

Date: 4 March 2011  
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To: Members of the Overview and Scrutiny Co-ordinating Committee  
(Councillors: Ray Bloxham; Peter Bowden; Bob Buxton; Iain Chubb;  
Christine Drew; Roger Giles; Pat Graham; Steve Hall; Peter Halse;  
John Humphreys; Stephanie Jones; David Key; Frances Newth;  
Barry Nicholson; Marion Olive; Helen Parr; Bob Peachey; Ken Potter;  
Graham Troman; Eileen Wragg; Steve Wragg)

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Portfolio Holders  
Other Members of the Council for Information  
Chief Executive  
Corporate Directors

**Meeting of the Overview and Scrutiny Co-ordinating Committee**  
**Wednesday, 16 March 2011 – 6.30pm**  
**Council Chamber, Knowle, Sidmouth**

Members of the public are welcome to attend this meeting.

- A period of 15 minutes has been provided at the beginning of the meeting to allow members of the public to raise questions.
- In addition, the public may speak on items listed on the agenda. After a report has been introduced, the Chairman of the Committee will ask if any member of the public would like to speak in respect of the matter and/or ask questions.
- All individual contributions will be limited to a period of 3 minutes – where there is an interest group of objectors or supporters, a spokesperson should be appointed to speak on behalf of the group.
- The public is advised that the Chairman has the right and discretion to control questions to avoid disruption, repetition and to make best use of the meeting time.

**AGENDA**

<b>Part A</b>	<b>Page/s</b>
1. <b>Public question time</b> – standard agenda item (15 minutes) Members of the public are invited to put questions to the Committee through the Chairman. Councillors also have the opportunity to ask questions of the Leader and/or Portfolio Holders during this time slot whilst giving priority at this part of the agenda to members of the public	
2. To confirm the minutes of the meetings of the Overview and Scrutiny Co-ordinating Committee held on the 26 January 2011	5 - 9
3. To receive any apologies for absence	
4. To receive any declarations of interest relating to items on the agenda.	
5. To consider any items which, in the opinion of the Chairman, should be dealt with as matters of urgency because of special circumstances. (Note: Councillors please notify the Chief Executive in advance of the meeting if you wish to raise a matter under this item, who will then consult the Chairman).	

6. To agree any items to be dealt with after the public (including the press) have been excluded. There is **one** item that the officers recommend should be dealt with in this way.
7. Decisions made by the Executive Board called in by Members for scrutiny in accordance with the Overview Procedure Rules under Part 4.5 of the Constitution. There is **one** item which has been identified.
8. **Changes to Housing and Council Tax Benefits from April 2011** 10 - 18  
The purpose of this report is to raise awareness for all elected Members to the changes, and for Members to consider the impact of those changes and the steps being undertaken to inform customers, Landlords and other agencies.
9. **Draft Annual Report of the Overview and Scrutiny Committees 2010/11** 19 - 22  
Members are asked to consider the content of the above report. Additional material will be added after the completion of the four Committees in the current civic term, to be approved by the Chairman and Vice-Chairman of the OSCC prior to presentation to Annual Council.
10. **Issues to take forward to the Overview and Scrutiny Committee for 2011/12** Verbal report  
Members are asked to consider, following on from the previous item on the Annual Report, what issues should be further pursued in 2011/12. Suggestions to date include:
- Invite Leisure East Devon to report back on progress since their last presentation;
  - Devon & Cornwall Constabulary on the implications of their budget cuts, especially on how they impact on partnership work;
  - Report from Chief Executive on how the Localism agenda should be managed over the next four years.
11. **Increase in publishing Member information online** Verbal report  
Members to debate the concept of publishing online the meeting attendance, register of interests, and allowances and expenses claimed for all Council Members.
12. **Update from the Chairman of each Overview and Scrutiny Committee.** Verbal report
13. **The Vice Chairman to move the following:-**  
"that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B)."

**PART B**

14. **Estates, Asset Management and Project Delivery** Para 3 Schedule 12A Information 23 - 33  
Presented by the Chief Executive relating to the financial or business affairs of any particular person (including the authority holding that information).

### **Members remember!**

- You must declare the nature of any personal or prejudicial interests in an item whenever it becomes apparent that you have an interest in the business being considered.
- Where you have a personal interest because the business relates to or is likely to affect a body of which you are a member or manager as an EDDC nominee or appointee, then you need only disclose that interest when (and if) you speak on the item. The same rule applies if you have a personal interest in relation to a body exercising functions of a public nature.
- Make sure you say the reason for your interest as this has to be included in the minutes.
- If your interest is prejudicial you must leave the room unless
  - a) you have obtained a dispensation from the Council's Standards Committee or
  - b) where Para 12(2) of the member Code of Conduct applies. [Para 12(2) allows a Member with a prejudicial interest to stay for the purpose of making representations, answering questions or giving evidence relating to the business but only to the extent the public are allowed the same rights. If you do remain for these purposes, you must not exercise decision-making functions or seek to improperly influence the decision; you must leave the meeting room once you have made your representation, answered questions or given evidence.]
- The Code states that any member of the Executive Board or other decision-making committee or joint committee or sub-committee attending Overview and Scrutiny committees has a prejudicial interest in any business where that member was a member of the committee at the relevant time and present when the decision was made or other action was taken (whether or not implemented). Members with prejudicial interests should declare them and are allowed to remain in the meeting for the limited purposes set out in the Code para 12(2) – see last paragraph.
- You also need to declare when you are subject to the party whip before the matter is discussed.

