

# AGENDA



For a meeting of the
<b>RESOURCES POLICY DEVELOPMENT GROUP</b>
to be held on
<b>THURSDAY, 25 JULY 2013</b>
at
<b>2.30 PM</b>
in the
<b>WITHAM ROOM - COUNCIL OFFICES, ST. PETER'S HILL, GRANTHAM. NG31 6PZ</b>
Beverly Agass, Chief Executive

Group Members:	Councillor Jean Bevan, Councillor Nick Craft (Chairman), Councillor Alan Davidson, Councillor Nick Robins, Councillor Bob Sandall, Councillor Trevor Scott (Vice-Chairman) and Councillor Jacky Smith
Portfolio Holders:	Councillor Teri Bryant (Portfolio: Good Housing) Councillor Mike Taylor (Portfolio: Strategic Resources – Well Run Council)
Support Officer:	Jo Toomey                      Tel: 01476 40 61 52 E-mail: <a href="mailto:j.toomey@southkesteven.gov.uk">j.toomey@southkesteven.gov.uk</a>

**Members of the Group are invited to attend the above meeting to consider the items of business listed below.**

**1. COMMENTS FROM MEMBERS OF THE PUBLIC**

To receive comments or views from members of the public at the Group's discretion.

**2. MEMBERSHIP**

The Group to be notified of any substitute members.

**3. APOLOGIES**

**4. DISCLOSURE OF INTERESTS**

Members are asked to disclose any interests in matters for consideration at the meeting.

**5. ACTION NOTES FROM THE MEETING HELD ON 30 MAY 2013**

**(Enclosure)**

**6. UPDATES FROM PREVIOUS MEETING**

**7. FEEDBACK FROM THE EXECUTIVE**

**8. EMPTY HOMES PROJECT**

**(Enclosure)**

**9. MARKETS - UPDATE AND DEVELOPMENT PLAN**

Report number LA0002 by the Team Leader Leisure and Amenities.

**(Enclosure)**

**10. CAR PARKING REVIEW**

Report number HOF247 by the Head of Finance.

**(Enclosure)**

**11. CORPORATE DEBT MANAGEMENT FRAMEWORK**

Report number HOF244 by the Head of Finance.

**(Enclosure)**

**12. FINANCIAL REPORT FOR 2013/14 MONITORING INFORMATION AND SUMMARY OF OUTTURN POSITION 2012/13**

Report number HOF246 by the Head of Finance.

**(Enclosure)**

**13. REPORTS FROM WORKING GROUPS**

**14. WORK PROGRAMME**

**(Enclosure)**

**15. ANY OTHER BUSINESS, WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT.**

## MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

THURSDAY, 30 MAY 2013 2.30 PM



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### GROUP MEMBERS PRESENT

Councillor Jean Bevan  
Councillor Nick Craft (Chairman)  
Councillor Alan Davidson  
Councillor Nick Robins

Councillor Bob Sandall  
Councillor Trevor Scott (Vice-Chairman)  
Councillor Jacky Smith

### PORTFOLIO HOLDER

Councillor Terl Bryant (Portfolio: Good Housing)  
Councillor Mike Taylor (Portfolio: Strategic Resources – Well Run Council)

### OFFICERS

Head of Finance (Richard Wyles)  
Head of Housing and Neighbourhoods (Ian Richardson)  
Development Management Service Manager (Pat Reid)  
Service Manager Supported Housing (Steve Cullington)  
Community Engagement and Policy Development Officer (Carol Drury)  
Principal Democracy Officer (Jo Toomey)

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#### 1. DISCLOSURE OF INTERESTS

No interests were disclosed.

#### 2. ACTION NOTES FROM THE MEETING HELD ON 28 MARCH 2013

The action notes from the meeting held on 28 March 2013 were noted.

#### 3. UPDATES FROM PREVIOUS MEETING

##### Pre-application planning advice

The Development Management Service Manager explained that charges for pre-application planning advice for less than 10 dwellings and 10 to 49 dwellings had been in place since 1 April 2013. However there appeared to be an omission in the publication of the charges insofar as the agreed charging

rate for 50 dwellings or above had not been included in the published listing. The PDG was asked to consider and agree the publication of the rate. As fees for developments of 10 to 49 dwellings could exceed £3,000, a rate of £3,600 was proposed. This was based on the charging models of other local councils for the same service.

For very large developments, it was suggested the charge should be negotiable between the authority and the developer. The charge included officer time and liaison with third parties.

***Recommendation:***

- ***That the charge for pre-application advice for a development of 50 or more dwellings should be a flat rate of £3,600***
- ***Fees for very large schemes would be negotiated by the authority and the developer.***

Accredited agent scheme

The PDG was informed that Cornwall County Council was running an accredited agent scheme for householder applications. To attain accreditation, agents would need to submit applications to an agreed standard, which meant they would not need to be checked so carefully. Cornwall CC ran a two-strikes policy, where an agent would be removed if two sub-standard applications were submitted. The proposal had briefly been discussed at an agents' forum where it received some interest. PDG members supported this kind of scheme South Kesteven and agreed that it should be brought forward with the publishing of new fees and charges.

***Recommendation:***

***An accredited planning agent scheme should be developed and implemented alongside the publishing of new fees and charges.***

**4. FEEDBACK FROM THE EXECUTIVE**

The Good Housing Portfolio Holder informed members that officers were considering the response to the recently received tender in respect of supporting people services.

**5. QUESTIONS REFERRED BY COUNCIL ON 18 APRIL 2013**

At the Council meeting on 18 April 2013, a question in relation to community rooms at sheltered housing schemes was referred to the PDG. The question, which was put by Councillor Selby, specifically referred to Belton Avenue, Grantham. A full copy of the question was circulated with the agenda. The question was about a service charge for the community room paid by residents, and its use by non-residents free-of-charge.

The Head of Housing and Neighbourhoods explained that tenants were

required to pay a mandatory service charge which covered facilities relating to accommodation. The charge also included a component for elements that did not relate directly to housing, including the community rooms. The service charge quoted in the question (£5.60 a week) incorporated both categories.

Members were informed that there was no formal charging policy for the community rooms by external users however most housing schemes dealt with this through a residents' committee. The committee would charge external users; the proceeds would then be available to the committee to organise social events. It was noted that the number of schemes with a committee in place was decreasing, which meant use of the rooms was not managed and therefore donations were fewer.

The Housing Revenue Account met the full cost of providing the facilities irrespective of their levels of use.

The question also referred to a review of the service charge. This was directly linked to Lincolnshire County Council's supporting people review, which dictated the timeframe for the service charge review. This would take account of current running costs, projected running costs, the extent to which a facility was being used and the potential for future use.

Councillors asked questions and raised a number of points. Levels of use for community rooms varied across the district. Members noted that any attempts to advertise facilities to external users would need to be balanced by the right of residents to access the facility. Residents were able to decide who could use the facility and were enabled to charge accordingly.

In considering a response to the question, the PDG agreed that the residents of Belton Avenue should be encouraged to form a committee, which could control the use of the community room. Residents were empowered to determine who should be allowed to use the facility, charge them for its use and use the proceeds to fund social events and activities. The PDG also asked that service charges for sheltered housing schemes be included on its agenda for 3 October 2013.

**Conclusion:**

***A response should be sent to Councillor Selby suggesting that residents of Belton Avenue should be encouraged to form a residents' committee, which would be empowered to charge external users of the facility. The committee could then use the income to fund social activities and events for residents. The response should also include a note to state that the PDG would consider service charges in respect of sheltered housing at its meeting on 3 October 2013.***

**Action Point:**

***Add service charges for sheltered housing to the work programme for the meeting on 3 October 2013.***

## 6. LOCAL AUTHORITY MORTGAGE SCHEME UPDATE

The Head of Finance presented report number HOF234 on the Local Authority Mortgage Scheme (LAMS). He also referred to Sector's annual report for 2012/13 and a breakdown of the scheme's use in South Kesteven, which were circulated. The report asked the PDG to consider whether the authority should continue and extend the scheme, whether additional lenders should be included and whether the maximum loan size should increase.

Two additional lenders had been suggested as possible partners: Leeds Building Society and Teachers Building Society. In considering new lenders members had to balance the level of risk and return against the aims of the scheme. Members expressed concern about the level of risk associated with Leeds Building Society, as the return against the deposit would be 0.9%. Members did not feel this was sufficient to mitigate the risk of defaults. There was also consensus amongst members that the Teachers Building Society Scheme was too restrictive as it was only open to teachers and that the return (1.2%) was not sufficient to mitigate the risk of defaults. Councillors recommended that the authority should continue to participate in the scheme, but only in partnership with Lloyds TSB. They did suggest that lenders should be kept under review as new lenders were added to the scheme.

In considering the distribution of successful LAMS applications across the district, the PDG noted the greater concentration were in the Grantham area. This was attributed to the higher property prices in the south of the district. Members recommended that the maximum loan size should increase to £147,250 to help residents in the south of the district.

Brief discussion ensued on how the scheme was advertised. Councillors felt that information should be permanently on display on the homepage of the Council's website. The use of social media and mail-shots to local estate agents were also suggested.

### ***Recommendation***

- 1. The authority should continue with the scheme and a further deposit of £500,000 should be placed with Lloyds TSB.***
- 2. The authority should only use Lloyds TSB for the present time. This should be reviewed on a regular basis as new lenders join the scheme.***
- 3. That the maximum loan value should increase to £147,250.***
- 4. Information on LAMS should be permanently visible on the homepage of the Council's website.***

## 7. LOCAL BUSINESS SUPPORT SCHEME

The Head of Finance summarised report number HOF235 on a small business loan scheme and hardship awards for businesses.

## Small loan scheme

Provision had been included in the Council's budget for 2013/14 to fund a loan scheme to support the expansion of small to medium enterprises (as defined by the EU). It was noted that during the current financial climate financial institutions had been reluctant to lend money. The proposal was based on a scheme developed by Portsmouth City Council. The Council would make available loans up to the value of £10,000 (constituting no more than a third of the loan) to match similar levels of capital investment by firms and banks.

The loan would be repayable over three years and the scheme included an option for a payment holiday. The application criteria required a confirmed commitment from the bank. Interest would be payable at the Public Works Loan Board rate which meant that the authority would not make a profit but would be no worse off by running the scheme.

Members broadly supported the principles behind the loan scheme but suggested that there should be a minimum loan amount of £4,000 and a maximum loan amount of £10,000 with respect to the Council's element of the overall loan the business was seeking.. It was also suggested that applications should be considered by the Economic Development Portfolio Holder, a member of Resources PDG and a member of the Council's economic development team. Applicants would have to demonstrate their potential for growth and the value the business was contributing to the local economy.

The PDG briefly discussed the advertising of the scheme. It was suggested that the Council's Economic Development team was well-placed to promote the scheme through its contacts.

### ***Recommendation:***

- 1. The Council should set up a small business loan scheme, providing loans between £4,000 and £10,000 as part of a three-way match funding arrangement with the bank and the applicant.***
- 2. The applicant should provide evidence of support from the bank with their application.***
- 3. The board for considering applications should comprise the Grow the Economy - Economic Development Portfolio Holder, a member of Resources PDG and an officer from Economic Development.***
- 4. The principles behind the scheme should be as set out in report number HOF235.***

## Hardship relief

The Council ran a statutory scheme of hardship awards for businesses. The Council had a discretionary power to reduce all or part of a business rates bill if the authority is satisfied that the ratepayer would suffer hardship if relief was not granted or that there was a direct benefit to the ratepayer or the community and there were no adverse impacts to other ratepayers or the community as a result of awarding relief. Hardship relief was already available to businesses as

a short-term measure. The proposals in report HOF235 were designed to make the scheme more transparent by promoting them and introducing scoring criteria:

- History and future planning – the reason for hardship, whether there was an improvement plan and whether the granting of hardship would be effective
- Loss of amenity – the effect on the local community, whether there are similar businesses, the market served by the business and whether the area had other vacant properties
- Employment implications – number of people employed and other employment opportunities in the area
- External factors – regional national and global factors affecting hardship beyond the organisation's control

It was suggested that decision-making in relation to hardship relief should be taken by Members based on an officer recommendation.

***Recommendation:***

- 1. The Council should implement the assessment criteria (as stated in report number HOF235) for consideration of applications for hardship relief.***
- 2. Decision-making in relation to hardship relief should be taken by Members based on officer recommendations.***

## **8. REPORTS FROM WORKING GROUPS**

The PDG had held two workshops to support the development of the Council's Medium Term Financial Strategy. The workshops provided members with an understanding of the national financial context and information specific to South Kesteven including areas of expenditure and how resources could be managed. As the next stage, officers were capturing the broad principles for the strategy and how it would apply locally, taking account of future funding arrangements and measures that could be introduced. The PDG would consider the draft and make any further recommendations before commending it to Cabinet.

## **9. WORK PROGRAMME**

The Community Engagement and Policy Development Officer provided a summary of the PDG's work during 2012/13. The PDG had met six times, considered 11 substantive items and made 17 recommendations. There was brief discussion on whether there were opportunities for PDGs to work collaboratively and how this would prove most effective.

## **10. CLOSE OF MEETING**

The meeting was closed at 16:48.

# Empty Homes Review

Samantha Selby  
(Project Manager)



*Your council working for you*

# Why do an empty homes review?

- We have a significant number of empty properties that are classed as being empty for 6 months and over within the district
- Results in lack of capacity in housing market
- Has an impact on homelessness, and the sizes of houses available
- Can be a cause of anti-social behaviour
- Can be a blight to neighbourhoods

# How will we do the review?

- We are working with a specialised company to undertake the review
- Regular data is extracted from our Council Tax database and sent to specialised company
- They will research the properties by carrying out
  - occupancy validation,
  - occupancy reviews,
  - inspections to survey occupancy status and
  - maintain our council tax database with updates on occupancy status

# What happens then?

- Some properties may be found to be occupied already
- Private Landlords/owners will be signposted to apply for financial assistance in order to help them bring the property back into residential use currently up to £3,000 (there is a draft proposal out for consultation to increase the grant up to £5,000 this is due to be approved by Cabinet on 5 August, an additional “repayment condition if sold within 5 years” has also be included)
- Strict criteria is applied in the process of approving the grant
- Result in properties be let to a decent homes standard and rents to be no higher than the Local Housing Allowance Rates for a period of 3 years

# How do we benefit?

## Customer

- Improved neighbourhoods: create less of an eyesore for surrounding properties
- Increase of available rented properties at a affordable rental rate
- Improved properties that meet Decent Homes Standard

## SKDC

- Reduction in housing waiting list
- Reduce homelessness
- Increase of available rented properties
- Reduced reports of anti-social behaviour
- Increase in Council Tax base where properties are found to be in occupation or able to be brought back to a residential state
- Increase in new homes bonus

# Update on progress made to date

- We have begun the occupancy validation and reviewing of unoccupied properties from database extraction supplied (this part of the process started at the beginning of June)
- 29 properties identified so far
- Project team meet once a month to review progress and to identify if more SKDC communication is required

# Further questions?

- Review is due to be complete by March 2014
- Further questions to the project team
- Council Tax information: Jeanette Strutt on ex 6253
- Private Sector Rental Standards: AnneMarie Coulthard on ex 6319
- Communications Team: Ed Palmer on ex 6453



## REPORT TO RESOURCES P.D.G.

**REPORT OF:**     **Susie McCahon**  
                           **Team Leader Leisure and Amenities**

**REPORT NO:**    **LA0002**

**DATE:**            **25<sup>th</sup> July 2013**

<b>TITLE:</b>	<b>Grantham Market - Update</b>	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	no	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Cllr Frances Cartwright Portfolio Holder - Economy	
<b>CONTACT OFFICER:</b>	Susie McCahon 01476 406423	
<b>INITIAL IMPACT ANALYSIS:</b>	Referred to in paragraph (7) below	Full impact assessment Required:
<b>Equality and Diversity</b>	no	
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>		

## 1. RECOMMENDATIONS

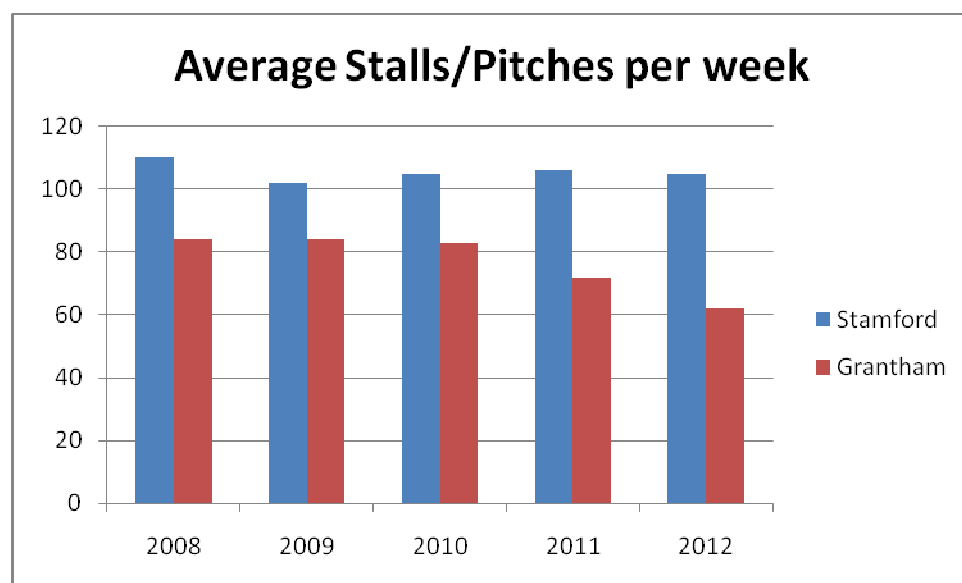
It is recommended that Resources PDG note the contents of this report and support officers to continue to work on delivering the actions within the Market Action Plan in order to attract new and quality traders and raise the profile of the market generally.

