lending must be made in the name of the Council.
- 6.9 The Chief Finance Officer is the Council's registrar of stocks and must maintain records of all monies borrowed or lent by the Council.

- 6.10 All trust funds must, wherever possible, be in the name of the Council. Where funds are held on behalf of third parties, the appropriate officer must ensure their secure administration and ensure that written records of all transactions are maintained in accordance with the requirements of the Chief Finance Officer.
- 6.11 All staff acting as trustees by virtue of their official position, must deposit all securities etc., relating to a trust with the Monitoring Officer, unless the deed requires otherwise, in which case those staff members must immediately notify the Monitoring Officer, providing full details in relation to the trust. Trust funds must be operated within any relevant legislation and the specific requirements for each trust.

## **7. SALARIES, WAGES AND PENSIONS**

- 7.1 The Executive Director, Central Services must be notified of all staff appointments, including those made on a casual or consultancy basis, to ensure correct tax records are maintained.
- 7.2 The Executive Director, Central Services must make or arrange for the payment of all salaries, pensions, allowances, compensation and other such payments that are legitimately due to Members, employees, former Members and former employees of the Council. Under no circumstances can payments to staff and Members be made without the prior approval of the Executive Director, Central Services, in order to ensure that the requirements of the HM Revenue and Customs (HMRC) are met.
- 7.3 The Executive Director, Central Services must maintain complete records of all matters affecting the payments of such expenses and in particular:
- (a) Appointments, resignations, dismissals, suspensions, secondments and transfers;
  - (b) Absences from duty for sickness or other reasons, apart from approved leave;
  - (c) Changes in remuneration, including, but not restricted to changes in hours, acting up allowances, leased car, essential and casual user status, pay awards and other negotiated agreements which apply to staff generally;
  - (d) Information necessary to maintain records of service for superannuation, income tax, national insurance and the like.
- 7.4 Appointments of all employees must be made in accordance with Corporate Guidelines and the approved establishment, grades and rates of pay.
- 7.5 All time records or other pay documents must be in a form prescribed or approved by the Executive Director, Central Services and must be certified by hand by an appropriately authorised member of staff (NB Electronic signatures are accepted in the case of electronically submitted timesheets). The names of members of staff authorised to sign such records must be sent to the Executive Director, Central Services together with specimen signatures and must be amended to reflect any

changes. A list of such authorised staff will be maintained by Personnel Services and re-drafted annually.

- 7.6 Executive Directors must ensure that overtime claims made by employees are made as a result of a true and complete record of work carried out by the employees concerned.
- 7.7 Members of staff must not certify their own claim forms and normally any claim should be authorised by a more senior officer to the claimant. Where a claimant is a service manager, an Executive Director must sign the claim. Where the claimant is an Executive Director, another Executive Director must certify the claim

## **8. TRAVELLING and SUBSISTENCE**

- 8.1 Members (including co-opted Members of the Council and Council Bodies), who are entitled to claim travelling or other allowances, must sign their claim to confirm the amounts as being legitimate and correct. The signed claims should be submitted to Democratic Services for checking and authorising before being passed to Personnel Services for payment.
- 8.2 All payments to staff who are entitled to claim travelling or other allowances, must be made by the Executive Director, Central Services upon receipt of the completed prescribed paper form, made up to the month-end. Completed claim forms must be submitted to Personnel Services by the published monthly payroll deadline date.
- 8.3 The certification by or on behalf of an Executive Director will be taken to mean that the certifying member of staff is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, appropriate VAT receipts are attached (where relevant) and the allowances properly payable by the Council.
- 8.4 Claims submitted more than three months after the expenses were incurred will be paid only in exceptional circumstances and with the express approval of the Executive Director, Central Services.
- 8.5 All claims relating to a financial year must be submitted by the published payroll deadline date for April (i.e. claims for January, February and March each year must be submitted by the April payroll deadline) to ensure that claims are paid in the correct tax year.
- 8.6 The names of staff authorised to sign car and subsistence allowances, travelling and incidental expenses must be sent to the Personnel Services Manager together with specimen signatures and must be notified to him/ her at least annually and on the occasion of any change. A list of such authorised staff will be maintained by Personnel Services and re-drafted annually.
- 8.7 Staff must not certify their own claim forms and normally any claim should be authorised by a more senior officer. Where a claimant is a service manager, an Executive Director must certify the claim. Where the claimant is an Executive Director, another Executive Director must certify the claim.

## **9. GRANTS TO EXTERNAL ORGANISATIONS**

- 9.1 All grants made to external organisations or individuals must be subject to express approval by the relevant decision-maker(s) (normally an Executive Director or portfolio holder).
- 9.2 Where annual grants are made, applications must be obtained from the organisation concerned to detail how the grant is to be used, together with such information about the organisation's finances and other matters (e.g. audited final accounts, business plans, etc.) as may be considered appropriate.
- 9.3 Organisations receiving grant aid must be required to permit access by the Chief Finance Officer or his representative(s), on reasonable notice, to their financial records and premises in order to enable him/ her to verify that the grant has been used in accordance with Council approval.

## **10. PETTY CASH ACCOUNTS and FLOATS**

- 10.1 The Chief Finance Officer will provide petty cash accounts as appropriate to cover incidental office expenses.
- 10.2 Where appropriate, the Chief Finance Officer will open a bank or Girobank account for use by the petty cash account holder. This account must be kept in credit.
- 10.3 Income received on behalf of the Council must not be paid into a petty cash account but must be banked or paid to the Council as required in Financial Regulation 11.
- 10.4 Petty cash expenditure on a single item is limited to £25, except where prior approval has been obtained from the Chief Finance Officer.
- 10.5 An appropriate VAT receipt must be obtained for all items of expenditure. Receipted vouchers, signed by the recipient of the reimbursement must support all expenditure.
- 10.6 Staff responsible for a petty cash account must keep adequate records to support expenditure, in a form approved by the Chief Finance Officer.
- 10.7 Staff responsible for a petty cash account must, if requested, give the Chief Finance Officer a certificate as to the state of the account.
- 10.8 Each Executive Director must arrange for a periodic (but not less than every six months) check of petty cash accounts under his/her control by a member of staff other than those directly responsible for the operation of the account.
- 10.9 Where the immediate need for a petty cash account or float ends, the petty cash or float holder must account to the Chief Finance Officer for the total amount advanced and pay the balance of the petty cash account or float back to the Council's main bank account.
- 10.10 Where the petty cash or float holder ceases to be the person responsible for it, the accuracy of the records and cash held must be agreed with their line manager.