### **Suggestions for questioning during an Overview and Scrutiny meeting**

Below are some prompts which may help you to form your own questions to ask at an Overview and Scrutiny meeting. Your questioning technique is crucial in creating an atmosphere conducive to open answers. Avoid excessive interrogation and treat those being questioned with courtesy and respect; however don't be afraid to ask supplementary questions if you feel that you haven't been given a clear answer.

- **IS IT REQUIRED?** (do we have this, does it make sense to tackle it, do we really need it).
- **IS IT SYSTEMS THINKING?** (is it evidence based and designed around the customer demands)
- **IS THE INTENTION CLEAR?** (what are we actually trying to achieve)
- **ANY REAL OUTCOMES?** (are we actually, and measurably, achieving things for our customers).
- **WHAT IS THE COST?** (both time and money)
- **DOES IT COMPLY?** (have we checked that it meets our obligations, the law, any formal guidance, and any Council policy or resolutions).
- **OTHERS DO WHAT?** (how do other organisations tackle this, best practice)
- **EFFECTIVE AND EFFICIENT?** (how do we know we're doing things well, in a timely fashion, and at "best value")
- **WHAT IS THE RISK?** (any areas of risk for the Council)
- **ANYONE LOSE OUT?** (are there sections of the community who might be disadvantaged by this approach, or be less able to take advantage, than others)
- **DOES IT LINK?** (have we linked this to other, similar, pieces of work within or outside the Council)

## Getting to the Meeting – for the benefit of visitors



The entrance to the Council Offices is located on Station Road, Sidmouth. **Parking** is limited during normal working hours but normally easily available for evening meetings.

The following **bus service** stops outside the Council Offices on Station Road: **From Exmouth, Budleigh, Otterton and Newton Poppleford – 157**

The following buses all terminate at the Triangle in Sidmouth. From the Triangle, walk up Station Road until you reach the Council Offices (approximately ½ mile).

**From Exeter – 52A, 52B**  
**From Honiton – 52B**  
**From Seaton – 52A**  
**From Ottery St Mary – 379, 387**

Please check your local timetable for times.

The Committee Suite has a separate entrance to the main building, located at the end of the visitor and Councillor car park. The rooms are at ground level and easily accessible; there is also a toilet for disabled users.

**For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546**

# EAST DEVON DISTRICT COUNCIL

## Minutes of a Meeting of the Overview and Scrutiny Co-ordinating Committee held at Knowle, Sidmouth on 26 January 2011

### Present:

#### Councillors:

Ray Bloxham (Chairman)  
Bob Peachey (Vice-Chairman)  
Peter Bowden  
Bob Buxton  
Christine Drew  
Roger Giles  
Pat Graham  
Steve Hall  
John Humphreys

Stephanie Jones  
David Key  
Frances Newth  
Marion Olive  
Helen Parr  
Ken Potter  
Graham Troman  
Steve Wragg

#### Officers:

Simon Davey – Head of Finance  
Peter Jeffs – Corporate Director  
Diccon Pearse – Corporate Director  
Rachel Pocock – Head of Legal, Licensing and Democratic Services  
Debbie Meakin – Democratic Services Officer  
Mark Williams – Chief Executive

### Also Present

#### Councillors:

Vivienne Ash  
Roger Boote  
David Chapman  
Paul Diviani  
Jill Elson  
Chris Gibbings  
Graham Godbeer

Douglas Hull  
Sara Randall Johnson  
Ann Liverton  
Andrew Moulding  
Pauline Stott  
Tim Wood

### Apologies:

#### Committee Members:

Peter Halse  
Eileen Wragg

#### Councillors:

Graham Brown  
Geoff Chamberlain  
David Cox  
Philip Skinner

The meeting started at 6.30pm and ended at 8.35pm.

### \*38 Public question time

There were no questions from the public at this time.

### \*39 Minutes

The minutes of the meeting of the Overview and Scrutiny Co-ordinating Committee on 17 November 2010, were confirmed as a true record.

### \*40 Declarations of Interest

There were no declarations declared.

41 **Draft Revenue and Capital Estimates 2011/12 Recommendations from Overview and Scrutiny Budget TaFF**

The Chairman thanked all the Members of the Task and Finish Forum for their contributions and work on the day, and thanked those who attended to listen and add to the debate. Councillor Ian Thomas would be added to the notes as giving his apologies.

He advised the Committee of the work of the Forum in trying to achieve a balance over a two year period, with a view to making changes that would help realise increased income in future years. The Localism agenda would drive changes to service delivery and impact on the work of the Planning service; taking a project team approach to reviewing asset management could produce a better return; and the transformation reserve could be utilised to drive those two projects forward. & continued restructure of the council

He reminded Members of the difficult choices that had to be made in the current economic climate, but highlighted to the Committee the other recommendations to help drive future improvement that would help towards balancing budgets for future years.

Members discussed the recommendations from the Forum, including:

- Concern in reduction of maintenance to a level that would not be sustainable over time. Major works being required in future years if preventable maintenance was not carried out. The Chief Executive assured Members that the budget would continue to be carefully monitored and reviewed if necessary in the future. In answer to a question Diccon Pearse advised that the Council was fully insured for its assets;
- Concern in reducing the revenue budget for Flood Protection, and how that would impact on emergency response in the event of flooding. The Chief Executive assured Members that any emergency would receive swift response and the cost implications dealt with at a later point;
- Clarity on the budget provision for AONB contribution – this had not been debated at the Forum. The Chairman clarified that the budget provision for Countryside, which was reinstated to the budget by the Budget Working Party, was not challenged by the Forum and so remained at the same level.
- Concern in reducing the Communications and Improvement Team as it may impact on the quality of service in dealing with press enquiries and in promoting good news stories. The view of the Head of Organisational Development on the recommendation of the Forum was that the resources would be adequate. Members were in agreement that the role of Engagement and Funding Officer should be retained to progress with the Localism agenda;
- Responsibility as land owner for the proper upkeep of the sand dunes on Exmouth Beach and the impact of a reduction in budget. The Chairman read out comments submitted by Councillor Eileen Wragg covering her concerns on erosion and the impact on the highway. The Chairman also informed Members of the response from Andrew Harris, Area Manager West of Streetscene, covering the maintenance undertaken and explained that the work would continue, but would have to be managed from a reduced budget;
- Work on railings at Sidmouth had been removed from the budget because the work could be undertaken in the current financial year due to an underspend;
- The Rationalisation Panel had considered contracting out the Payroll service and had concluded that it would not be cost effective at the present time; however all services would be under regular review.
- Wall in Connaught gardens work listed on the special items would be undertaken once money was available, but currently the wall has cordoned off and propped. If the situation deteriorated and the wall became unsafe, emergency works would have to be carried out.