## 2. PURPOSE OF THE REPORT

To update the PDG on the progress of the implementation of the Grantham Market Action Plan.

## 3. DETAILS OF REPORT

Grantham Market is a historic charter market dating back to the 1700's. The market is a Saturday market selling typical market goods and there is an additional Farmers Market held on a monthly basis. The market has lost a number of traders in recent years. The reasons for this are various and the loss of traders during the Market Place Improvement Works during 2011/12 has never recovered fully. Whilst the economic climate is challenging for businesses generally Grantham Market is faring worse than Stamford and attracts fewer quality traders with diverse offers. The following shows the average number of stalls or pitches occupied per week at Grantham since 2008.



To address these issues an Action Plan was drawn up in conjunction with the Service Manager for Economic Development, this is included as Appendix 'A'. This report summarises progress towards the actions as follows:

### Market Research

Currently Economic Development carry out quarterly footfall counts on all of the markets and in addition for special events, eg for the re launch of Grantham Market. Information is collated and analysed in conjunction with Economic Development. Recent surveys indicate that the footfall in Grantham is increasing and compares favourably to similar work carried out in 2011.

## Location

Following completion of improvement works in 2012 consultation was carried out with the market traders at the annual AGM. As a result some traders moved from Conduit Lane to Wide Westgate. The market boundary now ends at junction with Welby Street meaning that car parking at the end of Wide Westgate is maintained for public access. Some gaps within current layout are due to access issues with local businesses and emergency access to the George Centre. Predominantly traders still prefer to be located nearer Wide Westgate due to better footfall. However some traders who utilise their vehicles to trade from and store essential stock (this is a paid for service) require the more spacious area in Market Place and top of narrow Westgate.

Regular meetings are held with representatives of the new board of the Market Traders Federation Committee, however no interest was expressed by other traders in joining a forum.

Signage – This is being looked at by Economic Development and the new Economic Development Officer will be tasked to look at new signage for the market area.

Outdoor cafes – Currently there are 3 cafes within the market environs who occupy a pavement area outside their premises.

## Environment

Use of stall covers – 50% of traders who use a council market stall are using the covers and the remainder are utilising their own.

New Market Square – Planters installed Summer 2012 to deter vehicles accessing the stone generally. Any trader on this area must also protect the stone.

## Consultation

Representation from Economic Development at Grantham Business Club meetings, shop owners generally accepting of new market layout, occasional individual business club members express concern re the positioning of stalls in front of their shops.

Annual questionnaires are issued to all traders. We are currently also designing questionnaire aimed at traders leaving the market to help us better understand the reasons for this.

The next questionnaire to be issued is August 2013 being one year following phase 2 of the improvement works and the final market layout being implemented.

## Promotion and Marketing

Events – New Market Area has been advertised as available to community groups etc for display/entertainment during market days. The area has been used throughout 2012/2013 for various events including: Badminton Serve Challenge; music and busking; British Legion Motorbike display; street entertainment; promotions for Grantham College/ Slimming World/ Nissan Motors; School Choir; Charity bike ride promo; Tai Chi demonstration; Carnival starting point. This area continues to be promoted as available for use.

Advertising in Market Traders News for new traders was undertaken in March 2013. Radio advertising and other promotion work was also done as part of Love Your Local Market week in May. To celebrate our participation in this national event entertainment was arranged and an offer was made to new and existing businesses to hire a stall for a discounted £10. There was a particular emphasis on attracting traders with unique and diverse products. The campaign across our 3 markets attracted 10 traders who participated in the fortnight period and 2 traders have remained as a casual trader on Stamford market.

The local branch of the Market Traders Federation Committee are keen to work with SKDC to help improve the market and they also want to get traders involved in increasing footfall. It is generally agreed that the more activity takes place on the market the better it is for traders as customers 'slow down'. However budgets prohibit regular paid for entertainment.

The Graphics Designer within the Communications Team is working on a new look for branding and advertising the markets. This will be used to promote various market activities throughout the year, ie, Farmers and crafts markets, Christmas market etc.

A new starter pack for traders has been launched and is available through the website and a hard copy can be obtained by potential traders upon request. Together with the application forms this offers information on the markets available, fees and charges, and what is required for new businesses such as public liability insurances. In addition we are currently collating details of all traders who want to have their details available on our website with a view to developing the market page. It is envisaged that a map showing the location of trader's stalls will be included with a link to individual company information.

Costs –The rent payable under the terms of a lease from Buckminster estate was renegotiated at the end of 2012/13 and a small reduction was achieved. Stall and pitch hires were not increased for 2013/14 so as to help encourage new traders. We are currently reviewing the waste disposal costs in conjunction with Service Manager for Waste and Refuse. These costs have risen sharply over the last 12 months in line with the Council's other costs for use of waste and recycling facilities for domestic refuse.

Specialist markets – A consultation was carried out with craft traders who currently trade at Stamford some 6 times a year to explore the potential of holding a craft market at Grantham. Disappointingly there was very low interest in this expressed. Stamford craft market numbers have declined generally an average of 15 traders attend the craft markets in Stamford.

**4. OTHER OPTIONS CONSIDERED**

none

**5. RESOURCE IMPLICATIONS**

Work to deliver the actions of the Plan is within existing budgets.

**6. RISK AND MITIGATION**

Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
Inability to achieve budgeted income for market rents	Detailed within the report and Action Plan

**7. ISSUES ARISING FROM IMPACT ANALYSIS**

n/a

**8. CRIME AND DISORDER IMPLICATIONS**

8.1 none

**9. COMMENTS OF FINANCIAL SERVICES**

9.1 The income of Grantham market has suffered in recent years with the outturn of 2012/13 being £12K lower than budgeted. The budgeted income for 2013/14 has been reduced to reflect the current trading environment and this is regularly monitored to enable remedial action to be taken if income levels begin to reduce below those that are budgeted.

**10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES**

10.1 The Council has acquired the right to hold the market in Grantham by virtue of a lease. A rent is to the landlord under the terms of the lease. It is essential the Council does all that it can to ensure that the income received from the market is sufficient to cover its costs of running the market.

**11. COMMENTS OF OTHER RELEVANT SERVICES**

11.1

**12. APPENDICES: A Grantham Market Action Plan - Update**

Appendix A

Programme	Current Position	What is planned	What will be the impact?	Action By	Completion date
Market Research	Limited empirical data on users and none users of market and what improvements they might want to see to the market offer	Continue regular footfall surveys and carry out specific market research exercise to identify facts around trends in market	Clear understanding of issues which will inform wider action plan.	L/A & ED	Complete by 31/10/12
Location	Recent relocation due to Market Place works suggests traders prefer to be located in wide Westgate due to better trading resulting from greater concentration of footfall	Discuss with traders option to permanently make market more compact in wide Westgate	Stronger identify, less fragmented, easier for shoppers, less impact on shops, increase in traders and footfall	L/A	Complete by 31/8/12
	Some opposition from shop owners to traders outside stores causing	Speak with traders and shop owners and host some form of forum discussion of what can be done for all of them to help improve trading	Joint appreciation of each others position, sign-up to single agreed action plan	L/A & ED	Complete by 31/8/12
	Market traders vehicles parked in the street present poor image and inconvenience to shoppers	Discuss with traders benefit of removing vehicles and provide convenient free parking space once unloaded	Vehicle free market, stronger image, less H&S concerns	L/A	Complete by 30/6/12
	Lack of local signage for market	Install new signage, new heritage board about market history, posters	Promotes market , forms part of historic tour and attracts new visitors	ED	Complete by 31/3/13
	Increased interest in creating outdoor cafes	Work with businesses to approve more street licences	Increase footfall, better image, more choice, another reason to visit	ED/Licensing /LCC	Complete by 31/3/13
Environment	Use of stall covers	Discuss with traders and or stall erectors the benefits of using green/white covers and away forward to ensure	Improve visual appearance, improve customer service, improve offer to customer	L/A	Complete by 30/6/12

		consistent looking stalls			
	Good quality clean streets but some issues over illegal vehicles leaving tyre marks in market place	Deploy new planters in Market Place and discuss cleaning regime using new steam cleaning equipment on new public realm. Longer term enforcement subject to new powers	Removes illegal parking, enhance visual appearance, win awards	LCC/Waste	Complete by 31/8/12
Consultation	Ad hoc traders forum	Discuss with traders to hold a regular monthly forum of traders	Better liaison, common voice, agreed action plan. Underpins future for submitting a BID, Portas bid	L/A & ED	Complete by 31/8/12
	Little dialogue between shop owners and traders	Discuss with Business Club and traders to hold a regular quarterly forum of traders and shop keepers			Complete by 31/8/12
Promotion & Marketing	Falling levels of footfall in Westgate (mirrored by rest of town centre)	Public realm improvements commencing June 2012, improved signage, public events programme	Maintain and improve visitors numbers	ED	Complete by 31/8/12
	Core numbers of regular traders but figures declining	Meet with traders to listen to their views. Prepare mailing list of potential new contacts, contact existing local businesses	Increased number and wider range of traders encourages greater numbers of visitors	L/A	Complete by 31/8/12
	Growing numbers of casual traders	Explore options to incentivise casuals to become regular traders		L/A	Immediate
	Number of quality traders but restricted range of traders in certain categories e.g. children's clothing,	Target traders from other markets, explore offering incentives 3 for 2 months, advertise in trader press, radio advertising, Jobcentre Plus, posters, approach local businesses		L/A	Complete by 31/10/12

Increased competition from discount retailers, car boot sales, eBay	Talk with traders about how to make the market more distinct focussing on customer service	Improved customer service offer	ED	Complete by 30/6/12
Competition from other Saturday markets e.g. Newark	Increase publicity through organising regular advertising, radio etc	Maintain and improve visitors numbers	LA	Complete by 31/12/12
Poor perception of Grantham	Shop front improvements, public realm, events programme, SK in Bloom, Destination SK, PR plan	Increased traders, maintain and improve visitors numbers	ED	Complete by 31/8/12
Limited events programme to support market, but strong evidence from previous events suggesting new events attract footfall e.g. Grantham Cup	Raise funding to put on a regular programme of events (to include seasonal events), offer opportunities to local community groups, sports clubs), PR in the Journal and other local papers	Maintain and improve visitors numbers		Complete by 31/12/12
Rising costs of managing market	Renegotiate annual fees, explore other ways of managing market	Reduced costs	L/A	Complete by 1/4/15
Publicity promoting the market	Organise PR campaign, produce leaflet to distribute across district, posters, radio, website. Encourage special offers to attract new audience	Increased traders, maintain and improve visitors numbers	L/A	Complete by 30/9/12
Some specialist markets prove popular	As part of events programme organise regular specialist farmers, arts and craft, charity, Christmas and other seasonal offers e.g. Halloween		L/A	Complete by 30/9/12

## REPORT TO RESOURCES PDG

**REPORT OF: HEAD OF FINANCE/PROPERTY DEVELOPMENT MANAGER**

**REPORT NO: HOF247**

**DATE: 25<sup>TH</sup> July 2013**

<b>TITLE:</b>	Review of Car Parking	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	N/A	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Councillor Mike Taylor Well Run Council Portfolio Holder	
<b>CONTACT OFFICER:</b>	Richard Wyles – Head of Finance 01476 406210 Email: <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a> Neil Cucksey – Property Development Manager 01476 406224 <a href="mailto:n.cucksey@southkesteven.gov.uk">n.cucksey@southkesteven.gov.uk</a>	
<b>INITIAL IMPACT ASSESSMENT:</b>	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
<b>Equality and Diversity</b>	N/A	
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>		

### 1. RECOMMENDATION

- 1.1 It is recommended that Resources PDG note the current performance of the car parks and have regard for the current usage levels and usage patterns when considering fees and charge proposals for 2014/15.

### 2. PURPOSE OF THE REPORT

- 2.1 The purpose of the report is to provide members with updated information with respect to car parking performance following the introduction of Civilian Parking Enforcement (CPE) in the district.

### **3. DETAILS OF REPORT**

- 3.1 The decriminalisation of on street parking resulted in local authorities needing to determine whether to proceed with taking on the responsibility of on-street parking enforcement from the Lincolnshire Police.
- 3.2 Lincolnshire was the last shire county in the country to consider the implementation of civil parking enforcement. At the time of CPE being considered for Lincolnshire 247 authorities had already taken on CPE enforcement powers. Following a period of review and negotiations with the County Council CPE was introduced on 5 December 2012.

#### Penalty Charge Notices

- 3.3 Police traffic wardens and car park attendants became Civil Enforcement Officers who issue Penalty Charge Notices (PCN) rather than ECN's issued by Traffic Wardens. SKDC elected to use the service level agreement with Nottingham Central Processing Unit for PCN processing and collecting fine income. This was previously carried out by a part time member of SKDC's staff in the revenues team, who was redeployed to other duties.
- 3.4 Appendix A shows the performance and total income raised with respect to PCN's for the period April 2012 – April 2013. It can be seen there has been a significant reduction in fines issued immediately after CPE was introduced LCC's approach to on-street enforcement in Stamford during December and January (post CPE) was a 'light touch' approach to allow motorists to become familiar with the new enforcement arrangements. It can also be seen that from February 2013 fines issued have started to return to a similar level to those prior to CPE being introduced.

#### Car Parking Income

- 3.5 Appendix B shows analysis for Grantham Long and Short stay and Stamford Long and Short stay car parks.
- 3.6 Long Stay car parks – there has been a significant reduction in 3 hours or less ticket sales but a dramatic increase in all day parking. This can be explained by active on-street enforcement which is resulting in a higher turnover of on-street spaces which has the effect of enabling motorists to park free for a limited period (typically up to 2 hours). The outcome is that all day parking on-street is not available as a result of the positive enforcement thus creating additional demand for all day parking in the Council car parks.
- 3.7 Short Stay car parks – overall there has been a marked reduction in total usage across all short stay bands. This can again be attributed to the active enforcement of on-street parking spaces which is creating a regular turnover of parking spaces.
- 3.8 Appendix C shows an analysis of projected outturn of 2013/14 compared with the actual income for 2012/13 and an analysis of quarter 1 performance for

2013/14 compared with the same period for 2012/13. This analysis effectively translates the reduction in car parking ticket sales into the financial implications. Based on the current forecasting it is anticipated that the income will be in the region of £70K less than budget (and £13k less than 2012/13 outturn).

- 3.9 Looking ahead the fees and charges structures will require a reviewing following the changes in behaviour as a result of CPE and different parking patterns which could result in a greater differential between short and long stay parking tariffs.