## 11. **INCOME**

- 11.1 The Executive Director, Finance and Resources has overall responsibility for processing or collecting all income due to the Council. All income received will be recorded in a form approved by him and in accordance with the requirements of the Accounts and Audit Regulations.
- 11.2 The Executive Director, Finance and Resources must be promptly notified of all monies due to the Council including receipts under contracts, leases and other agreements. Invoices must be raised using the corporate invoicing system for all sums of £10 and over. Sufficient information to allow all amounts due to be correctly recorded and collected must be provided.
- 11.3 Each Executive Director must, for their service area:
- Maintain comprehensive records as to work done, goods supplied, services rendered and amounts due to the Council as required by the Executive Director, Finance and Resources;
  - Arrange for the billing, chasing and collection of monies due to the Council, in a manner to be agreed with the Executive Director, Finance and Resources. NB Invoices must be raised in respect of work done, services rendered, etc. within 10 working days of the work being done, services rendered, etc.
- 11.4 Prompt, appropriate action should be taken to ensure all monies due to the Council are recovered in full, in a timely fashion. Where payment of outstanding monies is not forthcoming, action, including legal action, may be taken to recover and secure these sums.
- 11.5 All money received by a member of staff on behalf of the Council must be banked in its entirety (i.e. without any deductions) at the earliest opportunity (i.e. no more than one week from the date of receipt). All paying-in slips must show a reference to the related debt (such as the receipt number or the name of the debtor) or the origin of the cheque. The name of the relevant service area or a reference to the related debt must be written or printed on the reverse of each cheque.
- 11.6 Personal cheques must **not** be cashed out of money held on behalf of the Council.
- 11.7 Acceptance of payments by debit or credit cards, or any form of electronic payment (including payments over the internet) must only be in accordance with procedures laid down by the Chief Finance Officer.
- 11.8 Every transfer of official money from one member of staff to another must be recorded by the recipient and signed by both members of staff involved in the transaction.

- 11.9 The writing off of irrecoverable debts can only be authorised by the Chief Finance Officer in accordance with the Council's Scheme of Delegation, including authority as delegated by him as follows:

<u>Value</u>	<u>Authorised Officer</u>	<u>Additional approval required?</u>
Below £5,000	Revenues and Benefits Manager	No

In addition, the Chief Finance Officer has delegated to the Property Services Manager authority to write off debts associated with industrial estates and other associated land debt – subject to a limit of £500 per debt.

- 11.10 Scales of charges within the Council's control must be reviewed at least annually. These reviews will include activities where no charges are being made. The reviewing officer must make a written report to the Cabinet following consultation with the Chief Finance Officer.

## **12. USE OF CREDIT CARDS**

- 12.1 Applications for a Council credit card must be made using the approved form available from Accountancy. The form must be signed by the Line Manager and submitted to the Chief Finance Officer, stating the need for the card. The Chief Finance Officer will only approve applications where the need can be verified and use of an existing Council credit card is not practical.
- 12.2 Council credit cards must only be used for Council business and **not** for personal use.
- 12.3 Details of expenditure must be entered on to the Expenditure Form supplied by Accountancy and relevant VAT receipts attached. The form must be authorised by the Line Manager and submitted to accountancy prior to payment of the credit card bill. In signing the form, the Line Manager is confirming that the costs have been incurred as a result of legitimate Council use.
- 12.4 Where an Internet order has been placed using a Council credit card, the confirmation of the order must be attached to the expenditure form to ensure that there is a record within the Council of the purchase.
- 12.5 Use of personal credit cards during Council business is not permitted, except for legitimate subsistence expenses and petrol purchases, where such expenses are submitted to Personnel Services for reimbursement through the payroll system.

## **13. PAYMENT OF ACCOUNTS**

- 13.1 Apart from petty cash accounts (see Financial Regulation 10), the normal method of payment of money due from the Council must be by cheque or electronic transfer (including Council credit cards). Payments must be undertaken by the Chief Finance



Officer or, in the case of credit card payments, by the authorised Council credit card holder.

- 13.2 When recording on POP that the ordered goods or services have been received or before authorising payment, the authorising member of staff must be satisfied that:
- (a) The work, goods or services to which the invoice relates have been received, carried out, examined and approved;
  - (b) The prices, calculations, trade discounts, other allowances, credits and tax are correct;
  - (c) The relevant expenditure has been properly incurred and is within the relevant estimate provision;
  - (d) Appropriate entries have been made in inventories, stores records or stock books as required; and
  - (e) The invoice has not been previously passed for payment and is a proper liability of the Council.
- 13.3 When completing an invoice certification slip, at least two members of staff must be involved – one person must not complete all sections of the certification slip. If one person completes all sections, the Chief Finance Officer may return the invoice to the relevant Executive Director for approval.
- 13.4 All discounts available from a supplier are to be taken as a deduction against the cost of goods purchased and must appear on the invoice. Where a supplier provides a free item, or where a discount is only available as goods, the free item or goods may be accepted and will become Council property. Arrangements for their use for Council purposes or disposal will be made by the Executive Director, who must maintain a record of items so acquired, and arrange as appropriate for their entry into stock, stores or inventory records or their disposal in accordance with these Financial Regulations.
- 13.5 Staff must not, under any circumstances, process anything which would result in a payment to themselves or their immediate family. Where it is intended that the Council pay a member of staff, the invoice(s) concerned must be checked and authorised by another approved member of staff.
- 13.6 Invoices may be examined and enquiries made and explanations sought to the extent that the Chief Finance Officer may require.
- 13.7 Invoices must be paid within Council-agreed or Government-dictated time limits, unless they are formally disputed.
- 13.8 Any amendment to an invoice must be made in a manner approved by the Chief Finance Officer, stating briefly the reasons where they are not self-evident.
- 13.9 Each budget holder must, as soon as possible after 31st March and not later than such date as agreed in the closure of accounts timetable each year, notify the Chief Finance Officer of all outstanding expenditure relating to the previous financial year for goods and services received in that year.

## **14. ORDERS FOR WORK, GOODS AND SERVICES**

- 14.1 All purchases must be made, or contracts let, in full compliance with the Council's Contract Standing Orders.
- 14.2 The requirements of European and domestic legislation must be followed where appropriate. For interpretation of the legislation, guidance should be sought from the Procurement Team.
- 14.3 Each order must conform to the directions of the Council with respect to central purchasing and the standardisation of supplies and materials where rules on these exist.
- 14.4 Orders must be raised using the Purchase Order Processing (POP) system whenever possible. Manual orders can only be used where the POP system is not available. Verbal orders may only be given as a matter of true urgency and must be confirmed by an official order without delay, irrespective of the value of the order.
- 14.5 Orders must be placed in such a way as to ensure that the best interests of the Council are met. Under no circumstances must they be split or disaggregated to avoid the Council's requirements, EU competition requirements, Contract Standing Orders or these Financial Regulations.
- 14.6 Orders must be issued for goods or services supplied to the Council except for:
- public utility services;
  - periodical payments such as rent or rates;
  - formal contracts;
  - professional subscriptions; and
  - credit card, internet or petty cash purchases.

The order must be raised prior to the receipt of the goods or services.

- 14.7 Official orders must not be used for any personal or private purchases, nor must personal or private use be made of Council contracts.
- 14.8 Executive Directors must authorise staff to raise orders but this does not remove their responsibility for official orders issued from their service.
- 14.9 The names of staff permitted to raise or authorise orders must be submitted to the Chief Finance Officer, together with agreed authorisation limits, and specimen signatures. Authorisation details must be amended as a result of any change of staff and/ or structure.
- 14.10 Each Executive Director is responsible for ensuring that the cost of orders are within the overall approved estimates and that Contract Standing Orders have been complied with, where appropriate. Where expenditure is incurred in an emergency, the relevant Executive Director is responsible for obtaining any subsequent authorisation that may be required.

