



Corporate Overview and Scrutiny Management Board

Date **Friday 15 September 2017**
Time **9.30 am**
Venue **Committee Room 2, County Hall, Durham**

Business

Part A

Items during which the Press and Public are welcome to attend. Members of the Public can ask questions with the Chairman's agreement.

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held on 23 June 2017 (Pages 3 - 10)
4. Declarations of Interest, if any.
5. Update on the delivery of the Medium Term Financial Plan 6 (Pages 11 - 14)
Report of the Director of Transformation and Partnerships
6. Regulation of Investigatory Powers Act 2000 - Annual Review of the Council's use of powers and approval of RIPA Corporate Guidance Document (Pages 15 - 60)
Report of the Head of Legal and Democratic Services
7. Scrutiny of the Medium Term Financial Plan (8) (Pages 61 - 162)
Report of the Corporate Director Resources.
8. Quarter 1 2017/18 Performance Management Report (Pages 163 - 218)
Report of the Director of Transformation and Partnerships.
9. Customer Feedback Report Quarter 1 2017 - 2018 (Pages 219 - 234)
Report of the Corporate Director Resources
10. General Fund Revenue and Capital Outturn Q4 (Pages 235 - 264)

- (i) Report of the Corporate Director Resources
 - (ii) Report of the Director of Transformation and Partnerships
11. Notice of key decisions (Pages 265 - 274)
Report of the Head of Legal and Democratic Services
12. Information update from the Chairs of the Overview and Scrutiny Committees (Pages 275 - 280)

Helen Lynch
Head of Legal and Democratic Services

County Hall
Durham
7 September 2017

To: **The Members of the Corporate Overview and Scrutiny Management Board**

Councillor R Crute (Chairman)
Councillor A Patterson (Vice-Chairman)

Councillors E Adam, A Batey, R Bell, D Boyes, J Chaplow, M Clarke, K Hawley, P Jopling, H Liddle, L Maddison, J Makepeace, C Martin, O Milburn, C Potts, L Pounder, J Rowlandson, M Simmons, H Smith, F Tinsley, J Turnbull, M Wilkes, A Willis and S Zair

Faith Communities Representatives:
Mrs M Elliott

Parent Governor Representatives:
Mr R Patel

Contact: Lucy Gladders

Email: 03000 269712

DURHAM COUNTY COUNCIL

At a Meeting of **Corporate Overview and Scrutiny Management Board** held in Committee Room 2, County Hall, Durham on **Friday 23 June 2017 at 9.30 am**

Present:

Councillor R Crute (Chair)

Members of the Committee:

Councillors E Adam, A Batey, M Clarke, I Jewell (substitute for H Smith), P Jopling, H Liddle, L Maddison, J Makepeace, O Milburn, M Nicholls, A Patterson (Vice-Chair), M Simmons, O Temple (substitute for C Martin), J Turnbull, A Willis and S Zair

1 Apologies for Absence

Apologies for absence were received from Councillors R Bell, K Hawley, C Martin, J Rowlandson, H Smith, F Tinsley and Mrs M Elliott (Faith Communities Representative).

2 Substitute Members

Councillor I Jewell substituted for Councillor H Smith and Councillor O Temple substituted for Councillor C Martin.

3 Minutes

The minutes of the Overview and Scrutiny Management Board held on 24 March 2017 were confirmed as a correct record and signed by the Chairman.

Referring to points raised from the minutes of the meeting held on the 24 March 2017, the Head of Strategy provided the following updates:-

- Item 6, paragraph 6 regarding unemployment figures and the percentage gap of people not accounted for – as well as 230,000 unemployed and 34,000 who wanted a job, there were 61,000 people who were economically inactive.
- Item 6, paragraph 9 regarding the high percentage of schools not performing as well – 9 secondary schools required improvement 3 of the schools were maintained by the authority and 6 were academies.

The minutes of the Corporate Issues Overview and Scrutiny Committee held on 21 April 2017 were confirmed as a correct record and signed by the Chairman.

Referring to points raised from the minutes of the meeting held on the 21 April 2017, the Head of Strategy provided the following updates:-

- Item 6, paragraph 4 referring to staff losses and turnover – In quarter 3 to quarter 4 the staff turnover had moved from 8,364 to 8,284 which was a loss of 100 staff with 180 leavers and 86 starters with a churn in casual staff.
- Item 7, paragraph 5 referring to the closure of the leisure centre at Crook and the allocated funding for replacement community facilities – leisure facilities in Crook would open in July/August 2017.
- Item 9, paragraph 3 referring to the number of managers who had not received training on the updated policy – a list of managers who had not undertaken the training had been given to the Heads of Service, and reminder e-mails had also been sent to those managers.

4 Declarations of Interest

There were no declarations of interest.

5 County Durham Partnership Update:

The Board considered a report of the Director of Transformation and Partnerships that updated Members on issues being addressed by the County Durham Partnership including the board, the five thematic partnerships and all area action partnership. The report also included updates on other key initiatives being carried out in partnership across the county (for copy of report, see file of minutes).

Councillor Nicholls complimented the work that had been done on suicide prevention.

Councillor Jopling referred to food banks and how they could engage with people to educate on how to better use their income but how could they engage with people who didn't use food banks. She also referred to the Salvation Army now offering cookery lessons.

The Principal Area Action Partnership Co-ordinator responded that P Darby was leading a partnership that were looking at a single point of entry for people to receive advice and a universal offering on where to go for help.

Councillor Adam referred to the gross disposable household income that had increased 18.1% since 2008 and how people had more disposable income but income had frozen.

The Principal Area Action Partnership Co-ordinator responded that the figures were from 2008 so were pre-recession and that they also reflected the private sector as well as the public sector but deprivation and the gap still existed.

Members commented that this could be a future scrutiny topic for the work programme.

Councillor Batey commented that the Area Action Partnership provided good quality presentations and were willing to talk to people at the local level which was delivered in a less formal way.

Members discussed food banks and how many people who used these were in full-time employment.

Councillor Turnbull referred to the Mid Durham AAP who had previously gone out to villages and would be doing so again. The foodbank located in Brandon was well used and they had a range of officers in attendance who were not just from the council and had recently offered computer training at the food bank.

Resolved: That the contents of the report be noted.

6 Quarter 4 2016/17 Performance Management Report:

The Board considered a report of the Director of Transformation and Partnerships that provided progress against the council's corporate performance framework by Altogether priority theme for the fourth quarter for the 2016/17 financial year. A presentation was given by the Head of Strategy (for copy of report and slides, see file of minutes).

Councillor Liddle referred to fly tipping being a massive concern in her division and asked what impact had the introduction of permits made, had it improved or remained the same. The Chairman indicated that fly tipping was an issue in his ward.

Members discussed how some local authorities did not charge for the collection of bulky waste but due to the harmonisation of services DCC did now charge and had this impacted on the increase in fly-tipping.

Councillor Maddison referred to the workload of social workers and had this been taken into consideration for part time workers.

The Head of Strategy responded that the hours worked was taken into consideration as part of the workload. Members commented that it was about the level of support rather than numbers.

Councillor Jopling commented that the number of children taken into care had increased and were there links with other areas such as an increase in population, alcohol treatment or parents not engaging.

The Head of Strategy responded that they were currently looking into this as part of a piece of work commissioned by the Corporate Director of Children and Young People's Services.

Councillor Jopling then referred to apprenticeships and how the Council picked up those who dropped out of schemes and worked to re-engage with training providers.

Councillor Batey as Chair of the Economy and Enterprise Overview and Scrutiny Committee responded that this was on the work programme for her committee.

Councillor Adam referred to fly-tipping and indicated that the Environment and Sustainable Communities Overview and Scrutiny Committee had done some work on this and it had not been proven that the increase in charges had an impact on fly-tipping. He referred to some fly-tipping which was as a result of people coming over the border. He advised that the Environment and Sustainable Communities Overview and Scrutiny Committee would keep focus on this.

Councillor Adam also commented on whether there was a correlation with the 10% of people looking for work with a particular age group who were unemployed. The Head of Strategy responded that further analysis of employment going forward would be considered by the Economy and Enterprise Overview and Scrutiny Committee.

Councillor Makepeace asked if there was a correlation with the cost of clean-up with the cost of charges. The Chairman indicated that this had been looked at and it was found to be cost neutral.

Councillor Nicholls commented that fly-tipping in his area was rogue landlords who just wanted a quick turnaround with old/new tenants. He then referred to alcohol and young people and how they had come a long way by working with young people and shop owners. He also commented that people were living longer and that women were living longer than men.

Councillor Temple raised on behalf on Councillor Martin the declining occupancy rates in town centres and if this was a blanket problem or just certain towns.

Councillor Batey responded that this was going to be looked at by the Economy and Enterprise Overview and Scrutiny Committee.

Councillor Turnbull asked for the figures on looked after children and how many were new to the county. Cllr Jewell responded that the Corporate Parenting Panel do look at these figures.

Councillor Jewell referred to deliberate fires and where the intelligence was coming from and what was it telling us. The Head of Strategy advised that the intelligence was received from the Safe Durham Partnership. More information was also required on the deterioration of town centres.

Councillor Jopling referred to the shortage of social workers and how turnover was fast and the reasons for this.

The Head of Strategy responded this was in part due to re-organisation. The Children and Young People's Overview and Scrutiny Committee will be looking at the role of the Social Worker through the eyes of a child in the coming year.

Councillor Jewell commented that Sunderland City Council had increased their salaries for Social workers which had resulted in many social workers leaving to join Sunderland City Council.

Councillor Adam commented that in his ward they had five fires in a month and following a visit by County Durham and Fire Rescue Services to a local school, the fires stopped.

Resolved: That the contents of the report be noted.

7 Customer Feedback: Quarter 4 Annual Representations:

The Board considered a report of the Corporate Director of Resource; Corporate Director of Adult and Health Services and Corporate Director of Children and Young People's Services which presented the Customer Feedback: Complaints, Compliments and Suggestions 2016/17 Year End; the Annual Representations report for Adults and Health Services 2016/17 and the Annual Representations report for Children's and Young People's Services 2016/17 (for copy of report, see file of minutes).

Councillor Adam referred to the pie chart on page 99 of the report and indicated if they got rid of some of the incidents relating to bin collections this would amount to 40% of the complaints. He asked if the complaints were relevant to a particular area.

The Head of Digital and Customer Services responded that a cross-service working group had been established to reduce missed collections. A number of complaints had been received when the new routes were introduced.

Councillor Patterson referred to the procedure for missed green bins in particular if a refund was given. The Head of Digital and Customer Services responded that they did have a policy in place and they would go back and collect a missed bin within 2 days and if this was not done a refund would be given.

Councillor Jewell asked if missed bins were sometimes associated with access issues such as parked vehicles. The Head of Digital and Customer Services responded that this would not be included in the figures for complaints unless it was a recurring issue.

Councillor Jopling sought clarification on the procedures for contaminated bins in particular if bins were removed. The Head of Digital and Customer Services advised of the procedure and that the removal of the bin would be a last resort and was due to the costs associated with the removal of the contamination from the plant.

Councillor Simmons referred to contamination in bins due to take away cartons being placed in bins in residential properties. The Head of Digital and Customer Services responded that it was up to the resident to manage.

Resolved: That the contents of the report be noted.

8 Overview and Scrutiny Annual Report 2016/17:

The Board received a report of the Director of Transformation and Partnerships that presented the Overview and Scrutiny Annual Report 2016/17 for comments and approval prior to its submission to the County Council Meeting (for copy of report, see file of minutes).

Resolved: That the Overview and Scrutiny Annual Report be agreed and submitted to the County Council meeting to be held on 19 July 2017.

9 Review of the Committee's Work Programme 2017-19:

The Board received a report of the Director of Transformation and Partnerships which provided an updated work programme for the Corporate Overview and Scrutiny Management Board 2017-19 (for copy of report, see file of minutes).

Resolved: That the work programme 2017-19 as attached to the report be agreed.

10 Notice of Key Decisions:

The Board considered a report of the Head of Legal and Democratic Services that provided a list of key decision that were scheduled to be considered by the Executive (for copy of report, see file of minutes).

The Senior Committee Services Officer reported that since the last update, Aykley Heads project update had moved to September. The Durham City Sustainable Transport Strategy had moved to October and new to the plan for July was the Drug and Alcohol Recovery Service Procurement, for September was the Strategy for School provision and for October was the 2018/19 General Fund Revenue and Capital Budget MTFP 8, Council Plan and Service Plans.

Resolved: That the information contained in the report be noted.

11 Petitions Update:

The Board considered a report of the Head of Legal and Democratic Services that provided an update on the current situation regarding various petitions received by the Authority (for copy of report, see file of minutes).

The Senior Committee Services Officer reported that since the last update, 2 new paper petitions had been received and had completed the process. 4 new e-petitions had been hosted on the website. One was still live and collecting signatures until 30 June relating to Neville's Cross 30 mph and road safety review and currently had 177 signatures.

Since the papers were printed Petition 207 – Speeding and Parking, Buckingham Road, Peterlee received 1 signature on e-petition and a paper petition with 10 signatures was also received and was waiting for a response from the service.

Petition 308 – Term Time Holiday received 1 signature and the information had been passed to the service.

Resolved: That the information contained in the report be noted.

12 Information update from Overview and Scrutiny Chairs:

The Board considered a report of the Director of Transformation and Partnerships that provided an update of overview and scrutiny activity from March 2017 – June 2017 (for copy of report, see file of minutes).

Resolved: That the information contained in the report be noted.

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**Corporate Overview and Scrutiny
Management Board**

15th September 2017

Cabinet

12th July 2017

**Update on the delivery of the
Medium Term Financial Plan 6**



Report of Corporate Management Team

Lorraine O'Donnell, Director Transformation and Partnerships

Councillor Simon Henig, Leader of the Council and all Cabinet collectively

Purpose of the Report

- 1 This report provides confirmation that the 2016/17 Medium Term Financial Plan (MTFP6) has been successfully delivered.

Background

- 2 Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within the MTFP since 2011/12.
- 3 The latest MTFP6 was agreed by Council in February 2016 and set a savings target of just over £28 million. This brings the overall savings target for the period from 2011/12 to 2019/20 of around £250 million.

Progress to date

- 4 The delivery of the MTFP is being managed with a very robust programme management approach being adopted to ensure we take into account:
 - Our duties under the Equality Act
 - Appropriate consultation
 - The HR implications of the change including consultation with employees and trade unions
 - Communication of the change and the consultation results
 - Sound risk management.

- 5 Through this robust approach we continue to take in managing the programme to deliver the savings required, the plans for 2016/17 have now been successfully delivered. Since 2011 we have now made over £185,828,961 million of savings including Public Health.
- 6 The remaining £2.7 million of savings made during the last quarter of 2016/17 to deliver MTFP6 were mainly from proposals that had already been put in place during the year, including; increased charging income in respect of adult care provision; consistent and effective use of existing eligibility criteria, a review of home to school transport policies; a review within youth support; and savings in provision of leisure facilities.
- 7 In some instances where it is not possible to deliver specific proposals, due perhaps to budget pressures or due to timing issues in developing the proposals mitigating actions are put in place to ensure the overall savings target is achieved. The mitigation can include the overachievement of savings from other proposals and the occasional use of cash limits where it is appropriate to delay the delivery of the savings for a short period. Through rigorous monitoring of the savings we identify these issues early and are able to put in place the necessary mitigation to ensure we meet our overall savings target. As with previous years for some of the savings planned in 2016/17 mitigation was put in place.
- 8 An example of this is the savings proposed through a review of business support services. In the update on the MTFP to Cabinet in December 2016 members were advised that the planned savings for 2016/17 through this review of business support functions have now been incorporated into the Transformation Programme savings to be delivered as part of the wider savings that will be identified from the programme.

Consultation

- 9 There were no public consultations relating to MTFP6 during this last quarter.

HR implications

- 10 In the fourth quarter of 2016/17 we accepted 72 ER/VR applications, made 3 employees redundant and 17 vacant posts were removed from the establishment as a result of the MTFP proposals. As per our usual approach of delivering our savings early the majority of this activity relates to proposals that will help deliver the savings for MTFP7.
- 11 During 2016/17 137 FTE posts left via ER/VR or VR, we have deleted 85 vacant posts and unfortunately made 19 posts redundant.
- 12 Since 2011 a total of 1,335 ER/VR applications have been accepted, 599 vacant posts deleted and 558 compulsory redundancies made.

HR Implications

- 13 Data relating to staff leaving through voluntary redundancy, early retirement and ER/VR during this quarter showed that 68% were female and 32% were male, this represents a slightly disproportionately higher level of females in

comparison with the overall gender profile for staff. Overall 68% of leavers had not disclosed a disability, 26% said they were not disabled and 6% had a disability. Less than 2% of leavers were BME.

- 14 The staff numbers of those leaving through compulsory redundancies are too low to analyse.
- 15 The Council continues to support employees affected by the MTFP savings plans and the total number of staff who have been redeployed is 436 since the process started.
- 16 Up to the end of March 2017 we have over 176 open expressions of interest for ER/VR which are actively monitored and supported wherever possible in order to reduce the need for future compulsory redundancies.

Equality Impact Assessments

- 17 Equality impact assessments (EIA) form a key part of the ongoing MTFP process. A number of initial screenings for new savings and updated EIAs for ongoing savings were provided to Cabinet ahead of the budget setting decision in February 2016. They are updated during the year to take account of consultation responses and additional evidence; the updates also include information on any mitigating actions.
- 18 The impact assessments and action plans are considered during decision making processes, for example, updated EIAs are provided where Cabinet receive a report ahead of consultation and where a further report is received with any final recommendations.

Conclusions

- 19 We are continuing to assume the Government's austerity programme will continue for several more years, however the Council remains in a strong position to meet the ongoing financial challenges and through the robust management process supporting the MTFP ensures we remain ahead of the savings target requirements.
- 20 We can confirm that the Council has delivered all of the savings planned for 2016/17 through MTFP6 which brings the total savings made since 2011 to over £185million including savings in Public Health.
- 21 Work is now underway implementing the plans for delivery of MTFP7 which will deliver a further £23.3million of savings by the end of April 2018.

Recommendations

- 22 Members are recommended to note the contents of this report and the progress made in delivering MTFP6.

Contact: Roger Goodes, Head of Policy & Communications
Tel: 03000 268050

Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £250million over the period from 2011 to 2020 of which over £185.8million has been delivered to date.

Staffing – Where the proposals affect staff, full consultation is undertaken and the trade unions consulted. Wherever possible, staff reductions are done through voluntary means. In addition, there has been a proactive management of vacancies to lessen the impact on staff and the Council has a redeployment process which continues to find alternative employment for a number of staff

Risk – The delivery of the MTFP is highlighted as one of the Council's strategic risks and is monitored through the corporate risk management process. In addition, risks for individual proposals are being monitored through the work undertaken to deliver the proposal.

Equality and Diversity / Public Sector Equality Duty – An Equality Impact Assessment (EIA) was undertaken for the original 4 year MTFP plan and additional screening was undertaken for proposals which have been identified for subsequent MTFPs, together with any other changes made to the original plan. In addition, for each proposal an EIA is undertaken as part of the decision-making before the proposal is implemented.

Accommodation - As proposals are planned the impact on accommodation is ascertained, with staff being consulted on any moves as part of the process. The loss of over 2,492 posts from the Authority will mean a requirement for less accommodation and the Office Accommodation Team has built this into the Office Accommodation Strategy.

Crime and Disorder – N/A

Human Rights – N/A

Consultation – A full consultation with a range of stakeholders was undertaken on the MTFP prior to its agreement and again in 2013. In addition, where appropriate for individual proposals, internal and external consultation plans are developed so that consultation informs the decision making process.

Procurement – A number of the proposals involve the changing of existing contracts and this work is being taken forward through the Council's agreed procurement processes.

Disability Issues – Any disability impacts are being picked up through the Equality Impact Assessments undertaken.

Legal Implications – The legal implications of any decisions required are being considered as part of the delivery of the proposals.

**Corporate Overview and Scrutiny
Management Board**

15 September 2017

**Regulation of Investigatory Powers Act
2000 – Annual Review of the Council’s
use of powers and approval of RIPA
Corporate Guidance Document**



Report of Helen Lynch, Head of Legal and Democratic Services

Purpose of the Report

1. To inform members about the Council’s use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA) during the period 1 April 2016 to 31 March 2017 and to invite members to approve the Council’s Corporate Guidance Document relating to RIPA for the forthcoming year.

The Council’s use of RIPA for the period 1 April 2016 – 31 March 2017

2. The table below provides details of RIPA authorisations that have been granted by the Council during the period 1 April 2016 to 31 March 2017. Authorisations are approved by the Magistrates, who ensure that the correct procedures have been followed and relevant factors have been taken account of.

Type of Investigation	Number of Authorisations during the period 1 April 2016 – 31 March 2017
Illicit tobacco	5 x Directed Surveillance, 4 x CHIS (Covert Human Intelligence Source)
Underage sales of alcohol/tobacco	5 x Directed Surveillance
Counterfeit Goods	1 x Directed Surveillance, 2 x CHIS
Other	1 x Communications data
	Total - 18

3. The Council’s use of its powers under RIPA has decreased in comparison to the previous year with 18 RIPA authorisations granted compared to 31 in 2016-17. Trading Standards continues to receive reliable intelligence on a number of issues. This intelligence is used to prioritise operations and has resulted in a number of significant seizures and enforcement action. However, more complex operations require more resources,

planning and execution so it is not always possible to maintain the same level of action year on year.

4. The service is also utilising alternative enforcement methods such as website “takedowns” which can have an immediate impact, if not necessarily resulting in enforcement action. Many enforcement actions are also being followed by Proceeds of Crime actions, seizures and restraints. This can also have an impact on the volume of activity being undertaken but can be seen as an important tactic which could result in criminal profits being awarded to the Council
5. One authorisation was refused by a District Judge on the basis that there was insufficient evidence to justify the surveillance because the operation stemmed from an anonymous letter and the suspects were not known to the police. The Judge suggested to officers that a test purchase could provide that evidence
6. Following this, the Council's Senior Responsible Officer formally reported an error to the Office of Surveillance Commissioners on 16 March 2017. This related to a test purchase on a different operation as it had been directed by a Judge. The Consumer Protection Manager confirmed that officers took the step of carrying out the test purchase without judicial approval to secure further evidence to present to the Magistrates' when applying for authorisation. The Consumer Protection Manager has reminded his officers that if surveillance is necessary and proportionate, they must complete the RIPA application for directed surveillance and/or a CHIS for consideration and approval by the Authorising Officer and then obtain judicial approval.
7. Notwithstanding the error reported to the OSC, the Council's Senior Responsible Officer is satisfied that the Council's use of its powers under RIPA during 2016-17 is consistent with the Council's policy.

Training

8. The Office of Surveillance Commissioners, which oversees the use of covert surveillance by designated public authorities, places a high value on training. RIPA training was last held in March 2016 and the next training session is due to take place on 21 September 2017.

Review of the Council's Corporate Guidance on RIPA

9. The Council's RIPA guidance was last approved by Committee at its meeting held on 10 October 2016.
10. As part of the annual review, the Council's RIPA policy has been reviewed and is attached as Appendix 2. The proposed amendments to the guidance relate to staffing changes. It is not considered that any further

changes are required to the document at this stage. Changes to the legislation regarding communications data are expected to come into force in the next year and the policy will be reviewed again at this stage.

Recommendations and Reasons

11. It is recommended that members:
 - i. Receive the annual report on the Council's use of powers under RIPA.
 - ii. Approve the Council's Corporate Guidance Document on the use of RIPA.

Background Papers

None

Contact: Clare Pattinson

Tel: 03000 269679

Appendix 1: Implications

Finance: None

Staffing: None

Equality and Diversity: None

Accommodation: None

Crime and Disorder: The appropriate use of and oversight of RIPA powers will enable the Council to provide evidence to support appropriate prosecutions and tackle crime.

Human Rights: Use of investigatory powers potentially engages the Human Rights Act 1998 and in particular the qualified right to private and family life under article 8 of the European Convention. This right may only be interfered with in circumstances where it is necessary and proportionate to do so in pursuit of the public interest. The Council's RIPA Corporate Guidance Document is designed to facilitate compliance with the Human Rights Act.

Consultation: None.

Procurement: None

Disability Discrimination Act: None

Legal Implications: The corporate guidance document and the associated procedures are designed to ensure as far as possible that the legislation is complied with. The guidance document sets out the means of compliance with and use of the RIPA legislation by the Council. It is based on the requirements of the Act and the Home Office's relevant Codes of Practice. The Council's objective is to make lawful and appropriate use of surveillance techniques where required whilst complying with the provisions of the Human Rights Act 1998 and in particular the provisions of Article 8 of the ECHR securing respect for an individual's (qualified) right to privacy.



CORPORATE GUIDANCE DOCUMENT

REGULATION OF INVESTIGATORY POWERS ACT 2000

September 2017

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Any member of staff requiring parts of this guidance to be made available in a different language or format should contact their Service Diversity Group member representative.

APPENDICES

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FOREWORD

- 1.0 This document addresses the requirements of the Regulation of Investigatory Powers Act 2000 (RIPA) and its codes of practice, in relation to the covert surveillance of individuals, the use of covert human intelligence sources, including undercover officers/agents/informants and the recording of telephone conversations. In addition, procedures for obtaining communications data fall within the Act's remit.

These procedures provide a summary and overview of the legislation and codes of practice. DO NOT seek to rely on them alone. In the event of any doubt, the officer should refer to the relevant legislation or code or contact Legal Services for advice.

- 1.1 RIPA had effect from 1 October 2000. There are Codes of Practice which impose requirements as regards authorisation procedures and records, which must be followed by Public Authorities undertaking investigations, which fall within the scope of RIPA.
- 1.2 Durham County Council works almost exclusively with, through and for people. We are, therefore, passionate about the authority's commitment to promoting a just society that gives everyone an equal chance to learn, work and live, free from discrimination and prejudice. This guidance demonstrates our desire to carry out our criminal investigations in a fair and equitable manner that respects all human rights and contributing to this commitment.
- 1.3 Enforcement activities of the authority which fall within the remit of RIPA are subject to monitoring and oversight by the Office of Surveillance Commissioners and the Interception of Communication Commissioner's Office.
- 1.4 Staff should therefore familiarise themselves with this document and the Codes of Practice. If in any doubt guidance should be sought before undertaking any activity, which falls within the scope of RIPA.
- 1.5 Complaints made regarding activities of the Authority, which are within the scope of the RIPA, can be investigated by an independent tribunal.
- 1.6 Copies of the Codes of Practice are readily available for reference on the Intranet.
- 1.7 Officers must appreciate that should they fail to follow the requirements of RIPA and Codes of Practice, Durham County Council may be liable to claims alleging breaches of an individual's rights under the Human Rights Act 1998.
- 1.8 Failure to follow RIPA and its Codes of Practice may also adversely affect the admissibility of any evidence obtained using methods covered by the Act. The safety of members of the public supplying information to the council may also be compromised. Where an authorisation is not in place, it may not be possible to seek exemption from disclosure under the provisions of Public Interest Immunity.