41 **Draft Revenue and Capital Estimates 2011/12 Recommendations from Overview and Scrutiny Budget TaFF (continued)**

Other suggestions for cost savings were put forward, including:

- Amending the member allowances to a payment-on-attendance scheme, in order to reduce costs. The Chief Executive advised that the current scheme was brought in by legislation and the Council had no discretion to change it;
- Reducing the overall number of elected Members would realise significant savings. The process for reducing the number of elected Councillors would take two to three years, covering consultation and work with the Electoral Commission;
- Introducing car parking charges to the car park at the Council Offices would provide an estimated £10k per annum after setup costs. The Forum had previously debated this suggestion and concluded that until the future of the building was known, it was not viable to implement; plus impact on users, Unison negotiations flesh out
- Re-inforcing responsibilities of landowners for water run-off. There was some debate around this issue and how the of cost in changes to land management techniques, and restrictions by the Environment Agency imposed limitations on land owners.

Councillor Peter Bowden expressed his concern to the Committee on the future statutory requirements for local authorities with forthcoming legislation and other county wide plans, including the implementation of the Water Management Bill. These requirements would equate to vast sums of money, which the draft budget would not cover. Work was underway by some partners to secure funding from Defra for the statutory works required, and Councillor Bowden urged for the Portfolio Holder for Environment to be part of those talks to help secure some of that funding for the Council.

Members agreed to the recommendations put forward by the Forum, recognising that the reduced budgets would put services under pressure. Councillor Bob Peachey thanked the Forum for their hard work on a difficult task.

- RECOMMENDED**
- (1) that the Chief Executive present a report to Overview and Scrutiny Co-ordinating Committee on how the Localism agenda and the Council's assets should be managed over the next four years with specific consideration to project based teams;
  - (2) that the Executive Board endorse the recommendations on savings for 2011/12 as set out in Appendix A OSCC recommendations on working party savings;
  - (3) that the Executive Board endorse the recommendations on special bids as set out in Appendix B OSCC recommendations on Special Items 2011/12;
  - (4) that the Executive Board agree to request a fundamental review of ICT provision, to take account of the emerging new structure of the Council and technology advances, with a view using the Transformation Reserve to support the "spend to save" initiatives such as CAPS changes and cemetery records;
  - (5) that the Executive Board endorse the Capital Programme as presented to the OSCC (Appendix C);
  - (6) that the Executive Board consider transfer of income from investments to the Capital Programme from 2012/13 when investment interest should rise.

41 **Draft Revenue and Capital Estimates 2011/12 Recommendations from Overview and Scrutiny Budget TaFF (continued)**

**RECOMMENDED** (7) that the Portfolio Holder for Environment contacts the Portfolio Holder for Environmental and Regulatory Services at Devon County Council in order to ensure engagement with the talks with Defra to secure future funding.

42 **Scrutinising Scrutiny updated**

Members considered the updated report of 17 November 2010, highlighting the scope sheet; the research into the Executive Forward Plan; and the revised proposals for scrutiny structure that included officer support and budget savings.

Members debated the structure possibilities, including:

- Task and Finish Forums (TaFFs) should be increased to 7 Members in order to cover Member absence for some of those Forum meetings;
- TaFFs had worked well in the past, and needed to include key Members with the skills set required for the topic, with a degree of flexibility so that conclusions could be reached and presented back for a main Overview and Scrutiny Committee to consider;
- Any revised structure must undertake work that has focus on the customer;
- Recommendations needed follow up and feedback to the Committee;
- TaFFs should not be limited to Members of the Overview and Scrutiny Committees but be open to all Members in order to utilise their skills; and relevant Member Champions should be automatically involved;
- Robust consideration of topics for discussion if a single committee adopted;
- Housing Review Board (HRB) remained an Overview and Scrutiny Committee in its own right; a previous recommendation had been made for the Chairman of HRB to be a member of the main Overview and Scrutiny Committee;

The Chairman reminded Members of the valid and excellent work achieved by the current Committee structure. Reducing the number of formal committees, but utilising TaFFs effectively, would ensure that effective workload management and Member engagement was in place, but just under different "labels".

**Role of Portfolio Holders**

Some Members voiced concern on the practicalities and potential conflicts of interest of the roles if held at both District and County level. The reality of handling the workload was discussed. The Chairman reminded the Committee that a resolution had been made at the previous meeting on reviewing the roles, and was better suited for discussion by the new Council after May 2011.