- 14.11 Electronic ordering of goods and services via the internet may be undertaken by those officers who are either authorised signatories or authorised Council credit card holders. Invoices relating to goods or services ordered by these means must be processed through the Council's normal creditor payment method or by Council credit card.
- 14.12 Orders must indicate clearly the quantity, quality and nature of the goods, works and services and the contract or agreed prices or rates. Any delivery charges, carriage or post and packing charges must be included in the order.
- 14.13 Where a Goods Received Note (GRN) or similar is received with delivered goods, this should be checked against delivery and either signed as correct or any discrepancies noted. If the goods cannot be readily checked, the GRN should be signed as unchecked. Only the goods actually received should be booked in to the POP system, to allow payment to be made to the supplier/ contractor in those instances where the order was originally made by means of the POP system.
- 14.14 Where an order was placed via the POP system, the subsequent Goods Received Notes must be processed onto POP within 5 working days of receipt.
- 14.15 A copy of any paper order must, if so required, be supplied to the Chief Finance Officer.

## **15. CONTRACTS FOR ICT**

- 15.1 Any software procurement over the value of £10,000 must be submitted to the ICT Development Group. Projects under the value of £10,000 should be agreed with the ICT Manager before procurement. It will be the responsibility of the ICT Manager and/or the ICT Development Group to ensure that the process of ICT Governance is followed for each authorised project.

## **16. CONTRACTS FOR BUILDING, CONSTRUCTION OR ENGINEERING WORK**

- 16.1 Interim payments to contractors must only be made on a certificate issued by the appropriate Executive Director or his/ her authorised representative and must comply with all tax requirements. Payments may be made against interim valuations of the works undertaken to date or materials obtained and on site.
- 16.2 All contracts over £100,000 must be sealed as required by Contract Standing Orders and will therefore be entered on the Contracts Register held by Legal Services.
- 16.3 Where the contract payments are made by stage/ interim payments, a record must be kept by the Contract Manager to monitor payments made and amounts outstanding.
- 16.4 Subject to the provisions of the contract, every extra or variation must be authorised in writing by the appropriate Executive Director (or his/ her authorised representative) as appropriate and give an estimate of the additional cost or saving of the variation.

- 16.5 At the practical completion of the contract and before the issue of the final payment certificate, the appropriate member of staff, private architect, engineer or consultant must give the Chief Finance Officer a detailed financial statement of the contract, and all relevant supporting documents.
- 16.6 Where completion of a contract is delayed beyond the period of the contract, it is the duty of the Executive Director concerned to take appropriate remedial action. After consultation with the Chief Finance Officer and the Monitoring Officer, the agreed action taken must be reported to the Cabinet.

## **17. INSURANCE**

- 17.1 The Chief Finance Officer is responsible for arranging all insurance cover for the Council, and where appropriate negotiating all claims, in consultation with other members of staff as necessary.
- 17.2 Executive Directors must give prompt notification to the Chief Finance Officer of all new risks, properties or vehicles that need to be insured and of any alterations affecting existing insurance arrangements.
- 17.3 Executive Directors must immediately notify the Chief Finance Officer in writing or by completing an appropriate claim form of:
- any loss, liability or damage or any event likely to lead to a claim. The Chief Finance Officer and the Audit Manager must be informed of any case which appears may lead to criminal proceedings.
  - Any changes to existing services that may increase or decrease risk, any incidents or potential claims that arise, must be notified to the Chief Finance Officer within 5 working days of the change becoming apparent
- 17.4 All employees of the Council are included in suitable fidelity guarantee insurance. For cover under this policy to be applicable, two suitable references must be obtained for all new employees.
- 17.5 The Chief Finance Officer must, at least annually, review all insurance cover in consultation with Executive Directors.
- 17.6 Executive Directors must consult the Chief Finance Officer and the Monitoring Officer concerning the terms of any indemnity which the Council is requested to give.

## **18. STOCKS AND STORES**

- 18.1 Each Executive Director must ensure the safe custody and physical control of the stocks and stores under his/her supervision.
- 18.2 Stocks must not exceed normal requirements except in special circumstances with the approval of the relevant Executive Director.

- 18.3 Executive Directors must arrange for periodical test checks of stocks by persons other than storekeepers and must ensure that all stocks are checked at least once in every year.
- 18.4 All records and accounts relating to stocks and stores must be in a form approved by the Chief Finance Officer. Each responsible member of staff must supply the Chief Finance Officer with sufficient information relating to stocks and stores to allow for the proper accounting, costing and financial records of the Council to be prepared and maintained.

## **19. INVENTORIES**

- 19.1 The Chief Finance Officer will maintain an inventory, as described in the Inventory Procedures, of a variety of items for the purpose of ensuring they are adequately and appropriately insured against loss, damage or theft. The ICT service will maintain a continuous inventory of all computer-related items.
- 19.2 Each Executive Director must advise the Chief Finance Officer, upon request, of any changes to the inventory list held by him/ her. Where valuable or highly attractive new equipment or other insurable item is either acquired or disposed of (by whatever means), the Chief Finance Officer must be advised accordingly in order to ensure they are insured appropriately.
- 19.3 As far as is practicable, each Executive Director must mark furniture, equipment, plant and technical equipment as being Council property using a unique inventory identity number. Where items are leased, the relevant leasing information must be recorded in the inventory records.
- 19.4 Except in accordance with specific directions issued by the Executive Director concerned, Council property may only be removed from Council premises in accordance with the ordinary course of the Council's business for the Council's purposes.

## **20. DISPOSALS (except Land and Property Assets)**

- 20.1 Before an item is disposed of, consideration should be given as to whether there is a use for the item elsewhere within the Council.
- 20.2 Any asset or item of stock deemed obsolete or surplus to requirements must, where the expected loss on disposal is no more than £2,500, be sold or disposed of on the authorisation of the responsible Executive Director. Where the expected loss on disposal exceeds £2,500, the approval of the Chief Finance Officer must also be obtained.
- 20.3 It is the responsibility of each Executive Director to establish that legal title rests with the Council prior to the disposal of any item.
- 20.4 Leased items should only be disposed of in accordance with the instructions of the lessor.

- 20.5 All items with a significant market value should be disposed of via public auction (other than land, which is to be disposed of in accordance with Contract Standing Orders).
- 20.6 Wherever an item is disposed of, the appropriate stock or inventory record must be updated to reflect the disposal.

## **21. LAND & PROPERTY ASSETS**

- 21.1 The Property Services Manager will maintain a record of all the Council's land and property interests, stating the purposes for which the land is held, the location, the extent and plan reference, purchase details, particulars or nature of interest, rents payable and particulars of tenancies granted. This will include land and property under lease or rent.
- 21.2 The Monitoring Officer will keep all title deeds in a secure location.
- 21.3 All acquisitions and disposals of land must be undertaken in compliance with the Council's Contract Standing Orders.
- 21.4 Where land or property is disposed of at or below the current market value or in any exchange, this must comply with the requirements of the relevant legislation, as updated by the latest Statutory Instrument or Consent.

## **22. COMPUTER SECURITY**

- 22.1 The ICT Manager is responsible for maintaining the proper security and privacy of electronic information held on the Council's network and any associated storage media or for its use. Executive Directors are responsible for maintaining the proper security and privacy of information held in user applications for which they are responsible, in conjunction with the ICT Manager.
- 22.2 The ICT Manager is responsible for ensuring that procedures are adhered to for maintaining the privacy and security of all computerised data held by the Council in electronic form, as set out in the ICT Policy Documents.
- 22.3 Each Executive Director is responsible for notifying the Data Protection Officer and the Chief Finance Officer of all new computer applications and administrative records and procedures so they can be assessed for notification under the Data Protection Act and compliance with ICT Governance.