- 1.9 When undertaking any covert investigation, officers should have regard to the health and safety of persons affected by the activity. This may include themselves, colleagues and members of the public. A suitable and sufficient risk assessment of the investigation technique being proposed should be undertaken, having regard to Durham County Council Corporate Health and Safety Policy and any supplemental guidance issued by individual directorates. This needs to be communicated to all those at risk.
- 1.10 The monitoring of Internet and e-mail within the Council use is regulated by The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000. The ICT service within the Resources Directorate has software in place to monitor the use of the internet and email. If anomalies are identified, these will be investigated by the Information Security Officer in liaison with Internal Audit.
- 1.12 A register, which records all of the authority's activities falling within the remit of RIPA, has been prepared and is included within the Central Record which is held by Legal and Democratic Services.
- 1.13 **The most frequently used RIPA applications forms are available on the Intranet and from the RIPA Monitoring Officer in Legal and Democratic Services. The other forms are available from the RIPA Monitoring Officer.**

DEFINITIONS

Directed Surveillance and Covert Human Intelligence Sources

Authorising Officer	The person(s) designated under Sections 28 and 29 of the Act to grant authorisations for directed surveillance and the use and conduct of a Covert Human Intelligence Source, respectively. Within a Local Authority this is Corporate Director, Head of Service or Service Manager. The Council's Authorising Officers are appointed by the Chief Executive. A list of the Council's Authorising Officers can be found as Appendix 1.
Confidential Material:	Communications subject to legal privilege, communications between a Member of Parliament and another person on constituency matters, confidential personal information or confidential journalistic material.
Covert Human Intelligence Source: (CHIS)	Commonly known as Agents, Informants, Undercover Officers. (NB. See RIPA and the Codes of Practice for the definition).
Covert Surveillance	Surveillance carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is taking place.
Directed Surveillance:	Means surveillance which is covert but not intrusive, is conducted for the purposes of a specific investigation, is likely to result in the obtaining of private information about a person and is conducted otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of the Act to be sought.
Intrusive Surveillance:	<p><i>In no circumstances is the Council permitted to carry out intrusive surveillance</i></p> <p>Covert surveillance carried out in relation to anything taking place on residential premises or in any private vehicle, that involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.</p> <p>Surveillance which is carried out by means of a surveillance device in relation to anything taking place on any residential premises or in any private vehicle, but is carried out without that device being present on the premises or in the vehicle, is not intrusive unless the device is such that it consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle.</p>

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RIPA Monitoring Officer Governance Solicitor and Senior Committee Services Officer who are responsible for maintaining the central register, the oversight of RIPA applications and training.

Private Information This includes any information relating to a person's private or family life. Private information should be taken generally to include any aspect of a person's private or personal relationship with others, including family and professional or business relationships.

Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person's activities in public may still result in the obtaining of *private information*. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a *public authority* of that person's activities for future consideration or analysis.

Private life considerations are particularly likely to arise if several records are to be analysed together in order to establish, for example, a pattern of behaviour, or if one or more pieces of information (whether or not available in the public domain) are covertly (or in some cases overtly) obtained for the purpose of making a permanent record about a person or for subsequent data processing to generate further information. In such circumstances, the totality of information gleaned may constitute *private information* even if individual records do not. Where such conduct includes surveillance, a directed surveillance *authorisation* may be considered appropriate.

Senior Responsible Officer (SRO): Head of Legal Services/Monitoring Officer who is responsible for the integrity of the process in place within the authority for surveillance, compliance with Part 2 of RIPA and the Codes of Practice, oversight of reporting errors, engagement with the OSC during and post inspections.

Controller The person or designated managerial officer responsible for overseeing the use of the source and recording this information.

Handler An investigating officer having day to day responsibility for:

- dealing with the source on behalf of the authority
- directing the day to day activities of the source
- recording the information supplied by the source
- monitoring the security and welfare of the source.

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Conduct of a Source Any action of that source, falling within the terms of the Act, or action incidental to it.
(i.e. What they do).

"The Use" of a source Any action to induce, ask or assist a person engaged in the conduct of a source or to obtain information by means of an action of the source.
(What they are asked to do).

Surveillance includes:-

- monitoring, observing or listening to persons, their movements, their conversations, or their activities or communications.
- recording anything monitored, observed or listened to in the course of surveillance.
- surveillance by or with the assistance of a surveillance device (any apparatus designed or adapted for use in surveillance).

Tasking: -

An assignment given to the source, asking him or her to obtain information, to provide access to information, or to otherwise act incidentally for the benefit of the relevant public authority.

Communications Data

Applicant

This is the officer involved in conducting an investigation or operation who makes an application electronically for the acquisition of communications data.

Communications Service Provider (CSP)

These include telecommunications, Internet (including email) and postal service providers.

Designated Person

This is the authorising officer for the purposes of obtaining communications data who must be registered with the National Anti Fraud Network by the SRO. This person must not be the applicant.

Senior Responsible Officer (SRO)

Head of Legal Services/ Monitoring Officer who is responsible for ensuring that the Applicant, Designated Person or other person makes available to the Single Point of Contact such information as the SRO thinks necessary to ensure the integrity of the process, oversight of reporting errors, engagement with the IOCCO during and post inspections.

Single Point of Contact (SPOC)

The Council processes its RIPA applications for communications data via the National Anti Fraud Network (NAFN). NAFN operates a secure online system for the acquisition of communications data under RIPA. NAFN officers act as Single Points of Contact or SPoCs to ensure that Council applications meet the necessary standards before the application is approved by a Designated Person (DP) who is an officer within the Council.

A. COVERT SURVEILLANCE

1.0 INTRODUCTION

- 1.1 Covert Surveillance means surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place.
- 1.2 A RIPA authorisation provides lawful authority for a Public Authority to carry out covert surveillance.
- 1.3 The Authorising Officers are documented in the central RIPA record held within Legal and Democratic Services. Where possible, Authorising Officers should not authorise operations in which they are directly involved.
- 1.4 Whenever covert surveillance takes place and is for the purpose of obtaining, or is likely to obtain private information about a person (whether or not they are the target of the operation) an authorisation should be obtained.
- (For exemption see 4.3.)
- 1.5 By obtaining an authorisation, the surveillance operation is carried out in accordance with the law and the safeguards that exist.
- 1.6 Prior to granting an authorisation the Authorising Officer must be satisfied that the proposed surveillance is necessary for the prevention of crime and is proportionate to what it seeks to achieve. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigation and operational terms.
- 1.7 Careful consideration must also be given to any community sensitivities that may be exacerbated by any individual surveillance operation.
- 1.8 Before applying for an authorisation, the Investigating Officer should consider whether or not the evidence sought could be obtained by alternative methods.

2.0 COLLATERAL INTRUSION

- 2.1 The officer seeking the authorisation should also consider the possibility of collateral intrusion. This is private information about persons who are not subjects of the surveillance or property interference activity. Steps should be taken to assess the risk, and where possible minimise the risk of collateral intrusion. Where unforeseen collateral intrusion occurs during an operation, the Authorising Officer must be notified and consideration given to amending the authorisation following a review.
- 2.2 Consideration must also be given as to whether or not the surveillance activities of the Service take place where similar activities are also being undertaken by another agency e.g. the Police, Benefits Agency, Environment Agency.

2.3 Liaison should also be made with Durham Constabulary Local Intelligence Officers, where appropriate.

3.0 RECORDS OF AUTHORISATIONS

3.1 A record of all authorisations must be maintained for 5 years from the ending of each authorisation. This should include not only those authorisations granted, but also those which are refused.

3.2 A copy of each authorisation will be maintained by the Authorising Officer, within each service. The original authorisation must be supplied to the **central record** of authorisations managed by Legal and Democratic Services.

3.3 Due to the sensitive nature of **all documentation** covered by the Act, consideration **MUST** be given to the means by which original authorisations are forwarded to the central record to ensure confidentiality.

4.0 AUTHORISATIONS FOR DIRECTED SURVEILLANCE

4.1 An authorisation is required for covert surveillance undertaken:

- (a) for a specific investigation or operation; and
- (b) where the surveillance is likely to result in obtaining private information about any person (whether or not they are the subject of the surveillance).

4.2 An authorisation is **NOT** required for covert surveillance carried out as an immediate response to events or circumstances, which could not be foreseen.

4.3 Authorisations do not cover covert surveillance that is carried out in relation to anything taking place on any residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device. This activity is termed as **INTRUSIVE SURVEILLANCE AND CANNOT BE UNDERTAKEN BY LOCAL AUTHORITIES**. An observation post outside of premises with a limited view and no sound would not constitute intrusive surveillance. If equipment is used without being the device being on the premises/ vehicle and consistently provides information of the same quality as if it were on the premises / vehicle the action may qualify as intrusive surveillance. (For further guidance see Section 26 of the Act).

4.4 The use of overt CCTV surveillance systems is not normally caught by the Act, since members of the public are aware that such systems are in use. There may be occasions when public authorities use covert CCTV systems for the purposes of a specific investigation or operation. In such cases, authorisation for directed surveillance may be necessary. A protocol has been produced to protect those officers, responsible for such systems, from being pressured into carrying out covert directed surveillance, without an appropriate authorisation. This protocol is shown in Appendix 3.

- 4.5 Where the surveillance activity is likely to result in confidential material being obtained, the authorising officer within Durham County Council, will be the Chief Executive, or in his absence, his Deputy.

5.0 COVERT VIDEO CAMERA AND AUDIO RECORDING EQUIPMENT

- 5.1 This equipment is frequently employed during test purchase exercises and other monitoring activities undertaken by the authority for the purpose of recording the transaction/activity and obtaining photographic evidence of the suspect. Concealed voice recorders may be used to record conversations without the knowledge of the other party.
- 5.2 The deployment of such equipment clearly has the potential for not only obtaining personal information in relation to the suspect, but also collateral intrusion into the activities of other persons in the vicinity of the operation.
- 5.3 An authorisation is **THEREFORE REQUIRED** before using such equipment to safeguard against any challenge as to Human Rights infringements. The manner in which such equipment is used may also invoke the requirements relating to **Covert Human Intelligence Sources and Part B of this Manual should be consulted.**

6.0 GROUNDS FOR AUTHORISING DIRECTED SURVEILLANCE APPLICATIONS

- 6.1 For an authorisation for directed surveillance it **must** be shown to be necessary to use covert surveillance in the investigation on specific grounds. Directed surveillance undertaken by Local Authorities can only be authorised for the purpose of preventing or detecting criminal offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months imprisonment or are related to the underage sale of alcohol and tobacco.
- 6.2 Directed surveillance cannot be authorised for the purpose of preventing disorder that does not involve criminal offence(s).

7.0 JUDICIAL APPROVAL OF DIRECTED SURVEILLANCE APPLICATIONS

- 7.1 From 1 November 2012 a local authority who wishes to authorise the use of directed surveillance will need to obtain an order approving the grant or renewal of an authorisation or notice from a Justice of the Peace (a District Judge or Lay Magistrate) before it can take effect. If the Justice of the Peace is satisfied that the statutory tests have been met and that the use of directed surveillance is necessary and proportionate, he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.

Further guidance on the Local Authority judicial application process including the Council's RIPA Authorisation Procedure can be found on the Intranet and from the RIPA Monitoring Officer.

8.0 DURATION OF AUTHORISATION

- 8.1 A written authorisation is valid for 3 months, unless cancelled. This begins on the day on which the Justice of the Peace approves the grant of the application, the expiry date will be considered to be three months minus one day from the date of signature by the Justice of the Peace. The time at which the authorisation is granted must also be recorded on the documentation.

9.0 RENEWAL

- 9.1 An authorisation may be renewed for a further period of 3 months. A renewal of a grant of a directed surveillance authorisation must be approved by a Justice of the Peace before it can take place. It may be renewed more than once, provided that the renewal continues to meet the criteria for authorisation. The number of occasions it has been renewed should be recorded. The details of any renewal should be recorded centrally.

10.0 REVIEW

- 10.1 The Authorising Officer should ensure that a system is in place to review authorisations, before it ceases to have effect. It is a matter for the authorising officer to determine how frequently a review is necessary and practicable. This must be stated within the authorisation as a **control measure**. The authorisation should also be reviewed prior to expiry to determine whether or not a renewal is required and can be justified. The authorising officer may make use of one of the following for example: a diary entry, work planner, MS Exchange calendar/alarm facility to generate a message prompt at least **ten** days before the expiry date.
- 10.2 The Authorising Officer may amend specific aspects of the authorisation upon a review, for example by discontinuing surveillance against particular persons or the use of particular tactics.

11.0 CANCELLATIONS

- 11.1 The Authorising Officer who granted or last renewed the authorisation **must** cancel it, if satisfied that the directed surveillance no longer satisfies the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer.
- 11.2 An authorisation should also be cancelled once the activity, which was the subject of the authorisation, has been completed. The authorisation should not be left to lapse as a result of the time limit expiring.
- 11.3 As soon as the decision is taken that directed surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This is required for the cancellation form. The date and time when such an instruction was given should also be recorded in

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the central record of authorisations. It is also necessary to detail the amount of time spent on the surveillance as this is required to be retained by the SRO.

- 11.4 The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and what if any images were obtained and any images containing third parties. The Authorising Officer should take this into account and issue instructions regarding the management and disposal of the images etc.
- 11.5 The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the SRO. This will assist with future audits and oversight.
- 11.6 The cancellation form will be filed by the Authorising Officer with the original authorisation in the central record of authorisations managed by Legal and Democratic Services.

12.0 RECORDS AND ERRORS

- 12.1 Material obtained as a result of surveillance activities should be recorded on the "Record of Product obtained by Directed Surveillance Form".
- 12.2 A copy of this form should be forwarded to the Authorising Officer to be filed with the Authorisation form. The original should be retained by the Investigating Officer, as part of the case file. Internal procedures within some departments may require that all authorisations and case materials are held within a specified secure location.
- 12.3 A record must also be maintained of the period over which surveillance has taken place to assist with reviews and renewal applications.
- 12.4 There is a requirement set out in the OSC Procedures and Guidance 2014 to report all covert activity that was not properly authorised to the OSC in writing as soon as the error is recognised. This includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the Chief Surveillance Commissioner has been followed. This will also assist with the oversight provisions of the Councils' RIPA activity.
- 12.5 The reporting requirement does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA.

13.0 HANDLING PRODUCTS FROM SURVEILLANCE ACTIVITIES

- 13.1 Product from Covert Surveillance activities may consist of: Photographs, Video film, Voice recordings, Surveillance log, Officers Notes
- 13.2 The above may be required as evidence in current or future criminal proceedings. Officers must have regard to the provisions of the Criminal Procedure and Investigations Act 1996 in relation to unused material. Product obtained via an authorisation may be used by the authority in other investigations.
- 13.3 Although specific legislation and the Data Protection Act 1998 provide for the disclosure of information in certain circumstances, additional controls are introduced by RIPA.
- 13.4 The use of any product obtained by authorised surveillance activities outside of the Public Authority or the Courts should only be authorised in the most exceptional circumstances. **Joint operations should make reference to the potential use of evidence by each agency.**
- 13.5 Officers may receive requests from other agencies for product, which may include photographs of suspects, descriptions, and vehicle details. Where this information has been obtained under an authorisation, further guidance should be sought from the Authorising Officer and if disseminated to an outside agency, meet the requirements of the Data Protection Act 1998.

14.0 STORAGE AND RETENTION OF PRODUCT

- 14.1 All material associated with an application, together with material obtained throughout a surveillance operation will be subject of the provisions of the Criminal Procedures Investigations Act 1996 ("CPIA") Codes of Practice which state that relevant material in an investigation has to be recorded and retained and later disclosed to the prosecuting solicitor in certain circumstances. It is also likely that the material obtained as a result of a RIPA application will be classed as personal data for the purposes of the Data Protection Act 1998 ("DPA").
- 14.2 Officers should make themselves aware of the provisions within the DPA and how it impacts on the whole RIPA process. Material obtained together with relevant associated paperwork should be held securely and any dissemination of the product must take account of the DPA and may only be disclosed to those that can lawfully receive it. The material may only be retained for as long as is necessary. Therefore material which will be retained outside of the CPIA provisions must have some justification to meet the DPA requirements. If in doubt advice should be sought from the RIPA Monitoring Officer.
- 14.3 Material which is required to be retained under CPIA should be retained until a decision is taken whether to institute proceedings against a person for an offence or if proceedings have been instituted, at least until the accused is acquitted or convicted or the prosecutor decides not to proceed with the case.

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- 14.4 Where the accused is convicted, all material which may be relevant must be retained at least until the convicted person is released from custody, or six months from the date of conviction, in all other cases.
- 14.5 If the court imposes a custodial sentence and the convicted person is released from custody earlier than six months from the date of conviction, all material which may be relevant must be retained at least until six months from the date of conviction.

15.0 DISPOSAL OF PRODUCT

- 15.1 Officers should have regard to the fifth principle of the Data Protection Act 1998, as follows:

Product, which is not required as evidence should not be retained any longer than necessary. It will be necessary to retain product for a sufficient period of time to safeguard Durham County Council against any civil claims against infringement of an individuals Human Rights. Refer to your service areas retention guidelines.

- 15.2 Product which has been destroyed should have this fact recorded on the record of product obtained by Directed Surveillance, and be signed by the Officer (See 10.0).
- 15.3 An amended copy of this Record form should be forwarded to the Authorising Officer, indicating destruction of the product obtained from the surveillance activity.

16.0 GUIDANCE NOTES FOR THE AUTHORISATION OF DIRECTED SURVEILLANCE

- 16.1 Does the activity involve:-

The systematic covert surveillance of an individual (whether or not the identity is known), which is likely to gather personal information?

IF SO, AN AUTHORISATION IS REQUIRED

- 16.2 Low level activity for example, to determine whether a premise is still trading, will not require authorisation. Surveillance carried out in response to immediate events will also not require authorisation. However, if the surveillance activity continues for any period of time, an authorisation will be required.

- 16.3 **The Authorising Officer must be satisfied that:**

The authorisation is:

Necessary for the purposes of preventing or detecting criminal offences that are either punishable by at least a 6 month prison sentence or are related to the underage sale of alcohol or tobacco.

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Consideration should also have been given to alternative methods of obtaining the evidence and why this has not or will not work or secure the best evidence.

16.4 The Authorising Officer must also believe that the surveillance is proportionate to what it seeks to achieve, and is not excessive.

Where the identity of the subject is known to the officer, measures should also be taken to verify, (where appropriate) the address under surveillance (e.g. electoral register, business rates, utility suppliers). The Authorising Officer may also wish to include some control measures within the authorisation e.g. reviews, circumstances in which the surveillance must be stopped.

16.5 The application should provide the background to the investigation, and details of other methods which have failed to provide the information being sought or why other methods are not appropriate.

16.6 The description of the activity to be undertaken should be as comprehensive as possible, describing how the surveillance will be undertaken, where it will occur and any equipment (e.g. cameras, video camera) which will be used. The Authorising Officer must know the capabilities of the equipment. The investigatory officers must not employ techniques which are not permitted by the authorisation.

16.7 The information being sought should be described and how this may provide evidence of the offence or other matter being investigated. The potential for collateral intrusion should be identified and plans to avoid / minimise such intrusion.

16.8 A statement must also be included as to the likelihood of obtaining confidential information as defined in the codes of practice.

16.9 If confidential material, is being sought, or is likely to be obtained, a higher level of authorisation is required. This authorisation can only be given by the Chief Executive of Durham County Council, (or in his absence by a Chief Officer). Further guidance should be sought if confidential material becomes relevant to the investigation.

16.10 Where applications for authorisation are refused by the Authorising Officer, records of the refused application must also be maintained stating the reasons for the refusal and a service number. Copies of these refusals must be sent for inclusion in the central record.

17. NECESSITY AND PROPORTIONALITY

17.1 Necessity

For interference with an individual's rights under 'Article 8' (Right to Privacy) to be necessary, the only ground on which the Council may authorise directed surveillance is for the prevention or detection of a criminal offence, punishable by a maximum term of at least 6 months imprisonment or are related to the underage sale of alcohol or tobacco. In order to be satisfied, the conduct that it is aimed to prevent or detect must be identified and clearly described. The

Authorising Officer must be satisfied that overt measures would not be likely to secure the desired result.

17.2 Proportionality

The proposed activity must be proportionate to what it seeks to achieve. The four elements of proportionality must be fully considered in an application.

1. Balance the size and scope of the operation against the gravity and extent of the perceived mischief.
2. Explain how and why the methods to be adopted will cause the least possible intrusion on the target and others.
3. Explain why the activity is an appropriate use of the legislation and the only reasonable way, having considered all others, of obtaining the necessary result; and
4. Provide evidence of other methods considered and why they were not implemented.

18. MEMBER OVERSIGHT

- 18.1 Elected members of a local authority should review the authority's use of RIPA and set the policy at least once a year. They should also consider internal reports on the use of RIPA on at least a quarterly basis to ensure that it is being used consistently with the Council's policy and that the policy remains fit for purpose. Members must not be involved in making decisions on specific authorisations. The Council's Corporate Issues Overview and Scrutiny Committee will carry out this function.

B. COVERT HUMAN INTELLIGENCE SOURCES (C.H.I.S.)

1.0 INTRODUCTION

1.1 This section of the guidance document, deals with Covert Human Intelligence Sources, more commonly known as: Undercover Officers, Informants/Agents

Authorisation is a two-stage process:

- (a) to use a source
- (b) an authority for the conduct of the source.

1.2 A Covert Human Intelligence Source is a person who establishes or maintains a personal or other relationship with another person for the covert purpose of:

- (a) Using such a relationship to obtain information, or to provide access to information to another person, or
- (b) Disclosing information obtained by the use of such a relationship or as a consequence of such a relationship.

1.3 The relationship is used covertly if, and only if, it is conducted in a manner calculated to ensure that the person is unaware of its purpose.

1.4 Durham County Council receives complaints routinely from the public and traders regarding the alleged activities of individuals. The actions of these complainants do not generally fall within the definition of a covert source, since they are a one off provision of information. However, a person may become a covert source if an ongoing relationship with a public authority (Durham County Council) develops and activities described in paragraph 1.2 above are carried out.

1.5 Where the nature of the complaint relates to a matter where an officer requests the complainant to obtain further information covertly, via a relationship with another individual, this activity is likely to fall within the scope of the Act. An authorisation will therefore be required before seeking such information. By following the authorisation procedures, the Authority will also be in a position to seek to safeguard the identity of the source in any subsequent legal proceedings. The origin of any information from the source can be withheld, subject to acceptance by the court of the established **Public Interest Immunity**, disclosure procedures. Further guidance should be sought from Legal Services on this issue, to ensure that the identities of any such individuals are safeguarded in the event of any legal proceedings, tribunals or disciplinary hearings.

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- 1.6 The Code of Practice on Covert Human Intelligence Sources relates not only to sources (which may commonly be referred to as informants) but also the activities of sources, which consist of undercover officers who establish or maintain a covert relationship to obtain information and evidence.
- 1.7 Before a source may be engaged or an undercover officer deployed the **use and conduct** must be authorised. The use part of the authorisation, effectively registers the source with the Authority. The conduct part addresses what the source is tasked to do. The applicant must not be the source.
- 1.8 In most cases, the use and conduct of a source will be restricted to a single investigation. However, situations may arise, where different conducts are required as the investigation develops. Consideration should then be given to cancelling the original authorisation and seeking a new authorisation on the basis of the new circumstances of the investigation.
- 1.9 The same authorisation form is used for both use and conduct. A handler and controller must also be designated, as part of the authorisation process, and detailed records of the use, conduct and tasking of the source maintained.
- 1.10 An Authorising Officer is a person entitled to give an authorisation for the use or conduct of a source in accordance with Section 29 of the Regulation of Investigatory Powers Act 2000. A list of the Authorising Officers is held in the **central record** managed by the RIPA Monitoring Officer, on behalf of the SRO. All Authorising Officers are, however, corporate and therefore can cross service authorise.
- 1.11 The use of Covert Human Intelligence sources should be necessary and proportionate to the matter being investigated.
- 1.12 Failure to obtain an authorisation may render Durham County Council liable to a claim of infringing the human rights of an individual and may adversely affect the admissibility of any evidence obtained by the use of covert methods employed by a source. It is also established that a Public Authority owes a duty of care to a CHIS. Failure to undertake a robust risk assessment and authorisation may also adversely affect the position of the Authority in the source suffering any harm as a result of the activity in which they have been engaged.
- 1.13 Careful consideration must be given to any potential sensitivities, which may exist, before deciding whether to use a CHIS in a particular community or against a particular individual.
- 1.14 A separate **directed surveillance** authorisation is **not** required where any surveillance device (technical equipment) is used in the presence of the covert source.

- 1.15 A Covert Human Intelligence source carrying surveillance equipment **can** be invited to enter residential premises or a private vehicle. However the CHIS **cannot install** surveillance equipment in residential premises since this activity constitutes intrusive surveillance or a private vehicle, since this activity constitutes property interference. These techniques are not available for use by Local Authorities.

2.0 GUIDANCE ON THE SOURCE CULTIVATION PROCESS

- 2.1 When seeking an authorisation for an individual to act as a covert human intelligence source, consideration needs to be made of their potential role in the investigation. Are they prepared to be a witness? Do they need to be given protection as a result of providing information, by means of public interest immunity? The source may also be in a position to provide information relating to a number of different matters worthy of investigation.
- 2.2 The motives of potential sources need to be considered as part of the evaluation process. Could they be motivated by possible rewards or revenge? The aim could be to deflect attention away from themselves towards other individuals.
- 2.3 Has consideration been given to building up a detailed profile of the potential source and their associates. **In all cases**, a face-to-face meeting with the complainant or any other person considered as a potential source should take place. Please be aware that the individual may have needs in respect of language, hearing or sight.
- 2.4 Directed surveillance may be needed to evaluate the source. Consideration should be given in certain circumstances to carrying out checks on the source with the Police. A thorough risk assessment must be carried out on the potential source, and the proposed conduct.

3.0 MANAGEMENT OF SOURCES

- 3.1 Tasking is the assignment given to the source by the handler/controller asking him/her to obtain information or to take action to obtain information.
- 3.2 All authorisations **should be in writing** and in place before tasking a source. Every source must have a designated handler and controller.