### **Bourne Car parks**

- 3.10 The car parking strategy approved in December 2012 states;
- 3.11 “At present there is little turnover of spaces in any of the publically owned and operated car parks as no parking orders or charging regime exists. The Council should therefore review the need for the introduction of Parking Orders to limit the duration of stay initially with a view to introducing charges at a future date”.
- 3.12 At the time of developing the car parking strategy observation surveys were carried out in all public car parks to inform the above statement. However further survey work both on and off street is required to fully inform any orders to introduce a maximum stay. We have engaged in dialogue with both Town and County Council. It is fair to say that the views of the Town councilors were very mixed on the need to introduce any orders.
- 3.13 At present no off street enforcement is carried out due to the absence of orders. On street enforcement is carried out by Lincolnshire County Council through the framework agreement with APCOA. Currently on street enforcement is not deployed daily. From discussion with LCC Parking Services Manager the introduction of off street orders would potentially give sufficient demand for one full time Civil Parking Enforcement Officer to operate in Bourne. However this would require SKDC to purchase additional deployed hours with only the potential fine income to offset the cost if parking charges are not introduced at the same time.
- 3.14 A meeting has been arranged for late August 2013 with representatives from Lincolnshire County Council, Bourne Town Council and SKDC to develop an overall approach to ensure any off street orders compliment on street time limited bays and look to achieve a balance for those seeking all day parking as well as casual users of the towns facilities, residents and visitors.

## **4. OTHER OPTIONS CONSIDERED**

- 4.1 None applicable

## **5. RESOURCE IMPLICATIONS**

- 5.1 None applicable

## **6. RISK AND MITIGATION**

6.1 None applicable

## **7. ISSUES ARISING FROM EQUALITY IMPACT ANALYSIS**

7.1 None applicable

## **8. CRIME AND DISORDER IMPLICATIONS**

8.1 None applicable

## **9. COMMENTS OF FINANCIAL SERVICES**

9.1 Financial considerations are included in the report.

## **10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES**

10.1 As part of good governance it is important members are kept updated in respect of the financial position of the Council's fees and charges during the course of the year.

10.2 Any introduction of off street car parking orders would need to comply with Section 35 of the Road Traffic Regulation Act 1984 and the Local Authorities Traffic Orders (Procedure) England and Wales) Regulations 1996 that provide the procedure to be adopted when introducing a new off street Parking Order. This includes the need to consult with statutory consultees, and publicize a draft car parking Order for the public to consider and submit objections that must then be considered. The statutory procedure can take up to 6 months.

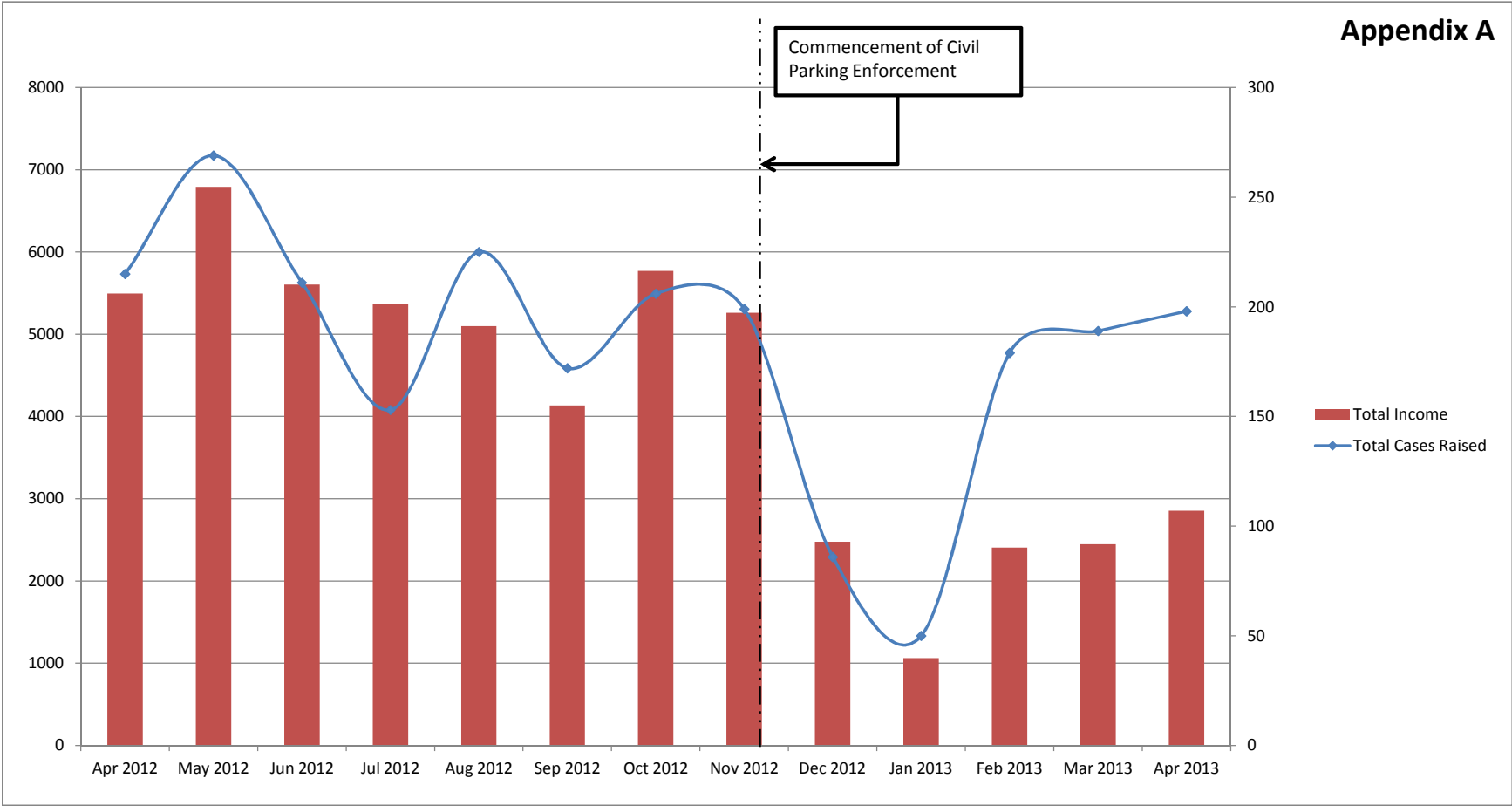
## **11. COMMENTS OF OTHER RELEVANT SERVICES**

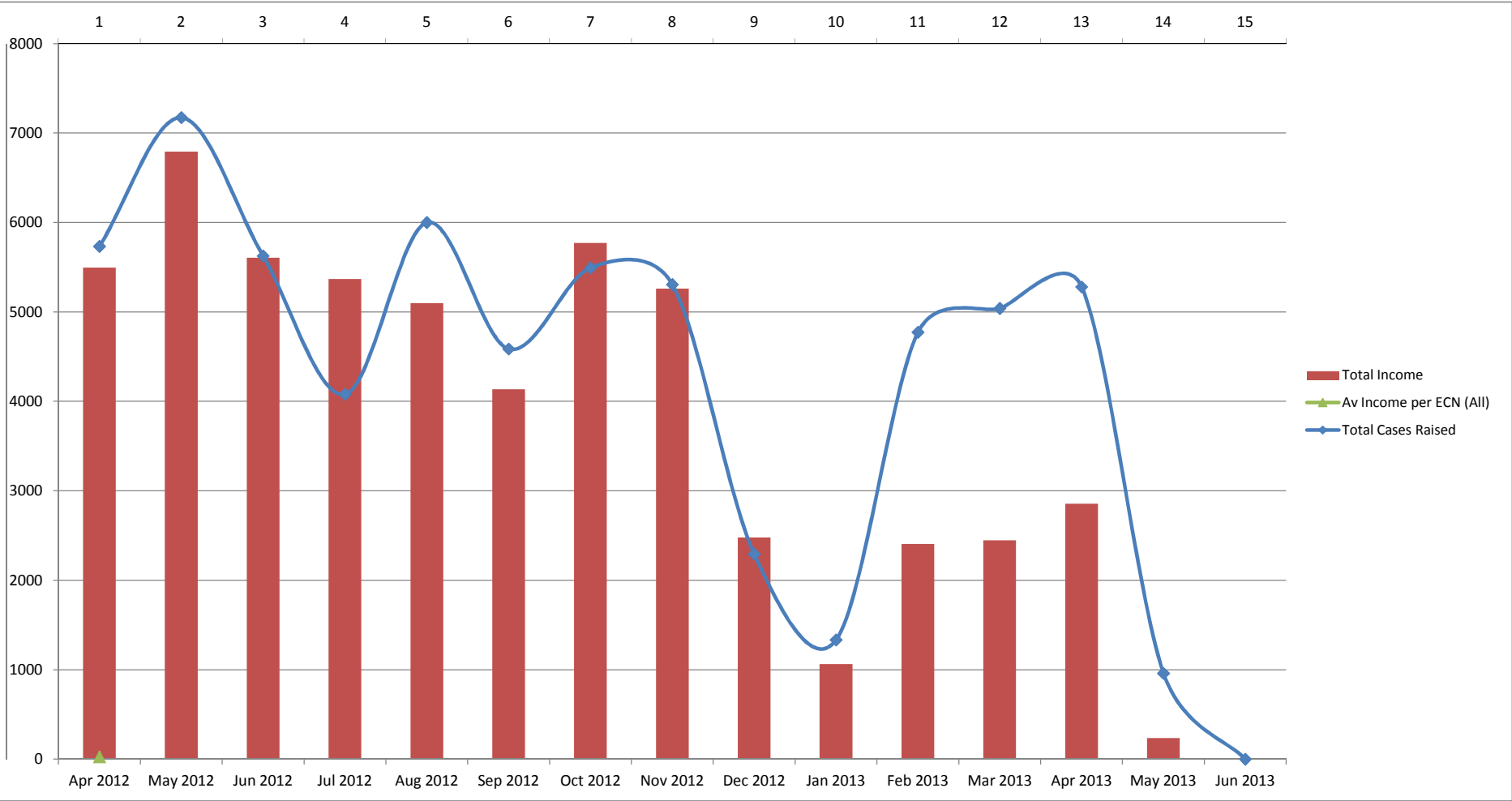
11.1 None applicable

## **12. APPENDICES**

- Appendix A – Fine income profile
- Appendix B – Ticket analysis
- Appendix C – Financial analysis

		Income								Total		Av Income	
		Cases Raised -	Received - Old	Cases Raised -	Income	Charges if		Av Inc per	Av Inc per		Cases	Total	per ECN
		Month Old	System	NCC	Received - NCC	applicable	Net Income	case - PRE	case -	Month	Raised	Income	(All)
	2012 Apr	215	5494.47					25.55567		Apr 2012	215	5494.47	25.55567
	2012 May	269	6791.48					25.38419		May 2012	269	6791.48	25.24714
	2012 Jun	211	5605.11					25.74253		Jun 2012	211	5605.11	26.5645
	2012 Jul	153	5368.62					27.42887		Jul 2012	153	5368.62	35.08902
	2012 Aug	225	5098.4					26.42878		Aug 2012	225	5098.4	22.65956
	2012 Sep	172	4134.46					26.09843		Sep 2012	172	4134.46	24.03756
	2012 Oct	206	5770.96					26.37043		Oct 2012	206	5770.96	28.01437
	2012 Nov	199	5261.15					26.37858		Nov 2012	199	5261.15	26.43794
Introduction of CPE	2012 Dec	6	1999.31	80	870	390.4	479.6		5.995	Dec 2012	86	2478.91	28.82453
	2013 Jan	0	615	50	980	531.92	448.08		7.136	Jan 2013	50	1063.08	21.2616
	2013 Feb	0	930.67	179	2060	585.6	1474.4		7.773722	Feb 2013	179	2405.07	13.43615
	2013 Mar	0	593.76	189	2775	922.32	1852.68		8.543695	Mar 2013	189	2446.44	12.94413
	2013 Apr			198	4155	1300.86	2854.14		10.21394	Apr 2013	198	2854.14	14.41485
	2013 May			36	550	313.48	236.52		10.03473	May 2013	36	236.52	6.57
	2013 Jun									Jun 2013	0	0	





Stamford Long Stay

		Short Stay			
		Up to 3 Hours	Up to 4 Hours	All Day	Coaches
2012/13	April	7430	1326	2502	4
2012/13	May	8064	1494	2898	6
2012/13	June	8809	1516	2966	10
		24303	4336	8366	20
2013/14	April	6611	1630	3710	5
2013/14	May	6448	1503	3786	7
2013/14	June	5092	1127	2658	8
		18151	4260	10154	20
% Increase / (Decrease)	April	-11.02%	22.93%	48.28%	25.00%
% Increase / (Decrease)	May	-20.04%	0.60%	30.64%	16.67%
% Increase / (Decrease)	June	-42.20%	-25.66%	-10.38%	-20.00%
		-25.31%	-1.75%	21.37%	0.00%

		Grantham Short Stay		
		Long Stay		
		Up to 3 Hours	Up to 4 Hours	All Day
2012/13	April	1502	235	444
2012/13	May	1225	249	421
2012/13	June	1622	287	527
Qtr Total		4349	771	1392
2013/14	April	1293	265	638
2013/14	May	1262	276	696
2013/14	June	1102	276	546
Qtr Total		3657	817	1880
Movement	April	-209	30	194
Movement	May	37	27	275
Movement	June	-520	-11	19
Qtr Total Movement		-692	46	488
% Increase / (Decrease)	April	-13.91%	12.77%	43.69%
% Increase / (Decrease)	May	3.02%	10.84%	65.32%
% Increase / (Decrease)	June	-32.06%	-3.83%	3.61%
Qtr Total		-15.91%	5.97%	35.06%

Stamford Short Stay

		Short Stay					
		Up to 30 mins	Up to 1 Hour	Up to 2 Hours	Up to 3 Hours	Up to 4 Hours	Over 4 Hours
2012/13	April	3177	8505	9178	4456	723	858
2012/13	May	3747	9956	10102	4924	903	986
2012/13	June	3468	9329	9763	4907	883	1093
		10392	27790	29043	14287	2509	2937
2013/14	April	1840	4939	6636	4323	938	1917
2013/14	May	2130	5313	6947	4385	986	2018
2013/14	June	1468	3931	5354	3333	710	1387
		5438	14183	18937	12041	2634	5322
% Increase / (Decrease)	April	-42.08%	-41.93%	-27.70%	-2.98%	29.74%	123.43%
% Increase / (Decrease)	May	-43.15%	-46.64%	-31.23%	-10.95%	9.19%	104.67%
% Increase / (Decrease)	June	-57.67%	-57.86%	-45.16%	-32.08%	-19.59%	26.90%
		-47.67%	-48.96%	-34.80%	-15.72%	4.98%	81.21%

		Grantham Long Stay					
		Short Stay					
		Up to 30 mins	Up to 1 Hour	Up to 2 Hours	Up to 3 Hours	Up to 4 Hours	Over 4 Hours
2012/13	April	3444	6479	6646	3728	1299	1790
2012/13	May	3802	6719	6933	3996	1497	1996
2012/13	June	3289	6199	6750	3996	1464	1991
	<b>Qtr Total</b>	<b>10535</b>	<b>19397</b>	<b>20329</b>	<b>11720</b>	<b>4260</b>	<b>5777</b>
2013/14	April	3068	6007	6781	4303	1185	1624
2013/14	May	3242	6298	7141	4234	1191	1609
2013/14	June	2543	4695	5396	3426	1014	1427
	<b>Qtr Total</b>	<b>8853</b>	<b>17000</b>	<b>19318</b>	<b>11963</b>	<b>3390</b>	<b>4660</b>
Movement	April	-376	-472	135	575	-114	-166
Movement	May	-560	-421	208	238	-306	-387
Movement	June	-746	-1504	-1354	-570	-450	-564
	<b>Qtr Total Movement</b>	<b>-1682</b>	<b>-2397</b>	<b>-1011</b>	<b>243</b>	<b>-870</b>	<b>-1117</b>
% Increase / (Decrease)	April	-10.92%	-7.29%	2.03%	15.42%	-8.78%	-9.27%
% Increase / (Decrease)	May	-14.73%	-6.27%	3.00%	5.96%	-20.44%	-19.39%
% Increase / (Decrease)	June	-22.68%	-24.26%	-20.06%	-14.26%	-30.74%	-28.33%
	<b>Qtr Total</b>	<b>-15.97%</b>	<b>-12.36%</b>	<b>-4.97%</b>	<b>2.07%</b>	<b>-20.42%</b>	<b>-19.34%</b>