**RECOMMENDED** (1) that a single Overview and Scrutiny Committee structure (in addition to the Housing Review Board) be adopted from May 2011, operating with monthly meetings held shortly before to the Executive Board;



42 **Scrutinising Scrutiny updated (continued)**

**RECOMMENDED** (2) that the single Overview and Scrutiny Committee utilise Task and Finish Forums as required, keeping flexibility by means of:

- a) the number of Members on each Forum as deemed appropriate for the task;
- b) drawing on the skills set of the Council (excluding members of the Executive Board) for Forum membership, rather than restrict to purely Overview & Scrutiny committee Members, to ensure that the Forum delivers;
- c) the number of meetings as deemed appropriate for the task.

**RESOLVED** (1) that scoping the work of the Overview and Scrutiny Committee commences from May 2011 as standard practice, with the scoping template being adopted for use.

\*43 **East and Mid Devon Crime and Disorder Scrutiny Panel Update**

The Chairman reported back on a recent meeting of the Panel held on 26 January 2011. He highlighted the elements of the Community Safety Partnership three-year plan, which due to budget cuts by all partners, would be extended by a year to March 2012. He also outlined the impact of Devon & Cornwall Constabulary's spending review, with 700 police and 300 civilian posts being removed over the next four years to meet the budget cut of £50million. Station enquiry offices would also close apart from Exmouth, Tiverton and Honiton. PCSOs would remain at their current level due to that budget being ring-fenced.

**RESOLVED** that the update from the East and Mid Devon Crime and Disorder Scrutiny Panel be noted.

\*44 **Update from the Chairman of each Overview and Scrutiny Committee**

Helen Parr, Graham Troman and John Humphreys gave the Committee a brief update on the work of their Overview and Scrutiny Committees.

\*45 **Overview and Scrutiny Committees Forward Plan**

Members noted the forward plan.

Chairman ..... Date .....

## Agenda Item 8

Overview & Scrutiny Co-ordinating Committee

16 March 2011



### Changes to Housing & Council Tax Benefits from April 2011

#### Summary

This report highlights the changes in Housing and Council Tax Benefits that come in from April 2011 and the impact this will have on some of our customers.

#### Recommendation

To raise Members awareness of the changes in legislation and the impact this will have on some of our customers.

To review the steps officers are taking to inform customers, Landlords and other agencies of these changes and to recommend any additional actions.

#### a) Reasons for Recommendation

To ensure we are communicating these changes effectively and that all reasonable steps are being taken.

#### b) Alternative Options

None

#### c) Risk Considerations

- Increase in council tax debt
- Increase in personal debt
- Increase in demand on housing services
- Increase in customer contact
- Increase in applicants for Discretionary Housing Payments

#### d) Policy and Budgetary Considerations

No direct impact although affects on individual services will need to be monitored.

#### Potential Negative Impact

Affordable Homes.

Thriving Economy.

#### e) Date for Review of Decision

N/A

## Main Body of the Report

### 1. Background

In East Devon we have 10,426 customers in receipt of Housing (HB) and/or Council Tax Benefit (CTB).

This is broken down as follows:

	Private tenants	Council tenants	Council tax benefit (CTB) only	Total
Working age	2,867	1,088	672	4,627
Pension age	1,128	1,612	3,059	5,799
Total	3,995 of which 2,130 are LHA	2,700	3,731	10,426

Table 1 (Data as at November 2010)

At present East Devon has 2,130 customers that come under the LHA (Local Housing Allowance) scheme.

### 2. What is LHA?

- 2.1 LHA is the way in which we calculate the amount of Housing Benefit (HB) we pay to tenants towards their rent (private landlords only). The scheme was introduced in April 2008 and the aim was to simplify the process of making a claim by introducing a standard local rent (based on number of bedrooms and reflecting the average rent charged by landlords in the area).
- 2.2 The LHA scheme was introduced for both new customers and those who had a break in their entitlement. This explains why not all our customers who live in private rented accommodation come within this scheme. There are also other types of accommodation that don't come under the LHA scheme, for example, registered housing associations, social accommodation, etc.
- 2.3 The Valuation Office Agency sets the rates every month for each area, called 'Broad Rental Market Areas' (BRMAs). East Devon comes under three different BRMAs; Mid & East Devon, Exeter and Mid & West Dorset. Appendix 1 shows the LHA rates for January 2011 for the three areas at both the 50<sup>th</sup> and 30<sup>th</sup> percentile. The breakdown of the number of customers currently within the three areas is shown in table 2 below:

BRMAs	Number of bedrooms						Total
	1*	1	2	3	4	5	
Mid & East Devon	80	386	340	113	16	2	937
Exeter	195	432	389	130	26	6	1178
Mid & West Dorset	2	9	2	2	0	0	15
Total	277	827	731	245	42	8	2,130

Table 2 (Data as at January 2011)

\*1 bedroom in shared accommodation

### **3. Welfare Changes from April 2011**

3.1 The Government has made a number of changes to Housing and Council Tax Benefits that come into force from April 2011 which will form part of the Government's agenda in reforming the welfare system. This is the first phase with more changes to follow in 2012.

The main changes from April 2011 concern the LHA scheme (LHA) and increases to the non dependant deductions:

3.1.1 LHA rates will be set at the 30<sup>th</sup> percentile instead of the 50<sup>th</sup> percentile.

3.1.2 There will no longer be a 5 bedroom LHA rate. The maximum level customers can get is for a 4 bedroom property.

3.1.3 The £15 weekly LHA excess provision will be removed.

3.1.4 There will be an overall cap on LHA weekly rates in any area. These limits are:

- £250 for a one bedroom property per week
- £290 for a two bedroom property per week
- £340 for a three bedroom property per week
- £400 for a four bedroom property per week

3.2 Non dependant rates increase from April 2011 (a non dependant deduction is an amount deducted from HB and CTB entitlement in respect of any other adult/s living in the household who are expected to contribute to household finances).