4.0 DESIGNATED HANDLERS AND CONTROLLERS FOR THE USE OF COVERT HUMAN INTELLIGENCE SOURCES

4.1 Where the Covert Human Intelligence source is a complainant or an informant, the Handler will be the Investigating Officer and the Controller will be their line manager. Where the Covert Human Intelligence source is an Officer of the authority acting in an undercover capacity the Handler will be the Officer's line manager and the Controller will be another manager within the Service. This arrangement will ensure that an Officer does not act as a Controller and Authorising Officer thereby ensuring a level of independent scrutiny.

5.0 SECURITY AND WELFARE OF SOURCES

5.1 A source has no licence to commit crime. In certain circumstances it may be advisable to provide written guidance to the source, explaining what is being requested of them and the limits of the tasking. The source should be asked to sign such a document to confirm that they understand the terms of reference.

5.2 A public authority deploying a source, should take into account the safety and welfare of the source, when carrying out any actions in relation to the authorisation or tasking. The foreseeable consequences of the tasking should also be considered.

5.3 A Risk Assessment should be undertaken to evaluate the source and to determine the risk to the source of any tasking and the likely consequences should the identity and role of the source become known to the subject or others involved with the subject. Appropriate documentation is contained on the intranet or is available from the RIPA Monitoring Officer.

5.4 The handler should draw to the attention of the controller:

The Risk Assessment
The Conduct of the Source
The Safety and Welfare of the Source.

A Handler is responsible for:

Dealing with the source on behalf of the Authority
Directing the day to day activities of the source
Recording the information supplied by the source
Monitoring the security and welfare of the source.

5.5 Where a source is known or suspected of being involved in crime, consideration should be given to their motives in supplying information. It may also be a prudent step in the management of such a source to have two officers present during any meetings with the source. Background checks on the potential source via the Police Local Intelligence Officer should also be considered.

5.6 Special provisions exist for the conduct in use of juvenile sources (Under 18).

A source under 16 cannot be engaged to use a relationship with any person having parental responsibility for them. A source under 16 must have an appropriate adult present during any meetings and a risk assessment must also take place before granting or renewing an authorisation for the conduct and use of a source under 16. This will take account of physical and psychological risks.

See the Regulation of Investigatory Powers (Juveniles) Order 2000 for detailed guidance.

5.7 Special consideration should also be given to the use of vulnerable individuals as a source. This will require the highest level of authorising officer, the Chief Executive (see the code of practice for further guidance).

5.8 Authorisations for juvenile sources i.e. a source under the age of 18, when the authorisation is granted have effect for **one month**. **Juvenile source** authorisations should be issued by the highest level of authorising officer in an Authority. This will be the **Chief Executive** of Durham County Council.

6.0 JUDICIAL APPROVAL OF CHIS APPLICATIONS

6.1 From 1 November 2012 a local authority who wishes to authorise the use of a CHIS will need to obtain an order approving the grant or renewal of an authorisation or notice from a Justice of the Peace (a District Judge or Lay Magistrate) before it can take effect. If the Justice of the peace is satisfied that the statutory tests have been met and that the use of a CHIS is necessary and proportionate, he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.

7.0 DURATION OF AUTHORISATIONS

7.1 Authorisations have effect for a period of twelve months from the date of judicial approval unless a juvenile in which case the authorisation has effect for a period of one month. The Authorisation should be managed and be made subject to reviews set as a control measure by the Authorising Officer.

7.2 Records of authorisations are to be retained for, a minimum period of one year to comply with the code. However, it will be policy to retain the records for a **period of six years**, to safeguard against any civil claims against the authority under the Human Rights Act 1998.

7.3 Destruction of the authorisation form should be documented in the Authorising Officers Management Record file.

8.0 RENEWALS AND REVIEWS

8.1 An authorisation may be renewed, after the Authorising Officer reviews the use made of the source having regard to:-

- a) The tasks given to the source
- b) The information obtained from the source.

If satisfied that the original authorisation criteria are met, a renewal may be authorised. A renewal of a grant of a CHIS authorisation must be approved by a Justice of the Peace before it can take place.

- 8.2 Since an authorisation for a CHIS may remain in force for a period of twelve months, regular reviews should be undertaken to ensure the ongoing validity of the activity and the ongoing welfare and security of the source. Any changes to circumstances may require that further risk assessments are undertaken.
- 8.3 The reviews should be undertaken at intervals of **no longer than three months** and documented. Additional **control measures** may also be introduced as a result of a review. The Authorising Officer should implement a system to identify appropriate review dates (e.g. the MS Exchange Calendar alarm option).

9.0 CANCELLATIONS

- 9.1 An Authorising Officer must cancel an authorisation where:

The use or conduct of the source no longer meets the original authorisation criteria.

The procedures for managing the source are no longer in place.

Where possible the source should be informed of the cancellation, and this fact noted on the cancellation.

- 9.2 Where an investigation no longer requires the authorisation to be in place e.g. the evidence has been obtained, it should be cancelled promptly rather than allowed to expire through time, and the reason for cancellation documented.

10.0 SOURCE RECORDS

- 10.1 Records of Use of the source and the product provided by the source. Similarly for the procedures detailed for Directed Surveillance records should be maintained by the service, for a **period of six years**. Records should not be destroyed without the authority of the Authorising Officer. Destruction of records should be documented in the Authorising Officers Management Records file.

- 10.2 The following information must be recorded:-

- Authorisation Reference Number
- Authorising Officer
- Identity used by Source (If any)
- Identity of Source

- Reference used in the authority to refer to Source (If any)
- Information relating to security and welfare of Source
- A record that any risks to the security and welfare of the Source have been explained to and understood by the Source
- Records of reviews conducted on the continuing use and welfare of the Source
- The date when the Source was recruited
- The circumstances of the recruitment
- Identity of the Handler and Controller (and details of any changes)
- A record of the tasks and activities given to the Source
- A record of all contacts or communications between the Source and a person representing the Authority
- The information obtained through the Source
- How the information is used
- A statement as to whether any payment, benefit or reward is provided by or on behalf of any investigating authority and details of it (#)
- Reasons for cancelling / not renewing the authorisation and the date and the time of such a decision.

(it is **NOT** currently the Policy of Durham County Council to directly offer any benefits or rewards to a CHIS. Rewards may be forthcoming from a third party e.g. from a trade association or trademark holder where an investigation involves counterfeit goods).

11.0 THE APPLICATION FOR AUTHORISATION

Must include:

11.1 The grounds on which the authorisation is sought: and why it is necessary

- Preventing or detecting crime or preventing disorder
- An explanation of the **proportionality** of the Use/Conduct.
- Where the matter relates to a specific investigation, details of that investigation or operation.
- Details of the purpose for which the source will be tasked.

- Details of what the source will be tasked to do.
- Details of the level of authority required having regard to any confidential material that might be obtained as a consequence of the authorisation. (This will invoke the requirement to be authorised by the Chief Executive if confidential material is being sought or is likely to be obtained).
- Details of who will be affected, and plans to avoid/minimise collateral intrusion. Where this changes, the Authorising Officer must be informed and the authorisation reviewed.
- A detailed Risk Assessment must have been undertaken. A review may also be required if the assessment is not current.
- The Authorising Officer may wish to impose **control measures** on the authorisation that is granted.

11.2 Unless renewed or cancelled, an authorisation remains in force for:

12 months from the date of judicial approval (Juveniles One Month). The authorisation should be given a unique operation reference number and be recorded in management record file. Conduct authorisations should be referenced to the original use authorisation.

A duplicate/copy of the authorisation should be issued to the officer. This will ensure that the officer has a record of the scope of the activity authorised.

11.3 Applications, which are refused, should also be recorded together with the reasons for the refusal and a service number. Copies of these refusals must be sent for inclusion in the central record.

12.0 ERRORS

12.1 There is now a requirement as set out in the OSC procedures and Guidance 2011 to report all covert activity that was not properly authorised to the OSC in writing as soon as the error is recognised. This includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the Chief Surveillance Commissioner has been followed. This will also assist with the oversight provisions of the Councils' RIPA activity.

12.2 This does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA.

C. RISK ASSESSMENTS

1. Whenever undertaking covert directed surveillance, or engaging in the conduct and use of a Covert Human Intelligence Source, the proposed activity **must** be the subject of a suitable and sufficient risk assessment and evaluation of the proposed Source.
2. Directed Surveillance activities clearly have the potential to expose staff to hazards, should their activities become known to the subject or even to others during the operation. The use of Covert Human Intelligence Sources has the potential to expose handlers, undercover officers, agents/informants and the public to health and safety risks. A duty of care may also lie with officers and the Authority in managing sources.
3. Authorising Officers, Controllers, Handlers Undercover Officers and Investigating Officers **must** all have regard to Durham County Council Corporate Policy on Health and Safety. This addresses issues such as lone working and violence to staff.
4. The Policy states that "Durham County Council will ensure that management systems are produced that are sufficient to effectively identify, assess, manage and control the risks to the health and safety of employees and other people affected by their work".
5. It is a matter for each Service to determine the training required to ensure that staff are competent to undertake risk assessments of proposed operations/use of covert sources. All incidents/dangerous occurrences during the course of operations should be reported in accordance with the corporate Health and Safety Procedures.
6. Consideration should also be given to staff training requirements to engage in covert activities, surveillance and acting in an undercover capacity.
7. This section of this guidance document is intended to provide an overview, which must be borne in mind when undertaking activities within the scope of RIPA.
8. Further Guidance on Health and Safety issues is available from:

Management of Health and Safety at Work Regulations 1999

The Corporate Health and Safety Policy Document and Guidance

The Health and Safety Unit (0191 383 3430)
9. Risk assessments for directed surveillance operations, should be undertaken by the officer in charge of the proposed activity and submitted with the authorisation application.

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10. Risk assessments for the use of a CHIS, should be undertaken by the Handler and considered by the Controller as part of a risk management process. The assessment should then be forwarded to the Authorising Officer with the application. The assessment should consider the **Ethical, Personal** and **Operational Risks** of the proposed activity. The evaluation of a potential source is an important part of the application process.
11. Risk assessment is not a one off activity, but an ongoing process throughout the operation and use of the source, since circumstances may change and a review may be required.
12. The nature of the risks surrounding the deployment and management of individual sources, handlers and operational activities will vary according to a wide range of factors on a case by case basis. Risk assessment allows the handler and controller to advise the Authorising Officer of the plan for managing the risks.
13. Authorising Officers will **not** authorise a Directed Surveillance operation or the use of a source, without the evidence that the risks have been considered and a plan for their management exists.

D. RECORDING OF TELEPHONE CONVERSATIONS

1. **The interception of communications sent by post or public telecommunications systems or private telecommunications systems attached to the public network may only be authorised by the Secretary of State. (Part I Regulation of Investigatory Powers Act 2000).**
2. The attachment of a surveillance device to a telecommunications system can only be undertaken under a warrant issued under Section 5 of the Act (this is not available to the County Council).
3. An exception to the rule requiring a warrant exists, where one party to the conversation consents and where an authorisation for **directed surveillance** is obtained. See Section 48(4) of the Act.
4. For example, a member of the public may consent to the recording of a telephone conversation made by or to him/her. An officer may seek to record such a conversation to assist with an investigation into another person's activities.
5. An officer may also request a colleague to telephone another person as part of an investigation, or may make the call himself or herself. These situations may require an authorisation to be granted if the RIPA criteria are met.
6. Officers considering making a test purchase must be very careful when deciding whether the recorded conversation, is to obtain goods, or whether it is to gather information, which will only be obtained in a covert capacity.

E. ACCESSING COMMUNICATIONS DATA

1.0 Introduction

- 1.1 This section of the guidance document details the system in place to ensure compliance with RIPA, when an investigating officer seeks to obtain communications data within the scope of their enquiries.
- 1.2 In a similar manner to the existing provisions of RIPA relating to directed surveillance and the use of Covert Human Intelligence sources, a process of submitting an application and securing an authorisation is established by the legislation and code of practice.
- 1.3 The Council processes its RIPA applications for communications data via the the National Anti Fraud Network (NAFN). NAFN operates a secure online system for the acquisition of communications data under RIPA. NAFN officers act as Single Points of Contact or SPoC's to ensure that Council applications meet the necessary standards before the application is approved by a Designated Person (DP) who is an officer within the Council. Whilst the NAFN system makes it easier to comply with the law, the SRO retains oversight of the process to ensure that it is carried out in a lawful manner and in accordance with the statutory code of practice.

Further guidance on NAFN can be obtained from the RIPA Monitoring Officer.

- 1.4 From 1 November 2012 a local authority who wishes to authorise the use to acquisition of communications data, will need to obtain an order approving the grant or renewal of an authorisation or notice from a Justice of the Peace (a District Judge or Lay Magistrate) before it can take effect. If the Justice of the Peace is satisfied that the statutory tests have been met and that the use of the acquisition of communications data, is necessary and proportionate, he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.
- 1.5 If an application is to be approved by a Justice of the Peace, an accredited individual within NAFN forwards a notice to the communications service provider (CSP), to obtain the information. This activity cannot be undertaken by an officer, as CSPs will only accept requests for information from accredited officers registered with the Home Office and termed Single Points of Contact (SPOC).
- 1.6 Records of all applications, authorisations, notices, cancellations and refusals must be maintained since an inspection regime by the Interception of Communications Commissioner's Office is established under this part of the legislation, making Council procedures and documentation subject to periodic inspection by an external body. These records are held by NAFN but authorisations approved by a Justice of the Peace are retained by the Council in a central record in a similar manner to directed surveillance and CHIS authorisations.

2.0 WHAT IS COMMUNICATIONS DATA

2.1 NAFN are able to obtain communications data from specific telecommunication sources i.e. telephone, e-mail, web address and postal providers. Information obtainable under RIPA is formed into the following three distinct types:

(A) Data

This is not available to Local Authorities.

Classed as "traffic data" comprised in or attached to a communication.

e.g. information identifying the sender and recipient, mobile phone cell site location, pages visited on a website, I.P Address, information on the outside of a parcel, incoming call data.

(B) Data

Classed as any information regarding the use of a service made by any person that does not include contents.

- Itemised outgoing call records only
- Timings and durations of calls
- Call forwarding

(C) Data

Classed as any information held by a telecommunication company not defined as (A) Data or (B) Data,

- Subscriber details
- Payment details
- Top up history
- Connection dates
- Account history
- Royal mail - redirection, PO Box, freepost, registered and franked details
- Website provider

3.0 RECORDS AND ERRORS

3.1 A copy of each authorisation will be maintained by the DP and supplied to the central record of authorisations managed by Legal and Democratic Services.

3.2 Where any errors have occurred in granting authorisations or notices (e.g. subscriber details of an incorrect telephone number being obtained), or more data has been supplied by the CSP than that requested, i.e. obtaining excess data, a record must be kept and the matter reported to the Interception of Communication Commissioner's Office as soon as practicable. A copy of the error record must also be provided to NAFN and to the RIPA Monitoring Officer.

F. SOCIAL NETWORKING SITES AND INTERNET SITES

1. Although social networking and internet sites are easily accessible, if they are going to be used during the course of an investigation, consideration must be given about whether a RIPA authorisation should be obtained.
2. Whilst it is the responsibility of an individual to set privacy settings to protect against unsolicited access to their private information on a social networking site, and even though the data may be deemed published and no longer under the control of the author, it is unwise to regard it as “open source” or publicly available; the author has a reasonable expectation of privacy if access controls are applied. Where privacy settings are available but not applied the data may be considered open source and an authorisation is not usually required. The frequent or systematic check on an open source record could amount to directed surveillance and the appropriate authorisation would be needed.
3. If it is necessary and proportionate for the Council to covertly breach access controls, the minimum requirement is an authorisation for directed surveillance. For example, an authorisation for directed surveillance will be required if an investigating officer is planning to monitor open source information on an individual’s social networking site (i.e. the activity is more than a one off search for information). An authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by the officer (i.e. the activity is more than mere reading of the site’s content). This could occur if an officer covertly asks to become a “friend” of someone on a social networking site. The officer seeking the authorisation should fully consider the issue of collateral intrusion (See Part A, Section 2.0).
4. A CHIS authorisation is unlikely to be required when using an internet trading organisation such as E-bay or Amazon Marketplace. The use of a disguised purchaser details in a simple, overt, electronic purchase does not usually require a CHIS authorisation, because no relationship is usually established at this stage. A CHIS authorisation is required in circumstances when a covert relationship is likely to be formed, for example when liaising via Facebook or other types of site which do not allow for more traditional transactions and where the investigating officer has to make contact with the seller directly and would wish for their true identity or reason for purchasing to be unknown to the seller.
5. The Council’s Environment Health and Consumer Protection Service has developed an Online Investigation Protocol which should be adopted by other service areas conducting online investigations.

G. JOINT AGENCY SURVEILLANCE

1. In cases where one agency is acting on behalf of another, it is usually for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by Council employees on behalf of the Police, authorisation would be sought by the Police. If it is a joint operation involving both agencies the lead agency should seek authorisation.
2. Council staff involved with joint agency surveillance are to ensure that all parties taking part are authorised on the authorisation page of the application form to carry out the activity. When staff are operating on another organisation's authorisation they are to ensure they see what activity they are authorised to carry out and make a written record. They should also provide a copy of the authorisation to the RIPA Monitoring Officer. This will assist with oversight of the use of Council staff carrying out these types of operations.

H. NON-RIPA SURVEILLANCE

1. Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 mean that a local authority can now only grant an authorisation under RIPA where the local authority is investigating criminal offences which attract a maximum custodial sentence of at least six months or criminal offences relating to the underage sale of alcohol or tobacco.
2. As a result of the changes in legislation, it is envisaged that surveillance may be required which falls outside of RIPA (for example in the case of anti-social behaviour offences which do not attract a maximum custodial sentence of at least six months imprisonment). The Office of Surveillance Commissioners Procedures and Guidance 2011 states that it is prudent to maintain an auditable record of decisions and actions to use covert surveillance without the protection of RIPA and that such activity should be regularly reviewed by the SRO. The SRO will therefore maintain an oversight of non RIPA surveillance in her role as SRO to ensure that such use is compliant with Human Rights legislation. The RIPA Monitoring Officer will maintain a central record of non RIPA surveillance.
3. As part of the new process of formally recording and monitoring non RIPA surveillance, a non RIPA surveillance application form should be completed and authorised by at least a tier 4 level manager. A copy of the non RIPA surveillance application form can be found on the Intranet or is available from the RIPA Monitoring Officer.
4. Non RIPA surveillance also includes staff surveillance which falls outside of RIPA. Any surveillance of staff must be formally recorded on the non-RIPA surveillance Application Form and authorised by the Head of Service in consultation with the Head of Internal Audit. A central record of staff surveillance is also maintained by the SRO.

I. AUDITING OF AUTHORISATIONS AND RECORDS

1. Periodic audits will be carried out across relevant services, including the Central Record. These will be conducted by internal Audit in line with the Council's Risk Based Strategic Audit Plan. This may require some material to be sanitised, to maintain the safety of sources.
2. The following should fall within the scope of the audit:
 - Applications
 - Authorisations
 - Risk Assessments
 - Reviews and Renewals
 - Cancellations
 - Records of Product of Directed Surveillance
 - Source Records
 - Staff Awareness e.g. training, memos, e-mails, meetings
 - Access and awareness of the codes of practice.
3. The audit should seek to establish compliance of the authorisations/ renewals/reviews/cancellations and records, with RIPA and the Codes of Practice, and Durham County Council's, RIPA 2000 Guidance Document

J. COMPLAINTS

1. Copies of the Codes of Practice on Covert Surveillance and Property Interference and Covert Human Intelligence Sources are available to the public at Durham County Council, County Hall Help Desk. Copies should also be available at public offices of Durham Council departments undertaking activities, which are within the scope of RIPA.
2. The Investigatory Powers Tribunal (IPT) exists to investigate complaints about conduct by various public bodies under RIPA.

The Tribunal can be contacted at:

The IPT
PO Box 33220
London
SW1H 97Q

Tel: 0207 035 3711
www.ipt-uk.com

K. MANAGEMENT RECORDS

1. The Authorising Officer must keep a copy of the relevant documents to check against the cancellation. These documents must be kept in a secure place, with restricted access. **Original authorisations (including refusals), reviews, renewals and cancellations, must be provided to the Central Record for Durham County Council.** This is managed by the RIPA Monitoring Officer in Legal and Democratic Services. Officers forwarding confidential material to the Central Record must ensure that it is forwarded by a secure method.
2. The Central Record is held in a locked filing cabinet.

The following officers have sole access to the central record:

The Director of Corporate Resources

Head of Legal and Democratic Services (SRO)

Legal Manager - Governance

RIPA Monitoring Officer

3. **The Record Retention Period is 5 years**

RIPA DIRECTED SURVEILLANCE/CHIS AUTHORISING OFFICERS

Authorising Officer	Rank
Paul Bradley	Chief Internal Auditor and Corporate Fraud Manager Resources
Ian Houlton	Neighbourhood Protection Manager Adults and Health Services
Owen Cleugh	Consumer Protection Manager, Adults and Health Services

RIPA COMMUNICATIONS DATA DESIGNATED PERSONS

Designated Person	Rank
Owen Cleugh	Consumer Protection Manager, Adults and Health Services

APPENDIX 2

DURHAM COUNTY COUNCIL

REGULATION OF INVESTIGATORY POWERS ACT 2000

CCTV SYSTEM PROTOCOL

1.0 Introduction

- 1.1 Durham County Council operates and manages a number of Surveillance Cameras and Closed Circuit Television Systems (CCTV) for the purposes of monitoring public open space to deter anti-social behaviour, preventing and detecting crime and to monitor council buildings, vehicles and premises for security reasons.
- 1.2 It is recognised that CCTV systems may be employed to observe and record the activities of individuals, which clearly has implications under the Human Rights Act 1988 and the Regulation of Investigatory Powers Act 2000, (RIPA) in terms of intrusion into the privacy of individuals.
- 1.3 This protocol is a separate document to the Council's CCTV Policy and Code of Practice produced by Durham County Council in response to the code of practice issued by the Information Commissioner to ensure compliance with the Data Protection Act 1998. Officers seeking to make use of CCTV systems and recordings should, however, have regard to the requirements of the Council's policy.
- 1.4 This protocol serves to establish safeguards for the potential use of CCTV systems to specifically target individuals to observe and/or record their activities. Such planned activities will fall within the scope of Directed Surveillance and are subject to the controls established by RIPA to ensure that the activity is necessary, proportionate and authorised by a suitable senior officer of the authority.
- 1.5 Durham County Council is committed to promoting a just society that gives everyone an equal chance to live, work and live free from discrimination and prejudice. This protocol, demonstrates our concern for human rights, and therefore contributes to our diversity agenda.

2.0 Authorised Activities

- 2.1 General, non-directed recording of events and people, through the use of overt CCTV systems, will not infringe the rights of the individual. This activity does not, therefore, need to be authorised, through the RIPA process.
- 2.2 The retrospective viewing of CCTV footage, to gain evidence of actual or potential criminal activity, does not fall within the definition of covert surveillance and would, similarly, not require any form of authorisation. An approach should be made to the County Hall Facilities Manager, for permission to view. Similarly for sites other than

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County Hall, the officer in charge of the premises should be approached in the first instance.

- 2.3 The processing of such data is, however, subject to the Information Commissioner's Code, issued under the Data Protection Act 1998.
- 2.4 Provision also exists within the RIPA framework, to react to immediate events, without the need to obtain an authorisation. For example, should a CCTV operative witness an attempted break-in of any property, it would be completely in order to re-focus or target the camera on that particular activity.
- 2.5 However, on occasions, it can be useful to use this equipment to detect or prevent crime, by means of a planned operation to record the activities of known or unknown persons. A comprehensive, corporate guidance document exists, to clearly define the processes and procedures that must be followed if such use is to be contemplated.
- 2.6 In these instances, CCTV operatives must not carry out targeted, planned surveillance which falls within RIPA, without an appropriate authorisation.
- 2.7 It is not the responsibility of the CCTV operative to obtain such authorisation, which must **always** be in existence **prior** to any such activity commencing. Any individual approaching a CCTV operative without such an authorisation, should be referred to the Senior Responsible Officer and be advised that any unauthorised use of the CCTV system would be unlawful and may give rise to a claim against the authority.
- 2.8 On occasions, the authority may be approached by an outside law enforcement agency to help in their enquiry, by utilising the authorities CCTV equipment, to undertake planned covert surveillance. Any approach of this nature, must be referred to the Senior Responsible Officer and no such usage should ever be approved unless the agency concerned produces a valid RIPA authorisation.

This document can be provided in different formats and languages on request. Please call Laura Ackermann on 03000 [269326](tel:03000269326)

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**Corporate Overview and Scrutiny
Management Board**

15 September 2017



**Scrutiny of the Medium Term Financial
Plan (8)**

**Report of Lorraine O'Donnell, Director of Transformation and
Partnerships**

Purpose of the Report

- 1 To provide an update to Members of Corporate Overview and Scrutiny Management Board on the proposed approach to scrutiny of the Medium Term Financial Plan 2018/19-2021/22.

Background

- 2 In July 2017, a report to Cabinet set out the details of the Medium Term Financial Plan (8), Council Plan, Service Plans 2018/19 to 2021/22 and Reviews of the Local Council Tax Reduction Scheme, Council Tax Discounts and Business Discretionary Rate Reliefs (attached at Appendix 2).
- 3 In previous years, the Cabinet report has been presented to OSMB, with a recommendation for OSMB to commission CIOSC to look at the MTFP as per the terms of reference of that committee. This year OSMB and CIOSC have amalgamated to form Corporate Overview and Scrutiny Management Board (COSMB), with joint terms of reference. Therefore COSMB have prioritised scrutiny of the MTFP and budget as part of their work programme.

Summary of Cabinet report

- 4 The Cabinet report includes information on:
 - a. the 2018/19 savings forecast
 - b. approach to preparing the Council Plan and Service Plan
 - c. the high level MTFP (8) and Council Plan timetable (see below)
 - d. the Consultation
 - e. Local Council Tax Reduction Scheme
 - f. Council Tax Discretionary Reduction (Relief) for Care leavers Policy
 - g. Discretionary Rate Relief scheme.
- 5 It is proposed that scrutiny of the MTFP and budget will be according to the timetable for the MTFP process, as below. The Committee will be notified of any variations to the overall MTFP timetable, which sometimes occur if the government settlement is late.