### 2013/14 Qtr 1 (April - June 2013) Actuals v Budget

	Actuals	Budget 1	Variance	Variance %
Parking - Welham Street Gtham	(21,363.06)	(19,398.00)	(1,965.06)	10.13%
Parking - Conduit Lane Gtham	(6,550.67)	(4,092.00)	(2,458.67)	60.08%
Parking - Wharf Road Gtham	(16,099.74)	(15,700.00)	(399.74)	2.55%
Parking - Guildhall St Gtham	(27,952.22)	(28,936.00)	983.78	-3.40%
Parking - Watergate Gtham	(23,104.77)	(22,374.00)	(730.77)	3.27%
Parking - Council Office Gtham	(1,085.84)	(865.00)	(220.84)	25.53%
Parking - Wharf Road, Stamford	(35,654.76)	(38,384.00)	2,729.24	-7.11%
Parking - Cattle Markstamford	(31,388.92)	(33,967.00)	2,578.08	-7.59%
Parking - North St Stamford	(31,993.30)	(38,679.00)	6,685.70	-17.29%
Parking - St Leonards St Stamf	(9,023.19)	(14,669.00)	5,645.81	-38.49%
Parking - Scotgate, Stamford	(16,458.69)	(17,144.00)	685.31	-4.00%
Parking - Bath Row Stamford	(23,898.90)	(29,953.00)	6,054.10	-20.21%
Sum:	<b>(244,574.06)</b>	<b>(264,161.00)</b>	<b>19,586.94</b>	<b>-7.41%</b>

				2013	2014	2013-2014
				Outturn	Forecast Outturn	Movement
700	Welham St M-Storey Car Park	9456	Welham St M-Storey Car Park	(85,967.90)	(92,509.38)	(6,541.48)
701	Conduit Lane Car Park	9451	Conduit Lane Car Park	(23,989.16)	(33,617.81)	(9,628.65)
702	Wharf Rd M-Storey (Gtm) Cpark	9457	Wharf Rd M-Storey (Gtm) Cpark	(69,116.72)	(69,985.67)	(868.95)
703	Guildhall St Car Park	9453	Guildhall St Car Park	(113,911.64)	(116,644.68)	(2,733.04)
704	Watergate Car Park	9455	Watergate Car Park	(90,577.50)	(98,194.76)	(7,617.26)
705	St Catherines Rd Car Park	9452	St Catherines Rd Car Park	(4,057.88)	(4,613.25)	(555.37)
706	Wharf Rd (St'Ford) Car Park	9464	Wharf Rd (St'Ford) Car Park	(149,323.60)	(144,838.17)	4,485.43
707	Cattlemarket Car Park	9460	Cattlemarket Car Park	(126,474.27)	(133,417.00)	(6,942.73)
708	North Street Car Park	9461	North Street Car Park	(143,104.34)	(125,933.45)	17,170.89
709	St Leonards St Car Park	9463	St Leonards St Car Park	(46,447.02)	(32,437.10)	14,009.92
710	Scotgate Car Park	9462	Scotgate Car Park	(70,815.26)	(70,561.93)	253.33
711	Bath Row Car Park	9459	Bath Row Car Park	(102,027.92)	(89,641.82)	12,386.10
			Sum:	<b>(1,025,813.21)</b>	<b>(1,012,395.03)</b>	<b>13,418.18</b>

## REPORT TO RESOURCES PDG

**REPORT OF: HEAD OF FINANCE**

**REPORT NO: HOF244**

**DATE: 25<sup>TH</sup> July 2013**

<b>TITLE:</b>	CORPORATE DEBT MANAGEMENT FRAMEWORK	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	N/A	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Councillor Mike Taylor Well Run Council Portfolio Holder	
<b>CONTACT OFFICER:</b>	Richard Wyles – Head of Finance 01476 406210 Email: <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a>	
<b>INITIAL IMPACT ASSESSMENT:</b>	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
<b>Equality and Diversity</b>	N/A	
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>		

### 1. RECOMMENDATION

It is recommended that Resources PDG note the updated Corporate Debt Management framework.

## **2. PURPOSE OF THE REPORT**

The Corporate Debt Management Framework was last reviewed and approved by Cabinet in 2008 and the opportunity has been taken to update the framework to ensure it remains fit for purpose and reflects the current working practices of the Council. The primary focus of the approach is to help the customer wherever possible to manage their situation in a consistent and supportive way.

## **3. DETAILS OF REPORT**

The Corporate Debt Management Framework sets out a consistent and transparent approach to debt recovery procedures across a number of debts specifically Council Tax, Non Domestic Rates (NDR), Housing Rents, overpaid housing benefits and sundry debts.

The policy sets out the recovery timetable and steps that are taken in respect of debt recovery proceedings. In respect of local taxation debts the recovery process follows a prescribed format that ensures all outstanding amounts are enforced in a consistent way and provides for arrangements between the Council and the customer at each stage of the process. The introduction of the Council Tax support system from April 2013 has introduced customers who previously have not needed to pay any contribution towards their Council Tax. The Framework does not distinguish between customers that may owe lower amounts from those that pay the full Council Tax charge and so the recovery timescale is followed in all scenarios regardless of the amount owed. It should be noted that court costs amounting to £70 are added to the overdue amount once court proceedings commence. Further costs will then be added if the debt remains unpaid and the matter is referred to the Council's bailiffs for collection. Therefore it is possible that a relatively small debt can quickly increase once formal proceedings commence. It is there extremely important that customers make every attempt to pay any amounts due or make arrangements to repay the Council to avoid further costs being added to their account.

This scenario similarly applies to housing tenants who may be affected by the introduction of the spare bedroom subsidy from 1 April 2013. This has affected tenants who are assessed as occupying a property with bedrooms that exceed their family circumstances. As a consequence their benefit entitlement will have been reduced resulting in a need to pay a contribution towards their weekly rent. This will follow the same recovery procedure as tenants who are required to pay full weekly rental and therefore it is of similar importance that tenants contact the Council to seek advice and assistance in repaying amounts they owe to avoid any formal action being taken including the granting of a Notice of Seeking Possession.

## **OTHER OPTIONS CONSIDERED**

None applicable

## **5. RESOURCE IMPLICATIONS**

None applicable

## **6. RISK AND MITIGATION**

None applicable

## **7. ISSUES ARISING FROM EQUALITY IMPACT ANALYSIS**

None applicable

## **8. CRIME AND DISORDER IMPLICATIONS**

None applicable

## **9. COMMENTS OF FINANCIAL SERVICES**

Financial considerations are included in the report.

## **10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES**

It is important that the Council's Debt Management Framework is reviewed and updated on a regular basis to ensure it accurately reflects the Council's current working practices and, to ensure consistency of approach across the Council in the treatment of its customers.

## **11. COMMENTS OF OTHER RELEVANT SERVICES**

None applicable

## **12. APPENDICES**

Corporate Debt Management Framework



# **South Kesteven District Council Corporate Debt Management Framework**

**July 2013**

## **South Kesteven District Council Corporate Debt Management Policy**

- 1. Introduction**
- 2. Policy Aims**
- 3. Policies Common to all Types of Debt**
- 4. Principles of Enforcement (all debts)**
- 5. Debts Covered by this Policy**
- 6. Legal and Policy Framework for Recovery**
- 7. Write Off Policy**
- 8. Policies and procedures specific to Sundry Debtors**
- 9. Policies and procedures specific to Local Taxation Accounts**
- 10. Policies and procedures specific to Recovery of Benefits Overpayments**
- 11. Policies and procedures specific to Housing Rents**
- 12. Monitoring and Performance of debts**

## **1. Introduction**

- 1.1 This policy applies to all sums owing to the Council and has been developed to ensure a consistent approach to the management of debts across the authority. The policy also includes provisions to help prevent our customers and tax payers from falling into debt, and details how we can help those that do fall into debt. This is best achieved by adopting the principles of early contact, consolidated action and effective money advice provision.
- 1.2 This policy sets out the general principles to be applied in relation to debt management across all services provided by this Council.
- 1.3 Prompt recovery action with debtors who have the means to pay will improve collection rates and benefit the Council's financial resources, as will making sensible arrangements with those that don't have the means to pay. Receiving something towards a debt over time is better than receiving nothing at all.

## **2. Policy Aims & Good Practice**

- 2.1 The key aims of this policy are as follows:
  - To ensure a professional, consistent and timely approach to recovery action across all of the Council's functions.
  - To consider fully the debtors circumstances and ability to pay and so distinguish between the debtor who won't pay and the debtor who genuinely can't pay.
  - To promote a coordinated approach towards sharing debtor information and managing multiple debts owed to the Council.
  - To improve the levels of income collected by the Authority.
  - To ensure that debts are managed in accordance with changing legislative provisions and best practice.
  - To treat individuals consistently and fairly regardless of age, sex, gender, disability and sexual orientation and to ensure that individual's rights under Data Protection and Human Rights legislation are protected.
  - Where appropriate, to encourage individuals to seek independent advice and provide details of where to get it from.

- Work with people in debt, or at risk of getting into debt, to set payments they can afford and to stay in touch with customers until their debts are cleared.

## **2.2 General Good Practice**

- Where possible:
  - receive payment before the good or services are received.
  - Sundry debts should not be raised for amounts below £50.
  - Further services shouldn't be provided if the previous services haven't yet been paid for.
  - Obtain accurate information so the debtor can be invoiced promptly, at the latest 5 days after the goods/service have been obtained.
- Bills, Notices and Reminders should:
  - Be clear, accurate and timely.
  - Detail different payment methods available.
  - Provide a contact number for queries.
  - Consistent with concessions, discounts, etc.
- Recovery should:
  - Be clear, accurate and timely.
  - Minimise the build-up of multiple debts.
  - Encourage those in difficulties to come forward early to discuss their individual circumstances.
  - Be flexible and agree reasonable payment terms at all stages of recovery.
  - Not cause unnecessary hardship.
  - Make use of the most appropriate recovery option available.
  -

### **3. Policies Common to All Types of Debt**

3.1 The Council recognises that prompt recovery action is key in managing its debt and maximising income. The Council therefore aims to:

- Regularly monitor the level and age of debt.
- Set clear targets for the recovery of debt.
- Have clear written recovery procedures.
- Set priorities for specific areas of debt and assess recovery methods to ensure maximum recovery.
- Ensure multiple debts owed across the Council by a debtor are recovered collectively.
- Ensure appropriate payment arrangements can be agreed where appropriate.
- Regularly review irrecoverable debts (and those where recovery is not economic) for write-off.

3.2 Every demand for money will be correctly addressed to the person who is liable to pay it. The name on the demand will be that of a person or body possessing "legal personality" as far as possible based on the information available.

3.3 All notices issued by the Council will comply with the corporate style guidance and be readily identifiable as being from the Council.

3.4 Demands will, wherever possible, be issued on the day of production.

3.5 Where possible all documentation relating to a demand will be kept either in paper or scanned image format until at least six years after the demand is raised. If at the end of that six-year period the demand still remains unpaid, the supporting documentation may be retained until either the bill is paid or the debt written off.

3.6 The Council will attempt at all times to use the most appropriate and effective method of debt recovery in order to maximise income.

3.7 The Council will encourage the most cost effective payment methods with the emphasis being on unmediated electronic means where possible. "Unmediated" in the context of electronic payment methods means a method of payment that requires no

human intervention by officers of the Council to achieve its crediting to the account in question.

- 3.8 Direct Debit offers the most cost effective payment option for both the payee and the recipient. In light of the move to Universal Credit in the future, which will be paid calendar monthly, options to maximise the utilisation of this method of payment will be undertaken with consideration given to additional direct debit runs (say one monthly run per week - depending upon the debt type).
- 3.9 Instalments are available for certain debt types (eg Council Tax) and these will be utilised in accordance with the latest legislation and guidance. If, however, an instalment is defaulted upon then the full debt outstanding becomes due.
- 3.10 In the interest of economy and where appropriate all demands, reminders and final notices shall be issued by 2nd class post unless contrary to regulations or other statutory or legal requirements.
- 3.11 Authorised officers will be able to intervene in the recovery cycle in appropriate circumstances to deal with hardship or dispute situations. This includes the ability to make deferred payment arrangements where immediate payment is impossible due to lack of means. This will always be balanced with the requirement to collect the outstanding debt.
- 3.12 Where the potential for a statutory benefit or discount exists in relation to the debt, efforts will be made to make the debtor aware of such opportunities and they will be assisted and encouraged to apply for these.
- 3.13 The Council welcomes the involvement of welfare agencies in connection with debts due to the Council and recognises the benefits that these organisations can offer to both the debtor and the Council in prioritising repayments to creditors and in maximising income available to the debtor.
- 3.14 Where an external agency is procured to assist with the delivery of a service the flow of information between the Council and the agency should, wherever possible, be in an electronic format.
- 3.15 Where legislation permits, the Council will seek to levy and recover from the debtor any and all costs/fees that are legitimately due from the debtor to the Authority or its agents.

Only in exceptional cases, where it would not be in the public interest to pursue costs/fees will they be waived.

- 3.16 All accounts that are written off will be written off against the income code against which they are raised. The VAT on written-off sundry debtor accounts will only be recovered by the Authority in accordance with the rules and procedures laid down by HM Customs and Excise. In practice this means that VAT on a written-off debt can only be reclaimed 6 months after the debt became due or the date of supply.
- 3.17 Where either national or local performance indicators exist the Council will strive for top quartile performance and will publish our actual performance against these targets annually. Progress reports will be made at regular intervals during the year to the Council's Performance and Programme Board and Scrutiny Committee.

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## **4. Principles of Enforcement (all debts)**

4.1 The Council will follow the principles outlined below.

- Our action will be **proportional**
- Our approach will be **consistent**
- Our actions will be **transparent**

Additionally our intention will be to be firm and fair and our manner will be courteous.

4.2 **Proportionality** - Proportionality allows for a balance to be struck between the potential loss of income to the Council and the costs of compliance/collecting the debt.

4.3 **Consistency** - Consistency means taking a similar approach in similar circumstances to achieve similar ends. The Council aims to achieve consistency in:

- The advice the Council gives.
- The use of our powers.
- The recovery procedures used.

4.4 The Council recognise that consistency does not mean simple uniformity. Officers need to take account of many variables such as:

- The social circumstances of the debtor.
- The debtor's payment history.
- The debtor's ability to pay.

4.5 **Transparency** - Transparency is important in maintaining public confidence. It means helping people to understand what is expected of them and what they should expect from the Council. It also means explaining clearly the reasons for taking any recovery/enforcement action.

If action is required:

- the reasons why must be clearly explained, in writing;
- time scales must be clearly stated; and
- a distinction must be made between advice and legal requirements.

4.6 Appropriate support such as the use of the Language Line facility is to be made available as an aid to improving verbal

communications with those customers for whom English is not their first language.

- 4.7 An opportunity must be given to discuss what is required to comply with the law before formal enforcement action is taken. A written explanation must be given of any rights of appeal against formal enforcement action either before or at the time the action is taken.

## **5. Debts Covered by This Policy**

- 5.1 The debts involved are primarily:
- Council Tax
  - Non Domestic Rates
  - Housing Rent
  - Overpaid Housing Benefit
  - Sundry Debts
- 5.2 The policy will apply to all units of the Council and focus on collecting the charge set rather than how the charge is arrived at. It is the responsibility of the service area raising the debt to ensure the correct charge is being made. Ability to pay is a paramount concern when considering debt recovery. For Council Tax and Housing Rent, statutory benefits are provided on application, which are designed to offset the effects of low income and address the issue of ability to pay.
- 5.3 A debt management policy will never completely remove the difficulties for people and families on low incomes. The approach to recovery must therefore be sensitive to individual circumstances and take into account multiple debts owed.
- 5.4 Income relating to all types of debt should be handled in accordance with the Council's Constitution and the Financial Regulations. Part 4 of the Constitution contains details of the delegations to the Council's Section 151 or Deputy Section 151 officer.
- 5.5 Where possible, multiple debts owed across the Council by a debtor will be recovered collectively and steps taken to reduce further debts arising.