### **4. What is the impact for East Devon customers?**

#### **4.1 LHA levels are to be set at the 30<sup>th</sup> percentile instead of the 50<sup>th</sup> percentile**

4.1.1 From the 1 April 2011 LHA rates will be set at the 30<sup>th</sup> percentile instead of the median point. This means that only 3 in 10 properties for rent will be affordable to people on Housing Benefit (HB) rather than half of the properties currently.

4.1.2 Appendix 1 shows how the 30<sup>th</sup> percentile rates compare with current rates. From April 2011 the VOA will only publish rates at the 30<sup>th</sup> percentile.

4.1.3 These changes will affect new customers immediately. New customers in private rented housing are going to find it much harder to find accommodation that falls within the new LHA levels. The following tables show what the differences are between the 50<sup>th</sup> and 30<sup>th</sup> percentile rates for the three BRMA's (based on the January published figures). To demonstrate the extent of the financial impact, the table also includes the numbers of existing customers who come within each size of accommodation.

Mid and East Devon area:

Room size	No of existing customers	50th percentile £	30th percentile £	Weekly difference £	Annual Difference £
1 bedroom*	80	72.50	70.00	2.50	130.00
1 bedroom	386	98.08	91.15	6.93	360.36
2 bedroom	340	126.92	115.38	11.54	600.08
3 bedroom	113	150.00	144.23	5.77	300.04
4 bedrooms	16	196.15	173.08	23.07	1,199.64
5 bedrooms or more	2	See table 6			
Total	937				

Table 3 \*1 bedroom in shared accommodation

Exeter

Room size	No of existing customers	50th percentile £	30th percentile £	Weekly difference £	Annual Difference £
1 bedroom*	195	80.00	75.00	5.00	260.00
1 bedroom	432	121.15	109.62	11.53	599.56
2 bedroom	389	150.00	132.69	17.31	900.12
3 bedroom	130	173.08	155.77	17.31	900.12
4 bedrooms	26	230.77	206.54	24.23	1,259.96
5 bedrooms or more	6	See table 6			
Total	1,178				

Table 4 \*1 bedroom in shared accommodation

Mid & West Dorset

Room size	No of existing customers	50th percentile £	30th percentile £	Weekly difference £	Annual Difference £
1 bedroom*	2	69.23	66.23	3.00	156.00
1 bedroom	9	114.23	103.85	10.38	539.76
2 bedroom	2	144.23	132.69	11.54	600.08
3 bedroom	2	167.31	155.77	11.54	600.08
4 bedrooms	0	219.23	196.15	23.08	1,200.16
5 bedrooms or more	0				
Total	15				

Table 5 \*1 bedroom in shared accommodation

- 4.1.4 These changes will affect existing customers from their anniversary date after 1 April 2011, but they may then be entitled to a further 9 months transitional protection. The anniversary date is the date when we review a customer's claim. For example, a customer who first claimed HB on 5 September 2009 would have an anniversary date of 5 September, unless they had subsequently moved house or the composition of their household changed. Therefore, a customer whose anniversary date is 5 September 2011 would get up to a further 9 months at their current LHA rate before dropping to the new LHA rate on 5 June 2012.
- 4.1.5 Transitional protection ends sooner if a customer moves or the household changes (someone leaves or moves in). From 1 April 2011 new customers who make a claim will be subject to the changes immediately.
- 4.1.6 The anniversary dates for our existing customers are quite evenly spread across the whole year and therefore the impact will be phased.

**4.2 The 5 bedroom rate is to be abolished. The maximum level customers can receive is for a 4 bedroom property.**

4.2.1 We currently have eight customers who are in receipt of the 5 bedroom rate. Using the January published figures, the table below shows the impact the reduction in the LHA rate and the abolition of the 5 bedroom rate would have for those customers.

	50 <sup>th</sup> percentile 5 bedroom rate	30 <sup>th</sup> percentile 4 bedroom rate	Weekly difference	Annual difference
Mid & East Devon	229.62	173.08	56.54	2,940.08
Exeter	346.15	206.54	139.61	7,259.72

Table 6

4.2.2 Again, this change applies from the customer's anniversary date with a possible entitlement of up to 9 months transitional protection.

**4.3 The £15 weekly LHA excess provision will be removed**

4.3.1 We have approximately 119 customers in receipt of the £15.00 excess. This is not subject to transitional protection and is removed from the customer's anniversary date. The excess occurs when, under the current regulations, a customer receives up to £15 more in LHA than they have to pay in rent.

**4.4 There will be an overall cap on LHA weekly rates in any area.**

4.4.1 This cap does not affect East Devon but will apply in areas such as Central London.

**4.5 Non dependant rates increase from April 2011**

4.5.1 A non dependant is, in the main, someone who shares a home with a HB and/or CTB customer and is over the age of 18 and does not receive child benefit. These deductions are statutory and are set annually. The amounts to be deducted are set nationally and are based on a person's income and age.

4.5.2 Non dependant deduction rates have been frozen since 2001/02. The Government intends to increase the rates in stages so that by 2014 they will reflect the rates as they would have been if they had not been frozen.

4.5.3 The new rates apply from 1 April 2011. In total, we have 840 customers for whom we make a non dependant deduction. The breakdown is:

Private tenants	130
Council tenants	156
Council tax benefit only	554

The approximate benefit loss per week in the first year is:

Number of customers	Approximate loss per week
741	Up to £5.00
60	£5.00 to £10.00
36	£10.00 to £15.00
3	£20.00 to £25.00

## **5. Overall impact**

5.1 Clearly these changes are going to have a significant impact on our customers.

- Many will see a sizeable reduction in their housing benefit payments which will leave them having to make up the shortfall themselves.
- These changes could lead to more customers going into debt or having to find cheaper accommodation if they cannot get their landlord to reduce the rent to within the LHA levels.
- If a customer is unable to pay the rent they will be at risk of eviction.