Date	Action
12 July 2017	MTFP/Council Plan report to Cabinet
15 September 2017	Corporate Overview and Scrutiny Management Board consider 12 July Cabinet report
18 October 2017	MTFP/Council Plan report to Cabinet
October/November	MTFP Consultation period
27 October 2017	Corporate Overview and Scrutiny Management Board consider 18 October Cabinet report
15 November 2017	Tax Base/Collection Fund report to Cabinet
Early December	2018/19 Finance Settlement announced by DCLG
14 December 2017	MTFP/Council Plan report to Cabinet – consultation outcomes
18 December 2017	Corporate Overview and Scrutiny Management Board consider 13 December Cabinet report
17 January 2018	MTFP/Council Plan report to Cabinet – (if required)
7 February 2018	Budget Report to Cabinet
14 February 2018	Corporate Overview and Scrutiny Management Board consider 7 February Cabinet report
21 February 2018	Council Budget and MTFP report

Recommendations

- 6 It is recommended that Members of COSMB:
- (i) agree to the detailed scrutiny of the MTFP by the Corporate Overview and Scrutiny Committee, as per the terms of reference of that committee
 - (ii) note the MTFP timetable.

Contact: Jenny Haworth (03000 268071)

Appendix 1: Implications

Finance – The report sets out arrangements to scrutinise MTFP (8) proposals.

Staffing – The savings proposals in MTFP (8) will impact upon employees.

Risk – None specific within this report.

Equality and Diversity / Public Sector Equality Duty – Equalities considerations are built into the proposed approach to developing MTFP (8)

Accommodation – None specific within this report.

Crime and Disorder – None specific within this report.

Human Rights – Any human rights issues will be considered for any detailed MTFP (8) proposals as they are developed.

Consultation – This report sets out scrutiny input into MTFP (8) consultation.

Procurement – None specific to this report.

Disability Issues – All requirements will be considered as part of equalities considerations.

Legal Implications – None specific within this report.

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Cabinet**12 July 2017**

Medium Term Financial Plan(8), Council Plan, Service Plans 2018/19-2021/22 and Reviews of the Local Council Tax Reduction Scheme, Council Tax Discounts and Business Discretionary Rate Reliefs

**CORP/R/17/02****Report of Corporate Management Team****John Hewitt, Corporate Director of Resources****Lorraine O'Donnell, Director of Transformation and Partnerships****Councillor Alan Napier, Cabinet Portfolio Holder for Finance****Councillor Simon Henig, Leader of the Council****Purpose of the Report**

- 1 To provide an update on the development of the 2018/19 budget, the Medium Term Financial Plan (MTFP(8)) and Council Plan / Service Plans 2018/19 to 2021/22. The report also considers reviews of the Local Council Tax Reduction Scheme, Council Tax discounts and Business Rates Discretionary Rate Relief.

Executive Summary

- 2 The financial outlook for the Council continues to be extremely challenging with government funding reductions confirmed as continuing until at least 2020. At this stage however there is no certainty as to what will happen with local authority funding beyond this point. This position will also be impacted by decisions following the General Election, although the precise nature of the impact on local government is at present uncertain.
- 3 The Chancellor of the Exchequer's 8 March 2017 Budget reported a further deterioration in the public finances. The national finances continue to face significant uncertainty. The performance of the economy is not meeting expectations which has resulted in the previous government dropping the policy of achieving a surplus in the national finances. This was replaced with an aspiration to eradicate the deficit by the end of the next parliament.
- 4 In addition to this there is significant uncertainty as to the impact of Brexit and the knock on impact for local government. The policy of introducing 100% Business Rate Retention for local government could impact significantly upon local authorities baseline funding levels and their ability to raise sufficient

funding to meet future service demands. The expectation was for 100% Business Rate Retention to be introduced in 2019/20 although following the General Election this is now uncertain and may slip to 2020/21 if the policy is implemented. These uncertainties considered alongside the possible impact of new policies from the government after the General Election generate significant complications and areas of uncertainty in developing plans for MTFP(8).

- 5 At this stage the Council is planning on the basis of the funding reductions confirmed for the next two years as part of our previous four year settlement. At the same time the council recognises that additional funding reductions from government could still be forthcoming. As part of MTFP(8) however a four year strategy has been developed to ensure long term planning continues. At this stage in the absence of a confirmed position the Council is assuming no further government core funding reductions beyond 2019/20.
- 6 Although the settlement from government is unchanged to that reported to Council in February 2017, in line with previous practice the MTFP Model has been reviewed. Savings of £41 million are forecast to be required to balance the budget over the 2018/19 to 2021/22 period. Although core funding reductions are assumed to have ended in 2019/20, savings are still forecast to be required in later years as service demands and inflationary pressures outstrip the council's ability to raise additional funds from council tax and business rates.
- 7 The achievement of an additional £41 million of savings over the next four years will be extremely challenging. The emphasis since 2011/12 has been to minimise savings from front line services by protecting them wherever possible whilst maximising savings in management and support functions. This is becoming much more difficult however, as the scope for further savings in managerial and back office efficiencies are becoming exhausted following the delivery of £209 million of savings up to 31 March 2018.
- 8 The total savings required at this stage for 2018/19 to balance the budget amount to £25.6 million, which is 60% of the £41 million required over the next four years. Savings plans will be considered over the coming months to determine how savings can be achieved across MTFP(8) to balance the budget. The council will also consider how best to utilise the Budget Support Reserve (BSR) across the MTFP(8) period to ensure the impact of all savings plans are carefully considered and fully consulted upon. The current balance on the BSR as reported to Cabinet on 14 June 2017 is £30 million.
- 9 The Council, along with Northumberland, are the only two local authorities in the North East to have retained entitlement levels for Council Tax support within the Local Council Tax Reduction Scheme (LCTRS) in line with that which applied under the national Council Tax Benefit regime prior to 2013/14. The policy has protected vulnerable residents at a time when welfare reform changes have had a significant adverse impact. This report recommends that the current LCTRS is retained for a further year into 2018/19. Should the Cabinet agree, the Council will need to formally adopt this policy at Full Council prior to 31 January 2018.

- 10 As part of the March Budget, the Chancellor of the Exchequer announced a range of measures to reduce Business Rates liabilities, including funding to support the introduction of local policies to support businesses most impacted by the revaluation. This report sets out proposals to amend the Council's Discretionary Rates Relief Policy to incorporate the announcements made in March.

Background

- 11 To ensure MTFP(8) Council Plan and Service Plans can be developed effectively and savings targets delivered in time to produce a balanced budget, it is important that a robust plan and timetable is agreed and followed.
- 12 The current MTFP(7) forecast that the Council agreed in February 2017 covers the three year period 2017/18 to 2019/20. It is recommended at this stage that MTFP(8) covers a four year period 2018/19 to 2021/22 which takes plans up to the end of current four year confirmed settlement in 2019/20, plus a further two years where significant government reductions in core funding are forecast to have ended but the council will continue to face significant increases in the demand for services and inflationary pressures.
- 13 At this stage of the planning cycle for MTFP(8) the following areas are presented for consideration of Cabinet:
- (a) an update on the development of the 2018/19 budget since the Council agreed its MTFP(7) strategy on 22 February 2017;
 - (b) an update on the MTFP(8) savings forecast for the period 2018/19 to 2021/22;
 - (c) proposed approach to the Council Plan and Service Plans 2018/19 to 2021/22;
 - (d) a draft MTFP(8) and Council Plan decision making timetable;
 - (e) proposed approach for consultation of MTFP(8) and Council Plans;
 - (f) workforce implications;
 - (g) equality considerations;
 - (h) consideration of the proposed Local Council Tax Reduction Scheme (LCTRS) for 2018/19;
 - (i) consideration of a review into Council Tax discounts;
 - (j) consideration of a review of Business Rates Discretionary Rate Reliefs.

Review of MTFP Model

- 14 The financial outlook for the Council continues to be extremely challenging with government funding reductions confirmed as continuing until at least 2020. There is a possibility that Government funding reductions could extend beyond this date. The Chancellor of the Exchequer's 8 March Budget reported a further deterioration in the public finances. At this stage however

the government have stated that this deterioration in the public finances will not result in a change to the four year settlement provided to local authorities in February 2016 which ends in 2019/20.

- 15 The national finances continue to face significant uncertainty. The performance of the economy is not meeting expectations, which is likely to result in the deficit reduction targets being missed. There is also the significant uncertainty in relation to the impact of Brexit, the move to 100% Business Rate Retention and any policy initiatives from the new government.
- 16 The Council may need to review the MTFP(8) projections and savings requirements over the coming months in light of future announcements.
- 17 The Council will receive additional improved Better Care Fund monies in both 2018/19 and 2019/20 of £8.1 million and £4 million respectively. These sums are in addition to the £13.1 million received in 2017/18. At this stage this additional funding has not been brought into MTFP(8) planning. The Council must work with the Clinical Commissioning Groups in determining how to invest this funding which must be spent on Adult Social Care. The funding is also reducing over time with no guarantee of ongoing funding beyond 2019/20. On that basis there is an risk in investing these sums on a recurrent basis. Options available to support MTFP(8) however will be kept under review in the coming months.
- 18 In line with previous years, a thorough review of the Council's budget has taken place subsequent to the approval of MTFP (7) by the Council on 22 February 2017. This has resulted in a number of changes to the assumptions built into 2018/19 and where necessary future years' budget models. The key adjustments are detailed below:

(a) Revenue Support Grant (RSG)

Reductions in RSG for 2018/19 and 2019/20 of £14.1 million and £14.2 million respectively were confirmed by the government as part of the council's current four year settlement. For planning purposes at this stage it is assumed that there will be no further core funding reductions across the MTFP(8) period. There is a risk of additional funding reductions but this cannot be assumed with any level of accuracy at this stage.

(b) Housing Benefit Administration Grant

The government has a track record of reducing this grant annually although there has been no significant reduction in workload in terms of housing benefit processing. Workloads over the coming years however will be impacted due to the introduction of the Universal Credit. Although the workload will reduce it is forecast that the reduction in grant will far outstrip the council's ability to reduce costs. Reductions in the grant across the 2018/19 to 2020/21 period are forecast to be £300,000 per annum.

(c) Business Rates and Top Up Grant Retail Price Index (RPI) and Consumer Price Index (CPI) increases

In MTFP(7) a 2% forecast was built into 2018/19 plans for an increase in RPI. At this stage RPI is utilised by government to uplift business rates and the Top Up Grant with the 2018/19 uplift based upon the September 2017 RPI rate. The April 2017 RPI rate is 3.5%. It is likely however that the movement in the RPI rate could be volatile in the next few months as Brexit negotiations begin. On that basis at this stage for MTFP planning the September 2017 forecast for RPI has been increased to 3%.

For 2019/20 the forecast has been retained at 2%. In 2020/21 RPI will no longer be utilised to uplift business rates and the Top Up grant. At this point CPI will be utilised which is historically lower than RPI. On this basis the forecast increase in 2021/22 has been forecast to be 1.5%

(d) Council Tax – Adult Social Care Precept

MTFP(7) includes an assumption that the council will utilise the adult social care flexibility to increase council tax by an additional 2% on top of the 2% referendum level for both 2018/19 and 2019/20. There is no confirmation from government however that this flexibility will be available beyond 2019/20. In MTFP(8) it is assumed that the adult social care precept flexibility will end in 2019/20.

(e) Council Tax Collection Rate

The current council tax collection rate is 98.5%. This level has been in place since Local Government Reorganisation. In the years since 2009 the country has experienced a significant recession with large reductions in benefit payments due to austerity. These issues have influenced the council's decision to retain the 98.5% collection rate.

A point has been reached however where the council continues to exceed 98.5% collection. With this in mind it is felt prudent that consideration is given to increasing the collection rate prudently to 99%. On an annual basis this will increase the council tax available to support the budget by £1 million per annum.

(f) Council Tax/Business Rate Taxbase increases

An assumption has been built in across the MTFP(8) period of a £1.5 million annual increase in the tax base for both council tax and business rates. Overall at this stage this would require a circa 0.5% increase in tax base every year. This position will need to be reviewed on a regular basis.

(g) **National Living Wage (NLW)**

MTFP(7) assumptions were built upon the government's previously published desire for the NLW to exceed £9 per hour by 2020. The annual increase in the NLW however is linked to the annual increase in wages nationally. Increases in this regard are falling well behind government expectations with the current annual rate of wage growth nationally being 2.3%.

With this in mind it is felt prudent at this stage to reduce the forecast increase in the NLW for the next two years from £5 million and £5.5 million respectively to £4 million and £4.25 million. Additional base budget pressures have been included in 2020/21 and 2021/22 for NLW as it is expected that the NLW is still likely to increase above the 1.5% price inflation limit built into MTFP(8)

(h) **Microsoft Licencing / Office 365**

The Council utilises a wide range of Microsoft software products for which licences are payable. Microsoft are presently reviewing licence costs after a number of years and the council originally forecast in MTFP(7) an increase in costs of £720,000. This position has continued to be reviewed alongside the option of moving functionality onto an Office 365 cloud based solution. Having reviewed the current position it is now forecast that the additional cost in this regard will be £1.2 million. This sum has been included in MTFP(8) as a 2018/19 cost.

(i) **Children's Look After Children (LAC) Pressures**

Significant pressure continues to be experienced in children's social care due to the additional number of children entering the care system. It was anticipated that numbers would have stabilised however short term financial support is required in this area. Additional budget support is forecast to be required of £1.8 million in 2018/19 to allow numbers to stabilise and to ensure the most efficient and effective placement mix which will reduce future years costs. The additional £1.8 million provided in 2018/19 will be gradually withdrawn over the 2019/20 to 2021/22 period as the placement mix is considered.

2018/19 Savings Forecast

- 19 Based upon the revised assumptions detailed in this report, the savings requirement for 2018/19 is forecast to be £25.6 million, slightly lower than the MTFP(7) forecast of £26.8 million. The 2018/19 £25.6 million saving figure is inflated due to the need to recover the £12.6 million of the BSR utilised in 2017/18 to balance the budget and delay the impact of savings upon front line services.
- 20 Work will continue over the coming months to identify the savings required to balance the 2018/19 budget. Consideration will also be given as to whether the BSR should be utilised in 2018/19 to delay the impact of savings upon front line services and to allow time to implement more challenging savings

proposals. The prudent financial management of the council in recent years continues to provide the scope to utilise this flexibility.

- 21 It is expected that efficiency savings driven through the Transformation Programme will contribute to the achievement of 2018/19 savings and later years savings plans.

MTFP(8) – 2018/19 to 2020/21 Update

- 22 The adjustments to MTFP(8) planning detailed in this report have impacted upon the forecast savings requirements for the 2018/19 to 2021/22 period.
- 23 The current forecast of savings yet to be identified for the period 2018/19 to 2021/22 are detailed below.

New Savings Proposals to be Identified £million

2018/19	25.588
2019/20	6.895
2020/21	5.690
2021/22	2.770
TOTAL	40.943

- 24 Work to identify savings options for 2018/19 will also need to consider options for the period 2019/20 to 2021/22. The realisation of additional £41 million of savings will have resulted in the council being required to save £250 million from 2011/12. The MTFP(8) Model is attached at Appendix 2.

Proposed Approach to the Development of the Council Plan and Service Plan

- 25 The Council's current high level planning framework consists of a partnership led Sustainable Community Strategy which runs to 2030, setting out the vision for the County. This is supported by a council plan and service plans which set out the council's contribution to the SCS vision and our approach to improving the council's operation and customer service. All of these documents are due for review this year.
- 26 Following the election of the new Council, there is strong commitment to progressing the Council's transformation programme driven by a focus on delivering the best possible outcomes within available resources. It is therefore proposed that an outcome based approach to planning is adopted. This will include a review of the SCS and partnership vision, and a review of council and service plans.
- 27 The review will be conducted according to six key design principles:
- (a) outcome-based vision and council plan;
 - (b) partnership based approach with engagement of key partners;

- (c) incorporate the transformation vision for communities of resilient self-reliant communities, with a focus on prevention and tackling poverty;
- (d) efficient planning – with as few key strategies and plans as possible, and concise focussed documents;
- (e) plans and strategies drive change;
- (f) cross council and cross-partnership not silo based.

28 It is proposed that the review is conducted across the following timetable:

- (a) June – October: Review of SCS and vision;
- (b) October – January: Development of outcome based council plan/ service plans;
- (c) February / March: Revised vision and council plan approved.

MTFP(8) and Council Plan Timetable

29 A high level timetable up to Budget setting is detailed below:

Date	Action
12 July	MTFP/Council Plan report to Cabinet
15 September	Corporate Overview and Scrutiny Management Board consider 12 July Cabinet Report
18 October	MTFP/Council Plan report to Cabinet
October/November	MTFP Consultation period
27 October	Corporate Overview and Scrutiny Management Board consider 18 October Cabinet Report
15 November	Tax Base/Collection Fund report to Cabinet
Early December	2018/19 Finance Settlement announced by DCLG
14 December	MTFP/Council Plan report to Cabinet – consultation outcomes
18 December	Corporate Overview and Scrutiny Management Board consider 14 December Cabinet Report
17 January	MTFP/Council Plan report to Cabinet – (if required)
7 February	Budget Report to Cabinet

Date	Action
14 February	Corporate Overview and Scrutiny Management Board consider 7 February Cabinet Report
21 February	Council Budget and MTFP report

Proposed Consultation Programme

- 30 Based on the best practice that has developed over previous consultations, the 14 Area Action partnerships (AAPs) will be a key mechanism to engage with the public, community groups and agencies during the first phase of the consultation during October and November. These meetings will be supplemented with presentations to local community groups as well holding a series of roadshows across the county.
- 31 In addition to providing the opportunity for respondents to discuss the Council's budget proposals at the events set out above, there will also be the opportunity for responses to be submitted via a questionnaire (both hard copy and online) during this phase of the consultation.
- 32 In line with previous years, these public consultation exercises will be supplemented with a second phase of consultation. This will involve targeted requests for views on the MTFP report presented to Cabinet in December from the Council's key partners that make up the County Durham Partnership.

Workforce Implications

- 33 The Council originally estimated 1,950 reductions to full time equivalent posts by the end of 2014/15. By 31 March 2018, it is forecast that there will have been a reduction of 2,674 posts, of which 663 will have been via the deletion of vacant posts. It is forecast that the number of post reductions will increase over the coming years as savings plans are developed and agreed to achieve the MTFP(8) required saving of £41 million.
- 34 The Council will continue to take all possible steps to avoid compulsory redundancies and minimise the impact upon the workforce. This will require a continued focus on forward planning, careful monitoring of employee turnover, only undertaking recruitment where absolutely necessary and retaining vacant posts in anticipation of any required service changes, seeking volunteers for early retirement and/or voluntary redundancy and maximising redeployment opportunities for the workforce wherever possible.
- 35 In addition, the way that work is organised and jobs designed will continue to be reviewed by service groupings, with the support of Human Resources, to ensure that changes that are made to maximise the use of the workforce numbers and skills and introduce flexibility into the way work is organised to maximise the capacity of the remaining workforce.

- 36 These actions will ensure that, wherever possible, service reductions continue to be planned well in advance of commencing the exercises, employees are able to consider their personal positions and volunteer for ER/VR prior to the start of the exercise should they wish to, thereby enabling, in a number of situations, the retention of sustainable employment in the County for those who wish to remain in the workplace.

Equality Impact Assessment of the Medium Term Financial Plan

- 37 Consideration of equality analysis and impacts is an essential element that members must consider in their decision-making in line with the Equality Act 2010. As in previous years, equality impact assessments will be a key way in which this analysis will be captured throughout the decision making process, alongside the development of MTFP(8).
- 38 The aim of this equality analysis is to:
- (a) identify any disproportionate impact on service users or staff based on the protected characteristics of age, gender (including pregnancy/maternity and transgender), disability, race, religion or belief and sexual orientation;
 - (b) identify any mitigating actions, which can be taken to reduce negative impact where possible;
 - (c) ensure that we avoid unlawful discrimination as a result of MTFP decisions.
- 39 This is required to support MTFP process decisions, which are both fair and lawful. The process is in line with the Equality Act 2010, which, amongst other things, makes discrimination unlawful in relation to the protected characteristics listed above and requires us to make reasonable adjustments for disabled people. In addition, the public sector equality duty requires us to pay 'due regard' to the need to:
- (a) eliminate discrimination, harassment and victimisation and any other conduct that is prohibited under the Act;
 - (b) advance equality of opportunity between persons who share relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 40 A number of successful judicial reviews have reinforced the need for robust consideration of the public sector equality duties and the impact on protected characteristics in the decision making process. Members must take full account of the duties and accompanying evidence when considering the MTFP proposals.

- 41 Throughout the period of MTFP planning through to setting the MTFP(8) budget in February 2018, the equality impact assessments will be developed alongside emerging savings proposals. Any relevant results of consultative activity will be fed into the assessments, and all assessments will be updated as further information becomes available. Final assessments will be considered as part of proposals' decision-making processes. In terms of the ongoing programme of budget decisions the Council has taken steps to ensure that impact assessments:
- (a) are built in at the formative stages so that they form an integral part of developing proposals with sufficient time for completion ahead of decision-making;
 - (b) are based on relevant evidence, including consultation where appropriate, to provide a robust assessment;
 - (c) objectively consider any negative impacts and alternatives or mitigation actions so that they support fair and lawful decision making;
 - (d) are closely linked to the wider MTFP decision-making process;
 - (e) build on previous assessments to provide an ongoing picture of cumulative impact.

Local Council Tax Reduction Scheme for 2017/18

- 42 The Government abolished the national Council Tax Benefits System on 31 March 2013, replacing it with a requirement for local authorities to work with their precepting bodies to establish a Local Council Tax Reduction Scheme (LCTRS) with effect from 1 April 2013. The LCTRS provides a 'discount' against the Council Tax charge, rather than a benefit entitlement.
- 43 The Council Tax Reduction Scheme Grant replaced Council Tax Benefit subsidy and from April 2013 is paid directly to the Council and the major precepting bodies (Police and Fire).
- 44 Government funding towards council tax support was reduced by 10 per cent nationally in 2013/14. By so doing, the Government also transferred the risk of any growth in the system through more council taxpayers becoming eligible for support with their council tax to local authorities as the government grant was a fixed amount.
- 45 The funding made available to support the Local Council Tax Support Schemes in 2013/14 (90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council's formula funding arrangements. Whilst separate figures were published for this in 2013/14, there is no longer any visibility over what level of funding is actually contained within the formula now for Council Tax Reduction Schemes.
- 46 The Council's formula grant includes an element relating to Town and Parish (T&P) Councils and whilst the Council passed the grant on to the Town and Parish Councils in the last three years, there is no statutory requirement to do so.

- 47 Following discussions with the Town and Parish Councils' Working Group, and in the spirit of partnership working, recognising the important role Town and Parish Councils play in providing local services to communities, it is proposed to continue to pass on the Town and Parish element of the formula grant in 2018/19. In doing so, it is proposed that the Council continues to apply pro-rata reductions in the Council Tax Support Grant paid to Town and Parish Councils 2018/19 in line with reductions in the overall formula funding made available to the Council and this is reflected in the updated MTFP model.
- 48 In the North East region, Durham and Northumberland have schemes that continue to mirror entitlement under the former Council Tax Benefit (CTB) system, whilst the other ten Councils have schemes that cap the maximum entitlement to working age claimants.
- 49 Nationally, 74 Councils changed their schemes in April 2017. There are now only 37 Councils across the country who continue to mirror entitlement under the former Council Tax Benefit system (11%), with 277 out of 326 having cut the amount of support available to claimants by introducing either a minimum payment or a band cap. The other 12 councils have made other changes such as removing the second adult rebate to their schemes.
- 50 In some local authorities, low-income households continue to be exempt from paying Council Tax whilst in others they are required pay up to 45% of their bill. There is therefore a wide disparity of support available across the Country. In the fifth year of the LCTRS, around two million families across the Country continue to be adversely affected by the change from CTB. On average, these families will have to pay £191 additional Council Tax in 2017/18 in comparison to what they would have paid under the national CTB scheme. The number of LCTRS claimants paying £200 or more has increased to 825,000 in 2017/18.
- 51 There are currently 59,095 LCTRS claimants in County Durham, of which 25,209 (43%) are pensioners and 33,886 are working age claimants (57%), with 22,661 working age claimants on 'passported' benefits i.e. also in receipt of either Job Seekers Allowance or Income Support. LCTRS support to claimants in terms of discounts against their Council Tax liability currently totals circa £53.5million per annum.
- 52 There are 2,400 claimants in County Durham currently classed as working age that would have been treated as pensionable age claimants previously, and therefore fully protected from any changes in the LCTRS should the Council wish to do so, as a result of changes to the pensionable age eligibility across the last four years. Nationally there has been a 13.5% reduction in pensionable age claimants across the last four years; the reduction in County Durham has been a 6.8% reduction since 2013.
- 53 As Members will be aware, if any changes are made to the scheme, these must be consulted on and be subject to an equality impact assessment. Councils are required to review and approve their schemes annually and have this agreed by a Council Meeting before 31 January each year.

- 54 Pensioners, have to be protected from any changes, with any reductions applied to working age claimants only.
- 55 Four years after the Government abolished the national Council Tax Benefits System the Council continues to have a Local Council Tax Support Scheme, which mirrors the previous entitlement under the Council Tax Benefit System for all claimants. No council tax benefit claimants have therefore been financially worse off in the last four years than they would have been under the previous national scheme.
- 56 The Council has been mindful of the continuing impacts of the wider welfare reforms which are having a detrimental impact on many low income households and the fact that the additional Council Tax liabilities for working age households could have a significant impact on affected household budgets by around £100 to £130 a year based on a scheme whereby entitlement for working age claimants is set at a maximum of 90% entitlement. This would make collection of council tax more difficult and costly to recover from these low income households.
- 57 In approving the scheme for 2017/18, the Council (26 October 2016) gave a commitment to review the scheme on the grounds of medium term financial plan (MTFP) affordability and on-going austerity causing further MTFP pressures.
- 58 Based on Tax base assumptions, the estimated net cost of retaining the scheme in 2017/18 is circa £5.1 million. To recover the full £5.1 million cost by reducing the benefit awarded to working age claimants, which currently totals circa £31.3 million, would require us to reduce the maximum entitlement from 100% to 79.5%.
- 59 Should the Council review its scheme and reduce maximum entitlement to working age claimants, depending on the forecasted council tax collection from affected low income households, there would be scope to increase Council Tax revenues by between £2.5 million (based on a scheme that awarded maximum entitlement to working age households of 90% with a prudent collection rate of 80%) and £5.133 million (based on a scheme that awarded maximum entitlement of 79.5% with a prudent collection rate of 80%). This would impact circa 34,000 working age households across County Durham, where 7,235 are actually in low paid jobs rather than being unemployed.
- 60 Following careful consideration of the current financial position of the Council and in light of further cuts to the Welfare Budget planned by Government, including the roll out of Universal Credit Full Service from October 2017 in County Durham; it is proposed that Cabinet recommend to Council that the current scheme should be extended for a further year into 2018/19 and, therefore, that no additional council tax revenues are built into the MTFP projections from a review of the LCTRS at this stage.
- 61 The reasons for extending the current scheme are due to the current scheme remaining within existing cost parameters for the Council. In addition, whilst the full impacts of the Government's Welfare Reforms are complex and difficult to track, demand for Discretionary Housing Payments; Social Fund

Applications and Rent Arrears statistics in County Durham compared to others across the region, would suggest that the council tax benefit protection afforded to working age claimants, in addition to the wide ranging proactive support that has been put in place, is continuing to have a positive impact on these households.