## **6. Legal and Policy Framework for Recovery**

- 6.1 South Kesteven District Council has a duty to ensure cost effective billing, collection and recovery of all sums due to the Council.
- 6.2 This policy is in addition to existing legislation and will enhance the procedures already in place to collect debt.
- 6.3 This debt management policy is concerned primarily with the recovery of debts prior to legal action being taken but the principles should still be applied wherever appropriate even if litigation has commenced.
- 6.4 General provisions are set out in the Local Government Finance Act 1972, The Insolvency Act 1986 (as amended) and The Civil Procedure Rules 1998.
- 6.5 General provisions for charging are set out in Local Government Act 2003

### **6.6 Local Taxation**

- 6.7 Council Tax recovery procedures are laid down by statute in The Council Tax (Administration and Enforcement) Regulations 1992 and subsequent amendments.
- 6.8 Non-Domestic Rates recovery procedures are laid down by statute in The Local Government Finance Act 1988 and the Non Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 and subsequent regulations and amendments.
- 6.9 South Kesteven District Council engages bailiffs to recover local taxation arrears, who must act in accordance with the bailiff's national code of conduct; The Lord Chancellor Department's 'National Standards for Enforcement Agents'. Only certificated bailiffs can levy distress for local taxation and fees charged to the debtor are governed by legislation.

### **6.10 Housing Benefits**

- 6.11 Housing Benefit overpayments are reclaimed in accordance with Regulations 99-107 of The Housing Benefit Regulations 2006 (as amended) for working age customers and Regulations 80-88 of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 as amended. In

addition there are 'Housing Benefit Overpayment Procedures' in place where Housing Benefit has been overpaid and is no longer in payment.

### **6.12 Housing Rents**

6.13 The Council has debt recovery procedures in place which set out all activities involved in recovering existing tenant and former tenant arrears in accordance with The Housing Act 1985.

### **6.14 Miscellaneous Income**

6.15 Sundry Debt arrears are collected within a well-established framework, up to the point where the debt is transferred to a Debt Collecting Agency and/or legal action is required. In terms of the latter, the debt is transferred to the Council's legal services for further recovery action.

6.16 In exceptional circumstances and where the council are legally entitled to do so, interest may be charged and costs incurred on debts where payment is beyond the time period allowed for payment. The debtor will be made aware of any additional costs in advance so that they have the opportunity to avoid this wherever possible.

## **7. Write Off Policy (all debts)**

- 7.1 The Council recognises that where a debt is irrecoverable, prompt and regular write off of such debts is good practice.
- 7.2 The Council will seek to minimise the cost of write-offs to the local Council Tax payers by taking all necessary action to recover what is due. All debts will be subject to the full recovery, collection and legal procedures as outlined in this policy.
- 7.3 Irrecoverable debts will be referred to the Council's Section 151 or Deputy Section 151 officer at a pre-agreed frequency and in a pre-agreed format.
- 7.4 The limitations for writing off irrecoverable debts are those contained within the Council's Financial Regulations Rules and are listed at **Appendix 'A'**.
- 7.5 Debts may be referred to the Council's Section 151 or Deputy Section 151 officer for write-off in the following circumstances;
- Debt remitted by a Magistrate.
  - The Council has evidence to confirm the claimant is suffering a severe physical or mental illness which renders enforcement action inappropriate.
  - The Council is unable to trace the debtor.
  - The debt is not cost-effective to pursue due to small balance.
  - The debt is not cost-effective to pursue due to the likelihood of payment balanced against the cost of proceedings.
  - The claimant has died and there are no or insufficient funds in the estate to settle the debt.
  - The claimant is subject to formal insolvency proceedings and there is little likelihood of a dividend.

## **8. Policies Specific to Sundry Debtors**

- 8.1 For the most part, the responsibility for the billing collection and recovery of sundry debtor invoices is held by the Service Manager for Revenues and Benefits. He/she will work closely with other service managers who are also responsible for the recovery of specific types of debt. Where appropriate, it may be agreed that staff within other Service units become involved in the billing with responsibility being devolved to service areas that have a high number of sundry debtors.
- 8.2 Service providers must endeavour to obtain payment in advance or at the time of service delivery whenever possible. Sundry debtor accounts should only be raised where payment in advance for a service is not feasible.
- 8.3 Any minimum value of debts shall not apply to accounts relating to legal charges or charges where a contractual obligation exists
- 8.4 Except in the case of a demand payable by instalments, or as otherwise contractually agreed (markets), the settlement terms for all demands will be 14 days.
- 8.5 A reminder notice will be issued to the debtor 15 days after the invoice date which requires the account to be brought up to date/paid within 7 days. A final reminder will be issued after a further 7 days. An action notice is printed and reviewed on a weekly basis. If no activity after 1 calendar month the matter is passed a Debt Collecting Agency or Legal Services ( minimum debt £1,000) for further action. Debts referred to Legal Services must be accompanied by all relevant documentation, including proof of "obligation to pay", i.e. Invoice, Reminders etc..
- 8.6 The costs of enforcement action/litigation to recover sundry debtor invoices will be charged against the budget of the service raising the invoice. Any costs recovered from the debtor will be credited against these sums once legal costs (if any) have been deducted.
- 8.7 Sundry debtor invoices will only be raised using the Council's corporate sundry debtors system.
- 8.8 All statutory methods of enforcement of debts will be considered on a case by case basis (subject to court order).

These include:

- Attachments of Earnings
- Warrants of Execution
- Garnishee Orders
- Insolvency
- Possession proceedings

- 8.9 These methods shall only be used with consideration to the principles set out within Section 4 above. This will include working with individuals to agree an acceptable method of repayment such as instalment plans before proceeding to statutory methods of enforcement.
- 8.10 Prior to statutory methods of enforcement being taken (when available), officers may use, where cost effective to do so, external collection agents, visits to the debtor's home by designated Council officers (Environmental Protection) and telephone contact with the debtor as an alternative means of recovering sundry debts.
- 8.11 Where legally permissible, the provision of future services to the debtor will be suspended until outstanding debts are settled.
- 8.12 Legal Services will send a letter to all debtors where the amount owing is greater than £1,000, notifying the debtor of the next course of action in respect of recovering the debt.

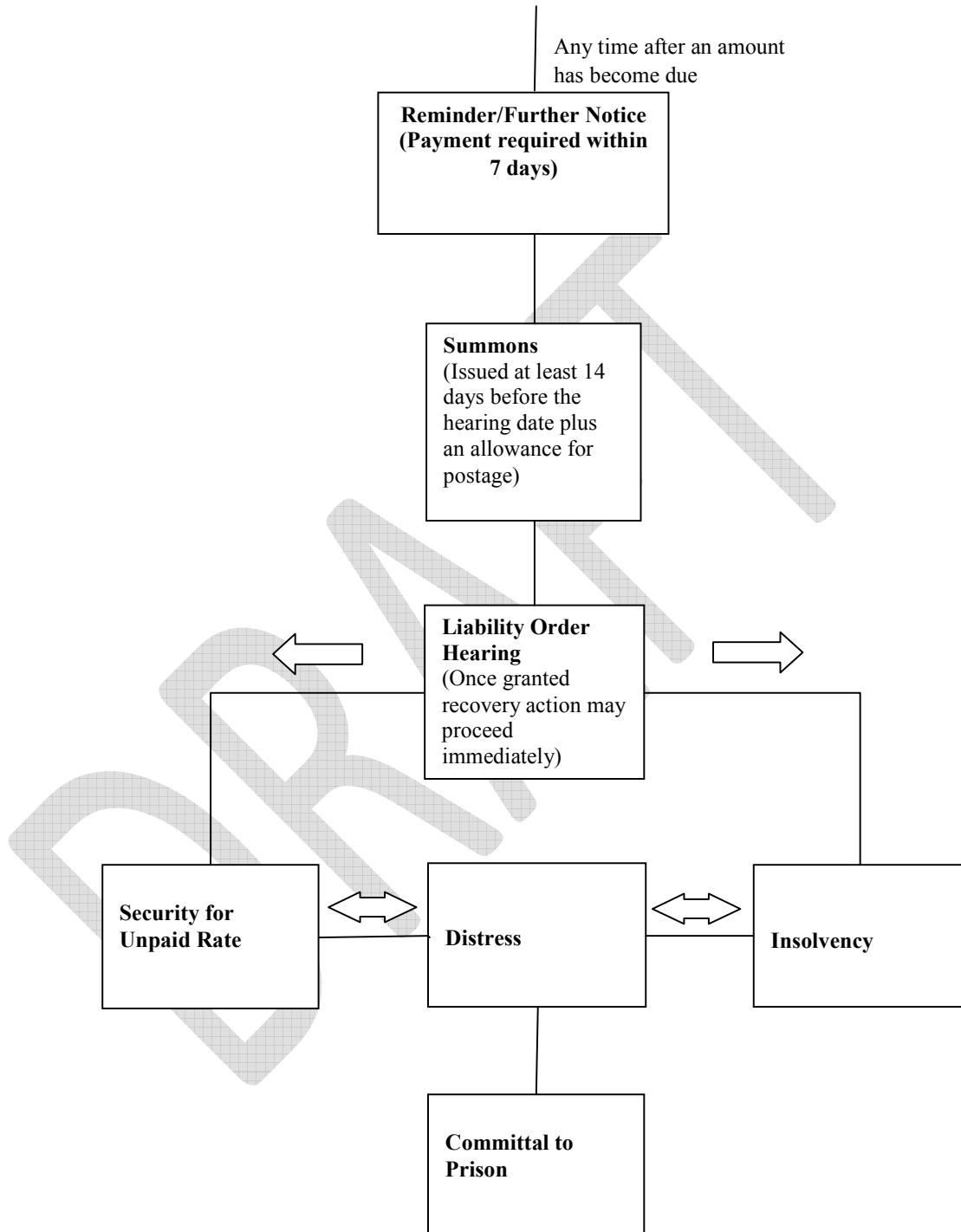
## **9. Policies Specific to Local Taxation Accounts**

- 9.1 Council Tax and Non-domestic Rate annual bills will be issued as soon as practical after the Council has set its Council Tax for the forthcoming year.
- 9.2 Non-annual bills will be issued as soon as practicable after the amount of liability is known with payment(s) being due on the earliest date(s) permitted by legislation.
- 9.3 All demand notices will be issued using the Council's corporate revenues systems.
- 9.4 Where a tax or ratepayer can demonstrate an inability to make payment on the set instalment date, staff authorised by the Council's Head of Finance will have the discretion to vary the instalment dates and payment type. Such arrangements will only be considered where no recovery action has yet commenced for the account in question.
- 9.5 Reminders and final notices will, as far as is operationally practical, be issued within 14 days of the payment default to which they relate in accordance with a recovery timetable, which is to be set at the start of each financial year.
- 9.6 Summonses will be issued as soon as reasonably practicable after the default to which they relate.
- 9.7 All appropriate methods of enforcement of Liability Orders will be available for use. These include:
  - Deductions from permitted Benefits (Council Tax only)
  - Attachments of Earnings (Council Tax only)
  - Distress
  - Attachment of Members' Allowances (Council Tax only)
  - Prosecution for failing to provide financial information (Council Tax only)
  - Prosecution of employers for failing to implement Attachment of Earnings (Council Tax only)
  - Insolvency
  - Committal to prison application (individuals only)
  - Charging orders (Council Tax only)

These methods shall only be used with consideration to the principles set out within section 4 above.

- 9.8 The Lord Chancellor's Department has produced National Standards for Enforcement Agents. Officers of the Council and contractors acting on its behalf in enforcement roles will comply with these standards.
- 9.9 Where recovery action has commenced, payment arrangements will generally only be entered into where the debt is secured by a liability order and/or the debtor agrees to make payment by way of direct debit. Arrangements will only be agreed by authorised staff and will generally only be agreed to where:
- The debt will normally clear by the end of the year unless there are reasonable grounds for extending the recovery period into the following year.
  - The debtor's proposals are reasonable in comparison with the amounts that could be secured by taking alternative action.
  - The debtor demonstrates a clear intention to honour the arrangement.
- 9.10 In cases where exceptional circumstances exist and it would not be in public interest to pursue enforcement action, arrangements may be made by authorised staff prior to a liability order being obtained and without the debtor agreeing to make payment by way of direct debit.
- 9.11 Flowcharts covering the recovery processes are set out below.

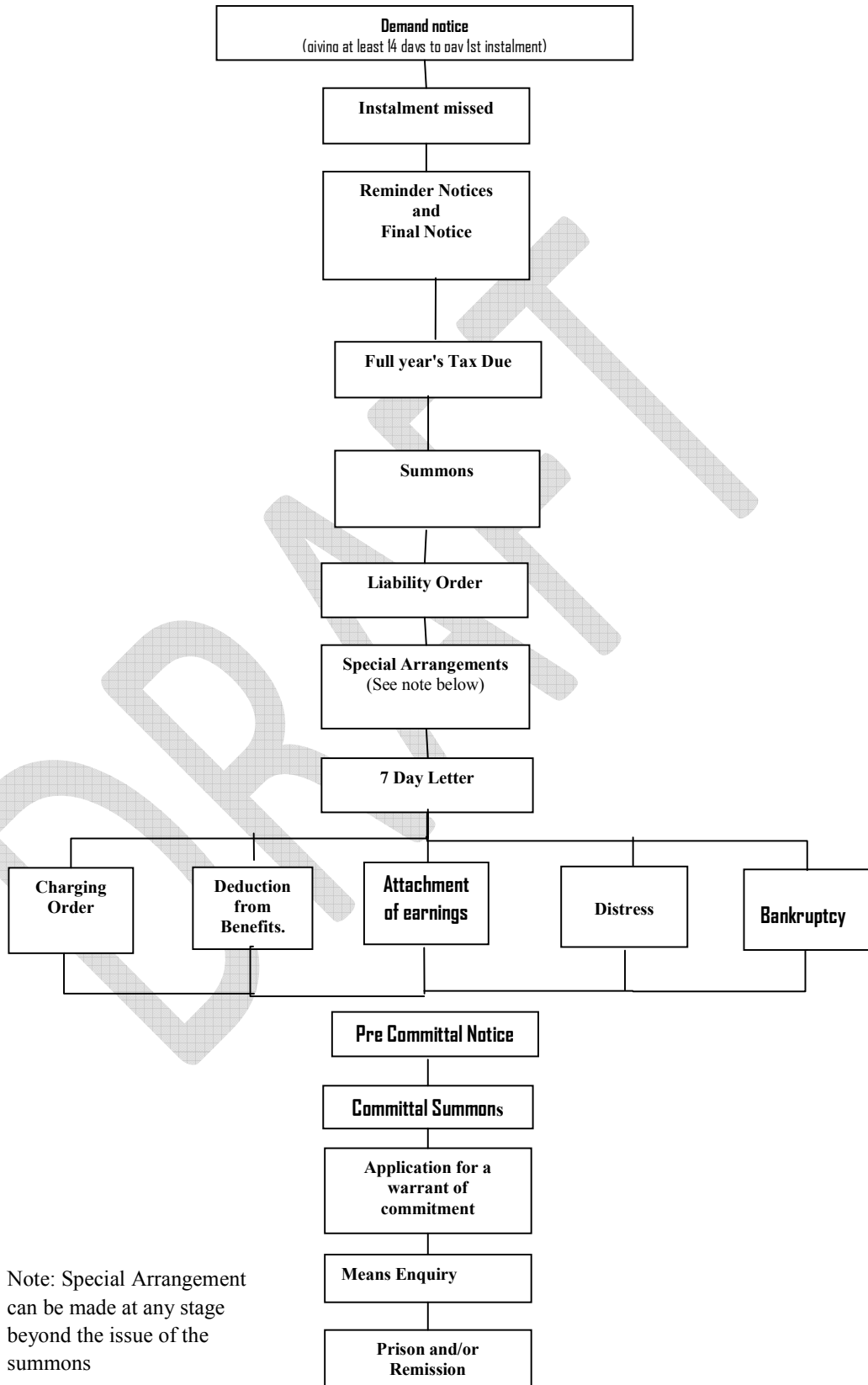
## Overview of NDR recovery process



It should be noted that this flow chart illustrates the legislative position. However, the council's procedures allow further time which is explained herein.