5.2 These changes will undoubtedly put more pressure on the Housing service. Therefore, to avoid debt problems and prevent homelessness, it is important that we work closely together to ensure that we fully support our customers as these changes take effect.

### **5.3 Steps we are taking to prepare our customers for these changes:**

5.3.1 We have produced a number of different letters to cater for these changes together with a general leaflet. Letters will go out at the beginning of February to all customers specifically affected. Despatch will be phased over 10 a day period in order to manage call volume.

5.3.2 We are also writing to our East Devon landlords to tell them about the changes. This letter also includes information about how the Valuation Office Agency (VOA) sets the LHA rates and how landlords can help to ensure that the LHA rates reflect actual rents by regularly completing the VOA letting research forms.

5.3.3 Leaflets & posters will be circulated in various locations across East Devon.

5.3.4 The website has been updated to provide the latest information on all these changes.

5.3.5 We have organised two meetings with CAB (Exmouth & Honiton branches) in March and April to tell the staff about the changes and how we are supporting our customers through these changes.

5.3.6 Press release to go out in February

5.3.7 We will be attending a Landlords Open morning on 11 March 2011 which has been organised by a local housing charity called Smartmove (East Devon currently funds).

5.3.8 We will be working closely with Housing, Rental & Smartmove which includes staff training.

5.3.9 We are reviewing and updating all our guidance and procedures relating to Discretionary Housing Payments, see section below.

## 6. Discretionary Housing Payments (DHP's)

- 6.1 In addition to the transitional protection scheme, the Government is providing an increase to the Discretionary Housing Payments funding for Local Authorities of £10 million for the financial year 2011/12 and £40 million from 2012/2013. It is recognised that more of the funding will go to the London Authorities because of the impact the LHA caps will have on those areas.
- 6.2 The funding East Devon District Council receives for DHP's for 2010/11 is £59,432. The maximum the Council can give is limited to £148,580, which is 2.5 times the annual grant. We are currently on track to spend all the allocated annual grant. For 2011/12 the funding we will receive will increase to £70,921 which means the maximum the Council can give is £177,303. Although this is an increase in the annual grant of £11,489 for next financial year, it is clearly not going to meet the difference in the amount by which customers' housing benefit could reduce.
- 6.3 It is expected that all Councils will see an increase in the number of customers applying for a DHP. In preparation of these welfare changes, we have been updating this whole area of work as this had not been properly reviewed for a number of years. We also need to ensure that the process is fair and that payments are targeted effectively. So far we have:
- Drafted a DHP policy together with equality impact assessment
  - Redesigned and reworded the application form (current form creates preventable demand). This is with James DeLeiburne in the Document Centre as it needs some final amendments before trialling the new form.
  - Updated all the DHP letters we send to customers
  - Updated the procedure document
  - Updated the DHP leaflet
- 6.4 The updated DWP guidance on DHPs, which was due December 2010, is not now expected until the end of February 2011. Until we receive this guidance we are unable to complete this work, although it is my intention to have this done before the end of March.
- 6.5 Dennis and I will be exploring ways of assessing DHP claims to ensure that;
- we are awarding payments to those with the greatest need.
  - we consult and work more closely with other support agencies on DHP's.
- 6.6 This is particularly important so that the most vulnerable know how to apply and also that we successfully manage the expectations of customers and welfare agencies as regrettably, for the majority affected by these cuts, DHP will not be able to fully meet the shortfall.
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## **Legal Implications**

The legal framework for changes to the Benefits system is set out within the report and requires no further comment.

## **Financial Implications**

This legislation will put pressure on the Benefits service and the Homeless Persons service in terms of both officer time and budgets. As the changes will be phased over anniversary dates, the full impact will not be felt until the end of the 11/12 financial year.

This may also affect the collection rate of Council Tax currently at 98.6%.

## **Consultation on Reports to the Executive**

This report went to SMT on 2 February 2011

## **Background Papers**

- DWP Circular
- Data from the Revenues & Benefits computer system
- Appendix 1 Broad Market Rental Areas from the Valuation Office Agency

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Libby Jarrett  
Revenues & Benefits Manager

Overview & Scrutiny Co-ordinating Committee  
16 March 2011

## Local Housing Allowances 50<sup>th</sup> percentile compared to 30<sup>th</sup> percentile

This shows how the planned changes announced by the Government could affect Local Housing Allowance rates.

The comparison shows what the LHA rates for January 2011 would have been if based on the NEW 30<sup>th</sup> percentile (the actual January 2011 LHA rates based on the 50<sup>th</sup> percentile are shown as OLD)

Information from VOA's LHA Permitted Rates

NOTE the changes for existing customer will be from the anniversary date after 01 April 2011 plus up to 9 months transitional protection. For new customers the changes are effective from 1 April 2011.