- 62 The Council will need to continue to review the national situation and track what is happening in local authorities that have introduced Local Council Tax Reduction Schemes that have reduced entitlement to their working age claimants in terms of impacts and performance in terms of recovery of the council tax due.

Council Tax Discretionary Discounts – Review of Hardship Relief Policy

- 63 The Local Government Finance Act 1992 Section 13a makes the provision for Billing Authorities to reduce the amount of tax payable by awarding a discretionary relief of Council Tax in exceptional circumstances, including hardship.
- 64 The Local Government Finance Act 2012 made further provision for Councils' to introduce Local Council Tax Reduction Schemes, to replace Council Tax Benefit from April 2013.
- 65 The Council's Local Council Tax Reduction Scheme (LCTRS) commenced 1 April 2013. A number of changes to Council Tax exemptions and discounts, including those affecting empty properties, also became effective from the same date.
- 66 The Council Tax Discretionary Reduction (Hardship Relief) Policy was approved by Cabinet in December 2012 and has not reviewed to date.
- 67 Since the current Council Tax Discretionary Reduction (Hardship Relief) Policy was approved, there have only been 134 applications submitted under the provisions of the policy and only one award made. The award was made to a customer with an existing severe mental impairment exemption, with the Discretionary Reduction Policy being used to award relief for the period prior to the severe mental impairment exemption being applied.
- 68 Whilst the number of applications would appear to be low, when enquiries are raised from customers claiming hardship, they are often unaware or unfamiliar with the Council's LCTRS. In the majority of cases, customers are directed towards the LCTRS and asked to submit a claim under that route first.
- 69 An analysis of the 133 unsuccessful applications for Hardship Relief received over the last four years shows that the majority (72%) did not progress to a final decision because the applicant failed to provide the requested financial information to substantiate their financial hardship. Financial hardship is different to suffering financial detriment. This would suggest that the customers were unable to demonstrate financial hardship.
- 70 Of the remaining 28%, debt management advice and support was provided, with payment arrangements agreed in 10% of cases. Further information was provided on the availability of other exemptions or discounts, which were

subsequently awarded in 9% of cases; and in 9% of cases, the applications were declined, as financial hardship was not established, mainly for reasons of them holding excess capital.

- 71 In undertaking a review of the Council's Council Tax Discretionary Reduction (Hardship Relief) Policy, comparison has been made with the policies adopted and published by other Councils, including all twelve North East Councils.
- 72 Not all Council's publish their Council Tax Discretionary Reduction (Hardship Relief) Policy online and of those who did, very few were easily accessible.
- 73 In broad terms, the policies reviewed were all similar in terms of scope however, the level of detail included in the individual policies differed significantly, and some merely provided a high-level summary outlining the principals of the policy whilst others detailed the evidence needed to process the application.
- 74 Councils were found to be managing and accounting for hardship relief schemes in different ways including:
- (a) specific provisions within the LCTRS scheme to cover hardship;
 - (b) creation of additional local discretionary Council Tax discounts / exemptions categories;
 - (c) creation of a discretionary hardship fund, with awards credited direct to Council Tax accounts and funded from a General Fund budget;
 - (d) provision within their discretionary awards scheme (Welfare Assistance Schemes) for Council Tax payments to be met where financial hardship was evidenced, with awards credited direct to Council Tax accounts and funded from the WAS budget.
- 75 From the review undertaken it has been concluded that the Council's current policy is lacking in detail in a number of areas. A range of policy amendments have been made to improve transparency and clarity by providing information explaining how the Council will assess the claim and what the requirements are to be eligible for support. Proposed amendments and additions to the policy (attached at Appendix 3) include:
- (a) an explanation of the legislation covering hardship awards, i.e. section 13A of the Local Government Finance Act 1992;
 - (b) clarity over the process i.e. that all other reasonable steps should be taken first and how an application for Hardship Relief should be a last resort;
 - (c) clarity over the fact that awards for Hardship Relief would normally be for temporary, short and fixed periods;

- (d) clarity over the evidence required to substantiate a claim for Hardship Relief and how the Council will meet the costs associated with the award;
 - (e) clarity over the decision making process for assessing claims received and the process for reviewing decisions and the rights of appeal;
 - (f) detail on how fraudulent or misleading applications will be treated;
 - (g) a revised and updated application form.
- 76 The proposed amendments to the policy outlined above have been factored into an updated policy, attached at Appendix 3. These amendments significantly strengthen the policy and will ensure that all applications continue to be assessed in a fair and open process, based on agreed policy clear criteria, on a more robust and meaningful basis whilst protecting the public purse.
- 77 In future, it is intended that the Council's Council Tax Discretionary Reduction (Hardship Relief) Policy will be reviewed on an annual basis, alongside the review of the LCTRS Scheme, to ensure that the policy continues to be fit for purpose and reflect customer needs.

Council Tax Discretionary Discounts – Council Tax Exemption for Care Leavers

- 78 The Government's Keep on Caring, Supporting Young People from Care to Independence (July 2016), identifies five key outcomes for care leavers and explains how they will be achieved.
- 79 One of the five key outcomes is to support care leaver to achieve financial stability and Councils were encouraged to consider exempting care leavers from Council Tax using existing discretionary powers.
- 80 The Children's Society also support this view and have made calls for Councils to exempt care leavers from paying Council Tax up to the age of 25.
- 81 In August 2016, the Communities and Local Government Select Committee also recommended that care leavers be exempted from Council Tax up to at least age 21.
- 82 Durham County Council understands that care leavers rarely have the support that families can offer young people to help them become independent. The Council want to support care leavers living in County Durham to help them become financially independent, breaking down some of the barriers that may prevent care leavers from progressing into opportunities. This includes the 'benefits trap' where starting an apprenticeship or other form of employment may leave them at a financial disadvantage.
- 83 The Council does not currently offer automatic support to care leavers to pay council tax. However some support is available:

- (a) the Local Council Tax Reduction Scheme (LCTRS). Care leavers in receipt of qualifying state benefits, universal credit or a low wage may qualify for a reduction in their Council tax liability to 100%;
 - (b) offering student discounts/exemptions prescribed by existing Council Tax legislation. This means where the property is solely occupied by a student then the property is exempt from Council Tax;
 - (c) offering a discretionary reduction outlined in the Council Tax Discretionary Reduction (Hardship) Policy.
- 84 Five Councils are currently offering specific support for care leavers. However, they all operate different LCTRSs, with only two of the five providing a reduction in Council Tax liability of up to 100% and the others applying a charge of between 20% and 25%:
- (a) Birmingham exempted care leavers from Council Tax up to age 25 from April 2017;
 - (b) Cheshire East offer a Council Tax discretionary discount of up to 100% of the Council Tax liability up to age 25;
 - (c) North Somerset exempt care leavers from Council Tax up to age 22;
 - (d) Islington exempted care leavers from Council Tax up to age 25 from April 2017;
 - (e) Hammersmith and Fulham exempted care leavers from Council Tax up to age 25 from April 2017.
- 85 Some award a new care leaver 100% exemption from the outset whilst others consider an additional exemption only after entitlement to CTR and/or existing exemptions and discount have been exhausted. Awards are accounted in different ways including:
- (a) provision within the Council Tax Reduction (previously known as Council Tax Benefit) scheme;
 - (b) creation of additional discretionary Council Tax exemptions;
 - (c) creation of discretionary funds, awards credited direct to Council Tax accounts.
- 86 None of the Councils in the North East currently offer automatic support to care leavers. However, Stockton and Middlesbrough have indicated that they plan to consult on providing support in 2018/19.

Durham County Council Care Leavers

- 87 Data obtained from Children and Young People's Services, based on Care Leavers up to the age of 21 in April 2017 shows that we have 188 care leavers, where the Council is the 'corporate parent'. This does not include care leavers who have moved into the area and where another authority is the corporate parent. The Council has no statutory duty to act on behalf of care leavers over the age of 21 and no obligation to keep records. Therefore,

details of care leavers between the ages of 21 and 25 are not included in the analysis.

- 88 The majority of young people leaving care in County Durham and being monitored continue to reside in the county:

Residing within the county	130	69%
Residing outside of the county	35	19%
No Fixed Abode	12	6%
In custody	11	6%

- 89 Only 53 (41%) of the 130 care leavers residing within the county have a Council Tax liability. The remaining 77 (59%) have no Council Tax liability, the majority either living with parents or relatives, in foster care conversion or living in a supported living scheme.

- 90 Whilst 53 care leavers have a liability to pay Council Tax, the majority, 39, do not actually currently pay Council Tax. This is because they already receive a discount or exemption and/or receive 100% Council Tax Reduction (CTR).

100% student exemption	2
25% single person discount & 75% CTR	33
100% CTR	2

- 91 The proposal to exempt care leavers from Council Tax, after consideration of entitlement to other statutory Council Tax exemptions/discounts would mean that the 35 care leavers currently receiving support via the Councils LCTRS would receive the care leaver exemption instead of LCTRS.

- 92 Whilst the proposals to replace LCTRS with a Care Leavers exemption are broadly financially cost neutral there are non-tangible benefits from introducing such a scheme. The LCTRS is means tested and the claim process is can be considered by some to be bureaucratic and sometimes confusing. An exemption process will be much simpler for care leavers and those supporting them and a streamlined application process will reduce the time taken to process applications and the administrative burden.

- 93 Of the 53 care leavers with a liability to pay Council Tax, after exemptions, discounts and disregards, and before CTR is applied – the charge would be £51,200. After CTR, only 14 have a net balance to pay. The total amount to be collectable in the current financial year is £14,123. Whilst all 14 have a balance to pay, only four have been billed for the full liability, the remaining ten receive an discount or exemption or partial CTR.

25% single person discount & partial CTR	3
Partial CTR	1
25% single person discount	6
Full charge – 100% Council Tax	4

- 94 Of the four that have been billed for the full Council tax liability in 2017/18, three are couples and the remaining single person should have claimed a single person discount and may have entitlement to CTR. This care leaver has been invited to claim both and applications are now being processed.

- 95 The proposal to exempt care leavers from Council Tax, after consideration of entitlement to other statutory Council Tax exemptions/discounts would mean that the nine single care leavers currently receiving 25% single person discount and/or CTR would receive a care leaver exemption reducing their liability to 'nil'.
- 96 The remaining four couples would receive a discretionary 50% Council Tax discount plus any CTR entitlement.
- 97 Based on these assumptions the cost to support the proposals for exempting DCC Care Leavers from Council Tax for those that are currently liable would be approx. £13,500.
- 98 Of the 77 care leavers who are not liable for Council Tax. The majority are living with parents, relatives or foster carers.

With parents/relatives	28
Supported lodgings	21
Foster care conversion	11
Other suitable	7
Semi independent	4
Independent living	3
Ordinary lodgings	1
Homeless	1
In custody	1

- 99 The proposal put forward is to award a discretionary 50% Council Tax discount when a care leaver moves in to live with an extended family member (or another adult) living on their own and receiving single person discount. This would mean that 17 of the households where the care leaver lives with parents, relatives or foster carer could be entitled to a 50% discount plus any CTR entitlement.
- 100 In financial terms, the award of a 50% discount to the 17 households would currently amount to £10,590.
- 101 Therefore, based on the current data, the potential cost of the proposals is circa £24,090. This does not include the cost of awarding a Council tax exemption for care leavers living in County Durham where the corporate parent is another authority. These costs can be considered to be minimal when balanced against the potential benefits, including a simple, less complicated and less bureaucratic process for Care Leavers living in County Durham.
- 102 More importantly, the proposals offer support to families and young people to help them become independent. It will help care leavers become financially independent, breaking down some of the barriers that may prevent care leavers from progressing into opportunities including opportunities to break away from the 'benefits trap' where starting an apprenticeship or other form of employment may leave them at a financial disadvantage.

- 103 It must be noted that in the absence data to quantify the number and circumstances of those care leavers between the ages of 21 to 25, it is impossible to accurately forecast the total impact and costs of the proposal to exempt care leavers living in County Durham.

Consultation Undertaken on the Proposals

- 104 The purpose of the consultation was to seek views on the Council's proposal to offer care leavers living in County Durham an exemption from Council Tax until the age of 25, laid out as follows:

'We want to help care leavers become financially independent. We are proposing the following changes for care leavers, up to the age of 25, living in County Durham, after considering entitlement to other discounts/exemptions:

- (a) exempting all care leavers from Council Tax up the age of 25, after consideration of entitlement to other statutory Council Tax exemptions/discounts;
- (b) awarding 50% discretionary relief to care leavers living with a partner (none care leaver), after consideration of entitlement to other statutory Council Tax exemptions/discounts;
- (c) awarding 50% discretionary relief to care leavers when part of a joint tenancy, after consideration of entitlement to other statutory Council Tax exemptions/discounts;
- (d) award 50% discretionary relief, where a care leaver (up to the age of 25) moves in to live with an extended family member (or another adult) living on their own and receiving single person discount.

The above would only apply to an occupied property.'

- 105 The consultation process ran from 5 May to 31 May, 2017. As well as care leavers, the consultation engaged key stakeholders including social workers and supported lodging providers through facilitated discussions. Information and questionnaires were sign posted via the Council's website and via the Care Leavers Forum, the Children in Care Council, the Housing Providers Support Group, the Foster Carers (in house provision), the Supported Lodgings Providers and the Fostering Provider Forum (N E Region).

- 106 There were five questions posed as part of the consultation:

- (a) What do you think about the proposal?
- (b) How could you make all care leavers aware of the Council Tax exemptions?
- (c) Do you think that care leavers moving into the area, from other authorities should receive the discretionary relief?
- (d) Do you have any other comments or alternative suggestions?

(e) Are you:

- (i) A young person in care?
- (ii) A young person who has left care?
- (iii) An organisation supporting young people in/or leaving care?
- (iv) A foster carer?
- (v) A supported lodgings provider?
- (vi) A member of the public?
- (vii) Other?

- 107 There were 162 responses to the online questionnaire, the majority of responses coming from the general public (61%) with 15% from care leavers or young people in care. As well as feedback received via forums and meetings, Investing in Children, a partnership with Durham County Council and the NHS also made representations on behalf of 22 young people, 10 of which were care leavers and 12 of whom were still in care.
- 108 Feedback from all the meetings and forums was very positive and both young people and stakeholders were very engaged and supportive of the proposals to exempt care leavers from council tax.
- 109 Based on the consultation undertaken there was overwhelming support for the proposals, with 78% of respondents indicating that they were very positive or fairly positive about the proposals. Only 11% of respondents indicated they were negative or very negative about the proposals.
- 110 Where additional feedback was received, it was generally positive, with feedback indicating that the proposals would: help the transition to independence; would help reduce stress and financial burden being experienced; be good to see the Authority being a supportive corporate parent.
- 111 Feedback from Investing in Children, from care leavers and children in care included:
- (a) it would give them less to worry about;
 - (b) a recognition that the Chief Executive was personally committed to helping them;
 - (c) it would help them avoid getting into debt;
 - (d) money is always an issue.
- 112 Some negative comments were also received, with some respondents questioning why only looked after children should be supported in this way, identifying that there was already support available via the CTR scheme and also questioning whether support should be made available to all young people, plus some feedback that support should be restricted up to age 21.
- 113 An Equality and Diversity Impact Assessment has been completed and updated as a result of the consultation into these proposals and is attached at Appendix 4.

Conclusions

- 114 A number of Councils have started to introduce policies to exempt care leavers living in their area from Council Tax. Some award a new care leaver 100% exemption from the outset whilst others consider an additional exemption only after entitlement to CTR and/or existing exemptions and discount have been exhausted.
- 115 Consultation on proposals to exempt care leavers living in County Durham was largely positive and analysis of the cost implications from introducing a similar policy in Durham are considered affordable, when set aside the benefits expected from introducing such a policy to support care leavers living in County Durham.
- 116 A Council Tax Discretionary Reduction (Relief) For Care Leavers Policy / Application Form and process devised to implement these proposals and is attached at Appendix 5. The Policy would be reviewed on an annual basis alongside the review of the LCTRS Scheme and Council Tax Discretionary Reduction (Hardship Relief) Policy, to ensure that it continues to be fit for purpose and reflects customer needs.

Discretionary Rate Relief - Review of Local Discretionary Rate Relief Policy

- 117 The business rates revaluation in England took effect from April 2017.
- 118 On 8 March 2017, as part of the Spring Budget, the Chancellor of the Exchequer announced a range of measures to reduce Business Rates liabilities, summarised as follows:
- (a) £435 million of support for businesses facing significant increases in their bills, including:
 - (i) support for small businesses losing Small Business Rate Relief (SBRR) as a result of the revaluation, where increases would be limited to the greater of £600 or the real terms transitional relief cap for small businesses each year;
 - (ii) providing local authorities with funding to support £300 million of discretionary relief, to allow them to provide support to individual hard cases in their local area.
 - (b) The government also introduced a £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2017.
- 119 In making these announcements, the government stated that local authorities would be fully compensated, by way of s31 grant, for the loss of income because of these measures, which were announced after budgets had been set for 2017/18.

Support for small businesses losing Small Business Rate Relief or Rural Rate Relief to limit increases in their bills to the greater of £600 or the real terms transitional relief cap for small businesses each year

- 120 This announcement came too late for annual billing 2017/18 for all authorities. To implement them software changes were required, but in order to amend the Business Rates systems, software suppliers required the detailed guidance notes from CLG before these changes could be actioned. These were not published until 16 May 2017 as part of the s31 grant determinations.
- 121 Prior to annual bills being issued, the Council was able to identify that there were only 55 cases in County Durham where this would apply. The estimated additional discount these 55 business would receive (reduction in rates liabilities) in 2017/18 would be circa £92,000.
- 122 In March 2017, letters were sent all these businesses notifying them that they could be impacted by the Governments announcements in March and to notify them that once the Government finalised the proposals the Council would re-bill them accordingly. All these businesses were advised to pay their accounts as billed at this stage.

Introduction of a £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2017

- 123 Again, this announcement came too late for annual billing 2017/18. These changes also require updates to be made to systems that in turn were reliant on the CLG publishing the detailed guidance notes, which were only published 16 May 2017 as part of the s31 Grant determinations.
- 124 Prior to annual billing, the Council was able to identify that there was 225 public houses that could qualify for this support. The estimated additional discount these 225 business could receive (reduction in rates liabilities) in 2017/18 would therefore be circa £225,000.
- 125 In March 2017, letters were sent all these pubs notifying them that they could be impacted by the Governments announcements in March and to notify them that once the Government finalised the proposals the Council would re-bill them accordingly. They were all advised to pay their accounts as billed at this stage.

New funding to support £300 million of discretionary relief, to allow them to provide support to individual hard cases in their local area

- 126 Following the March Budget announcements, the Government subsequently published their proposals in a consultation document on the design and implementation of locally administered Business Rates Relief Schemes.
- 127 The Government proposed that these discretionary schemes would be administered through existing discretionary relief powers under section 47 of the Local Government Act 1988 and that local authorities would need to develop their own discretionary relief schemes to deliver further targeted support to those businesses and locations in the within their area that are in 'greatest need'.

- 128 Responses to the Governments consultation proposals, where there were seven questions posed by Government, were submitted by Friday 7 April, 2017. The Government has not published its response to the consultation, but on 28 April, 2017 published the s31 Grant determinations for this element of their proposals.
- 129 The 2017/18 business rates revaluation has classed Small Businesses as those businesses with a Rateable Value (RV) of less than £51,000 (the Small Business Multiplier threshold). The Government has used RV up to £200,000 to distribute the proposed funding to support Billing Authorities in implementing their local schemes. Therefore, the conclusion was that the larger properties (with RVs above £200,000) should be excluded from this Discretionary Relief scheme in line with the government's allocation methodology.
- 130 As noted above, the Spring Budget announced a measure to cap increases to £600 for some properties, which because of RV increases, have lost some or all of their Small Business Rate Relief and Rural Rate Relief.
- 131 In developing a proposed local scheme this £600 threshold has been used to determine what constitutes a significant increase in rates liability. This matches thresholds set out in other government relief schemes. The following table identifies the number of properties facing rates bill increases over £600 in 2017/18 in Durham, excluding DCC, Police and Fire and Rescue Service premises as they are not eligible for this support, as a result of the revaluation:

Property Sizes	No. of Accounts with increases over £600 in 2017/18
Small Business <=£51,000 RV	318
Medium RV >£51,000<=£200,000	208
Larger RV > £200,000	68
Total	594

- 132 An analysis of small and medium sized businesses and their actual value of increased charges to rates bills in 2017/18 as a result of the revaluation, net of any reliefs and discounts therefore was:

Property Sizes	No. of Accounts with increases over £600	£Value of increase in net Rates Liability 2017/18	Less First £600 Met by Rate Payer	£Value increase in net Rates Liability over £600
Small Business <=£51,000 RV	318	433,422	-190,800	242,622
Medium RV >£51,000<=£200,000	208	1,045,667	-124,800	920,867
Total	526	1,479,089	-315,600	1,163,489

- 133 If the increase in rates bill for the above businesses were capped at £600, the cost of applying a discretionary scheme that would cap increases at £600 would be up to £1.163 million in 2017/18.
- 134 The gross funding made available to County Durham to fund the new discretionary relief scheme in 2017/18 is £663,000, reducing to £332,000 in 2018/19; £133,000 in 2019/20; and £19,000 in 2020/21. In theory, and notwithstanding any state aid issues, the grant could therefore reduce all increases above £600 by 57%, if all properties applied for and qualified for the relief in 2017/18 and there were no changes in the rateable values of any properties as a result of successful appeals.
- 135 A provision for appeals is prudent as these backdated changes can alter the baseline assumptions in determining the percentage of relief to award for 2017/18. Based on experience a provision for 61 successful appeals with a rates liability gap of circa £194,000, would seem appropriate. This would increase the cost of applying a discretionary scheme that would cap increases at £600 up to £1.357 million in 2017/18, reducing the percentage support that could be provided within the limitations of the grant awarded to circa 50%
- 136 In determining the local scheme, the Council has sought to determine a scheme that is easy to administer, uncomplicated / makes it easy to apply and which ensures (as far as is possible) all available funding is used to reduce rates liabilities, without overspending the allocation and impact on the Councils budgets.
- 137 To be eligible for this new relief, it is proposed that businesses will need to meet the following criteria :
- (a) have a rateable value of less than £200,000 (i.e. is classed as a small or medium sized business);
 - (b) have had an increase in rateable value following the 2017 revaluation;
 - (c) the ratepayer has a continuing liability i.e. was liable for business rates on 31/03/17 and continues to remain liable for business rates (to ensure the support is targeted to those small and medium sized businesses adversely impacted by the business rates revaluation);
 - (d) as a result of the above the rate payer has seen a net increase of over £600 in their rates bill in 2017/18.
- 138 Properties that continue to meet the above criteria will receive the following discounts:
- (a) 2017/18 - 50% of the increase above £600;
 - (b) 2018/19 - 25% of the increase above £600;
 - (c) 2019/20 - 10% of the increase above £600;
 - (d) 2020/21 - 1.5% of the increase above £600.

- 139 The amount of relief awarded may be reviewed in year and may be increased or decreased depending upon take up and the impact of appeals, to ensure the total amount of government grant received by Durham County Council is awarded to support local businesses.
- 140 In order to implement this new Discretionary Rate Relief Cabinet will need to approve amendments to the Discretionary Rate Relief Policy. The Policy has been updated and is attached at Appendix 6. An Equality and Diversity Impact Assessment has also been prepared and is attached at Appendix 7.
- 141 The Grant Determinations published on this aspect of the Governments proposals state there is a requirement to consult with the major precepting authorities (Police and Fire) and the Combined Authority on our proposed scheme.
- 142 Feedback has been received from both the Police and the Fire and Rescue Services who are both supportive of these proposals. The Council's proposals have also been shared with the North East Combined Authority (NECA) and it is understood that they will be presented to the NECA Board on 17 July, 2017 alongside policies developed by other local authorities in NECA, for noting and endorsement.
- 143 At the timing of preparing this report only South Tyneside Council had developed proposals but their policy was not yet finalised and they were awaiting the outcome of the General Election before proceeding further.

Conclusions

- 144 In March 2017 the Government made three announcements impacting on Business Rates liabilities in 2017/18:
- (a) a £600 cap on rates bills for those losing Small Business Rate Relief (SBRR) / Rural Rate Relief (RRR) as a result of the revaluation;
 - (b) introduction of a £1,000 discount relief for public houses with a rateable value up to £100,000;
 - (c) funding for the introduction of local Discretionary Rate Relief Scheme for businesses adversely impacted by the revaluation.
- 145 In making these announcements, the government stated that local authorities would be fully compensated, by way of s31 grant, for the loss of income because of these measures, which were announced after budgets had been set for 2017/18.
- 146 The announcements came too late for annual billing 2017/18 and could not be implemented until the Government published the technical guidance notes, which enable the necessary software upgrades to be developed and before the Council developed and updated its Discretionary Rate Relief Policy changes.

- 147 Now that this guidance has been issued, and subject to Cabinet approval of the attached Policy, progress can now be made, with plans are in place to implement these discounts as soon as possible. There are circa 280 business potentially impacted by the £600 cap on rates bills for those losing SBRR as a result of the revaluation (55 businesses) and the £1,000 relief for public houses with a rateable value up to £100,000 (225 businesses) in County Durham. No billing authorities have been able to implement these changes to date.
- 148 In terms of the new Discretionary Rate Relief proposals, the proposed policy for County Durham is set out above and has been incorporated into the updated Discretionary Rates Relief and Business Rates Hardship Relief Policy attached at Appendix 6.
- 149 The Policy will be monitored and reviewed, with increases to the awards to small businesses retrospectively applied should we need to in order to maximise spend against the available grant in year.