## Council Tax Billing and Enforcement The Statutory Timetable

(action can be stopped at any time if amount paid in full)



Note: Special Arrangement can be made at any stage beyond the issue of the summons

## **10. Policies Specific to Recovery of Benefit Overpayments**

- 10.1 All necessary invoices, reminder and final notices will be raised using the Benefit's sundry debtors system.
- 10.2 Invoices will only be issued when a recoverable overpayment of housing benefit exists and cannot be recovered by other prescribed means.
- 10.3 Measures are to be employed to minimise/ prevent overpayments occurring. These will include:
- Using a well laid out application form to collate accurate information which contains an unambiguous statement that failure to provide correct information could lead to overpayments of benefit and to prosecution.
  - Ensuring all that all benefit notification letters and relevant correspondence clearly inform claimants of their responsibility to tell the Benefits Service of any change of circumstances that may affect the amount of benefit they are entitled to receive.
  - Requesting evidence in support of claims and changes or circumstances for example:
    - Using checks for identity, residency and National Insurance numbers.
    - Visiting programmes targeting high-risk claimants
    - Targeted interventions which are risk profiled.
  - Ensuring officers dealing with overpayments of benefits receive suitable training with comprehensive access to overpayment recovery procedures and an awareness of problems relating to debt.
  - Using and developing information technology to automate some processes for the identification and recovery of overpayments.
  - Including publicity material, for example posters, guidance pamphlets sent with application forms and landlord

undertakings, information on responsibilities for reporting changes of circumstances.

- Ensuring that benefit awards are suspended and terminated in line with current regulations.
- Dealing as quickly as possible with reported changes of circumstances.
- Participating in various data matching exercises with external agencies and cross matching against internal databases whilst adhering to principles laid down by the Data Protection and Human Rights Acts.

10.4 Once overpayments are identified officers will provide quality information and advice, where practicable, to the claimant in order to recover the outstanding amount. We will:-

- Invite claimants to apply for underlying entitlement.
- Calculate the overpayment, on average, within 14 days of receiving all necessary information.
- Use the proper effective date of change to fix the correct overpayment period.
- Consider un-cashed or returned cheques or underpayment of benefit.

10.5 The Council will ensure that the correct classification of overpayments for subsidy purposes is always used in order to prevent subsidy errors and potential loss of subsidy.

10.6 Where the Council decides an overpayment is recoverable from the claimant, recovery arrangements will commence as follows:

- Recovery from the claimant's ongoing Housing Benefit entitlement. This includes where payment of Housing Benefit was made direct to a landlord (where the claimant is deemed to be responsible for the overpayment). The Council will apply the "ongoing" recovery rate as specified annually by the DWP. Normally, the council will seek to recover at the highest rate; however consideration will be given to the debtor's circumstances. The debtor has the right of appeal against the rate of recovery chosen by the LA. This appeal right extends, if necessary, for the matter to be considered by an independent tribunal. All such appeals will be processed in accordance with the Decisions and Appeals Regulations 2001.

- Council Tax Benefit overpayments will, apart from in exceptional circumstances, be debited to the respective Council Tax account.
- If there is no continuing Housing Benefit and no likelihood of continuing benefit or reduction by underlying entitlement, an invoice will be raised on the housing benefit debtors system and a Schedule 9 compliant letter for working age customers, and a Schedule 8 compliant letter for those who have reached the qualifying age for state pension credit will be issued within 14 days. At this point the Council will seek to recover the overpayment in full by a single payment. However, where this is not possible, due to the debtor's financial circumstances, the Council may agree a payment arrangement. A period of one month must elapse before any recovery action is taken in order to allow the statutory time for appeals in accordance with DMA Regulations 2001
- By deductions from other Social Security Benefits managed by the Department of Work and Pensions. Section 75(1) of the Social Security Administration Act 1992 allows recovery of overpaid Housing Benefit by deduction from prescribed benefits which are defined in Regulation 105 of the Housing Benefit Regulations 2006 and regulation 86 of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 as amended.

10.7 Where a sundry debt account has been raised and payment is not received after the issue of a final notice, the Council will issue a claim against the debtor in the County Court with a view to obtaining immediate payment or failing which, to enter judgment against the debtor.

10.8 The Housing Benefit Regulations 2006 provide for the Council to recover overpayments from landlords by collecting the debt from the rent of a "blameless tenant". In these cases, appropriate notices must be sent to both the landlord and the blameless tenant to explain that the landlord must treat them as having paid rent equal to the amount being deducted from their benefit entitlement.

## **11. Policies Specific to Housing Rents (secure tenancies)**

11.1 When the tenant signs their Tenancy Agreement, they have made a legal contract with the Council to pay the rent on time.

As a result, if they do not pay, this will eventually lead to court action that may ultimately result in them losing their home. It is vitally important therefore to both the landlord and the tenant that arrears are not allowed to build up to such a level which would warrant this.

- 11.2 Housing rents (and associated charges) are charged and collected on a weekly basis over a period of 48 weeks (or 49 weeks) throughout the year. There are currently 4 "rent free weeks" (two at the beginning of April and two at Christmas). The rents charged are based on the application of national criteria / formula in respect of Rent Restructuring.
- 11.3 Tenants are advised prior to the start of each financial year what their gross weekly 'rent' charges will be. This will normally remain the same throughout the year, although it may also be affected by some changes in service charges.
- 11.4 The Council collects rents weekly in advance due each Monday. When the weekly cycle closes at the end of business on the Friday of each week, and payment has not been made, the tenant is deemed to be in arrears.
- 11.5 A significant proportion of Council tenants qualify for housing benefit. This is credited directly to their rent accounts on a weekly basis. New tenants are encouraged to apply for housing benefit at the time of signing the tenancy, and existing tenants are also encouraged to apply if they have not already done so.
- 11.6 Claims handling performance in terms of housing benefit is critical to the accuracy of recovery action taken in respect of housing rent arrears. Claims need to be assessed quickly so that the tenant knows how much they have to pay. Arrears can easily build up during a period when the tenant believes that they are entitled to a level of housing benefit that they do not ultimately qualify for. They are always advised to make payment, wherever possible, pending the assessment of their claim.
- 11.7 Staff are pro-active in helping to prevent arrears accruing to levels that will cause severe financial difficulties for the tenant and put their tenancy in jeopardy. As rent is a weekly accruing debt, action will be taken quickly where arrears arise to ensure that they do not continue to rise.
- 11.8 All reminder letters and correspondence encourage tenants that are experiencing financial difficulties to contact the Payments and Recovery team as a matter of urgency. The focus is to

prevent a build up of debt, as soon as financial difficulties in meeting payment obligations are obvious.

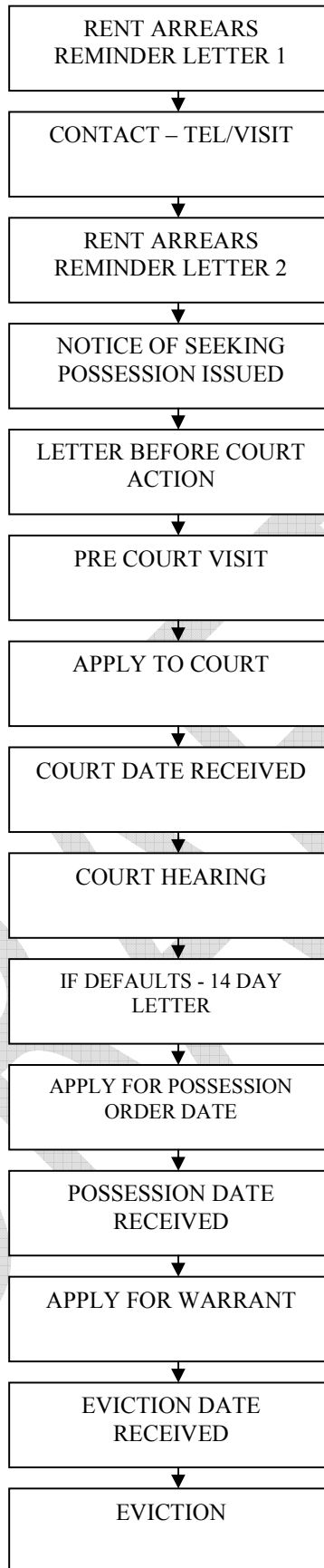
11.9 Before court action is taken i.e. appropriate notice, checks are carried out against the benefit system to ensure that a claim for housing benefit is not awaiting process. Where the process is awaited, action will be deferred until the process is completed and a record made of this.

11.10 **If arrears occur** the following course of action will be **taken** and at each stage, the tenant is encouraged to contact the office to make arrangements to pay, or to advise if there are any reasons as to why the payment should not or cannot be paid:

- Where arrears reach the equivalent of 2 weeks due rent, then a reminder will be issued.
- If the tenant fails to clear the arrears or contact us **within one week of this reminder** the Council will make every effort to visit the tenant personally or contact by telephone or text message in order to:
  - Remind them of the obligation under the tenancy agreement.
  - Identify any problems they have in making the repayments and to agree satisfactory payment and repayment arrangements.
- When arrears have not reduced by a satisfactory amount or where the arrears have increased, during the period of a further week from the date of contact with the tenant a 2<sup>nd</sup> reminder should be issued advising a Notice of Seeking Possession (NOSP) will be served if the debt is not cleared.
- Where, after a further 2-week period from the issue of the 2<sup>nd</sup> reminder, arrears remain at the same level or have increased during the period, then a NOSP will be issued accompanied by:
  - NOSP Letter
  - Statement of the rent account covering the period since the account was last free of arrears
  - Contact details of debt advice agencies / debt counselling services
- Where the tenant receives Income Support or Jobseekers Allowance, and the arrears are at least 4 times the gross

weekly rent, then an application may be made for direct payments from the DWP which is at our discretion

- If the tenant does not clear the arrears by the end of the notice period or come to a satisfactory arrangement for the payment of the arrears, then a letter before action (LBA) will be sent. The letter notifies the tenant that the Council intends to pursue possession action and recovery of the debt in the County Court. The tenant will also be advised that the Council will apply for the costs of the action to be met by the tenant and added to the tenants account.
- 11.11 If there is no response to the LBA a personal visit, contact by telephone, text message or email will be made before the case will be referred to the county court for possession and recovery of the debt.
- 11.12 On notification of the court hearing date a letter is sent to the tenant urging clearance of the debt, or at the very least to make a satisfactory offer to repay the arrears in addition to paying the ongoing rent.
- 11.13 After the court hearing the tenant will be informed of the terms of the order (either Outright Possession Order or Suspended Possession Order) in writing by the court. The Council will also notify the tenant of the Courts decision, and inform the tenant of the outcome if they do not comply with the Order.
- 11.14 If a tenant fails to comply with the conditions of the Suspended possession order then the Council can apply to the court to fix a date for possession. The Council will give the tenant no less than fourteen days and no more than three months notice stating the intention to apply for a date to be fixed for possession.
- 11.15 If the tenant has not made contact within fourteen days from the date of the notice and payments are not brought up to date within the terms of the possession order an application can be made to the court for a date for possession to be fixed.
- 11.16 Where a date has been fixed for possession or a tenant has an Outright order in force then eviction is the next course of action. In the case of an outright order e.g. fourteen or twenty eight day order, the council is entitled to apply for a warrant on or after the date the court specified that possession should be given (e.g. fifteen or twenty nine days).
- 11.17A flowchart of the arrears recovery process is set out below.



## **Monitoring and Performance Measures**

- 12.1 The monitoring of debts for the authority is undertaken through the use of Performance Indicators which are submitted on a monthly basis by the relevant Service Area.
- 12.2 The Performance targets are set annually by the relevant Service Manager and constantly reviewed throughout the course of the year and are reviewed by the performance programme board.

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## **Appendix A**

### **Bad Debt Write-Off**

Any debit or credit balance under £50 per individual debt can be written-off by a Service Manager or equivalent without the need to be counter-signed. In all other cases, each write-off will continue to be countersigned by the s151 Officer or Deputy S151 Officer as appropriate as laid out in the table below.

	<b>Delegated Limit (per debt) £</b>	<b>Authorised By:</b>
<b>Service Managers or equivalent</b>	Up to £2,000	Relevant Service Manager or equivalent & Deputy s151 Officer
<b>Heads of Service</b>	£2,001 – £5,000	Head of Service & S151 Officer
<b>Strategic Director</b>	£5,001 – £25,000	Strategic Director & S151 Officer (in consultation with Portfolio holder)
<b>Cabinet</b>	Over £25,000	Strategic Director, S151 Officer & Cabinet

## REPORT TO RESOURCES PDG

**REPORT OF: HEAD OF FINANCE**

**REPORT NO: HOF246**

**DATE: 25th July 2013**

<b>TITLE:</b>	<b>Financial Report for 2013/14 – Monitoring Information and Summary of outturn position 2012/13</b>	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	None	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Councillor Mike Taylor Well Run Council Portfolio Holder	
<b>CONTACT OFFICER:</b>	Richard Wyles –Head of Finance 01476 406210 Email: <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a>	
<b>INITIAL IMPACT ANALYSIS:</b>	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
<b>Equality and Diversity</b>	N/A	No
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>	HOF200 – Determination of Budget 2012/13 and HOF225 – Determination of Budget 2013/14  The above reports can be located by putting their reference number in the search section of the committee website via the link below: <a href="http://moderngov.southkesteven.gov.uk/ieDocSearch.aspx?bcr=1">http://moderngov.southkesteven.gov.uk/ieDocSearch.aspx?bcr=1</a>	

### 1. RECOMMENDATIONS

1.1 Members are asked to note the comments and figures contained in this report.

### 2. PURPOSE OF THE REPORT

2.1 In order to ensure effective budget management it is important that the members are updated with budget monitoring information. This serves the purpose of ensuring members are kept informed of actual spend compared to budget and the forecast outturn position. The report provides a summary of the year to date (YTD) position against original budget for 2013/14 and covers the following areas:

- General Fund Revenue Budget (including significant income streams and salaries)
- Housing Revenue Account Revenue Budget (including salaries)
- Capital Programme
  - General Fund
  - HRA

2.2 The report will also present the Council's Revenue and Capital Outturn 2012/13 for both General Fund and Housing Revenue Account covering:

- Revenue outturn 2012/13
- Capital outturn 2012/13
- Commentary on the revenue and capital outturn

### 3 DETAILS OF REPORT

3.1 The original net cost of service budget for 2013/14 was set at £15.619m. The financial position as at 31<sup>st</sup> May 2013, shows a year to date underspend of £132k which is summarised in the table below:

Table A - General Fund Total Revenue Summary

Corporate Area	Annual Budget £'000	YTD Budget £'000	Net Spend to Date £'000	YTD Variance £'000
Community Assets	2,976	223	187	(36)
Corporate	2,503	252	208	(44)
Development & Growth	2,229	224	179	(45)
Environmental Services	5,751	204	215	11
Finance	4,377	1,261	1,231	(30)
Housing & Neighbourhoods	588	57	43	(14)
Legal & Democratic	1,578	199	189	(10)
People, Projects & Performance	2,249	234	253	19
Property Development	1,356	250	273	23
Special Expense Areas	605	23	17	(6)
Recharged to Services	(7,983)			
<b>Cost of Service</b>	<b>16,229</b>	<b>2,927</b>	<b>2,795</b>	<b>(132)</b>
Set-Asides	(253)			
Workforce Efficiency Target	(357)			
<b>Net Cost of Service</b>	<b>15,619</b>	<b>2,927</b>	<b>2,795</b>	<b>(132)</b>

- Overall the year to date underspend of £132k is less than 5% of the profiled budget and detailed forecast work is due to commence with service managers for the first quarter forecast outturn report and will be reported to the committee at its September meeting.
- Due to the reporting period being at the early part of the year there will be some accounting entries such as accruals from 2012/13 which may still be awaiting invoices to be matched off against these which will be contributing to the year to date underspend.

- There is also a summary in tables B and C on the employees cost and significant income stream positions respectively.

Table B - General Fund Employee Costs

Corporate Area	Annual	YTD	Net Spend to Date	YTD
	Budget £'000	Budget £'000	£'000	Variance £'000
Community Assets	982	154	153	(1)
Corporate	1,294	216	208	(8)
Development & Growth	1,467	240	224	(16)
Environmental Services	3,530	590	547	(43)
Finance	2,488	414	407	(7)
Housing & Neighbourhoods	379	63	52	(11)
Legal & Democratic	557	142	136	(6)
People, Projects & Performance	1,140	190	181	(9)
Property Development	853	142	130	(12)
<b>Total</b>	<b>12,690</b>	<b>2,151</b>	<b>2,038</b>	<b>(113)</b>

- As at the end of May 2013 the current level of vacancies is 19.9 FTE.