## **23. SECURITY - GENERAL**

- 23.1 Each Executive Director is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc. under his/her control. He/she must consult the Chief Finance Officer in any case where security is thought to be inadequate or where it is considered that special security arrangements are necessary.

- 23.2 Maximum limits for cash holdings must be agreed with the Chief Finance Officer and must not be exceeded without his/her express permission.
- 23.3 Keys to safes and similar receptacles are to be with the designated keyholder at all times. Such keys must not be left on site when the premises are not occupied by Council staff, unless expressly approved by the Chief Finance Officer. The loss of any such keys must be reported to the Chief Finance Officer as soon as their loss has been noticed.
- 23.4 Each Executive Director must ensure that personal data that no longer needs to be retained is securely and confidentially disposed of.

## **Appendix 1 GROUND RULES FOR BUDGET TRANSFERS**

1. These Ground Rules apply where:
  - (a) an expenditure budget is going to be exceeded or there will be a shortfall in income
  - (b) there will be a saving on expenditure or additional income has been generated and an Executive Director wishes to utilise it.
2. Expenditure on capital financing costs, and support services (including computers) and interest on capital receipts fall outside these ground rules.
3. For the purpose of these Ground Rules, the following definitions apply:
  - (a) Transfer  

The movement of budgetary provision between budget heads. A budget head is defined as a line appearing in a service budget.
  - (b) Portfolio Holder will be taken to mean the Councillor who is responsible for an area of the Council's activities as agreed by Council.
  - (c) Executive Director means a member of the Council's Management Team and who is responsible for managing any of the Council's functions, as defined in the Council's Constitution.
  - (d) "Key decisions" are as defined in the Council's constitution as an executive decision which is likely to:
    - (i) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council 's budget for the service or function to which the decision relates; or
    - (ii) be significant in terms of their effect on communities living or working in the area comprising two or more wards and electoral divisions in the Council's area.

N.B. Significant under (i) above is defined as being greater than £250,000  
Significant under (ii) above is one third of the resident population in a ward.
4. The procedures for dealing with transfers are as follows:  

Up to £250,000 The portfolio holder(s) has (have) delegated authority subject to the action not being considered a key decision.

Over £250,000 Cabinet to approve



5. When completing a transfer of budget provision using delegated authority, the Exercise of Delegated Authority form must be completed.
6. In addition, all cases of transfer of budget provision will be recorded by the Chief Finance Officer.
7. Budget transfers shall only be undertaken if:
  - (a) the proposed savings or additional income to fund any overspend are achievable.
  - (b) the additional expenditure will, in fact, arise and the particular budget will not then be overspent or the expected income will be achieved to finance the budget transfer.
  - (c) The total of the budget based upon a portfolio holder's area of responsibility will not be overspent.
8. Savings in non-recurring expenditure or additional income should not be used to finance additional recurring expenditure.
9. Transfers must not be made into permanent staffing budgets.
10. Savings on staffing budgets can be used for non-recurring costs where they arise from a positive decision to produce savings.
11. Transfers made across portfolio areas will be subject to agreement of all relevant portfolio holders.

### **Transfers from reserves**

12. Decisions involving additional resources from ear-marked reserves may be made by any portfolio holder up to a maximum of £100,000 per Portfolio Holder in any financial year, subject to compliance with Financial Regulations.
13. Where a reserve exists for a specific purpose (e.g. a renewal or repair reserve), the Chief Finance Officer may withdraw funds from that reserve, PROVIDED THAT the withdrawals to finance an item or items of expenditure related to the reasons for the existence of the reserve, up to a value of £50,000 per annum. Any necessary withdrawal that exceeds this amount additionally required the approval of the relevant portfolio holder.
14. Where any decision has been made without regard to Financial Regulations and it is noted prior to the commitment or spending, the Chief Finance Officer and the Monitoring Officer will have the authority to defer the payment until further discussions have been undertaken with the relevant portfolio holder.

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Operational	(a) Be entirely within cabinet's powers to decide NO		
		(b) Need to be recommendations to Council YES		
		(c) Be partly for recommendations to Council and partly within Cabinets powers – NO		
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Samantha Winter E-mail: sam.winter@west-norfolk.gov.uk Direct Dial: 616327		Other Officers consulted: Legal Services Manager, Management Team		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications (incl S.17) NO	Equality Impact Assessment NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES

Date of meeting: 6 December 2011

### 11 SCHEME OF DELEGATION - UPDATE

#### Summary

The report recommends an updated scheme of delegation for approval. The Scheme has been amended to take account of the changes in the Cabinet area of responsibility for tourism related matters.

#### Recommendation

- 1) That Council approve the amended Scheme of Delegation
- 2) That the Chief Executive, in consultation with the Leader be given delegated Authority to make minor amendments to the Scheme to resolve any anomalies which may occur.

#### Reason for Decision

To ensure that the Delegation Scheme mirrors the decision making structure

### 1 Background

1.1 The Scheme of Delegation was last amended in July 2011. The amended version now incorporates the changes in the Cabinet area of responsibility for tourism related matters from the Cabinet Member for Regeneration and Commercial Services to The Cabinet Member for Leisure and Operational Assets. No additional delegations have been added.

### 2 Policy Implications

2.1 The alterations to the scheme are within current policies.

### **3 Financial Implications**

3.1 There are no financial implications arising directly out of this report.

### **4 Statutory Consideration**

4.1 The amendments to the scheme ensure that the decision making structure is in line with the structure of the Council.

### **5 Risk Assessment**

5.1 Updating the Scheme ensures decisions are taken in accordance with correct procedures.

### **6 Access To Information**

6.1 Previous Scheme of Delegation.



# SCHEME OF DELEGATION

| ~~Nov~~ 2011

Deleted: July

# BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

## SCHEME OF DELEGATION

The attached represents the Scheme of Delegation across the Council. It is shown in tabular form with the first 3 columns showing the Council body, its functions and its consultation requirements and the last two columns showing the delegations to officers in respect of those functions and the limits on those delegations. Throughout the following abbreviations are used:-

C = Consultation  
WM = A Ward Member in the Ward affected  
PH = Portfolio Holder  
CE = Chief Executive  
DCE = Deputy Chief Executive  
MO = Monitoring Officer  
ED = Relevant Executive Director  
LAC = Licensing and Appeals Committee/Board

Executive Directors are also abbreviated to the initial letters of their post title.

### PORTFOLIO HOLDER DELEGATIONS

The following Scheme sets out the areas delegated to Portfolio Holders to make decisions. Key Decisions are not delegated to Portfolio Holders and must be considered in Cabinet. Key Decisions are defined as:-

an executive decision which is likely –

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

where significant under a) above is £250,000 or more and significant under b) above is one third of the resident population in a ward.

Decisions involving additional resources from reserves are permissible for any Portfolio Holder up to a maximum of £100,000 per portfolio in any financial year.

Where a reserve exists for a specific purpose (eg renewal or repair reserve), the Deputy Chief Executive may withdraw funds from that reserve, PROVIDED THAT the withdrawal is to finance an item or items of expenditure related to the reasons for the existence of the reserve, up to a value of £20,000 per annum. Any necessary withdrawal that exceeds this amount additionally requires the approval of the relevant portfolio holder.