Recommendations and Reasons

- 150 Cabinet is asked to:
- (a) note the requirement to identify additional savings of £41million for the period 2018/19 to 2021/22;
 - (b) agree the approach to preparing the Council Plan and Service Plan;
 - (c) agree the high level MTFP(8) and Council Plan timetable;
 - (d) agree the approach outlined for consultation;
 - (e) note the workforce impact resulting from the need to realise additional savings of £41 million over the 2018/19 to 2021/22 period;
 - (f) agree the proposals to build equalities considerations into decision making;
 - (g) agree that Cabinet recommend to Full Council that the Local Council Tax Reduction Scheme should remain unchanged for 2018/19;
 - (h) approve the updated Council Tax Discretionary Reduction (Hardship Relief) Policy as attached at Appendix 3;
 - (i) approve the introduction of a Council Tax Discretionary Reduction (Relief) For Care Leavers Policy, as attached at Appendix 5;
 - (j) note that in the future the review of the Council Tax Discretionary Reduction (Hardship Relief) Policy will be undertaken on an annual basis and aligned to the review of the Local Council Tax Reduction Scheme;

- (k) note that Council Tax Discretionary Reduction (Relief) for Care Leavers Policy will be reviewed on an annual basis, review of the Council Tax Discretionary Reduction (Hardship Relief) Policy will be undertaken on an annual basis and aligned to the review of the Local Council Tax Reduction Scheme;
- (l) approve the proposals in terms of the Discretionary Rate Relief scheme to be applied in County Durham in line with the Government announcements in March 2017, which has been incorporated into the Discretionary Rates Relief and Business Rates Hardship Relief Policy attached at Appendix 6;
- (m) note that the Discretionary Rate Relief scheme will be monitored and reviewed, with delegated approval given to the Corporate Director of Resources, in consultation with the Cabinet Member for Finance, to vary the percentage awards to small businesses retrospectively should we need to in order to maximise spend against the available grant in year and to vary the rates applied to new applications should the need arise.

Background Documents

- Welfare Reform Act 2012.
- Medium Term Financial Plan (7), Council Plan, Service Plans 2017/18-2019/20 and Review of the Local Council Tax Reduction Scheme 2017/18 – report to Cabinet 20 July 2016
- Local Council Tax Reduction Scheme 2017/18 – report to Council 26 October 2016
- Changes to Council Tax Support in 2017/18 – Report of the New Policy Institute (commissioned by Joseph Rowntree Foundation) 4 April 2017
- Local Government Finance Act 1988 (as amended) - Section 47
- Localism Act 2011 (as amended) - Section 69

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Appendix 1: Implications

Finance – The report highlights that at this stage £25.6million of savings are required to balance the 2018/19 budget with £41million across the next four years. Work will continue over the coming months to identify savings to balance the budget across the MTFP(8) period.

The funding made available to support the Local Council Tax Reduction Schemes in 2013/14 (90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council's formula funding arrangements.

The Council has continued to pass on the Town and Parish element of its formula grant over the last five years but in doing so continue to apply pro-rata reductions in the Council Tax Support Grant paid to Town and Parish Councils.

The Council is now responsible for the costs of any increase in caseload as the level of Government support is fixed within formula grant.

Prudent estimates and provisions were built into the tax base forecasts at budget setting, and whilst the Council is subject to greater financial risk now, the current scheme remains within the budget provisions.

Should the Council review its scheme and reduce maximum entitlement to working age claimants, depending on the forecasted council tax collection from affected low income households, there would be scope to increase Council Tax revenues by between £2.5million (based on a scheme that awarded maximum entitlement to working age households of 90% with a prudent collection rate of 80%) and £5.133million (based on a scheme that awarded maximum entitlement of 79.5% with a prudent collection rate of 80%). This would impact circa 34,000 working age households across County Durham, where 7,235 are actually in low paid jobs rather than being unemployed.

Since current Council Tax Discretionary Reduction (Hardship Relief) Policy was implemented in April 2013, there have only been 134 applications submitted under the provisions of the policy and only one award made.

Whilst the number of applications would appear to be low, it should be noted that customers claiming hardship they are often unaware or unfamiliar with the Council's LCTRS. In the majority of cases customers are directed towards the LCTRS and asked to submit a claim under that route first.

In terms of providing an exemption to Council Tax for care leavers living in County Durham, the report sets out details of a review of the 188 16 to 21 Durham care leavers identified by colleagues in Children and Young Peoples Services.

Based on the current data, the potential cost of introducing an exemption to care leavers is circa £24,000. This does not include the cost of awarding a Council tax exemption for care leavers living in County Durham where the corporate parent is another authority. These costs can be considered to be minimal when balanced against the potential benefits, including a simple, less complicated and less bureaucratic process for Care Leavers living in County Durham.

The Council has no statutory duty to act on behalf of care leavers over the age of 21 and no obligation to keep records. Therefore, full details of care leavers between the ages of 21 and 25 are not known.

In the absence of reliable data on the number and circumstances of those care leavers between the ages of 21 to 25, and a detailed understanding of the number and circumstances of all care leavers from other areas living in County Durham it is not possible to accurately forecast the total impact and costs of the proposal to exempt care leavers living in County Durham.

The financial implications arising from the introduction of this policy will be carefully monitored and will be used to inform the annual policy review.

The revisions to the Discretionary Rate Relief and Hardship Relief Policies relate to announcements made in the March 2017 budget.

The gross funding made available to County Durham to fund the new discretionary relief scheme in 2017/18 is £663k, reducing to £332k in 2018/19; £133k in 2019/20; and £19k in 2020/21. The cost of applying the £600 cap on rates bills for those losing Small Business Rate Relief / Rural Rate Relief as a result of the revaluation and the £1,000 relief for public houses with a rateable value up to £100,000 in County Durham is estimated at £315,000.

The government stated that local authorities would be fully compensated, by way of s31 grant, for the loss of income because of these measures, which were announced after budgets had been set for 2017/18. It is anticipated that there will not be full take up of the scheme, however there is a need to build in a provision for appeals, therefore if the Council awarded 50% relief over £600 of those who apply, rather than 57%, this should not exceed the awarded grant in 2017-18.

Staffing – The savings proposals in MTFP(8) will impact upon employees. HR processes will be followed at all times. It is now forecast that the forecast reduction in full time equivalent posts the 2011/12 to 2017/18 period will be over 2,600 with more reductions expected over the next four years. In terms of the changes to Council Tax Discounts and Business Rates Hardship Relief Policies, there are no additional staffing implications associated with this report. Processing applications under both policies is managed from within existing resources within the Assessments and Awards Team within Financial and Support Services, Resources

Risk – In terms of the Discretionary Rate Relief Policy, given the scope and nature of the organisations supported through this policy any changes which would reduce entitlement would have reputational risks to the Council and financial risks to the individual organisations. The proposals set out in this report seek to extend and enhance current arrangements in line with Government policy.

The report outlines a range of financial risks surrounding the Local Council Tax Reduction Scheme. These are being effectively managed at this time. Given that the proposal is to extend the current arrangements into 2018/19 there are no system development issues or risk associated with these proposals as the systems were amended in advance of 2013/14.

There is a risk that applications under the Council Tax Discretionary Reduction (Hardship Relief) Policy will increase in the coming years as Welfare Reforms continue to impact households.

Furthermore, although appeals to the Valuation Tribunal remain rare there is a potential that they may increase and re-determinations may result in decisions being overturned.

There is a risk that applications under the Council Tax Discretionary Reduction (Relief) For Care Leavers Policy would exceed modelling assumptions. The award of a Council Tax exemption to Care Leavers where 100% LCTRS support is not being awarded would result in an additional financial burden in terms of reducing the Tax base, which has not been factored into the MTFP. This risk is considered manageable within the existing projections, but will need careful monitoring going forward.

The proposals set out in this report seek to ensure that the Councils Policy is in line with legislative requirements and announcements made in the March 2017 Budget. There is a risk that applications received / awards made under the Discretionary Rate Relief and Hardship Relief Policies would not be in line with modelling assumptions.

The financial implications arising from the application of the Policy will be monitored and reviewed, with increases to the awards to small businesses retrospectively applied should we need to in order to maximise spend against the available grant in year. This risk is considered manageable within the existing projections, but will need careful monitoring going forward.

Equality and Diversity/ Public Sector Equality Duty – Equality considerations are built into the proposed approach to developing MTFP(8), Council Plan and Services Plans, as a key element of the process.

Four years after the Government abolished the national Council Tax Benefits System the Council continues to have a Local Council Tax Support Scheme which mirrors the previous entitlement under the Council Tax Benefit System for all claimants. No council tax benefit claimants have therefore been financially worse off in the last four years than they would have been under the previous national scheme and if the proposals set out in this report and ultimately agreed by Council in the autumn this will continue to be the case.

The Government EIA on the Local Council Tax Reduction Scheme was published in January 2012 and is relatively brief. It considered equality impacts in relation to age and disability, concluding that protection for pensioners would be a positive impact and the effects on disabled people would depend on how each local authority responded to the reduction in council tax support. No impacts were identified in relation to gender or ethnicity and no other protected characteristics were considered and it was left to individual councils to identify full local impacts, based on local implementation.

Given the proposals to extend the current LCTRS into 2018/19, thereby continuing to protect current entitlement, then there will be no negative equalities impact, with the financial position of claimants protected in 2018/19.

Should the Council decide against extending the current scheme into 2018/19, and elect instead to pass on reductions to working age claimants, there would be a range of potential negative equalities impacts. These include financial impact for working age claimants and possible additional impacts in relation to health and wellbeing, housing and the consequences of debt or legal action. These impacts are most likely in relation to gender, age and disability with limited impacts for race and sexual orientation and no evidence of impact on transgender status, religion or belief.

An equality impact assessment has not been completed in terms of the Council Tax Discretionary Reduction (Hardship Relief) Policy as the proposal is to retain the existing policy, as updated. The updates made to the policy are largely to improve transparency and clarity by providing information explaining how the Council will assess the claim and what the requirements are to be eligible for support.

An equality impact assessment has not been completed at this stage in respect of the amendments to the Discretionary Rates Relief policy, as the amendments seek to extend and enhance current arrangements in line with Government policy, with regards to the increased Retail Relief and the extension of Transitional Relief for a two year period.

Accommodation – None specific within this report.

Crime and Disorder – Any reduction in Council Tax support, alongside other welfare changes could see an increase in crime if customers seek to increase their income to make up for the benefits lost. The proposals set out in this seek to protect current entitlement in 2018/19 and as such have no implications, though the impact of the wider welfare reforms agenda will need to be kept under constant review.

Human Rights – Any human rights issues will be considered for any detailed MTFP(8) and Council Plan proposals as they are developed and decisions made to take these forward.

Consultation – The approach to consultation on MTFP(8) is detailed in the report.

Town and Parish Councils have been consulted on the proposals to continue to passport an element of the Councils formula grant, equivalent to the Town and Parish share of the Local Council Tax Reduction Scheme grant funding, with pro-rata reductions applied in line with government grant cuts applied to the County Council.

No consultation as required in terms of the changes made to the Council Tax Discretionary Reduction (Hardship Relief) Policy as these are largely to improve transparency and clarity by providing information explaining how the Council will assess the claim and what the requirements are to be eligible for support.

Consultation on proposals to exempt care leavers living in County Durham from Council tax up to the age of 25 was undertaken during 5th May to 31st May, 2017. As well as care leavers, the consultation engaged key stakeholders including social workers and supported lodging providers through facilitated discussions. Information and questionnaires were sign posted via the Council's website and via the Care Leavers Forum, the Children in Care Council, the Housing Providers Support Group, the Foster Carers (in house provision), the Supported Lodgings Providers and the Fostering Provider Forum (N E Region).

There were 162 responses to the online questionnaire, the majority of responses coming from the general public (61%) with 15% from care leavers or young people in care. As well as feedback received via forums and meetings, Investing in Children, a partnership with Durham County Council and the NHS also made representations on behalf of 22 young people, 10 of which were care leavers and 12 of whom were still in care.

Feedback from all the meetings and forums was very positive and both young people and stakeholders were very engaged and supportive of the proposals to exempt care leavers from council tax.

Based on the consultation undertaken there was overwhelming support for the proposals, with 78% of respondents indicating that they were very positive or fairly positive about the proposals. Only 11% of respondents indicated they were negative or very negative about the proposals.

Where additional feedback was received, it was generally positive, with feedback indicating that the proposals would: help the transition to independence; would help reduce stress and financial burden being experienced; be good to see the Authority being a supportive corporate parent.

Some negative comments were also received, with some respondents questioning why only looked after children should be supported in this way, identifying that there was already support available via the CTR scheme and also questioning whether support should be made available to all young people, plus some feedback that support should be restricted up to age 21.

The Grant Determinations published on the new Discretionary Rate Relief proposals state there is a requirement to consult with the major precepting authorities (Police and Fire) and the Combined Authority on our proposed scheme.

Feedback has been received from both the Police and the Fire and Rescue Services who are both supportive of the Councils proposals. The scheme has been shared with the North East Combined Authority (NECA) and it is understood that they will be presented to the NECA Board on 17 July, 2017 alongside policies developed by other local authorities in NECA, for noting and endorsement.

Procurement – None specific within this report.

Disability Issues – All requirements will be considered as part of the equalities considerations outlined in the main body of the report.

Legal Implications – There is a statutory requirement for the Council to adopt a local council tax support scheme for the ensuing financial year by 31 January. Where the Council is proposing any changes to its scheme, there is a statutory requirement to consult on these proposals in advance of making any changes.

Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation provides the provisions and criteria for awarding discretionary rate relief. The Localism Act 2011 amended Section 47 Clause 69, of the Local Government Finance Act 1988 to allow local authorities to reduce the business rates of any local ratepayer (not just those who can currently be granted discretionary relief), via a local discount scheme.

Statutory guidance states that any discretionary rate relief or local discount scheme must be in the interests of the wider council taxpayer.

The proposals set out in this report seek to ensure that the Councils Policy is in line with legislative requirements. Any changes to the Discretionary Rate Relief and Hardship Relief Policies need to be approved by Cabinet.

The Local Government Finance Act 1992 section 13a makes the provision for Billing Authorities to reduce the amount of tax payable by awarding a discretionary relief of Council Tax in exceptional circumstances, including hardship.

The proposed amendments / updates to the Council Tax Discretionary Reduction (Hardship Relief) Policy need to be approved by Cabinet before they can be implemented.

Medium Term Financial Plan - MTFP (8) 2018/19 - 2021/22 Model

	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Government Funding				
Government RSG Funding Reduction	14,140	14,240	0	0
Impact of 100% Business Rate Retention	0	0	0	0
Reduction in Public Health Grant	1,363	1,363	0	0
Reduction in Education Services Grant	1,300	0	0	0
Reduction in Benefit Admin Grant	300	300	300	0
Town and Parish Council RSG Adjustment	-29	-103	0	0
Adult Social Care Support Grant (2017/18 One Off)	2,830	0	0	0
Impact of Business Rate Revaluation	-478	0	0	0
Bus. Rates - RPI increase - CPI from 20/21 (3%/2%/2%/1.5%)	-1,400	-1,000	-1,020	-780
Top Up - RPI increase - CPI from 20/21 (3%/2%/2%/1.5%)	-2,000	-1,380	-1,410	-1,080
Better Care Fund	-11,000	-9,700	0	0
New Homes Bonus	3,300	800	1,000	0
Other Funding Sources				
Council Tax Increase (1.99% per annum)	-3,920	-4,110	-4,300	-4,500
Council Tax Adult Social Care Precept (2% increase)	-3,940	-4,130	0	0
Council Tax - Increase in Collection Rate to 99%	-1,000	0	0	0
Council Tax/Business Rate Tax Base net increase	-1,500	-1,500	-1,500	-1,500
Estimated Variance in Resource Base	-2,034	-5,220	-6,930	-7,860
Pay inflation (1.5% - 1.5% - 1.5% - 1.5%)	3,100	3,100	3,200	3,300
Price Inflation (1.5% - 1.5% - 1.5% - 1.5%)	2,600	2,600	2,700	2,800
Reduction of Corporate Risk Contingency Budget	-250	0	0	0
Base Budget Pressures				
Costs Associated with National Living Wage	4,000	4,250	2,500	1,000
Additional Employer Pension Contributions	0	0	1,000	0
Energy Price Increases	250	250	250	250
Concessionary Fares	0	0	0	0
Pension Fund Auto Enrolment - Employer Contributions	600	0	0	0
Microsoft Licencing / O365	1,200	0	0	0
Medical Examiner	-50	100	0	0
SSID Replacement Licences	0	0	300	0
Adults Demographic Pressures	1,000	1,000	1,000	1,000
Adults - Winterbourne	350	365	0	0
Childrens - Demographics	500	500	500	500
Childrens - LAC Pressures	1,800	-950	-730	-120
Unfunded Superannuation	-100	-100	-100	-100
Prudential Borrowing to fund new Capital Projects	0	1,000	2,000	2,000
TOTAL PRESSURES	15,000	12,115	12,620	10,630
Use of One Off funds				
Adjustment for use of BSR in previous year	12,622	0	0	0
Savings				
Savings Requirement	25,588	6,895	5,690	2,770
SUM REQUIRED TO BALANCE BUDGET	25,588	6,895	5,690	2,770

**Council Tax
Discretionary
Reduction (Hardship
Relief) Policy**

Altogether better



JULY 2017

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ANNEX 1 Application Form

1. Purpose of Policy Document

- 1.1 This policy sets out the Council's approach to the awarding of discretionary hardship relief in respect of Council Tax liability. It has been designed to ensure that all customers making an application for relief are treated in a fair, consistent and equal manner.
- 1.2 This policy has been written to:
- Set guidelines for the factors that should be considered when making a decision to award or refuse an application
 - Set out the delegated authority to award relief in appropriate circumstances
 - Establish an appeals procedure for customers dissatisfied with a decision
 - Safeguard the interest of the local taxpayers by ensuring that funds that are allocated for the award of relief are used in the most effective and economic way

2. Council Tax Discretionary Reduction Policy

2.1 Introduction

- 2.1.1 Councils have the power to reduce the amount of Council Tax a person has to pay to such an extent as they see fit. This includes the power to reduce an amount to nil, and may be exercised in relation to particular cases or by determining a class of property in which liability is to be reduced to an extent provided for by the determination. There is a cost to the Council in respect of any hardship relief awarded and is met by the Council's collection fund.
- 2.1.2 This policy will incorporate the Localised Council Tax Support Scheme and Council Tax Technical Changes introduced from 1st April 2013.

2.2 Legislation

- 2.2.1 Council Tax hardship awards are included in Section 13A Local Government Finance Act 1992 as amended by Local Government Act 2003, section 76. Section 76 gives councils the authority to make a discretionary payment of Council Tax where it is satisfied that the taxpayer would sustain exceptional hardship if it did not do so.

2.3 Durham County Council Policy

- 2.3.1 Durham County Council has not defined any specific class of property on which to award a section 13A discount.
- 2.3.2 Applications for a reduction will usually only be considered in individual cases where severe hardship or extenuating circumstances can be demonstrated.

2.3.3 Where an application is successful, the award will be paid/credited directly to the Council Tax account.

2.4 Criteria

2.4.1 Each hardship application will be assessed on its individual merits. When assessing applications, the following considerations will be made:

- All applications are only intended as short term assistance and awards will not extend beyond the current financial year, and should not be considered as a way of reducing Council Tax liability indefinitely
- Hardship relief or remission will be the exception and not the rule
- Council Tax hardship relief will not be awarded for any reason other than to reduce Council Tax liability
- Relief is not to be granted in order to prevent recovery action being instigated by the Council or to stop bankruptcy or committal to prison proceedings commenced by the Council or any other body
- The applicant must detail the reasons for the application, explaining the specific circumstances and hardship being experienced
- There must be evidence of hardship or personal circumstances that justifies a reduction in Council Tax liability. There is no definition in the legislation for 'hardship' and as the scheme is aimed at covering unforeseen events it is not possible to list precise criteria. Applications will be accepted on the basis that the applicant or household would suffer exceptional financial hardship if financial assistance were not given
- Exceptional circumstances for hardship under the Council Tax regulations will usually be circumstances that are outside the control of the household and beyond normal risks faced by a household. The household must demonstrate that it has done all it can to mitigate those risks and is taking action to minimise them
- The Council's finances allow for a reduction to be made and it is reasonable to do so in light of the impact on other Council Tax payers
- The Council Tax payer (applicant) must be able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability prior to application including exploring entitlement to all other reliefs, discounts, exemptions, reductions, discretionary payments and valuation office appeals

- The Council Tax payer does not have access to other assets that could be realised and used to pay Council Tax
- Application for hardship relief should be one of last resort. Applicants will be expected to have explored and secured any lawful entitlement to other benefits, incomes and reductions in preference to claiming hardship relief. This particularly includes an application for Council Tax Reduction
- The liable person for an unoccupied domestic property has made their best efforts to sell or let the property and to levy a Council Tax charge would cause them exceptional financial hardship
- The Council's finances allow for a reduction to be made
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect

2.4.2 Hardship relief will normally be awarded for a short, fixed period depending on the nature and likely duration of the hardship. In all cases relief will end in the following circumstances:

- At the end of a financial year
- There is a change of liable person
- The Council Tax payer enters any form of formal insolvency
- The Council Tax payer's financial circumstances significantly change.
- At the end of any fixed period notified to the Council Tax payer at the time of the award

2.5 The Application

2.5.1 All applications should be made in writing or electronically from the Council Tax payer, their advocate/appointee or a recognised third party acting on their behalf, using the relevant form and contain the necessary information including a full financial statement. Postal application forms and any supporting information should be completed and returned to:

Durham County Council
 Revenues and Benefits
 PO Box 238
 Stanley
 Co Durham
 DH8 1FP

2.5.2 It is the responsibility of the Council Tax payer applying for relief to provide sufficient information and documentary evidence to support their applications. If the Council Tax payer applying does not, or will not, provide the required evidence; the application will still be considered, but only on the basis of the information and evidence provided. No costs will be borne by the Council in the provision of this evidence.

2.5.3 Further information may be requested to support an application. Where a request for further information is made information must be provided within 4 weeks. Failure to provide information within 4 weeks may lead to the refusal of the application unless good cause can be shown.

2.6. The Decision Making Process

2.6.1 Upon receipt of a signed application and all supporting documentation /information a standard decision making process will be followed:

- Initial applications will be considered by Team Leader (Collections and Enforcement) within 28 days of receipt of a signed application and all supporting information. This will include a review sheet, with findings and financial implications and initial recommendations
- Recommendations will then be forwarded to Assistant Payments Income & Support Manager within 7 days
- These will then be forwarded to Head of Finance and Transactional Services for approval / refusal within 7 days
- Once a decision has been approved the Council Tax payer will be notified in writing of the decision within 28 days and revised Council Tax demand notices will be issued where applicable
- Whilst every effort will be made to meet the deadlines outlined above, failure by the Council to do so does not qualify the claimant for relief

2.7. Review of Decision

2.7.1 The Council will accept a request from a Council Tax payer for a re-determination of its decision.

- Re-determination of the decision will be by the Corporate Director of Resources.
- Requests should be made in writing stating reasons why it is believed that the decision should be reviewed
- In the case where the customer has been notified of a decision and they exercise their rights to appeal, payment cannot be withheld pending an appeal decision. In the event that an appeal is successful, any interim overpayment will be refunded.

- The Council will consider whether the Council Tax payer has provided any additional information that will justify a change to its original decision.
- The Council will notify the Council Tax payer of its final decision within 21 days of receiving a request for a re-determination.
- Whilst every effort will be made to meet the deadline outlined above, failure by the Council to do so does not qualify the claimant for relief.
- If a claimant remains dissatisfied with refusal of their application they may appeal to the Valuation Tribunal for England (VTE). You have two months to do this from the date of our reply.

Valuation Tribunal
Hepworth House

Trafford Court
Doncaster
DN1 1PN
Email: vtndoncaster@vts.gsi.gov.

2.8 Recovery of a Hardship Relief Award

- 2.8.1 If an award is subsequently cancelled the amount will be withdrawn from the applicant's Council Tax account and will be payable as the Council Tax due under the regulations.

2.9 Fraud

- 2.9.1 The Council reserves the right to withdraw any award made under this scheme where fraud or error has occurred
- 2.9.2 The Council reserves the right to withdraw any award where the applicant has failed to provide, or, has knowingly provided false or misleading information.

Application for Council Tax Reduction under Section 13A of the Local Government Finance Act 1992

* Please note that if a joint bill has been issued then the application must also be made in joint names

Name of applicant/s:

Contact Address:

Telephone:

Email Address

Address of property for which relief is being claimed:

Owners Name/s:

Is the property currently vacant? YES/NO

What is the value of equity in the property? £

Is the property currently marketed for sale? *YES/NO

*Please provide details of marketing agent/ estate agent for the property

Is the property currently marketed for rent? *YES/NO

*Please provide details of marketing agent/ estate agent for the property

Please provide details of any other properties or land owned by yourself and value of any rental income you are in receipt of

If you have left a property empty to move to more suitable accommodation or to receive or provide care due to old age, disablement, illness, alcohol or drug abuse or mental disorder, then please provide details below

Please provide the detailed reasons why you are applying for a reduction in Council Tax. This should fully explain the circumstances that are creating financial difficulty and how long you expect these circumstances to continue.

Has an application for Council Tax Reduction been made? YES/NO

Are you receiving financial assistance from any other source? *YES/NO

*please provide details:

Have you approached any organisation to assist with your current financial situation such as Citizen Advice Bureau/ Welfare Rights etc? *YES/NO *please provide details?

Please provide details of any stocks/shares/savings/ money you may have or money you are owed

Please provide any additional information you wish to provide in support of your application

Your application will not be processed unless the enclosed financial information sheet is completed and returned.

All applicants must provide documentary evidence in support of their claim. At a minimum these should include the following:-

- Confirmation • of all income received
- Bank • Statements
- Any • additional information to support the application
- Written • Details of any Savings/Stocks/Shares

I declare that the information given on this form is, to the best of my knowledge, accurate and complete.

I understand that a copy of this form may also be sent to the Welfare Rights who may be able to offer me further advice and assistance.

I also understand that whilst this application for relief is pending I am not entitled to withhold payment of Council Tax due to the Council.

Signed:

Capacity of person signing:

Date:

Daytime telephone number:

**Please return your completed form to:-
Durham County Council
Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP**

If you have any queries relating to completion of this form please do not hesitate to contact us.

For information: In line with Data Protection law we may use information you give us to prevent or detect fraud or other crimes. We may also share it with other Council Services or public organisations if they need it to carry out their legal duties.