Table C – Significant Income Streams

Significant Income Stream	Annual	YTD	Total Income to Date	YTD
	Budget £'000	Budget £'000	£'000	Variance £'000
Building Control	(285)	(150)	(124)	26
Land Charges	(205)	(39)	(45)	(6)
Development	(765)	(104)	(69)	35
Licensing	(233)	(127)	(126)	1
Arts Centres	(918)	(198)	(232)	(34)
Bourne Corn Exchange	(39)	(6)	(6)	0
Markets	(296)	(45)	(41)	4
Grantham Car Parks	(498)	(80)	(71)	9
Stamford Car Parks	(735)	(123)	(105)	18
Waste Management	(917)	(58)	(6)	52
Green Waste Collection	(651)	(637)	(631)	6
Helpline	(306)	(57)	(59)	(2)
<b>Total</b>	<b>(5,848)</b>	<b>(1,624)</b>	<b>(1,515)</b>	<b>109</b>

- Building Control – based on a rolling 12 month average the first 2 months of 2013/14 (£18k) are lower than in 2012/13 (£21k) and based on this trend current income levels are lower than the profiled budget. A full review of the trading account will be undertaken for the first quarter forecast.
- Development Management – planning income is lower compared to the year to date budget and it is also lower as at this point in 2012/13 when £110k had been received compared to £69k this year.
- Arts Centres – due to increased throughput ticket sales are up which has resulted in greater than anticipated income compared to the year to date budget for this point in the year. However, there are still some performers fees to pay which will offset some of the additional income received.
- Car Parks – income levels are below the profiled budget across both towns (£27k). Work is currently being undertaken to develop a new monitoring system readiness for the first quarter forecasting to undertake a detailed review of car park performance.
- Waste Management – The tonnage achieved for recycling credits in April was 1,238 which equates to income of £51k. This is not reflected in the figures above due to the timing of the invoice being raised.

3.2 The financial position as at 31<sup>st</sup> May 2013, shows a year to date underspend of £71k which is summarised in the table below:

Table D - HRA Total Revenue Summary

Area	Annual Budget £'000	YTD Budget £'000	Net Spend To Date £'000	YTD Variance £'000
<b>Income</b>	<b>(24,198)</b>	<b>(4,046)</b>	<b>(4,069)</b>	<b>(23)</b>
<b>Expenditure</b>	11,448	1,617	1,579	(38)
Support Services	921	104	94	(10)
Other Expenditure	8,893	896	896	0
Interest	3,170	528	528	0
<b>Total Exp</b>	<b>24,432</b>	<b>3,145</b>	<b>3,097</b>	<b>(48)</b>
Recharged to Services	(921)	0	0	0
Set-Asides	(349)	0	0	0
Workforce Efficiency	(108)	0	0	0
<b>Deficit/ (Surplus)</b>	<b>(1,144)</b>	<b>(901)</b>	<b>(972)</b>	<b>(71)</b>

- Income – the current void rate is running at 0.86% against a budget figure of 1.5% on dwelling rent income which is therefore resulted in additional income compared to the profiled budget.

- Expenditure – the year to date underspend mainly relates to employee costs (see table E below)

Table E - HRA Employee Costs

Service Area	Annual Budget £'000	YTD Budget £'000	Net Spend to Date £'000	YTD Variance £'000
Housing Management	819	134	129	(5)
Property & Facilities (HRA)	2,773	462	441	(21)
Rents & Payments	197	33	33	0
Supported Housing	1,001	156	155	(1)
Tenancy Business ICT	86	14	14	0
<b>Total</b>	<b>4,876</b>	<b>799</b>	<b>772</b>	<b>(27)</b>

- As at end of the May 2013 the current level of vacancies is 2.1 FTE.

3.3 The capital programmes include a number of significant capital projects for 2013/14. The current financial position is outlined in the table below;

Table F - Capital Programmes

Programme	Annual Budget £'000	YTD Budget £'000	Total Spend to Date £'000	YTD Variance £'000
General Fund	7,202	1,154	349	(805)
HRA	6,000	342	228	(114)
<b>Total</b>	<b>13,202</b>	<b>1,496</b>	<b>577</b>	<b>(919)</b>

- General Fund – the anticipated purchase of service land (£590k) has been delayed due to remedial works which the Council is stipulating prior to completion.
- HRA – there are year-end accounting adjustments which are impacting on the expenditure totals to the end of May, which is resulting in a year to date underspend.

### 3.4 Headcount and Budgets

- The position as at 31<sup>st</sup> May 2013 shows that against an original FTE budget of 609.8 the actual FTE (including agency and wages staff) is 587.8 which equates to a variance of (22.0) FTE

## Summary of Outturn for 2012/13

3.5 The following paragraphs give detailed analysis of the:

- General Fund Revenue Services
- Housing Revenue Account
- Capital Expenditure (both Housing and General Fund)

The corporate service headings' showing budget and outturn is shown below for the General Fund (Revenue):

Table G – General Fund Summary 2012/13 Outturn

Service Area		2012/13	2012/13	2012/13	2012/13
		Original Base	Adjusted	Outturn	Variance (adjusted)
		£'000	£'000	£'000	£'000
1	Community Assets	3,060	3,036	2,619	(417)
2	Operational Management	815	815	650	(165)
3	Development & Growth	2,219	2,226	2,201	(25)
4	Environmental Services	5,716	5,683	5,724	41
5	Finance	1,494	1,552	1,209	(343)
6	Housing & Neighbourhoods	607	607	671	64
7	People, Projects and Performance	343	313	331	18
8	Legal & Democratic	1,144	1,143	1,054	(89)
9	Property Development	116	139	88	(51)
10	Special Expense Areas	594	594	557	(37)
11	Net Total	16,108	16,108	15,104	(1,004)
12	Removal of accounting adjustments*			772	
<b>13</b>	<b>General Fund Total</b>	<b>16,108</b>	<b>16,108</b>	<b>15,876</b>	
14	Set aside sums 2012/13**			232	
15	Creation of provisions (asset maintenance, ICT Reserve)			175	
16	Additional revenue contribution to Capital Expenditure			162	
17	Use of reserves to fund expenditure			(436)	
<b>18</b>	<b>Restated General Fund Total</b>	<b>16,108</b>	<b>16,108</b>	<b>16,009</b>	<b>(99)</b>

Notes:

\*Line 12 – There are a number of accounting entries that are charged ‘above the line’ at service cost level (in accordance with accounting requirements) but which will be either financed from specific reserves or will be removed to eliminate any impact on the taxpayer.

\*\*line 14 – services have rolled forward resources into 2013/14 in order to complete pieces of work and initiatives that have been planned and been unable to commence in the year. Set aside also enables the smoothing out the costs of reactive spend that are unable to be budgeted for accurately for example repairs and maintenance.

The total revenue contribution to the capital programme for 2012/13 is £821K which comprises of the original budgeted figure of £659K plus additional contributions with respect to the South Kesteven Community Point project of £105K, cemetery works £27K and £30K for the purchase of an additional street scene vehicle.

In accordance with Council’s policy with respect to the reserves the following expenditure has been financed from the specific provisions that have been established.

Table H – summary of set-a-sides 2012/13

<b>Reserve Heading</b>	<b>Balance b/f (£K)</b>	<b>In –year use (£K)</b>	<b>Balance c/f (£K)</b>
Destination SK	100	(39)	61
Events and Festivals	295	(98)	197
Waste Management	150	(8)	142
Corporate Reviews	75	(18)	57
Corporate Training	170	(149)	21
Waste and Recycling set-a-side	50	(50)	0
Property Development	63	(63)	0
Insurance	488	(12)	476
ICT	84	(84)	0
<b>Total</b>	<b>1,475</b>	<b>(521)</b>	<b>954</b>

### **3.6 Summary of Key Variances**

The following is a summary of the key variances by service area.

#### **3.6.1 Community Assets**

Arts and events – this area has a variance of £35K. Income has not reached the targets and this has been exacerbated by the impact of the severe winter weather affecting attendance at two high profile Meres events. Music in Quiet places also fell short on income and appeared partially affected by high profile national events such as jubilee celebrations and the Olympics. However significant fringe benefits continue from live events with increased box office takings at both arts Centres.

A revaluation of the Grantham Meres Leisure Centre, Deepings Leisure Centre and Stamford Leisure Centre has been undertaken by the District Valuer as part of the annual re-valuation of the Council assets. This has the effect of lowering the annual depreciation capital charge and therefore a variance when compared with budgeted costs.

Guildhall Arts Centre – due to improvement works at the Centre, including the refurbishment of the clock tower, the annual capital charges have been increased by £100K resulting in a variance when compared with original budget.

Markets – both Stamford and Grantham markets have suffered during the year with particularly adverse winter weather with 7% of the markets affected. This has resulted in lower income being received (Stamford £11k and Grantham £12K).

Olympic torch – the costs associated with the delivery of the Olympic Torch project will be met from the events and festivals reserve.

Stamford Arts Centre – Redecoration and improvement works of £30K have been undertaken during the year which have been met from service underspends.

Corn Exchange – following the temporary closure of the facility and the associated disruption to the building whilst the Community Point was being constructed, overall income levels were reduced by £12K.

Overall participation in arts and cultural events increased during the year and 2012/13 saw 93,000 tickets sold for the varied programme on offer within the Arts Centres in addition to the massive participation in community events such as the Olympic Torch relay days, Gravity Fields, Meres Live and the BRM celebrations in Bourne.

### 3.6.2 Operational Management

Corporate costs – there was a saving of £41K in respect of external audit fees following the transfer of audit responsibility from Audit Commission to KPMG mid-year. There has been a saving of £27K on annual subscriptions following a review of the number of subscriptions the Authority makes during the year. The remainder of the overall variance of £165K relates to a reduction in support service allocations.

Strategic/operational management – there have been salary savings of £77K in response to the sharing of key senior staffing posts during the year and in-year vacancies in the support services.

### 3.6.3 Development and Growth

Development Management – due to an increase in the number of major applications received there has been an increase of £88K in income during the year.

Economic Development – there have been a number of events and festivals during the year including Gravity Fields and promoting South Kesteven which were planned to be financed from earmarked reserves. £45K is to be financed from the events and festivals and £39k from destination SK. In addition to this it was also agreed to fund £15K of expenditure on the Gravity Fields festival 2014 from this year in respect of initial preparatory work.

Planning Policy – the underspend within this area is mainly related to the examination of the Grantham Area Action Plan (GAAP) and the Site Allocation and Policies Plan (SAP) which were expected to be completed by the end of March 2013. In the event, the GAAP was withdrawn by the Council in January 2013 and the examination of the SAP was suspended in March 2013 to enable some additional work to be undertaken. It is expected to recommence the examination of the SAP during the summer (with anticipated adoption of the Plan by the end of 2013).

### 3.6.4 Environmental Services

CCTV – there is a variance of £48K which is in relation to an increase in income received from the monitoring service and a contribution to its costs from 2<sup>nd</sup> homes receipts.

Green waste charging – following the introduction of this initiative the income received was £648K. This was largely due to the budget being set at a take up rate of 50% with the actual take up being 90%. This income was used to off-set the operational costs of providing the service and to enhance litter picking and the clearing of fly tipping by the provision of extra staff and the purchase of a further vehicle.

Private Sector Landlords – there is a variance of £194K which is in relation to capital expenditure that has been charged to a revenue cost centre in respect of disabled facilities grants.

Waste management – the service area has utilised a set-aside sum of £50K to fund vehicle hire charges during the course of the year following the write off of a waste vehicle and reliability issues with the fleet. There has been a reduction in recycling credit income of £38K following an increase in contamination rate from a budgeted 5% to an actual rate of 9%. This resulted in an unanticipated loss of 471 tonnes of recyclable material in conjunction with an overall reduction in collectable tonnage of 490 tonnes. The percentage of waste recycled during 2012/13 (49.5%) was marginally up on the previous year and almost met the target of 50%.

### 3.6.5 Finance

Benefits Administration – Additional expenditure has been incurred in respect of the necessary system enhancements in order to implement recent welfare reform changes. However, the authority has received government grant funding of £84K which will be used to offset this expenditure.

### 3.6.6 Housing and Neighbourhoods

Helpline – there has been a small deficit of £47K incurred during the year in relation to the one-off costs associated with the transfer of the monitoring arrangements to the City of Lincoln Council. Going forward the transfer will generate an annual saving of £150K for the Authority.

Housing Solutions – the service receives specific grant relating to the provision of the homelessness service which will be used to fund the additional expenditure incurred.

### 3.6.7 Legal and Democratic

Democratic Representation – overall there has been a variance of £80K including an underspend on expenditure of £23K relating to 2 members not wishing to receive their permitted allowances and 2<sup>nd</sup> homes funding has been allocated to finance a new post in the Democratic team.

### 3.6.8 Property Development

Building Control – income have suffered as a result of the economic climate and income is £53K below budgeted levels for 2012/13. A service improvement action plan is being developed in order to address this continuing issue and enable the chargeable element of the service to operate on a competitive basis.

Bus Stations – A re-valuation has been undertaken by the District Valuer as part of the annual re-valuation of the Council assets. This has the effect of lowering the annual depreciation capital charge and therefore a variance when compared with budgeted costs.

Car Parks - The overall outturn of 2012/13 is broadly comparable with the outturn position of 2011/12.

- Grantham car parks - there are only small movements in usage overall, the main one being Guildhall Street has less income when compared to last year (£10k) which is due to a decrease in the short stay tariffs (2 hours and less) but this has been offset by small increases at other car parks. In respect of CPE there has been a slight increase in all day tickets being sold between December and March when compared with the same period from the previous year.
- Stamford Car Parks - income is down by £47k overall compared to 2011/2012. In summary the movements in usage across years; Cattlemarket is 16% down (£20k) and North Street is 12% down (£10k). St Leonard's Street, Wharf Road and Bath Row are down by £17k in total. Significant changes in ticket purchasing profile has occurred in respect of Cattlemarket: 19% reduced on up to 3hr tickets, 15% and reduced sales on the up to 4hr tickets and North Street: 16% reduced on up to 30mins tickets, 18% reduced on up to 1hr tickets and 16% reduced on up to 2hr tickets).
- In respect of CPE there has been a similar impact on all day tickets being sold between December and March 2013 as the over 4hrs/ all day tickets have seen an increase of approximately £10k.

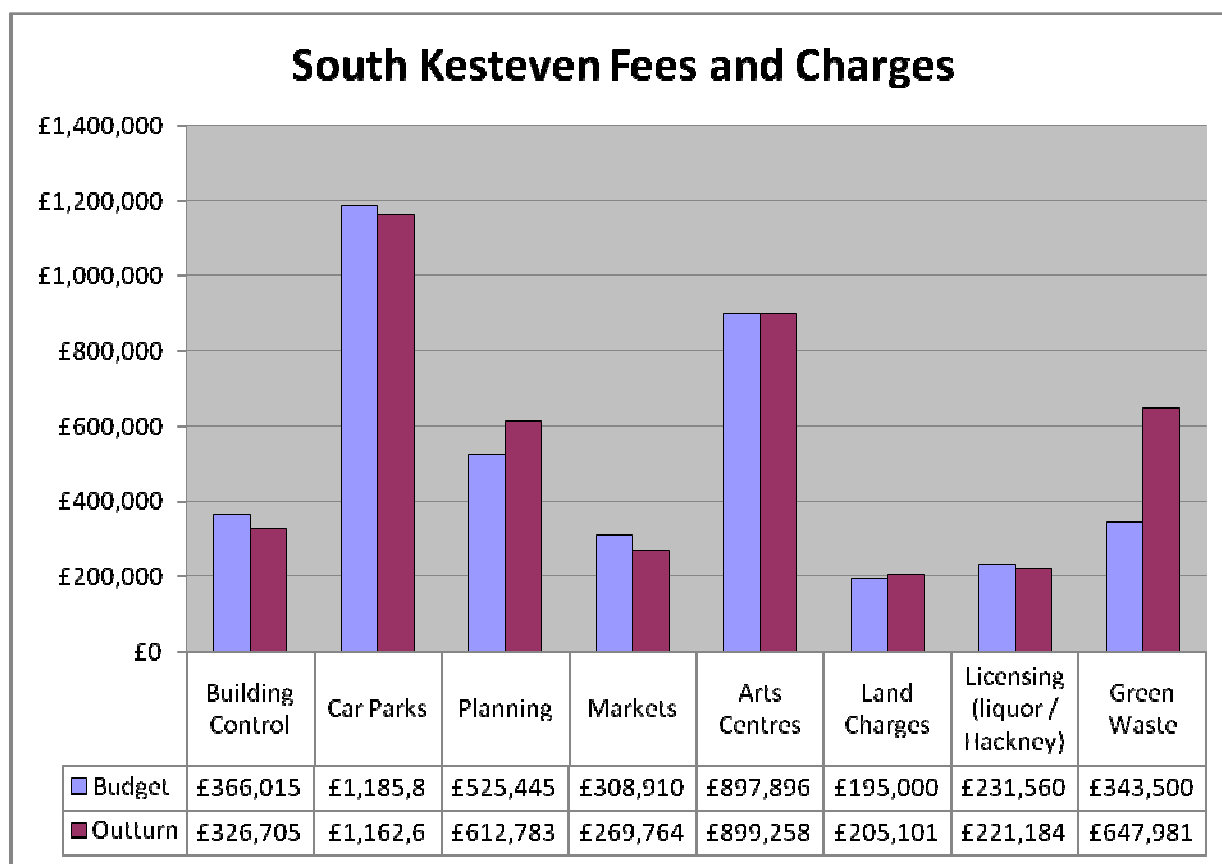
Miscellaneous Property – there has been additional income of £32K in respect of new leases for occupation of Council owned land and expenditure is reduced following savings of £41K in relation to non domestic rates.