Decisions where more than one Portfolio Holder is required to make a decision must go to Cabinet. For the avoidance of doubt each Portfolio Holder has complete freedom to utilise his or her budget without further recourse to the Leader provided it is not a key decision and subject to the restrictions mentioned above.

It is the responsibility of each Portfolio Holder in consultation with the relevant Executive Director to ensure that every decision is made with the full knowledge of a Democratic Services Officer who shall ensure each decision is properly recorded, reasons given and reference made to the report to the Member concerned.

It is also the responsibility of the Portfolio Holder, in consultation with the relevant Executive Director in making decisions to abide by the Council's Financial Regulations and other policy and procedure documents of the Authority as appropriate.

Deleted: March

The Portfolio Holder may make decisions in all the areas set out below subject to the conditions and consultations and onward limits on delegation except where the matter under consideration is in excess of £250,000 or beyond the budget of the Portfolio Holder or has a significant effect on two or more wards in the Borough or where the decision to be reached requires the decision of an additional Portfolio Holder.

### General Powers

The exercise of delegated powers other than by the person to whom it is expressly delegated under this Scheme.

An officer who is authorised to exercise a delegated power under this scheme may authorise other officers to exercise that power on their behalf. Such authorisation shall be made in writing setting out:

- a. The name(s) of the officers who may exercise a power
- b. The power which may be exercised
- c. Any limitations on the exercise of that power

A copy of every authorisation should be passed to the Monitoring Officer before the officer who is authorised exercises any power

### Contracts

An Executive Director may authorise and execute on behalf of the Council a contract for works services or goods provided:

- a. the value of the contract does not exceed £100,000.00 or any limit prescribed at any time by contract standing orders
- b. the contract is not part of a series of agreements for the provision of the same or substantially the same works, goods or services
- c. the Executive Director retains a copy of every contract that they make

## **OFFICER DECISIONS**

It is the responsibility of the officer in making decisions to abide by the Council's Financial Regulations and other policy and procedure documents of the Authority as appropriate.

Deleted: March

Portfolio Holder	Functions	Portfolio Holder Consultations	Officer Delegation	Limits on Delegation
<b>1 Corporate /Strategic Issues, Resources THE LEADER</b>	1.1 Review of Corporate Policy including the budget or the Corporate Plan having first been recommended by Cabinet and approved by Council	CE/DCE/MO Requires rec to Council for any change	<b>1.1.1 Monitoring Officer/Deputy Chief Executive</b> – Ensure Executive decisions are taken in accordance with the law and financial and policy guidelines.	
	1.2 Audit	DCE, External Audit, Internal Audit, MO as necessary	<b>1.2.1 Deputy Chief Executive</b> Responsibilities under S.151 and S114. Enforcement of Financial Regulations Day to day management of the Internal Audit function and process.	
	1.3 Democratic Services	MO	<b>1.3.1 Executive Director Central Services</b> Day to day management of the Council's democratic processes. Timetable of Meetings	
	1.4 Civics	CE, Comms officer, Civics Officer  Mayor or Deputy Mayor	<b>1.4.1 Chief Executive</b> To determine applications to use the Council's coat of arms  <b>1.4.2 Executive Director Central Services</b> Day to management of the office of the Mayor and Deputy Mayor and civic ceremony	
	1.5 Legal	CE and MO	<b>1.5.1 Executive Director Central Services</b> Sign and serve any notice, order or document or act as proper officer under Section 234 of the Local Government Act 1972 where no other officer is currently appointed.	

			<p>To affix and attest the common seal of the Council where the common seal is required pursuant to any decision of the Council.</p> <p>To take any measures necessary to recover possession of land owned or leased by the Council, including encampments (whether or not on Council owned land).</p> <p>Authorise the postponement of charges made on Council dwellings.</p> <p>Maintain the Register of Local Land Charges and Land Terrier.</p> <p>Day to Day management of assigning budget resources to all legal matters.</p>	
	1.6 Treasury Management including banking, revenue and capital programmes	DCE	<p><b>1.6.1 Deputy Chief Executive</b>  Write Off irrecoverable debts  Administration of banking arrangements  Manage insurance for the Council, its property and employees  Exchequer services including raising and repayment of loans.  Approval and publication of Statement of Accounts  Authorisation of virements and budget transfers  Authorise urgent payments</p> <p><b>1.6.2 Deputy Chief Executive</b>  Collect, administer, demand and recover Council Tax and National Non Domestic Rate precepts and any other Tax or Charge levied by the Council. Collection of rents.</p>	See authorisations given effect by Financial Regulations

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	1.7 Freedom of Information and Data Protection	C E and EDCS	<b>1.7.1 Executive Director Central Services</b> Respond to requests for information under the FOI Act 2000, EIR 2004 access requests under the Data Protection Acts within statutory timescales. Maintain FOI Publication Scheme Maintain Council's Data Protection registration and act as Data Protection Officer. Authorise the use, loan or reproduction of the Councils archive material	
	1.8 Cross Cutting /Cross Remit issues	CE & ED & Portfolio holders		Where more than the portfolio holder is affected – report to Cabinet.
	1.9 Policies relating to Employment, Personnel, salaries, Pensions, Training and equalities (as an employer)	EDCS	<b>1.9.1 Executive Director Central Services</b> Implementation of service re-organisations and re-structuring within budget.  Approval for the funding of training courses for both full and part time study for all employees  Updating the Performance Management Scheme  <b>1.9.2 Chief Executive</b> Changes to posts for senior staff (Executive Director)	C ED     C EDCS on Compromise agreements.
	1.10 Health and Safety as an employer		<b>1.10.1 Chief Executive</b> Day to day responsibility for the Council's Health and Safety function	
	1.11 Equal Opportunities		<b>1.11.1 Executive Director Central Services</b>	

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	(not as the employer)		Day to day management	
	1.12 Communication	ED, Communication s Manager	<b>1.12.1 Executive Director Central Services</b> Day to day management of communications on behalf of the Council, in accordance with Council Policy	
	1.13 Performance Management	EDCS	<b>1.13.1 Executive Director Central Services</b> Implementation of performance management reviews and production of performance management information.	
	1.14 Procurement	ED	<b>1.14.1 Deputy Chief Executive</b> Day to day management and enforcement of the Council's Procurement Strategy.	