Broad Rental Market Area	Weekly rates																
	1 bedroom shared accommodation			1 bedroom			2 bedrooms			3 bedrooms			4 bedroom bedrooms				
	OLD	NEW	NEW	OLD	NEW	NEW	OLD	NEW	NEW	OLD	NEW	NEW	OLD	NEW	NEW	OLD	NEW
Mid & East Devon	£12.50	£70.00	£31.15	£25.92	£115.38	£144.28	£50.00	£196.15	£178.08	£144.28	£196.15	£178.08	£144.28	£196.15	£178.08	£144.28	£196.15
Exeter	£10.00	£75.00	£19.82	£150.00	£132.69	£155.77	£75.00	£206.54	£155.77	£132.69	£155.77	£132.69	£155.77	£132.69	£155.77	£132.69	£155.77
Mid & West Dorset	£9.25	£66.25	£103.85	£141.23	£132.09	£155.77	£132.09	£196.15	£132.09	£132.09	£155.77	£132.09	£132.09	£155.77	£132.09	£132.09	£155.77
Broad Rental Market Area	Monthly rates																
	1 bedroom shared accommodation			1 bedroom			2 bedrooms			3 bedrooms			4 bedroom bedrooms				
	OLD	NEW	NEW	OLD	NEW	NEW	OLD	NEW	NEW	OLD	NEW	NEW	OLD	NEW	NEW	OLD	NEW
Mid & East Devon	£14.17	£803.33	£394.98	£223.95	£499.38	£625.00	£650.00	£625.00	£625.00	£625.00	£625.00	£625.00	£625.00	£625.00	£625.00	£625.00	£625.00
Exeter	£216.87	£925.00	£475.02	£650.00	£674.99	£675.00	£750.01	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00
Mid & West Dorset	£300.00	£297.09	£450.92	£62.500	£574.99	£675.00	£72.501	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00	£675.00

Item 9 Draft Annual Report of the Overview & Scrutiny Committees 2010/11  
**Annual Report of the Overview and Scrutiny Committees 2010/11**

This was the second year of the four-committee structure for overview and scrutiny (excluding Housing Review Board which is submitted under a separate report). All four Committees have kept in mind the four main principles of scrutiny: provide a 'critical friend' challenge to the Executive Board as well as external authorities and agencies; reflect the voice and concerns of the public and its communities; take the lead and own the scrutiny process on behalf of the public; and make an impact on the delivery of public services

The broad remits of the four Committees are:

**Overview & Scrutiny Co-ordinating**

- Developing partnership working, helping to achieve integrated Devon service delivery;
- Achieving savings through remote working with neighbouring authorities;
- Working with parish councils, Police, Fire and the Primary Care Trust;
- Comprehensive Area Assessment issues;
- Local Strategic Partnership commissioning;
- Crime and Disorder.

**Communities Overview & Scrutiny**

- Affordable housing, housing availability;
- Urban, rural and Safe Communities;
- Developing, reviewing and monitoring the effectiveness of the Council's work on equality and diversity;
- Developing and implementing the community empowerment visions;
- Scrutinise community engagement and empowerment initiatives and governance arrangements, with input from communities to drive improvement.

**Economy Overview & Scrutiny**

- Recession recovery;
- Town services and High street future;
- Skills and training;
- School provision for leavers and achievers; further education provision;
- Property based decisions;
- Local government association issues.

**Service Delivery and Performance Overview & Scrutiny**

- Focus on the right sized establishment;
- Monitoring progress of systems thinking reviews;
- Monitor on-target delivery

Over the past year the Committees have worked to build on their respective roles. The Chairmen and Vice-Chairmen of each committee have also met informally on a regular basis to debate issues, progress and assessing the workload of each Committee. The Committees have tackled a number of issues relating to the Council's Corporate Priorities:

**Thriving communities**

**Business Improvement Districts**

The Economy Overview & Scrutiny Committee have looked in detail at the concept of BIDs, receiving a presentation from the project director of the Dorchester BID and questioning the work involved in achieving a successful BID. Initial review has looked at how effective a BID for Exmouth would be, in discussion with the Exmouth Town Centre Manager; and some local representatives of other areas in the District gave their views for how it may apply in their area. The recommendation that went forward was approved by the Executive as "this Council supports the proposed Business Improvement District for Exmouth on the basis that Exmouth Town Council supports it as well, with the Portfolio Holder Economy providing a useful link between the Council and business community".

## **Crime and Disorder**

Joint arrangements to run alongside the existing Community Safety Partnership (CSP) have been put in place between East Devon District Council and Mid Devon District Council to monitor the work of the CSP. This East and Mid Devon Crime and Disorder Scrutiny Panel meets at least twice a year, and feedback to the Co-ordinating Committee. Work to date has focussed on the roles of the Community Safety Officers from both authorities, in terms of barriers they faced and how reduced budgets for all partner agencies would impact on community safety work. With proposed changes to replace Anti-Social Behaviour Orders with other measures, there will be further work for the joint scrutiny Panel in assessing the impact of those measures.

## **Leisure East Devon**

The Co-ordinating Committee held a review of Leisure East Devon (LED) in June of 2010, hearing from LED's new Chief Executive on his work in reviewing how the service operated in the current economic climate, and the investment made by LED in equipment and facility improvements. Members were joined by Adam Ward of the East and Mid Devon Youth Parliament to debate pricing strategies, reviewing catering options and considering diversifying the use of the existing facilities. Members were also keen to see a reduction in the service payment to LED to move towards the service being self-financing in the longer term. Since the review, budget reduction has been agreed of a 5% year on year of service payment. Work is ongoing to combine some of the Exmouth advisory groups as recommended by the Committee. Members may wish to receive an update in the new civic year on progress by LED since that review.

## **Asset Management**

Members considered the Asset Management Plan, Off-Street Car Park Review, and the Public Open Space, Sport & Recreation Policy. Debate on this topic led to a resolution for further work to be done in establishing the Council's approach to asset management. This covered improving return on assets towards the Council's revenue and capital budget; taking account of community value of assets; consider disposals, asset transfer and alternative use; and asset acquisition as a spend to save option. During debate on the draft budgets for 2011/12, the Committee also recommended a further report on the requirement and practicality of setting up a specialised proactive team to deal with asset management. (additional information to be added after March 16 meeting)

## **Changes to Health provision**

Members have received a number of presentations relating to the planned changes to the provision of health care from 2013 when the Primary Care Trust is due to be disbanded, and how those changes may impact on a number of health issues for the District. Recommendations were made for a strong involvement of the Council in setting the permanent arrangements for management of local community hospitals.