### 3.6.9 Special Expense Area

Langtoft SEA – there has been a revaluation of the pavilion resulting in a reduction in capital charges. This variance will not have any impact on the Langtoft SEA reserve.

### 3.6.10 Income Summary

Table I – Income summary for 2012/13



### 3.7. HOUSING REVENUE ACCOUNT – Variance analysis

3.7.1 The housing revenue account (HRA) is a 'ring fenced' account and relates to the Council's Landlord functions. Revenue raised by rents and service charges must be sufficient to match expenditure.

3.7.2 **Housing Revenue Account** (HRA) is in a financial position at the year end where it can make the planned contribution to the loan repayment reserve of and the £500K for the formation of a HRA improvement reserve. This year end surplus is in accordance with the HRA financial plan which projects annual surpluses in order to increase its working balances to meet the construction costs of additional homes and to meet the repayment cost of the maturity loan of £25M. The table below provides a summary of the HRA for 2012/13.

**Table J – HRA Summary 2012/13 Outturn**

	2012/13 Estimate Base £'000	2012/13 Outturn £'000	Variance Against Estimate Base £'000	
	<b>INCOME</b>			
1	(22,780)	(22,734)	46	
2	(281)	(292)	(11)	
3	(1,275)	(1,298)	(23)	
4	(60)	(58)	2	
5	<b>TOTAL INCOME</b>	<b>(24,396)</b>	<b>14</b>	
	<b>EXPENDITURE</b>			
6	7,489	7,179	(310)	
7	2,637	2,592	(45)	
8	2,003	1,917	(86)	
9	296	296	0	
10	5,200	7,420	2,220	
11	23	20	(3)	
12	1,591	0	(1,591)	
13	50	30	(20)	
14	40	0	(40)	
15	<b>TOTAL EXPENDITURE</b>	<b>19,329</b>	<b>125</b>	
16	<b>NET COST OF HRA SERVICES</b>	<b>(5,067)</b>	<b>139</b>	
17	Interest Payable and Similar Charges	3,592	3,617	25
18	Interest and Investment Income	(204)	(164)	40
19	Other Operating Income (Repaid RTB discounts)	0	0	0
20	Return on Pension Assests	0	252	252
21	Net Loss impact on sale of HRA Assets	0	(497)	(497)
22	<b>DEFICIT (SURPLUS) FOR THE YEAR ON THE HRA</b>	<b>(1,679)</b>	<b>(1,720)</b>	<b>(41)</b>

**3.7.3 Dwelling rents and other income**– the performance for the collection of rents has improved during the financial year (98.7% collected compared with the target of 98.2%) and the remaining rents due will continue to be recovered during 2013/14. One significant factor in the increase in rent collection is the continued improvement in void turnaround times leading to a lower level of Council housing properties being let throughout the year. The average cumulative void ratio for 2012/2013 was 1.022%. The bad debt provision has been credited to reflect the position.

3.7.4 **Repairs and maintenance** – this budget covers expenditure on a range of work areas including insulation, painting, digital upgrades, water testing and gas servicing. The overall underspend of £306K includes 2 specific schemes that will be undertaken during 2013/14 and a year end set-a-side will be created for this purpose. These are £184K for doors and electrical assessment works at communal dwellings and £105K for the continuation of the painting works. There was an underspend of £160K in respect of an asbestos works associated with the insulation of external walls. Detailed surveys revealed that this level of expenditure was not required. There was a £44K saving in respect of the insulation works due to an external grant being awarded to fund the programme. There has also been an increase in support charges (£84K) from the general fund to reflect the increased support to the HRA undertaken during the year.

3.7.5 **Supervision and Management** – there has been an underspend of £134K which represents a variance of 4% compared with original budget. An allocation of £60K relating to this underspend has been identified for a pilot project to assist tenants to manage the changes introduced by the introduction of the housing benefit size criteria (known as the bedroom tax).

### 3.8. **CAPITAL EXPENDITURE**

3.8.1 During 2012/13 the Council's total capital investment was £10.369M. A summary of the expenditure is set out below and is compared to the original estimated base programme.

Table J – Capital Outturn Summary 2012/13

	Corporate Area	2012/13 Original Base	2012/13 Outturn	2012/13 Variance
		£k	£k	£k
1	Grow the Economy	4,080	1,107	(2,973)
2	Good Housing for all	900	1,710	810
3	Promote leisure and Arts	242	91	(151)
4	Keep SK green, clean	925	1,494	569
5	Well Run Council	330	988	658
6	Other (previous year scheme)	0	144	144
<b>7</b>	<b>General Fund Sub Total</b>	<b>6,477</b>	<b>5,534</b>	<b>(943)</b>
8	Housing Revenue Account	4,411	4,835	424
<b>9</b>	<b>Total Capital Programme</b>	<b>10,888</b>	<b>10,369</b>	<b>(519)</b>

3.8.2 **Capital Programme** - The capital programme for 2012/13 was agreed by Council at its meeting on 1st March 2012 and included a number of capital projects that were continuing from the previous financial year. The outturn position of £5.534M represents a variance of £943K compared with the original base.

3.8.3 **Variance Analysis – General Fund**

3.8.4 **Grow the Economy**

**Bourne Core Area** – during the course of the year significant progress has been made to enable the delivery of the Bourne core area project. The first phase of the project which includes the mill conversion is due to be complete in June 2013 with deposits being received in respect of all the apartments. It is anticipated the total scheme will be completed in August 2013 and the remaining budget will be fully spent to support the completion of the works.

**Grantham Growth** continues to be a priority for the Council and funding has been set aside for delivery of key components of the project, specifically these include Station approach, BIC, shop front schemes and the development of serviced land. These schemes will therefore continue to receive funding in 2013/14 and the underspend in 2012/13 will carry forward into 2013/14.

Budget slippages are identified for the shop front scheme project (£75K) and the serviced land (£600K) as both of these are expected to be completed during 2013/14.

3.8.5 **Support Good Housing for All**

Housing Improvement Grants – there are a number of specific schemes within this category that are utilised in accordance to customer demand and compliance with criteria. The underspends for the current year will be carried forward to use to finance future expenditure within these headings.

Local Authority Mortgage Scheme – In accordance with accounting treatment the £1M committed sum is treated as capital expenditure.

3.8.6 **Promote Leisure, Arts and Culture**

The majority of the expenditure items have been incurred in accordance with the allocated budgets. The expenditure for the new market store at Bourne will be financed by a service revenue contribution as part of the new South Kesteven Community Access Point project. No expenditure has been incurred in respect of the premises at Broad Street alterations or the replacement of the Stamford Arts Centre central heating system as both of these items are being separately considered as part of the asset management plan.

### 3.8.7 **Keep SK clean, green and healthy**

Four additional vehicles have been purchased in respect of the waste and recycling service. A number of these vehicles have been purchased earlier than anticipated and the budget provision had been included in the 2013/14 financial year rather than 2012/13. Therefore the budget allocation for 2013/14 can be reduced by £576K to reflect this change to the procurement profile.

The expenditure incurred in respect of the cycle path improvements, the Sudbrook sewer works and the air quality monitoring device are all classed as revenue expenditure and have therefore these have been transferred to the revenue outturn. No expenditure has been incurred in respect of joint Authority CCTV provision as the proposed project has been deferred.

### 3.8.8 **Well Run Council**

Area Office upgrades – the South Kesteven Community Access Point became operational in March 2013 and is providing a multi agency customer facility for the residents of Bourne and the surrounding area. During the delivery of the project the opportunity was taken to include modern agile office space on the first floor and upgrade the Corn Exchange offer. These items introduced additional costs to the project which have been partly financed from further contributions from partners which total £360k. The expenditure incurred in respect of Abbey Road alterations have been financed by service revenue contributions.

The expenditure incurred in respect of ICT systems and replacements is split between £80K for the Community Point upgrade and the balance of £151K for system upgrades, implementation of a new firewall and network improvements.

### 3.8.9 **Summary of Capital Outturn**

The following slippage amounts have been identified for inclusion into the 2013/14 General Fund capital programme:

- Shop front scheme – slippage of £75K
- Serviced Land – slippage of £600K
- Better Homes grant – reduce programme by £28K
- Empty Homes grant – slippage of £20K
- Street Scene Vehicle Procurement – reduce programme by £576K

3.9 **Housing Revenue Account Capital Programme** – the capital programme for 2012/13 was set at £4.411M. A forecast position was undertaken in January 2013 to £4.404M (and presented in the 2013/14 budget estimates to Council in March 2013). The outturn for 2012/13 is £4.835M. This represents a variance of £424K compared to original budget.

### 3.9.1 Variance Analysis HRA

**Repairs and Improvement** – the schemes with respect to upgrading sheltered housing schemes, replacement of the passenger lift at Rectory Close Barrowby, refurbishment works at Rectory Close Barrowby and the new scooter store at Hilary close Stamford have all been completed with an overall underspend saving of £180K. This is partially due to a reduction in works carried out at Rectory Close, Barrowby, but also a reflection on the competitive tenders received.

**Heating and ventilation** – the scheduled programme of works for 2012/13 has been completed with an overspend of £67K which is a budget variance of 4.7%. This increase in expenditure reflects the cost of essential and unforeseen works on this area of the programme

**Property refurbishments** – Two long term voids at 25 Halfleet, Market Deeping and 2 Paddocks Estate, Horbling were refurbished following consultation with housing management. The costs of these refurbishments were £41K and £27K respectively; the decision to refurbish these properties and bring them back into the housing stock was taken due to the housing need in these areas. In addition 8 properties which became vacant during the year at Wood View, Bourne had new staircases installed at a cost of £75K. This work was necessary due to the original design of the staircases which were a health and safety risk. 88 properties were completed as major voids during 2012/13 using an external measured term contract which includes turn round timescales to further reduce void times – a report is being prepared with respect to a financial appraisal on the benefits of investing in the properties to ensure a faster turn rounds versus loss of rent. Earlier reference is made in paragraph 5.3 to the average cumulative void ratio being 1.022% for 2012/13. These properties are also brought up to the decent homes standard whilst void, which will result in a comparable reduction in decent homes expenditure for specific elements of works in 2013/14. The approximate costs of these particular works were £90K. These works resulted in an overall overspend of £622K which will be met by the Major Repairs Reserve.

**Re-roofing** - Additional costs have been incurred on this contract during 2012/13 due to the licensed asbestos removal of AIB soffits on a number of properties. As these works incorporate improvement works in respect of chimney works and essential works the combined budgets of £150K will be used to offset the additional £385K that has been incurred. In total an additional 222 properties were improved during last year which will reflect in proportional reductions in the Decent Homes programme of work between now and March 2015.

**Re-wiring** – an underspend of £55K due to a reduction in the number of properties requiring re-wiring during 2012/13 as a result of the implementation of a pre inspection testing programme.

**Upgrade tunstall system** £82K – this proposal was not taken forward following the decision to transfer the monitoring of the helpline customers to City of Lincoln Council.

**Vehicle Management system for repairs** – the budget of £50K has been slipped in 2013/14 following the implementation of the mobile craftworking project. The need for this additional systems will be evaluated once the mobile system is fully operational.

**Mobilisation of craft working software** – £30K of this budget has been incurred during 2012/13 (charged to revenue as non-enhancing expenditure) and the balance of £74K will be incurred in 2013/14 when the system has been installed, tested, is fully operational and capable of delivering efficiency savings.

#### **4. OTHER OPTIONS CONSIDERED**

None applicable

#### **5. RESOURCE IMPLICATIONS**

None applicable

#### **6. RISK AND MITIGATION**

None applicable

#### **7. ISSUES ARISING FROM EQUALITY IMPACT ANALYSIS**

None applicable

#### **8. CRIME AND DISORDER IMPLICATIONS**

None applicable

#### **9. COMMENTS OF FINANCIAL SERVICES**

Financial considerations are included in the report.

#### **10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES**

As part of good governance it is important members are kept updated in respect of the financial position of the Council expenditure during the course of the year.

#### **11. COMMENTS OF OTHER RELEVANT SERVICES**

None applicable

#### **12. APPENDICES:**

None

Date	Item	Update	Action Notes to Officers	Response	Recurring item	Recommendation	Cabinet/Council Decision
30/05/13	<b>LAMs</b> Update by Head of Finance	Report presented by HoF asking members to consider the introduction of further lenders into the scheme, increase the loan size and to deposit further funds into the Lloyds/TSB to continue the scheme for 2013/14	Information on LAMS should be permanently visible on the homepage of the Council's website	Information is now on the home page and every internal page of the website		The authority should continue with the scheme and a further deposit of £500,000 should be placed with Lloyds TSB	<b>Cabinet 1.7.13</b> That the LAMS scheme is extended and a further amount of £1M is given to the Lloyds TSB Bank Plc scheme
						The authority should only use Lloyds TSB for the present timer. This should be reviewed on a regular basis as new lenders join the scheme	That additional lenders be included such as Teachers Building Society
	<b>Local Business Support Scheme</b> Report by Head of Finance	The HoF summarised a report on a small business loan scheme and hardship awards for businesses				That the maximum loan value should increase to £147,250	That the maximum loan size per application is increased to £147,250
						<b>Small Loan Scheme</b> The Council should set up a small business loan scheme, providing loans between £4,000 and £10,000 as part of a three-way match funding arrangement with the bank and the applicant	
						The applicant should provide evidence of support from the bank with their application	
						The board for considering applications should comprise the Grow the Economy-Economic Development Portfolio Holder, a member of Resources PDG and an officer from Economic Development	
						The principles behind the scheme should be as set out in report number HOF235	
						<b>Hardship Relief</b> The Council should implement the assessment criteria (as stated in report number HOF235) for consideration of applications for hardship relief	
						Decision-making in relation to hardship relief should be taken by Members based on officer recommendations	

Date	Item	Update	Action Notes to Officers	Response	Recurring item	Recommendation	Cabinet/Council Decision
30.5.13 Cont.....	<b>Question referred by Council</b> Charging for use of community spaces within sheltered housing developments	PDG considered the question put by Cllr Selby at the Council meeting of 18.4.13	Add service charges for sheltered housing to the work programme for the meeting on 3.10.13	A response should be sent to Cll Selby suggesting that residents of Belton Ave should be encouraged to form a residents' committee which would be empowered to charge external users of the facility. The committee could then use the income to fund social activities and events for residents. The response should also include a note to state that the PDG would consider service charges in respect of sheltered housing at its meeting on 3.10.13			
	<b>Pre Application Planning Advice</b> update from previous meeting	The Development Management Service Manager gave an update on charges for pre-app advice and the Accredited agent scheme	<b>Pre-application charging</b> That the charge for pre-application advice for the development of 50 or more dwellings should be a flat rate of £3,600  Fees for very large schemes would be negotiated by the authority and the developer  <b>Accredited agent scheme</b> An accredited planning agent scheme should be developed and implemented alongside the publishing of new fees and charges				
25/07/13	<b>Budget Monitoring Report 2013/14</b> Report to PDG						
	<b>Markets</b> Review of provision in Stamford by PDG						
	<b>Market Development Plan</b> Update on development of Grantham and Stamford Markets						
	<b>Debt Enforcement Policy</b> Report by Head of Finance						
	<b>Car Parking Review</b> Update by Head of Property Development						
	<b>Empty Homes Project</b> Presentation by Performance Management Team Leader						
03/10/13	<b>Sheltered Housing - Service Charging</b>						
	HRA						
	MTFS						