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Portfolio Holder	Functions	Portfolio Holder Consultations	Officer Delegations	Limits on Delegation
2 Development (Full Development Scheme of Delegation is a separate document)	2.1 Local Development Framework, planning and Land Use Policy		<b>2.1.1 Executive Director Regeneration and Development Services</b> Minor consequential amendments to planning policy in accordance with national and regional policy changes. Issuing of Local Development Framework guidance and information <b>2.1.2 Legal Services Manager</b> Finalising planning obligations	C - EDCS
	2.2 Transport policies		<b>2.2.1 Executive Director Regeneration and Development Services</b> Responding to consultations on traffic regulation orders	
	2.3 Listed Buildings, Historic Buildings, Conservation areas including grants	WM	<b>2.3.1 Executive Director Regeneration and Development Services</b> To make historic grants of up to £1,000 in respect of any one property or project	
	2.4 Building Control		<b>2.4.1 CNC</b> The exercise of all local authority functions under the Building Act 1984, the Housing Acts and Public Health Acts so far as they relate to the function of the Council as a Building Control Authority. Act as appointing officer under the Party Wall Act 1996. Building Control enforcement and exercise the right of entry to land and premises.	
	2.5 Street naming and numbering	WM	<b>2.5.1 Executive Director Regeneration and Development Services</b> Street numbering and naming	

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Portfolio Holder	Functions	Portfolio Holder Consultations	Officer Delegations	Limits on Delegation
<b>3 Environment and Community – Deputy Leader</b>	3.1 Policies and strategies relating to: Environmental Strategy, Control of pollution including air quality, contaminated land, water quality/usage, sewerage and drainage issues,	ED	<b>3.1.1 Executive Director Environmental Health and Housing</b> Day to day management	
	3.2 Bio-diversity, Local character and identity of the Borough		<b>3.2.1 Executive Director Regeneration and Development Services</b> Day to day management	
	3.3 Recycling and refuse collection including waste minimisation and composting, street scene and dog control		<b>3.3.1 Executive Director Leisure and Public Space</b> Day to day management	
	3.4 Rights of way issues	WM, County Council	<b>3.4.1 Executive Director Regeneration and Development Services</b> As they relate to Development issues (County Council responsibility)	
	3.5 Energy strategy and issues	ED	<b>3.5.1 Deputy Chief Executive</b> Monitoring of energy efficiency measures to Council buildings.	
	3.6 Public conveniences	WM	<b>3.6.1 Executive Director Leisure and Public Space</b> Management and maintenance of the Council's	

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			public conveniences.	
	3.7 Green Travel Plan		<b>3.7.1 Deputy Chief Executive</b> Day to day management	
	3.8 Commons and Greens		<b>3.8.1 Executive Director Central Services</b> Day to day administration	
	3.9 Christmas Lighting		<b>3.9.1 Executive Director Leisure and Public Space</b> Provision of Christmas lighting across the Borough	
	3.10 Housing Strategy and Associated Policies		<b>3.10.1 Executive Director Environmental Health and Housing</b> Day to day administration of the Council's Housing policies	
	3.11 Housing Register		<b>3.11.1 Executive Director Environmental Health and Housing</b> Maintenance of Housing Register in accordance with policy.	
	3.12 Homelessness	Appeals to LAC	<b>3.12.1 Executive Director Environmental Health and Housing</b> Exercise of homelessness functions.	Appeals to LAC
	3.13 Private Sector and Social Housing including renewal schemes and partnerships		<b>3.13.1 Executive Director Environmental Health and Housing</b> To sign tenancy agreements for properties let to supported housing providers.	
	3.14 Houses in Multiple Occupation (HMO)		<b>3.14.1 Executive Director Environmental Health and Housing</b>  Day to day management of HMOs and to grant, renew and revoke all licences issues under the Housing Act 2004	

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	3.15 Loans and grants for housing	<i>DCE</i>	<b>3.15.1 Executive Director Environmental Health and Housing</b> Approval/refusal/withdrawal and authorisation of renovation grant scheme payments.	
	3.16 Social Inclusion		<b>3.16.1 Executive Director Environmental Health and Housing</b> Day to day management	
	3.17 Travellers	<i>MO &amp; WM</i>	<b>3.17.1 Executive Director Environmental Health and Housing</b> Day to day management of associated matters	
	3.18 Community Safety		<b>3.18.1 Executive Director Environmental Health and Housing</b> General day to day management of the community safety service and compliance with s.17 requirements. Authorisation of police request for Dispersal Orders to be actioned. Issuing of public notices relating to recipients of ASBOs.	

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	3.19 Rural Community Development	<i>Sports Open PFH grants. Arts Spaces where sports or arts grants.</i>	<b>3.19.1 Executive Director Central Services</b> Day to day management of the Rural Community Development function.	
	3.20 Community Facilities	<i>WM</i>	<b>3.20.1 Deputy Chief Executive Management and Maintenance of the fabric of the buildings</b> <b>3.20.2 Exec Director Leisure and Public Space</b> Operational Management of miscellaneous community centres.	
	3.21 Health improvement and promotion including public health and community care		<b>3.21.1 Executive Director Environmental Health and Housing</b> Day to day management	
	3.22 Cemeteries and Crematorium		<b>3.22.1 Executive Director Environmental Health and Housing</b> The day to day management of the Council's cemeteries and crematorium and the granting of exclusive burial rights.	
	3.23 Licensing Policies		<b>3.23.1 Executive Director Environmental Health and Housing</b> Day to day implementation of the Licensing Policies and associated matters	

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	3.24 Careline and CCTV		<b>3.24.1 Executive Director Environmental Health and Housing</b> Day to day management of the Careline and CCTV function	
	3.25 Health and Safety where not as the employer		<b>2.25.1 Executive Director Environmental Health and Housing</b> Approval of Health and Safety Inspectors under S19 of the Health and Safety at work etc Act 1974. Day to day responsibility of the Health and Safety process where not as the employer.	
	3.26 Food		<b>3.26.1 Executive Director Environmental Health and Housing</b> Day to day management of the food services	
	3.27 Public and Civil Emergencies	<i>Civil Emergency Liaison and CE Leader, Deputy Leader, MO</i>	<b>3.27.1 Chief Executive</b> To exercise any power to protect the interests and well being of the inhabitants of the Borough in cases of emergency  <b>3.27.2 Executive Director Housing and Environmental Health</b> Day to day management of the Civil Emergency Plan	<i>C – Cabinet as soon as reasonably practical</i>

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Portfolio Holder	Functions	Portfolio Holder Consultations	Officer Delegations	Limits on delegation
<b>4 Leisure and Operational Assets</b>				
	4.1 Asset Management including ancient Corporate Estates	Property Services Manager	<b>4.1.1 Deputy Chief Executive</b> Day to day management of the Asset Register, and matters arising therefrom	
	4.2 Office Accommodation	Property Services Manager	<b>4.2.1 Deputy Chief Executive</b> Day to day facilities management of King's Court and any other office accommodation operated by the Council.  <b>4.2.2 Executive Director Central Services</b> Day to day management of the CICs  <b>4.2.3 Executive Director Leisure and Open Space</b> Day to day management of the Council's Depot.	
	4.3 Sports facilities, venues,	ED	<b>4.3.1 Executive Director Leisure &amp; Public Space</b> The management of all swimming pools, leisure and sports centres, open spaces including the exclusion of persons from such premises as necessary. Amendments and variation to Leisure Card Scheme (C)	Business tenancy issues - DCE
	4.4 Arts/Theatre/Entertainment facilities,	ED	<b>4.4.1 Executive Director Leisure and Public Space</b>	Business tenancy issues - DCE

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	venues and development		Operational management of all arts and entertainment premises including letting, hiring and waiving of fees and the exclusion of persons from such premises as necessary. Arts Development	
	4.5 Determination of Applications for Circuses on Council property.		<b>4.5.1 Deputy Chief Executive</b> Consideration of applications to hold circuses on council land	
	4.7 Risk Management	ED	<b>4.7.1 Chief Executive</b> Day to day management of the Corporate Risk Register Service Level Risks	ED
	4.8 Business Continuity	ED	<b>4.8.1 Deputy Chief Executive</b> Day to day management of the process	
	<u>4.9 Tourism</u>	<u>ED</u>	<u><b>4.9.1 Executive Director Leisure and Public Space</b></u>  <u>Day to day management of tourism issues including management of tourism premises owned or operated by the Council</u> <u>Day to day management of Heritage premises in the Council's ownership.</u> <u>Arranging or overseeing exhibitions, conferences and tourism as appropriate</u> <u>Day to Day management of the Town Hall complex</u>	