## **Exeter and Heart of Devon Area Tourism Partnership**

Economy Overview and Scrutiny Committee received a presentation from Derek Phillips, Chairman of the Exeter & Heart of Devon and Victoria Hatfield from Exeter City Council, on the workings of the Exeter & Heart of Devon Area Tourism Partnership. Although the Council has not contributed financially to the Partnership, Members discussed other ways that tourism was supported in the District, such as the Regeneration work and EDDC's financial contribution to Town Management as a couple of examples.

## **An outstanding environment**

### **Local Development Framework**

The Co-ordinating Committee was a 'consultee' on the proposed Core Strategy. Members were concerned that there had not been opportunity to debate the strategy and discuss the then increased figures of housing units despite the abolishment of the Regional Spatial Strategy figures. The meetings attracted a number of public speakers representing both resident and business communities. The minutes of the meeting were submitted as a consultation response to the LDF consultation document.

Specific issues, such as Farm Shops and the impact of business at Devon Cliffs, Exmouth, have also been reviewed to help inform the evidence base for the LDF.

## **Excellent Service for our Customers**

### **Systems Thinking**

Measures reports for the Benefits and Planning service have been regularly presented to the Service Delivery & Performance Committee, demonstrating the continued improvement to each service. This has expanded to include Housing and Streetscene to keep Members informed of progress in improvements.

### **Quarterly Monitoring**

Improvements have been made to the presentation of the information for monitoring, in conjunction with Members, to provide reports that make performance issues quickly identifiable. Reports include comments from Service Heads and remedial action taken. Individual issues have therefore been easily identified and clear explanations sought to in order to swiftly address any issues.

### **Place Survey Results**

Responding to the survey results of 2008, Members looked in depth at how to improve residents ability to influence local decisions. Martin Woods, Assistant Director from South Somerset District Council, went through the engagement strategies adopted at SSDC. A number of recommendations were made relating to improving communication with local communities on planning issues and ways that Members could raise their profile.

### **Joint Scrutiny with South Somerset District Council**

In response to the formation of the Joint Integration Committee, Members formed a joint Scrutiny arrangement with Members from the Scrutiny Committee of SSDC to follow closely the work of the JIC and offer recommendations for how the review of joint services should be undertaken. Members had in-depth debates over the proposed shared management structure, sharing of some services, and concerns over capacity during such a transition. The exploration of further sharing with SSDC is, as Members are aware, now on hold; however useful work undertaken by the joint Scrutiny Panel will be revisited when appropriate.

### **Scrutinising Scrutiny**

Members of the Co-ordinating Committee considered options for further improvement to the Scrutiny function in order to better hold the Executive to account as its "critical friend". The Committee made a number of resolutions to increase their effectiveness; and recommendations to include the Chairman of Housing Review Board as a main Overview and Scrutiny committee member; and a revised committee structure to help reduce costs and keep effective scrutiny through a single committee structure with scoped Task and Finish Forums undertaking specific reviews. Whilst the Executive Board supported the principle of a single Overview and Scrutiny Committee, the final decision rests with the newly formed Council in May 2011.

### **Call-ins**

A special meeting was called in August to handle two call-ins, covering a Portfolio Holder decision and an Executive Board decision.

### **Transfer of land for reinforcing of rock revetment at Exmouth Docks**

Public speakers and Member debate covered concerns about the loss of public beach, establishing clear responsibilities for maintenance and having dialogue with other agencies on the impact of developing the dock area. The OSCC recommended that a clear report be submitted to the Executive Board to consider if it was appropriate for authority to be given to open negotiations on the land strip, and to ensure consultation was carried out with local residents, Ward Members and other interested parties to consider impact. This report has yet to go back to the Executive Board.

### **Not to transfer land at Lace Walk car park, Honiton, to Honiton Town Council to facilitate a community centre**

Representatives from the local community and Honiton Town Council voiced their concerns over the decision by the Executive and the impact of the location should it be approved. The Committee questioned the reasons for the decision by the Executive, and passionate debate took place on the issue. The recommendation was made for the Executive to revisit their decision for a number of reasons and to work with Honiton Town Council to clarify costs and timescale for a centre, regardless of its final location. Since that meeting, further consultation and negotiation has been undertaken with

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Other work by the Committees during the year has included:

- Presentation by Devon & Cornwall Constabulary on changes to the service provided, such as station opening hours. Further presentation will be made to an Overview and Scrutiny Committee in 2011/12 to cover the detail of service changes now that the Constabulary is aware of the budget reduction faced;
- Considering the implications of the Diversity Peer Challenge report and actions, and how they should be taken into account in all aspects of Council decision and policy making;
- Monitoring Equalities action plans, with a recommendation to include the responsibility for equality and diversity in the job description of a designated officer;
- Presentation from the Community Council for Devon on their role. Funding through a service level agreement has been retained for the 2011/12 budget;
- Presentation from the East Devon Citizens' Advice Bureau demonstrating the activity and benefits of the service. Funding has also been retained in the 2011/12 budget;
- Reviewing changes to legislation for education for 16 – 19 year olds and how that would impact on the skills agenda;
- Regular reports from the Economy Portfolio Holder;
- Reviewing the business plan for the East Devon Business Centre;
- Investigation into workshop provision for small businesses in East Devon;
- Updating on the A3052 and A376 transport corridors;
- Updates on the Devon Economic Assessment;
- Updates on Local Enterprise Partnerships

**13. The Vice Chairman to move the following:-**

"that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B)."