FINANCIAL INFORMATION SHEET

Revenues and Benefits PO Box 238 Stanley County Durham DH8 1FP Tel: 03000 265000 On Line: www.durham.gov.uk/counciltax	
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CTHARDSHP

Name of Owner 1:
Address of Owner 1:

Income	Amount	Weekly/Monthly
Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

FINANCIAL INFORMATION SHEET

Revenues and Benefits PO Box 238 Stanley County Durham DH8 1FP Tel: 03000 265000 On Line: www.durham.gov.uk/counciltax	
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CTHARDSHP

Name of Owner 2:
Address of Owner 2:

Income	Amount	Weekly/Monthly
Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Durham County Council Equality Impact Assessment

NB: The Public Sector Equality Duty (Equality Act 2010) requires Durham County Council to have ‘due regard’ to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people from different groups. Assessing impact on equality and recording this is one of the key ways in which we can show due regard.

Section One: Description and Screening

Service/Team or Section	Financial Services, Resources
Lead Officer	Michelle Waters
Title	Review of Council Tax Discretionary Reduction and Hardship Relief Policy
MTFP Reference (if relevant)	-
Cabinet Date (if relevant)	12 July 2017
Start Date	April 2017
Review Date	

Subject of the Impact Assessment

Please give a brief description of the policy, proposal or practice as appropriate (a copy of the subject can be attached or insert a web-link):

To seek Cabinet approval to the proposed updates of the Council Tax Discretionary Reduction (Hardship) Policy and to seek approval from Cabinet on providing Council Tax (CT) exemptions to County Durham care leavers, up to age 25 as an element of this policy.

Proposed policy updates aim to improve transparency and clarity by providing information explaining how the Council will assess a claim and what the requirements are to be eligible for support. One of the key policy changes is to provide CT exemptions for care leavers up to the age of 25, either leaving DCC care or having left care elsewhere but now living in the county. Furthermore, it is proposed to review the policy on an annual basis going forward to ensure it continually reflects customer needs.

Durham County Council understands that care leavers rarely have the support that families can offer young people to help them become independent. The council want to support care leavers living in County Durham to help them become financially independent and therefore propose the following policy change for all care leavers living in County Durham to:

- Exempt all care leavers from Council Tax up to the age of 25, after consideration of entitlement to other discounts / exemptions;
- Award 50% discretionary relief, after consideration of other entitlements, to care leavers (up to the age of 25) living with a partner (none care leaver);
- Award 50% discretionary relief, after consideration of other entitlements, to care leavers (up to the age of 25) when part of a joint tenancy;
- Award 50% discretionary relief, where a care leaver (up to the age of

25) moves in to live with an extended family member (or another adult) living on their own and receiving single person discount.

Who are the main stakeholders? (e.g. general public, staff, members, specific clients/service users):

Care leavers and children and young people currently in care, Revenues and Benefits, Children's Social Care, Carers living in County Durham, Care Leavers Forum and Children in Care Council.

Screening

Is there any actual or potential negative or positive impact on the following protected characteristics?

Protected Characteristic	Negative Impact Indicate: Y = Yes, N = No, ? = unsure	Positive Impact Indicate: Y = Yes, N = No, ? = unsure
Age	N	Y
Disability	N	N
Marriage and civil partnership (workplace only)	N	N
Pregnancy and maternity	N	Y
Race (ethnicity)	N	N
Religion or Belief	N	N
Sex (gender)	N	Y
Sexual orientation	N	N
Transgender	N	N

Please provide **brief** details of any potential to cause adverse impact. Record full details and analysis in the following section of this assessment.

It is acknowledged that those care leavers who choose to live outside of County Durham would not be able to take advantage of the discount. Care leavers choosing to live outside of the County will be advised of the financial benefit, in terms of CT exemptions, of remaining in their home community in order to make informed choices.

How will this policy/proposal/practice promote our commitment to our legal responsibilities under the public sector equality duty to:

- eliminate discrimination, harassment and victimisation,
- advance equality of opportunity, and
- foster good relations between people from different groups?

The policy would benefit all care leavers living in County Durham (including those moving into the area from another authority). This policy change alongside the current support given to care leavers to get them into employment will help breakdown some of the financial barriers that many of our care leavers face that prevent some of them from progressing into opportunities. This includes what can be termed a 'benefits trap', whereby starting an apprenticeship or other form of employment leaves them at a financial disadvantage. This proposed policy change for care leavers aims to reduce the negative impact of the benefits trap and support progression with positive life choices.

This policy meets the needs of care leavers living in County Durham to transition safely and successfully into independence and support them at this especially vulnerable point in their lives. DCC will be the only council in the region to offer an exemption to all care leavers living in the County up to the age of 25, regardless of their financial situation i.e. without a financial assessment. This positively supports our consideration of the public sector duty especially in relation to age (younger people).

Other policy updates are largely to improve transparency and clarity for all potential customers by providing information explaining how the Council will assess a claim and what the requirements are to be eligible for support. Customers claiming hardship are often unaware of the Local Council Tax Reduction Scheme (LCTRS) and the majority are directed to this route first.

Evidence

What evidence do you have to support your findings?

Please **outline** your data sets and/or proposed evidence sources, highlight any gaps and say whether or not you propose to carry out consultation. Record greater detail and analysis in the following section of this assessment.

One of the 5 key outcomes of the Government's Keep on Caring, Supporting Young People from Care to Independence (July 2016) is to support care leavers to achieve financial stability. In August 2016, the Communities and Local Government Select Committee recommended that care leavers be made exempt from paying Council Tax up to the age of 21.

A snapshot of care leavers up to the age of 21 taken on 18th April 2017 showed that there were 188 care leavers, where the Council is the 'corporate parent'. This does not include care leavers who move into the area and where another authority is the corporate parent.

The personal circumstance of each individual young person is not clear in terms of income and living arrangements; they could be living with partners, living in supported accommodation or not living independently e.g. living with foster carers.

The majority of DCC care leavers continue to reside in the county.

Residing within the county	130	69%
Residing outside of the county	35	19%
No Fixed Abode	12	6%
In custody	11	6%

Whilst the proposals are financially cost neutral i.e. replacing CTR with an exemption there are non-tangible benefits. The CTR scheme is means tested and the claim process is bureaucratic can be confusing. An exemption process will be much less

confusing for care leavers and those supporting them and a streamlined application process will reduce the time taken to process applications and the administrative burden.

Update June 2017

Consultation took place from 5th to 31st May. As well as care leavers, the consultation engaged key stakeholders including social workers and supported lodging providers.

Results of the consultation indicate overwhelming support for the proposals 78% of respondents indicating that they are very positive or fairly positive about the proposals. Only 11% indicating that they are fairly negative or very negative.

Further details of the consultation are available within the management report and within section two of this assessment.

Screening Summary

On the basis of this screening is there:	Confirm which refers (Y/N)
Evidence of actual or potential impact on some/all of the protected characteristics which will proceed to full assessment?	Y
No evidence of actual or potential impact on some/all of the protected characteristics?	N

Sign Off

Lead officer sign off: Paul Darby	Date: 02 May 2017
Service equality representative sign off: Claire Maddison / Mary Gallagher	Date: 02 May 2017

If carrying out a full assessment please proceed to section two.

If not proceeding to full assessment please return completed screenings to your service equality representative and forward a copy to equalities@durham.gov.uk

If you are unsure of potential impact please contact the corporate research and equalities team for further advice at equalities@durham.gov.uk

Section Two: Data analysis and assessment of impact

Please provide details on impacts for people with different protected characteristics relevant to your screening findings. You need to decide if there is or likely to be a differential impact for some. Highlight the positives e.g. benefits for certain groups, advancing equality, as well as the negatives e.g. barriers for and/or exclusion of particular groups. Record the evidence you have used to support or explain your conclusions. Devise and record mitigating actions where necessary.

Protected Characteristic: Age										
What is the actual or potential impact on stakeholders?	Record of evidence to support or explain your conclusions on impact.	What further action or mitigation is required?								
<p>The proposed policy change to provide CT exemptions for all care leavers up to the age of 25 has a positive impact for this younger age group.</p> <p>Replacing CTR (a means tested benefit) with an exemption process will be much less confusing for care leavers and those supporting them and a streamlined application process will reduce the time taken to process applications and the administrative burden.</p> <p>The proposal to award a discretionary 50% CT discount when a care leaver moves in to live with an extended family member (or another adult) living on their own and receiving single person discount means that households where the care leaver lives with parents, relatives or foster carer could be entitled to a 50% discount plus any CTR entitlement.</p>	<p>A snapshot of care leavers up to the age of 21 taken on 18th April 2017 showed that there were 188 care leavers, where the Council is the 'corporate parent'. This does not include care leavers who move into the area and where another authority is the corporate parent.</p> <p>Consultation feedback: There were 162 responses to the online questionnaire, the majority of responses coming from the general public 61% and 15% from care leavers or young people in care. As well as feedback received via forums and meetings, Investing in Children, a partnership with Durham County Council and the NHS also made representation on behalf of 22 young people, 10 of which are care leavers and 12 who are still in care.</p> <p>Where additional feedback was received it was positive; proposals would help the transition to independence, reduce stress and financial burden and it would be good to see the Authority being a supportive corporate parent.</p> <p>Age range of consultation respondents:</p> <table border="1"> <thead> <tr> <th>Age</th> <th>Respondents (%)</th> </tr> </thead> <tbody> <tr> <td>Under 16</td> <td>0.00</td> </tr> <tr> <td>16-24</td> <td>0.68</td> </tr> <tr> <td>25-34</td> <td>17.69</td> </tr> </tbody> </table>	Age	Respondents (%)	Under 16	0.00	16-24	0.68	25-34	17.69	<p>Seek Cabinet approval to introduce proposals in relation to care leavers.</p>
Age	Respondents (%)									
Under 16	0.00									
16-24	0.68									
25-34	17.69									

Protected Characteristic: Age												
What is the actual or potential impact on stakeholders?	Record of evidence to support or explain your conclusions on impact.	What further action or mitigation is required?										
	<table border="1"> <tr> <td>35-44</td> <td>23.13</td> </tr> <tr> <td>45-54</td> <td>21.77</td> </tr> <tr> <td>55-64</td> <td>25.17</td> </tr> <tr> <td>65-74</td> <td>10.20</td> </tr> <tr> <td>75+</td> <td>1.36</td> </tr> </table>	35-44	23.13	45-54	21.77	55-64	25.17	65-74	10.20	75+	1.36	
35-44	23.13											
45-54	21.77											
55-64	25.17											
65-74	10.20											
75+	1.36											

Protected Characteristic: Disability		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
Unable to ascertain any specific impact in terms of disability.	14.29% of consultation respondents said they were disabled and 85.71% were not.	

Protected Characteristic: Marriage and civil partnership (workplace only)		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?

Protected Characteristic: Pregnancy and maternity		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
<p>The proposed policy change to provide CT exemptions for all care leavers up to the age of 25 has a positive impact for care leavers who are parents.</p> <p>Replacing CTR (a means tested benefit) with an exemption process will be much less confusing for care leavers and those supporting them and a streamlined application process will reduce the time taken to process applications and the administrative burden.</p> <p>The proposal to award a</p>	<p>Between April 2016 and February 2017 of those young people who left council care 16 were young parents.</p> <p>It is likely that the number of parents would increase up to the age of 25.</p> <p>Consultation feedback: There were 162 responses to the online questionnaire, the majority of responses coming from the general public 61% and 15% from care leavers or young people in care. As well as feedback received via forums and meetings, Investing in Children, a</p>	<p>Seek Cabinet approval to introduce proposals in relation to care leavers.</p>

Protected Characteristic: Pregnancy and maternity		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
discretionary 50% CT discount when a care leaver moves in to live with an extended family member (or another adult) living on their own and receiving single person discount means that households where the care leaver lives with parents, relatives or foster carer could be entitled to a 50% discount plus any CTR entitlement.	partnership with Durham County Council and the NHS also made representation on behalf of 22 young people, 10 of which are care leavers and 12 who are still in care.	

Protected Characteristic: Race (ethnicity)		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
Unable to ascertain any specific impact in terms of race.	2.86% of respondents were BME.	

Protected Characteristic: Religion or belief		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
Unable to ascertain any specific impact in terms of religion or belief.	3.7% of respondents had a religion or belief other than Christian and 37.04% had no religion or belief.	

Protected Characteristic: Sex (gender)		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
The proposed policy change to provide CT exemptions for all care leavers up to the age of 25 has a positive impact for all care leavers but is of greater benefit to males who make up the larger proportion of care leavers. Replacing CTR (a means tested benefit) with an exemption process will be	A snapshot of care leavers up to the age of 21 taken on 18 th April 2017 showed 54% were male. Consultation feedback: There were 162 responses to the online questionnaire, the majority of responses coming from the general public 61% and 15% from care leavers or young people in care. As well	Seek Cabinet approval to introduce proposals in relation to care leavers.

<p>much less confusing for care leavers and those supporting them and a streamlined application process will reduce the time taken to process applications and the administrative burden.</p> <p>The proposal to award a discretionary 50% CT discount when a care leaver moves in to live with an extended family member (or another adult) living on their own and receiving single person discount means that households where the care leaver lives with parents, relatives or foster carer could be entitled to a 50% discount plus any CTR entitlement.</p>	<p>as feedback received via forums and meetings, Investing in Children, a partnership with Durham County Council and the NHS also made representation on behalf of 22 young people, 10 of which are care leavers and 12 who are still in care.</p> <p>29.45% of consultation respondents were male and 70.55% were female.</p>	
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Protected Characteristic: Sexual orientation														
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?												
<p>Unable to ascertain any specific impact in terms of sexual orientation.</p>	<p>Consultation Respondents:</p> <table border="1" data-bbox="592 1171 1034 1473"> <thead> <tr> <th data-bbox="592 1171 810 1249">Sexual Orientation</th> <th data-bbox="810 1171 1034 1249">Respondents (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="592 1249 810 1285">Bisexual</td> <td data-bbox="810 1249 1034 1285">0.00</td> </tr> <tr> <td data-bbox="592 1285 810 1321">Gay man</td> <td data-bbox="810 1285 1034 1321">3.70</td> </tr> <tr> <td data-bbox="592 1321 810 1400">Gay woman / lesbian</td> <td data-bbox="810 1321 1034 1400">0.74</td> </tr> <tr> <td data-bbox="592 1400 810 1435">Heterosexual</td> <td data-bbox="810 1400 1034 1435">92.59</td> </tr> <tr> <td data-bbox="592 1435 810 1473">Other</td> <td data-bbox="810 1435 1034 1473">2.96</td> </tr> </tbody> </table>	Sexual Orientation	Respondents (%)	Bisexual	0.00	Gay man	3.70	Gay woman / lesbian	0.74	Heterosexual	92.59	Other	2.96	
Sexual Orientation	Respondents (%)													
Bisexual	0.00													
Gay man	3.70													
Gay woman / lesbian	0.74													
Heterosexual	92.59													
Other	2.96													

Protected Characteristic: Transgender		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?

Section Three: Conclusion and Review Summary

Please provide a brief summary of your findings stating the main impacts, both positive and negative, across the protected characteristics.

The proposed policy change would benefit all care leavers living in County Durham and has a particularly beneficial impact in relation to age (younger people), gender (proportionately more males are positively impacted) and pregnancy and maternity.

This policy meets the needs of care leavers living in the county to transition safely and successfully into independence and support them at this especially vulnerable point in their lives.

Other policy updates are largely to improve transparency and clarity for all potential customers by providing information explaining how the Council will assess a claim and what the requirements are to be eligible for support.

Will this promote positive relationships between different communities? If so how?

--

Action Plan

Action	Responsibility	Timescales for implementation	In which plan will the action appear?
Seek Cabinet approval to introduce proposals in relation to care leavers.	Paul Darby	July 2017	

Review

Are there any additional assessments that need to be undertaken? (Y/N)	N
When will this assessment be reviewed? Please also insert this date at the front of the template	July 2018

Sign Off

Lead officer sign off: Michelle Waters	Date: 2.6.17
Service equality representative sign off: Claire Maddison / Mary Gallagher	Date: 2.6.17

**Council Tax
Discretionary
Reduction (Relief) For
Care Leavers Policy**

Altogether better



Contents

- 1 Introduction and Purpose of Policy Document**
- 2. Care Leavers Definition**
- 3. Legislation**
- 4. Application**
- 5. Procedure**
- 6. Exclusions**
- 7. Appeals**
- 8. Monitoring and Reporting**
- 9. Review**

1. Introduction and Purpose

- 1.1 Some councils have introduced measures to exempt care leavers from Council Tax following the recommendations made in Government's care leavers strategy, Keep On Caring, published in July 2016, which encouraged local authorities to do so.
- 1.2 While being supported by Children Young Peoples Services, care leavers are faced with a new set of potentially overwhelming responsibilities, often without the family support and wider network that most other young people can rely on.
- 1.3 As a corporate parent, Durham wants to do as much as possible to support care leavers up to the age of 25 years. By granting 100% exemption from Council Tax, the Council will be providing practical help and financial assistance to care leavers whilst they are developing independent lives and their life skills.
- 1.4 This policy sets out the Council's approach to the award of discretionary council tax relief in respect of Council Tax liability for Care Leavers living in County Durham. There are two elements to the Policy
 - Care leavers who are liable to pay Council Tax in their own right will have their bill reduced to nil
 - Single householders who may be disadvantaged, from a Council Tax perspective, when a Care Leaver moves in will have their bill reduced to 50%.
- 1.5 The discretionary relief will be awarded only after entitlement to other legislative discounts or exemptions have been applied (except Council Tax Reduction) and will apply to all care Leavers living in County Durham.
- 1.6 Councils have the power to reduce the amount of Council Tax a person has to pay, in line with legislation. This includes the power to reduce an amount to nil, and may be exercised in relation to particular cases or by determining a class of property in which liability is to be reduced to an extent provided for by the determination.

This policy has been written to:

- Set procedures for awarding the relief / exemption to Care Leavers living in County Durham
- Establish an appeals procedure for customers dissatisfied with a decision made in the determination of entitlement to this relief / exemption
- Safeguard the interest of the local taxpayers by ensuring that funds that are allocated for the award of relief are used in the most effective and economic way

2. Care Leavers - Definition

- 2.2 The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant and former relevant children:
 - Eligible children are those young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday;

- Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;
- Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

2.2 Care Leavers can also be classified as 'qualifying' care leaver. This category applies to young people who:

- Left care after 1st October 2001, after they had turned 16, but who are not 'eligible' or 'relevant' because they did not fulfil the 13 week criteria
- Were accommodated, but in residential education, mental/health provision private fostering or Special Guardianship

For this category of care leaver, local authority help is discretionary, but can include advice, assistance, be-friending, help with education and training costs and the provision of accommodation during college/university vacations.

3. Legislation

3.1 Council Tax discretionary reduction (relief) awards are included in Section 13A of the Local Government Finance Act 1992 as amended by Local Government Act 2003.

3.2 There is a cost to the Council in respect of any reduction or relief awarded and this is met by the Council's collection fund / General Fund by way of a reduction in the relevant tax base calculation for the County

3.3 There is a series of discounts, disregards and exemptions available under current Council Tax legislation for people and properties in certain circumstances.

3.4 Exemption from council tax means that there is no liability to pay council tax, and generally applies to properties.

3.5 A discount from council tax usually relates to people, and means that a person is liable for less than the full amount of council tax. For example:

- A liable person living on their own would be entitled to a 25% single person discount
- A liable person living on their own who is a full time student would be entitled to a full exemption
- A liable person who is a student but resides with another person would be 'disregarded' and entitled to a 25% discount

4. The Application

4.1 An application form (ANNEX 1) will be required to be completed by the care leaver (or his/her appointee or a recognised third party acting on his/her behalf), and, the liable

person where relevant (i.e. the liable person at the property in which the care leaver resides).

- 4.2 Applications should be made in writing, or, may be received electronically, currently emailed to counciltax@durham.gov.uk. Postal application forms should be returned to:

Durham County Council
Revenues and Benefits
PO Box 238
Stanley
Co Durham
DH8 1FP

- 4.3 The application form requires only pertinent details to be submitted in order to process the award of this relief. Basic information requirements are:

- Full name
- Date of birth
- Which authority is the corporate parent
- Current address
- Details of any other relevant addresses
- Details of any other adults in the property
- Details of any circumstances that would be relevant to entitlement to legislative discounts, disregards or exemptions
- Contact details

- 4.3 The application form should be as clear and concise as possible in order to encourage take up and expedite administration.

- 4.4 A new application may need to be completed if the care leaver moves, to confirm any change in circumstances

5. The Procedure

System

- 5.1 Administration of the discretionary relief within the system (Open Revenues) will utilise the Discretionary Awards Module, as opposed to the functionality used to apportion discounts, disregards and exemptions.
- 5.2 This will ensure that the Tax Base and the awarded discretionary relief is reported correctly and accurately. The relief will also be detailed separately to any other appropriate discount, disregard or exemption on the actual council tax demand notice (bill).
- 5.3 The system will work to award discretionary relief on a percentage basis, i.e. 25%, 50%, 75% or 100% where appropriate, and prior to the calculation of Council Tax Reduction (which replaced Council Tax Benefit) therefore CTR will be assessed using the net charge.

Administration

5.5 Applications will be administered by the Awards (Billing) Team. Children and Young Peoples Services will be requested to confirm the care status of the applicant, this will need to be confirmed with:

- The Children and Young Peoples Service, where Durham is the corporate parent (protocol to be agreed between the two services)
- Where the corporate parent is another authority, written confirmation must be sought from the relevant council

5.7 The general principles of awarding the discretionary relief are as follows:

- Care leavers who are the liable person to pay council tax and live alone will receive a 100% discretionary relief, only after any other appropriate legislative discounts or exemptions are applied (e.g. Single Persons Discount or Student Exemption)
- Care leavers who are jointly liable with another resident in the property, who is a non-care leaver, will receive 50% discretionary relief on the total charge, i.e. the proportion of the charge due to the care leaver, only after any other appropriate legislative discounts or exemptions are applied
- Where a property is occupied only by care leavers, and there is more than one care leaver resident at the property, 100% discretionary relief will be applied. Please see exclusions
- Where the care leaver moves into a household and the council tax is subject to either a 25% discount or disregard (prior to the care leaver moving in), discretionary relief will be awarded to reduce the total charge to 50%
- Where the care leaver moves into a household and the liable person is already exempt (prior to the care leaver moving in), full discretionary relief will be applied

Due to the number of existing discounts, disregards and exemptions, it is important to consider all scenarios. The general principle is that council tax payers will not be financially disadvantaged with regard to council tax by a care leaver moving in. Further coverage of these scenarios is detailed at ANNEX 2.

5.9 Awards will be paid directly to the council tax account only and notification of the award of discretionary relief will be by way of the council tax bill

5.10 The care leaver (or his/her appointee or a recognised third party acting on his/her behalf) or the liable person where relevant (i.e. the liable person at the property in which the care leaver resides) must advise of any change of circumstances which may impact the council tax charge within 21 days

5.11 Any overpaid discretionary relief will be reclaimed through the relevant council tax account and collected and recovered under the Council Tax (Administration and Enforcement) Regulations 1992

6. Exclusions

Houses in Multiple Occupation (HMOs) where occupants:

- Do not constitute a single household
- Are a tenant or a have licence to occupy only part of the dwelling
- Share living space
- Are not the liable party to pay council tax

HMOs are generally ran as a business with the liable party for council tax being the landlord(s). For that reason, these properties and respective liable parties are excluded from this Policy.

7. Review of Decision/Appeals

7.1 The Council will accept a written request from a care leaver (or his/her appointee or a recognised third party acting on his/her behalf) or the liable person where relevant (i.e. the liable person at the property in which the care leaver resides), for a re-determination of its decision.

- Re-determination of the decision will be an officer who has not previously been involved with the award
- The re-determination will be reviewed a manager or team leader within the service
- In the case where the customer has been notified of a decision and they exercise their rights to appeal, payment cannot be withheld pending an appeal decision. In the event that an appeal is successful, any interim overpayment will be refunded.
- The Council will consider whether any additional information has been provided that will justify a change to its original decision.
- The Council will notify the Council Tax payer of its final decision within 21 days of receiving a request for a re-determination.
- Whilst every effort will be made to meet the deadline outlined above, failure by the Council to do so does not qualify the applicant for relief.
- If an applicant remains dissatisfied with refusal of their application they may appeal to the Valuation Tribunal for England (VTE). You have two months to do this from the date of our reply.

Vvaluation Tribunal
Hepworth House

Trafford Court
Doncaster
DN1 1PN
Email: vtndoncaster@vts.gsi.gov.

8. Monitoring and Reporting

8.1 Discretionary awards made under this policy will be monitored and all awards made will be subject to regular quality assurance checking / annual reviews as appropriate

9. Policy Review

9.1 This Policy will be reviewed on an annual basis alongside the review of the Local Council Tax Reduction Scheme, with any changes being reported to Cabinet for consideration.

ANNEX 1 – APPLICATION FORM

ANNEX 2 – POTENTIAL SCENARIOS

ANNEX 1 – APPLICATION FORM

Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP

Tel: 03000 264 000
On Line: www.durham.gov.uk/counciltax
Email: help@durham.gov.uk

Account Reference if known:



Council Tax Care Leavers - Discretionary Payment Application

In order to be considered for a discretionary payment you must be a care leaver under the age of 25 who is liable to pay Council Tax in their own right, or, a single householder who may be disadvantaged, from a Council Tax perspective, when a care leaver under the age of 25 moves in. To apply please complete the details below and return to us via email or post. Our contact details are shown above.

1. About the Care Leaver – please complete this section giving details of the care leaver.

Title	
First Name	
Middle Name	
Last Name	
Date of Birth	
Address and Postcode of the property you will be moving in to or are living at	
Date moved in	
If you have recently moved please provide the previous address	

Email	
Phone	
Local Authority that looked after you*	
Are you, as the care leaver, the only adult in the property	Yes/No – if yes go to section 3

*we will contact the Local Authority to confirm this person is a care leaver.

2. Anyone else who lives in the property – please tell us about anyone else who lives in the property if they are aged over 17.

Full Name	Date of birth if 17

3. Other Discounts and Exemptions - certain people may be entitled to a discount or exemption from council tax. This includes students, trainees and more. Please tell us if you think any of the following apply to the care leaver.

- full time student, student nurse, apprentice and youth training trainee
- severely mentally impaired
- care workers working for low pay, usually for charities
- caring for someone with a disability who is not their spouse, partner, or child under 18-years-old

4. Is there anything that you would like to tell us

Declaration

I declare that the information given by me on this form is correct to the best of my knowledge and belief. I understand that failure to supply or giving false information is an offence for which a penalty may be imposed. I also understand that I must inform the Council Tax Section as soon as there is any change in the information.