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<b>5 Regeneration and Commercial Services</b>	5.1 Economic Development Policy and Strategy	ED		
	5.2 Regeneration strategy, policy, projects and implementation	ED,	<b>5.2.1 Executive Director Regeneration and Development</b> Day to day management of Regeneration Projects  Submission of bids for and Management of Regeneration projects  <b>5.2.2 Executive Director Regeneration and Development</b> Authorisation to retain professional expertise as required	C Regeneration Portfolio Holder.
	5.3 Town centre and redevelopment projects	ED	<b>5.3.1 Executive Director Regeneration and Development</b> Oversight and day to day management of redevelopment projects	C PH
	5.4 Promotion of the Borough for economic and regeneration purposes	ED	<b>5.4.1 Executive Director Regeneration and Development</b>	
	5.5 Markets and Fairs		<b>5.5.1 Executive Director Leisure and Public Space</b> Day to day administration of Markets and Fairs in the Borough	
	5.6 Growth Point Status	ED	<b>5.6.1 Executive Director Regeneration and Development</b> Day to day administration of Growth Point Status and associated Partnership	

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			arrangements	
	5.7 Property	ED+LSM WM PH where property is in another portfolio holders functional area	<b>5.7.1 Deputy Chief Executive</b> Management of Council property interests together with the ability to authorise all related property transactions at market rent/value. Subject to: <ul style="list-style-type: none"> <li>Acquisition or disposal of freehold land up to £100,000.</li> <li>Acquisition or disposal of leasehold land up an annual rental value of £10,000.*</li> <li>Discharge or relaxation of freehold or leasehold covenants.</li> <li>Determine all applications for the assignment of lease agreements**.</li> <li>To approve or refuse applications to the Council as Landlord for any approval or consent</li> <li>Authorise non Housing Act tenancies and licences.</li> <li>Authorise the applications to release or relax restrictive covenants attached to houses formally owned by the Council.</li> </ul>	C ED, PH * Financial limit not applicable to industrial estates where an unlimited rental is allowed. ** except where residential element. C ED  C ED, PH, WM  C ED, PH

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Portfolio Holder	Functions	Portfolio Holder Consultations	Officer Delegation	Limits on Delegation
<b>6 Shared Services and External Relations</b>	6.1 Leisure Arts and Green Spaces policies and strategies	ED	<b>6.1.1 Executive Director Leisure &amp; Public Space</b> Day to day operation of the policies	
	6.2 Shared Services	ED		
	6.3 Resort and Seafront Management	WM, ED	<b>6.3.1 Executive Director Leisure &amp; Public Spaces</b> Day to day management of resorts and seafront	Business tenancy issues and concessions – DCE
	6.4 Parks, Gardens and amenity areas including play areas	WM, ED	<b>6.4.1 Executive Director Leisure &amp; Public Spaces</b> Day to day management of such facilities including exclusion of persons as necessary	
	6.5 Museums	ED	<b>6.5.1 Executive Director Leisure and Public Space</b>  Day to day management of all museum premises owned by the Council	
	6.6 Financial Assistance Schemes for sports and arts	WM	<b>6.6.1 Executive Director Leisure and Public Space</b> Administer award the grants within the Sports Training and Coach Education grants scheme  <b>Deputy Chief Executive</b> Administer applications for Arts grants.	
	6.7 Car Parking		<b>6.7.1 Executive Director Leisure and Public Space</b> Day to day administration of Council owned car parks in the Borough	

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			<b>6.7.2 Executive Director Leisure and Public Space</b> Management Responsibility for civil parking enforcement.	
	6.8 Neighbourhood Management		<b>6.8.1 Executive Director Central Services</b> Day to day management of the Neighbourhood Management function	
	6.9 Development and promotion of cycling related matters		<b>6.9.1 Executive Director Leisure and Public Space</b>	
	6.10 Shared Services/Shared Management	CE & ED	<b>6.10.1 Chief Executive</b> Day to day preparation and negotiations.	
	6.11 Town Hall Complex		<b>6.11.1 Exec Dir Leisure and Public Space</b> Day to day management of the complex	
	6.12 Housing benefit, welfare benefits and advice	ED	<b>6.12.1 Deputy Chief Executive</b> Administration of housing benefit and Council Tax benefit and discretionary housing payments	
	6.13 Financial Assistance Schemes for, voluntary, community, Parish, Community safety matters, housing rural transport and environmental projects	Relevant DS	<b>6.13.1 Deputy Chief Executive</b> Administration of the Council's financial assistance schemes for voluntary, community, parish and community safety matters. Financial assistance for rural transport and environmental projects.	

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Portfolio Holder	Functions	Portfolio Holder Consultations	Officer Delegation	Limits on Delegation
7 Special Projects		ED		

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Body	Functions	Consultations	Officer Delegations	Limits on delegation
8 Council	<p>8.1 The Constitution.</p> <p>8.2 Adopting the Council's Policy Framework and determining matters involving a change or deviation from approved policy.</p> <p>8.3 Compulsory Purchase matters.</p> <p>8.4 Approving the Council's position relating to local government boundaries, electoral divisions or number of Council Members.</p> <p>8.5 By-law creating and management and promotion or making of local Acts.</p> <p>8.6 Determining matters referred to Council by other bodies.</p> <p>8.7 Appointments (staff and Members)</p> <p>8.8 Determining the Council's Executive Arrangements.</p> <p>8.9 Appointment of Honorary Aldermen or</p>		<p><b>Chief Executive</b></p> <p>To act as Head of Paid Service under and for the purposes of section 4 of the Local Government and Housing Act 1989 and lead the senior management team</p> <p>To act as Electoral Registration Officer and Returning Officer for all elections, Parish Polls and Referendums and to take such action as is necessary to carry out those duties.</p> <p>To act as the Proper Officer for the Council, as defined by Section 270 (3) Local Government Act 1972</p> <p>To exercise any power to protect the interests and well being of the inhabitants of the Borough in cases of emergency</p> <p>Departmental Restructuring within budget including staff redundancies</p> <p>Day to day management of the Council's democratic processes.</p>	<p>C – Cabinet as soon as reasonably practical and report to Council at next meeting</p> <p>Consultation with the Leader and Cabinet Member for Personnel.</p>

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	<p>bestowing Freedom of the Borough.</p>		<p>Amendments to Timetable of Meetings Member Substitutions at meetings</p> <p>Following resignation from a Council body, substitution of Members from same political group onto the Body for the remainder of the year.</p> <p>Replacement/substitution of members on Outside Bodies.</p> <p><b>Executive Director Central Services</b> Day to day management of personnel function within the Council, including development of appropriate protocols in accordance with policy across the Council, including pay award negotiation, performance related pay, honoraria (as advised by Service managers or Management Team in the case of service head or above), leave arrangements, recruitment arrangements, disciplinary arrangements including suspension of service/compromise/termination arrangements, retirement arrangements, implementation of job evaluation.</p> <p>Variation and termination of employment contracts, extension of service following retirement age, suspension, confirmation of employment following completion of probationary period.</p>	<p>-Subject to notification from Group Leader or individual member</p> <p>-Subject to notification from Group Leader and agreement of CE.</p>
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			<p>Appointment of Temporary employees for up to 12 months (PG6-13)</p> <p>Authorisation of payment of loans, pay in lieu, allowances, compensation and grants etc to staff and waiver of such repayments or payments due in appropriate cases in accordance with policy</p> <p>Designation and associated work related to casual/essential user car allowances/loans/hiring.</p> <p>Development of necessary protocols in accordance with overall legislation/policy</p>	
	8.10 Statutory Functions		<p><b>Legal Services Manager</b></p> <p>To maintain and update a list of statutory provisions under which the Council acting through any Executive Director may exercise powers devolved to the Council</p> <p>Authorise, a prosecution, rights of entry, the commencement, defence or settlement of any legal proceedings brought by or against the Council, except in the case of Health and Safety at work prosecutions taken under the act or regulations made under the Act when the power to issue legal proceedings is given to the Health and Safety Inspectors be authorised under Section 19 of the Health and Safety at Work etc Act 1974..</p>	

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			<p>To act as Monitoring Officer (Local Government &amp; Housing Act 1989), Registrar of Local Land Charges, Authorised Officer (under the Regulation of Investigatory Powers Act 2000), Parish Trustee.</p> <p>Sign and serve any notice, order or document or act as proper officer under Section 234 of the Local Government Act 1972 where no other officer is currently appointed.</p> <p>To affix and attest the common seal of the Council where the common seal is required pursuant to any decision of the Council.</p> <p><b>Executive Director Central Services</b> To Act as Money Laundering Officer (Proceeds of Crime Act 1995)</p> <p><b>Deputy Chief Executive</b> To act as Chief Financial Officer under S.114 of the Local Government Finance Act 1988 and S.151 of the Local Government Act 1972</p> <p><b>Chief Executive</b> Authorised Officer under the Regulation of Investigatory Powers Act</p> <p>To exercise the delegated powers of any Executive Director where they are absent for any reason or the post is vacant.</p> <p><b>All Executive Directors</b> To exercise all powers within their functional responsibility from the list of statutes</p>	<p>*excluding any action involving the commencement of civil or criminal proceedings (delegated to LSM)</p>
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			maintained by the Monitoring Officer including signing of notices, licences or orders and to authorise, appoint and dismiss inspectors, charge and refund fees, exercise rights of entry, take direct action, issue cautions and make representations under the statutory provisions on behalf of the Council*	
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Body	Functions	Consultations	Officer Delegations	Limits on delegation
9 Cabinet	<p>Individual delegations set out as per Portfolios above.</p> <p>9.1 Make recommendations to Council on corporate strategic and service policies and the detailed implementation of those policies</p> <p>9.2 Delivery of Services within the approved policy and budgetary framework and reviewing the operational framework functions and resources within it. Virement of funds in accordance with Financial Regulations</p> <p>9.3 Monitoring of the Councils Resources, make recommendations to Council on the overall Budget, Council Tax, and carry out any consultation required.</p> <p>9.4 To exercise any Executive function duty,</p>	<p>Delegations to individual portfolio holders apply equally to the Cabinet as a whole</p> <p>Report to Council</p> <p>Rec to Council</p>	Delegations as set out in portfolio groups	

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	<p>action or power which is not delegated to any other Council Body in order to protect the Council's interests.</p> <p>9.5 Appoint Representatives to Outside Bodies where they are Executive appointments.</p> <p>10.6 Refer any matter to Council for consideration.</p> <p>9.6 Commission Research into any matter or hold an enquiry into a particular issue or issues relating to the Borough or the Council at their discretion.</p>			
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Body	Functions	Consultations	Officer Delegations	Limits on delegation
10 Licensing and Appeals Committee and Sub-Committees thereof.	10.1 To decide on Licensing applications including under the Licensing Act 2003 where objections have been received, applications to review premises licence/club premises certificate and whether to object to licenses when Authority is a consultee.	ED	<b>Executive Director Environmental Health and Housing</b> To administer and decide on Licensing applications including those under the Licensing Act 2003 where no objections have been made, or have been withdrawn.	Where irresolvable objections/representations made - LAC
	10.2 To decide on applications under the Gambling Act 2005.	ED	<b>Executive Director Environmental Health and Housing</b> To administer and determine Gambling Act applications where no objections have been made, or have been withdrawn.	
11 Licensing and Appeals Board and Panels thereof.	11.1 To decide on appeals/disciplinary matters for hackney carriages and private hire vehicle driver licences and Homelessness appeals and staffing appeals		<b>Executive Director Environmental Health and Housing</b> Approval of applications for hackney carriages and private hire vehicle driver licences except those falling within the categories in paragraphs (i) to (v) below, when they will go to the Licensing and Appeals Board or panels thereof:-  (i) Applications which disclose that the applicant has been convicted of an offence involving indecency or violence; (ii) Applications which disclose that	

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			<p>the applicant has been convicted of an offence involving dishonesty or drugs;</p> <p>(iii) Applications which disclose that the applicant has been convicted of an offence under the provisions of the Town Police Clauses Act 1847 or the Local Government (Miscellaneous Provisions) Act 1976;</p> <p>(iv) Applications which disclose that the applicant has been convicted of an offence relating to the driving or ownership of a motor vehicle and has more than six penalty points on his/her licence;</p> <p>(v) Applications which disclose that the applicant has committed a breach of, or failed to comply with, the terms of an existing or previous hackney carriage or private hire licence.</p> <p>To approve applications for hackney carriage and private hire drivers licences that fall within any of the categories set out in paragraphs (i) to (v) of the preceding paragraph if in the opinion of the Executive Director - Environmental Health and Housing any offence by the applicant is so minor or irrelevant as to have no proper bearing on the determination of the application.</p>	
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Body	Functions	Consultations	Officer Delegations	Limits on delegation
<b>12 Appointments Board</b>	12.1 Full Board to appoint Chief Executive 12.2 Panels of Board to appoint Chief Officers 12.3 Appoint Independent and Parish Council members of the Standards Committee*  12.4 Panels of the Board Appoint members to the Independent Allowances Panel	Cabinet  Cabinet & CE  *Chairman/Vice-Chairman of Standards Committee		

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Body	Functions	Consultations	Officer Delegations	Limits on delegation
<b>13 Standards Committee</b>	13.1 Promote high standards of conduct within the Council 13.2 Monitor the implementation and operation of the Codes of Conduct for Members, officers and towns & parishes and confidential reporting codes, including development of protocols 13.3 As a whole or in a Panel of the Committee to determine complaints made regarding breaches of the Code of Conduct 13.4 Make recommendations to Council on the criteria and process for appointment of non Council Members to the Committee	MO	<b>Legal Services Manager/Monitoring Officer</b>  To act as principal point of contact with the Standards Board for England and to deal with all matters relating to their investigations  On behalf of the Committee to administer the local assessment of complaints and carry out investigations on complaints made under the Code of Conduct.  To provide advice to Members and Towns & Parishes including Clerks and Members on aspects of the Code	

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