Full name of person who has completed the form (please print)		Role/Position if necessary	
Signature		Date	
Contact telephone		Contact email	

You must notify the Council immediately if there is a change in your circumstances, which may affect this information. Contact details are provided above.

Data Protection Act

For information: In line with Data Protection law we may use information you give us to prevent fraud or other crimes. We may also share it with other Council Services or public organisations if they need it to carry out their duties.

ANNEX 2 – POTENTIAL SCENARIOS

Where the care leaver is the person responsible for council tax:

- Care leaver living alone will receive single person discount of 25% and a discretionary payment of 75%
- Care leaver living with a non care leaver who is a partner/joint tenant will receive a discretionary payment of 50%
- A household (excluding a HMO) made up of just care leavers will receive a discretionary payment of 100%
- Two residents where one is a full time student and one is a care leaver will receive a student disregard of 25% and a discretionary payment of 75%
- Two residents where one is a care leaver and one is under 18 years will receive a single person discount of 25% and a discretionary payment of 75%
- Two residents where one is a care leaver and one is an apprentice will receive an apprenticeship disregard of 25% and a discretionary payment of 75%

Householders whose council tax charge would change when a care leaver moves in:

- Households which would be entitled to a 25% reduction, due to a discount or disregard, if the care leaver was not present will receive a discretionary payment of 50%

The above scenario assumes that the care leaver is not entitled to any disregards or discounts due to their circumstances. If the care leaver is a student for example, then the following would apply:

- The householder would receive a student disregard of 25% and a discretionary payment of 25%

If the householder was a full time student and the care leaver was a full time student the following would apply:

- The householder would receive an exemption, due to the house being occupied by only students, of 100%

**Discretionary Rates
Relief & Business
Rates Hardship Relief
Policy**

Altogether better



JULY 2017

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1 Introduction and Purpose of Policy Document

1.1 This policy has been designed to ensure that all customers making an application for rate relief are treated in a fair, consistent and equal manner.

1.3 This policy has been written to:

- Demonstrate how Durham County Council will operate its discretionary powers set out in the Local Government Finance Act 1988 and Localism Act 2011 and the factors that will be considered when deciding if relief can be awarded and the way in which the value of relief will be granted.
- Demonstrate how Durham County Council will administer Government funded rates relief schemes – including the proposals announced in the March 2017 budget with regards to:
 - support for small businesses losing Small Business Rate Relief (SBRR) as a result of the revaluation effective from April 2017, where increases would be limited to the greater of £600 or the real terms transitional relief cap for small businesses each year;
 - the new local local discretionary relief scheme to provide support to businesses adversely impacted by the revaluation effective from April 2017; and
 - a £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2017.
- Set guidelines for the factors that should be considered when making a decision to award or refuse an application.
- Set out the delegated authority to award relief in appropriate circumstances.
- Establish an appeals procedure for customers dissatisfied with a decision.
- Safeguard the interest of the local taxpayers by ensuring that funds that are allocated for the award of relief are used in the most effective and economic way.

2 Legislation

2.1 Section 47 of the LGFA 1988 permits the billing authority to grant discretionary rate relief. This was amended by the Localism Act 2011 section

69 from 1 April 2012, which removed the previous restrictions of discretionary relief to only apply to charities and other organisations of prescribed types.

2.2 The billing authority may make a decision to grant relief, only if it is satisfied that it would be reasonable to do so, having regard to the interests of the council taxpayers.

2.3 Discretionary relief may not be granted where the property is an excepted property i.e. occupied by a billing authority or a precepting authority.

3 Business Rates – Discretionary Rates Relief Policy

3.1 Equality and Fairness

3.1.1 Each application for relief will be dealt with on its own merits and the Council will treat all organisations that apply for discretionary rate relief equally and fairly. The scheme will operate in a manner that helps support Durham County Council priorities and key objectives contained in the Sustainable Community Strategy and the Council Plan. Public funds are not however unlimited, a proportion of the costs of relief granted is borne by council taxpayers.

3.2 Criteria Used in the Decision Making Process

3.2.1 The criteria to be used in deciding whether to give discretionary rate relief are based on assessing how an organisation's work helps achieve the Council's priorities and meeting the community's needs for services and facilities.

3.2.2 The following essential criteria **must** be met before Durham County Council would consider awarding discretionary rate relief:

- the ratepayer must be a non-profit making body, and/or
- Irrespective of whether an organisation is registered as a charity or not the property must be used by the ratepayer wholly or mainly for charitable, philanthropic or religious purposes, or concerned with education, social welfare, science, literature and the fine arts, or the ratepayer must use the property wholly or mainly for recreation by a non-profit making club or society. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection but on occasions the authority has had to question the actual use of the premises to which relief is being sort.
- Consideration will be given as to what proportion of the premises is wholly or mainly used for the purposes of the organisation. Has the organisation exercised due diligence in ensuring the premises are of a suitable size for their requirement and have not committed to an onerous lease or excessive space.

3.2.3 It is possible for a voluntary organisation to apply for 100% discretionary rate relief, and for registered charities to apply for an additional 20% discretionary relief in addition to the mandatory relief they already receive providing they meet the essential criteria detailed in the Levels of Discretion detailed in paragraphs 3.3.1 to 3.3.2.

- 3.2.4 Community Interest Companies (CICS) would not qualify for mandatory relief and any discretionary relief application would be considered based on the essential criteria detailed in the Levels of Discretion detailed in paragraphs 3.3.1 to 3.3.2.
- 3.2.5 There are however, exceptions to this general rule which include; Housing Associations, Leisure Trusts, Voluntary Schools, Colleges and Universities or similar, these organisations are charitable trusts for the purposes of the rating legislation and qualify for mandatory relief. However due to the funding streams available no discretionary top-up relief will be granted to these bodies.
- 3.2.6 Every application for discretionary rate relief will be considered on an individual basis.
- 3.2.7 The Council will need to be satisfied that value for money is being provided to the people of Durham County, bearing in mind the relief an organisation will receive. In making awards, consideration will be given to the financial impact on the Council and whether or not an organisation is already funded or commissioned by the Council. The decision to award relief must only be taken where it is in the wider interest of Council Taxpayers in County Durham.
- 3.2.8 Relief may be refused if it is considered that the cost to the Council and its taxpayers outweighs the benefit that will be gained from the award of the relief. If the benefit of the rate relief is kept locally, the relief is more likely to be awarded.
- 3.2.9 The finances of the organisation will be examined. This will include examination of the membership fees structure, examination and reasoning of level of reserves in relation to the amount of turnover and the rates actually charged, payments to staff and directors will all be taken into consideration when determining the application. If it appears that the reserve finances are not being used or partially used to benefit the local community, the application may be refused unless the ratepayer can demonstrate their reasoning.
- 3.2.10 Some organisations or charities do not need to be registered with the Charity Commission where the annual income is under £5,000. In these cases, if the organisation has applied to Her Majesty's Revenue and Customs (HMRC) for tax relief, a HMRC number will be provided and mandatory relief can be awarded.
- 3.2.11 Organisations that meet the qualifying criteria for small business rates relief will not be considered for discretionary rate relief until they have applied for small business rates relief. This will reduce the financial contribution on the authority. These organisations even though they may not be a small business, they are however ratepayers who are entitled to apply for this relief. Durham County Council will provide support and guidance on how to apply for small business rates relief from the Council.

3.3 Levels of Discretionary Rate Relief Available

3.3.1 Registered charities or equivalent already in receipt of mandatory relief will receive the following top up relief provided they meet the relevant criteria (as identified above):

For Registered Charities or Equivalent (CASC's, CIO or Exempt Charities) entitled to Mandatory Rate Relief	% Relief Awarded (Top up to Mandatory Rate Relief)
1. Community Centres/Community Associations and other registered charities responsible for paying rates on Community Centre and village halls.	100
2. Training Centres/Training Organisations offering schemes for particular groups to develop their skills e.g. young people, unemployed people.	100
3. National Charity Shops	0
4. Local Charity Shops	100
5. Local Heritage Projects	100
6. Essential Community Services e.g. CAB, Hospice, Samaritans	100
7. Sports Clubs (Must be CASC or registered Charity)	Up to 100
8. Museums	100
9. Private Schools, Leisure Trust, Universities/Colleges and Academies	0
10. Housing Associations or similar organisations	0

3.3.2 Non Registered charities and community based organisations will receive the following relief provided they meet the relevant criteria.

Organisations not entitled to Mandatory Rate Relief but who are established Not for Profit Making Organisation	% Relief
1. Community Centre, Community Associations, Agencies, Community Resource Centres which are not conducted for profit and which occupy premises that provide a community focal point.	100
2. Recreational community based clubs or societies e.g. youth clubs, boy scouts, girl guides. (Sports Clubs will not qualify unless CASC or registered Charity)	100
3. Philanthropic organisations that are community based.	100
4. Religious organisations that promote an understanding of religion that leads to a greater awareness of religious differences within the community.	100

Organisations not entitled to Mandatory Rate Relief but who are established Not for Profit Making Organisation	% Relief
5. Educational organisations that provide education support or training.	100
6. Scientific organisations that promote an awareness of science etc.	100
7. Literature and Fine Arts that promote an awareness of Literature and Fine Arts.	100
8. Training Centres/Training Organisations offering schemes for particular groups to develop their skills e.g. young people, unemployed people.	100
9. Training Centres/Training Organisations offering schemes and advice to businesses.	50
10. Private Nurseries and Day Care Centres	0
11. Community Interest Companies (CICS)	Up to 100

The following additional criteria will be used when dealing with applications for discretionary rate relief.

Reason for Increasing Amount of Relief:

1. Active encouragement of membership for all groups
2. Affiliated to local or national organisations
3. More than 50% drawn locally

Reason for Reducing Amount of Relief:

1. Bar facilities**
2. Restrictive fees and Restrictive membership***

	Maximum Percentage of Relief to be Awarded
Bar Facilities** Licensed Bar – Full licence operating through the year for registered charities or CASC.	10% Discretionary Rate Relief top-up.
Licensed bar is open but where the club/organisation has a restricted seasonal/match day licence for registered charities or CASC:-	10% or 20% Discretionary Rate Relief top-up.
No Bar and a registered charity or CASC	20% Discretionary Rate Relief or top-up.
Restrictive fees and membership*** Where coaching, mentoring or training is at a minimal cost and the membership subscription can be shown not to exclude the general community.	50%

	Maximum Percentage of Relief to be Awarded
Where the organisation encourages the young, those with disabilities and the elderly to partake in their activities and where the organisation benefits the local community by its activities.	40%
Where the organisation actively seeks to eliminate all forms of discrimination in its activities, in line with the new authority's own commitment to Equal Opportunities	10%

3.3.3 Businesses in Rural settlement lists will receive the following relief provided they meet the relevant criteria and receive mandatory rural relief.

Rural relief	% Relief
1. Sole shop in a rural settlement area selling mainly food and household goods meeting the criteria of mandatory relief	100
2. Sole Post Office in a rural settlement area meeting the criteria for mandatory relief	100
3. Sole public house in a rural settlement area meeting the criteria for mandatory relief	100
4. Sole petrol station in a rural settlement area meeting the criteria for mandatory relief.	100

3.4 Claiming Mandatory and Discretionary Rate Relief

3.4.1 A claim must be made using the discretionary rate relief application form which is also available on the Councils website (www.durham.gov.uk). This application form and supporting information, including the Memorandum, Articles of Association or constitution, the latest Annual Report and the last two years professionally prepared account should be completed and returned to: -

Durham County Council
Revenues and Benefits
PO Box 238
Stanley
Co Durham
DH8 1FP

3.4.2 It is the responsibility of the organisation applying for the relief to provide sufficient information and documentary evidence to support applications. If the organisation applying does not or will not provide the required evidence the application will still be considered but only on the basis of the information and evidence provided.

3.5 Period of Award

3.5.1 Entitlement to relief will be subject to a regular review or if there is a change in legislation that would affect its operation and taking into account Council

policies and priorities, any withdrawal or variation of relief is subject to one financial years notice.

3.6 Notification of Award

- 3.6.1 The Council will inform the organisation applying for relief, in writing of the outcome of their application for discretionary rate relief.
- 3.6.2 The Council will endeavour to determine any application received within 28 days of receipt of the full information required to assess the claim.
- 3.6.3 Where the application is not successful, the notification will provide full reasons why it has not been decided not to award discretionary rate relief and the applicant's right to ask us to look at the decision again.
- 3.6.4 Where the application is successful, the notification will include the percentage of relief awarded and details of when an amended Business Rate Demand will be issued.

3.7 Appeals

- 3.7.1 If you disagree with a decision made under this policy, you must write and tell Durham County Council why you think the decision is wrong and provide any additional information in support of the claim. An independent panel will look at the case.
- 3.7.2 The panel will check the discretionary rate relief application thoroughly and take account of any additional information in your appeal letter. The panel will decide whether or not the criteria have been properly applied. The panel will confirm the decision, change the decision to pay more discretionary rate relief or change the decision to pay less discretionary rate relief.
- 3.7.3 Durham County Council will write to tell you the outcome of the appeal. There is no further right of appeal against the decision of the panel. Any further appeal against this decision must be done through judicial review proceedings

4 Relief for Properties that are Partially Unoccupied for a Temporary Period

4.1 Legislation

- 4.1.1 Section 44A of the Local Government Finance Act 1988 enables a billing authority discretionary powers to grant relief on a property that is partly unoccupied or not fully occupied if it appears to the authority that this situation will remain for a "short period of time" only.
- 4.1.2 Partially occupied rate relief (also referred to as Section 44A Relief) is not intended to be used where part of a property is temporarily not used. The intention is aimed at situations where there are practical difficulties in occupying or vacating all of a property.

4.2 Making an Application

4.2.1 Applications must be made by the ratepayer.

4.2.2 Durham County Council will require a written application and the ratepayer must supply a plan of the property, with the unoccupied portions clearly identified and a timetable or schedule of works detailing plans for the phased occupation/vacation.

4.3 The Decision Making Process

4.3.1 Durham County Council will require accompanied access to the property during normal working hours to verify the application.

4.3.2 Relief will not be awarded under any circumstance where it is not possible to verify the application.

4.3.3 No award shall be made where it appears to the Council that the reason that part of the property is unoccupied is wholly or mainly for the purpose of applying for rate relief.

4.3.4 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.

4.3.5 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused

4.4 Period of Section 44A Relief

4.4.1 Section 44A Relief will only be applied to a property that is partly occupied for a temporary period. The relief can only be awarded for a maximum of 3 months in cases of offices and shops, or 6 months in the case of industrial properties

4.4.2 Section 44A Relief will end under the following circumstances

- At the end of a financial year, regardless of the date relief was applied;
- Where all or part of the unoccupied area becomes occupied;
- The person liable for Business Rates changes

4.5 Calculation of Section 44A Relief

4.5.1 Where Durham County Council agrees to award a Section 44A Relief, notification will be sent to the Valuation Officer to seek a reduction in the rateable value

- 4.5.2 The amount of relief is calculated on a statutory basis based on the rateable value of the empty portion of the property. The appropriate rateable value is provided to Durham County Council by the Valuation Office Agency

5 Business Rates - New Build Empty Property Relief

5.1 Legislation

- 5.1.1 This relief was introduced from 1 October 2013 as a temporary measure and under Section 47 of the Local Government Finance Act 1988 the billing authority has discretionary powers to grant the relief in the prescribed circumstances below.

5.2 Properties that will benefit from this Relief

- 5.2.1 Properties that are empty and entered into the rating list between 1 October 2013 and 30 September 2016 could be eligible for exemption from empty property rates for the first 18 months, up to state aid limits.
- 5.2.2 Properties that will benefit from relief will be all unoccupied non domestic hereditaments that are wholly or mainly (more than half) comprised of qualifying new structures completed within this timeframe.

5.3 Criteria used in the Decision Making Process

- 5.3.1 Durham County Council will require a written application form.
- 5.3.2 The relief will stay with the property rather than the owner.
- 5.3.3 The new build empty property relief is granted as de minimis aid for State Aid purposes. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three year rolling period.
- 5.3.4 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.
- 5.3.5 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused

5.4 Period of Relief New Build Empty Property

- 5.4.1 The relief is for a maximum of 18 months; this includes the first 3 or 6 months unoccupied empty relief.

6 Business Rates – Local Newspaper Relief

6.1 Legislation

6.1.1 This relief was introduced from 1 April 2017 for a 2-year period. Under Section 47 of the Local Government Finance Act 1988 the billing authority has discretionary powers to grant relief in the prescribed circumstances.

6.2 Properties that will benefit from this relief

6.2.1 A £1,500 business rates discount for office space occupied by local newspapers in England, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits.

6.3 Criteria used in the Decision Making Process

6.3.1 Durham County Council will require a written application form.

6.3.2 The new local newspaper relief is granted as de minimis aid for State Aid purposes. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three year rolling period.

6.3.3 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.

6.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

6.4 Period of Local Newspaper Relief

6.4.1 The relief is only applicable for the financial years 2017/18 and 2018/19.

7 Business Rates – Supporting Small Businesses Relief

7.1 Legislation

7.1.1 This relief has been introduced from 1 April 2017 for a maximum of 5 years under Section 47 of the Local Government Finance Act 1988 and the billing authority has discretionary powers to grant relief in the prescribed circumstances.

7.2 Properties that will benefit from this Relief

7.2.1 Those ratepayers who as a result of the change in their rateable value at Revaluation in 2017 are losing some or all of their small business or rural rate relief and as a result are facing large increases in their bills.

7.2.2 The supporting small businesses relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:

- A cash value of £600 per year (£50 per month). This cash minimum ensures that those ratepayers currently paying nothing or very small amounts are brought onto paying something or,
- The matching cap on increases for small properties in the transitional relief scheme.

7.3 Criteria used in the Decision making process

7.3.1 Durham County Council will require a written application form.

7.3.2 The Supporting Small Businesses relief is granted as de minimis for State Aid purposes. There is currently a ceiling of 200,00 Euros of de minimis aid that can be granted over a three year rolling period.

7.3.3 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.

7.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

7.4 Period of Supporting Small Businesses Relief

7.4.1 Ratepayers will remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the level of charges they would have paid without the scheme.

7.4.2 A change of ratepayer will not effect the eligibility for the Supporting Small Businesses relief scheme.

7.4.3 Eligibility will be lost if the property becomes vacant or becomes occupied by a charity or Community Amateur Sports Club.

8 Business Rates – Support for pubs

8.1 Legislation

8.1.1 This relief has been introduced from 1st April 2017 for 1 year under Section 47 of the Local Government Finance Act 1988 the billing authority has discretionary powers to grant relief in the prescribed circumstances.

8.2 Properties that will benefit from this relief

8.2.1 Public Houses with a rateable value of below £100,000

8.2.2 Eligible pubs will receive a £1,000 discount on their bill up to state aid limits.

8.3 Criteria used in the Decision Making Process

8.3.1 Durham County Council will require a written application form

8.3.2 The support for pubs relief is granted as de minimis aid for State Aid purposes. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three year rolling period.

8.3.3 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.

8.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

8.4 Period of support for pubs

8.4.1 The relief will only be applicable for the financial year 2017/18.

9 Business Rates – Local Discretionary Relief Scheme

9.1 Legislation

9.1.1 In the March 2017 Budget the Government announced the establishment of a discretionary fund over 4 years, from 2017/18, to support those businesses that face the steepest increases in their business rates bills because of the 2017 revaluation.

9.1.2 The Government has used the increase in rateable values for those businesses valued up to £200,000 (small and medium sized businesses) to distribute funding to support Billing Authorities in implementing their local schemes. The funding provided to local authorities reduces year on year, with the expectation that the local discretionary relief provided reduces in line.

9.1.2 Billing authorities have been provided with a share of the funding to develop their own Local Discretionary Relief Scheme to deliver targeted support to the most hard-pressed ratepayers in their area. Funding cannot be carried over between years and any overspend against this funding being borne locally.

9.1.3 The discretionary scheme will be administered through existing discretionary powers under Section 47 of the Local Government Finance Act 1988.

9.2 Properties that will benefit from this relief

- 9.2.1 Properties with a rateable value of less than £200,000 (i.e. small and medium sized businesses) that have had an increase in rateable value following the 2017 revaluation; and
- 9.2.2 Properties where the ratepayer was liable for business rates on 31/03/17 and continues to remain liable for business rates i.e. those small and medium sized businesses adversely impacted by the business rates revaluation and as a result have seen a net increase of over £600 in their rates bill
- 9.2.3 Properties that continue to meet the above criteria will receive the following discounts
- 2017/18 - 50% of the increase above £600
 - 2018/19 - 25% of the increase above £600
 - 2019/20 - 10% of the increase above £600
 - 2020/21 - 1.5% of the increase above £600
- 9.2.4 The amount of relief awarded may be reviewed in year and may be revised depending upon take up and the impact of appeals, to ensure the total amount of government grant received by Durham County Council is awarded to support local businesses.

9.3 Criteria used in the Decision making process

- 9.3.1 Durham County Council will require a written application form
- 9.3.2 The local discretionary relief is granted as de minimis aid for State Aid purposes. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three year rolling period.
- 9.3.3 Durham County Council will notify the applicant of the decision in writing where the relief is refused, an explanation of the reasons why will be given.
- 9.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.
- 9.3.5 Durham County Council will only consider applications from those ratepayer's becoming eligible due to a reduction in rateable value in the 2010 rating list where those reductions are agreed or settled on or before 30 September 2018.

9.4 Period of local discretionary relief

- 9.4.1 Ratepayers may remain in the local discretionary relief scheme for either 4 years or until the increase in rate liability (impact of the revaluation in April 2017) falls below £600.

- 9.4.2 Eligibility will be lost following a change in the person liable to pay business rates.
- 9.4.3 Eligibility will be lost if the property becomes vacant or becomes occupied by a charity or Community Amateur Sports Club.

10 Business Rates – Transitional Relief

10.1 Legislation

10.1.1 This relief was introduced from 1 April 2015 for 2-year period under Section 47 of the Local Government Finance Act 1988 the billing authority has discretionary powers to grant the relief in the prescribed circumstances below.

10.2 Properties that will benefit from this Relief

10.2.1 Properties with a rateable value up to and including £50,000. As a result of this measure small properties (with a rateable value of less than £18,000) that would otherwise face bill increases above 15% and medium sized properties (with a rateable value of £50,000 or less) that would otherwise face bill increases above 25% will benefit.

10.2.2 Changes in rateable value, which take effect from 1 April 2010 or the substituted day in the cases of split and mergers. Properties whose rateable value is £50,000 or less on 1 April 2010 (or the day of merger) but increase above £50,000 from a later date will still be eligible for relief. Where the Valuation Office Agency issue certificates for the value at 31 March 2010 or 1 April 2010 the relief will be recalculated on a daily basis.

10.2.3 As this is a discretionary relief, the reliefs are measured in the following order,

- Charitable/Community Amateur Sports Clubs/Rural Rate Relief/Top up and not for profit/Small Business Rate Relief
- Other discretionary reliefs (Local Discounts)
- Long Term Empty Relief (50% business rate relief for 18 months between 1 April 2014 and 31 March 2016 for businesses that move into retail premises that have been empty for a year or more.
- Retail Relief of £1,000 for 2014-15 and £1,500 for 2015-16
- Transitional Relief

10.3 Criteria used in the Decision Making Process

10.3.1 Durham County Council a written application form.

10.3.2 Any new applications identified after 1 April 2017 will only be granted for 2016/17 financial year where the decision is made to grant relief before 30 September 2017.

- 10.3.3 The new transitional relief is granted as de minimis aid for State Aid purposes. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three year rolling period.
- 10.3.4 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given. Where there is a recalculation of the amount of relief written notification will be provided detailing the reason.

10.4 Period of Transitional Relief

- 10.4.1 The relief will only be applicable for the financial year 2016/17.

11 Hardship Relief for Business Rates

11.1 Legislation

11.1.1 The provisions are set out in Section 49 of the Local Government Finance Act 1988. Councils have the power to reduce or remit the business rate charge where it considers that 'hardship' would otherwise be caused to the ratepayer. Hardship relief for non-domestic property is intended to provide short term assistance to a business suffering unexpected hardship, financial, or otherwise, arising as a result of exceptional circumstances or short term crisis beyond the business's control and outside of the normal risks associated with running a business of that type, to the extent that the viability of the business would be threatened if an award were not made. As the Hardship Relief scheme covers unforeseen events, it is not possible to offer precise definitions. However, a 'crisis' would have to result in a serious loss of trade or have a major effect on the services that can be provided.

11.1.2 'Exceptional circumstances' will usually be circumstances that came from outside the business or organisation and are beyond the normal risks faced by businesses and cannot be foreseen or avoided. The effect of strikes within a business or organisation, increased running costs and increased competition would not be considered as 'exceptional circumstances' as they are normal business risks.

11.2 Criteria Used in the Decision Making Process

11.2.1 Applications to reduce or remit the business rate charge will only be considered where the Council is satisfied that the rate payer would otherwise sustain hardship if no award was made and that it is reasonable to grant relief having regard to the interest of council tax payers who are affected by decisions under this section. This is because 50% of the cost of exercising this power has to be funded by the Council through general fund expenditure.

11.2.2 Applications for hardship will be examined on a case by case basis and each application will be assessed on its individual merits. Other issues or requirements will also be considered in relation to the application as they arise including:

- All applications should be made in writing from the rate payer, their advocate/appointee or a recognised third party acting on their behalf, preferably using the relevant form, and should contain the necessary information to substantiate the request.
- All applications are only intended as short term assistance and will not extend beyond the current financial year, and should not be considered as a way of reducing Business Rate Liability indefinitely.
- Government guidance advises that remission of Business Rates on the grounds of hardship should be the exception rather than the rule.
- The financial interests of the council tax payers will not be the sole overriding factor e.g. impact on employment and amenities provision will also be taken into account.
- The test of 'hardship' is not confined strictly to financial hardship - all relevant factors affecting the ability of a business to meet its liability for rates are taken into account where readily available. Where the granting of relief will have an adverse effect on the financial interests of the council tax payers, relief may still be granted if the case for relief on balance outweighs the costs to taxpayers.
- The potential amount of any relief may in some cases constitute state aid and therefore adherence to EU regulations must be followed.
- The test of hardship will include an assessment of the ratepayer's individual accounts to verify that the payment of rates would cause hardship.
- The assessment of the accounts will identify the cause of the business failings and a simple accounting calculation will be carried out as follows:
 - % of Rates to Sales
 - % of Rates to Gross Profit
 - % of Rates to Expenditure
 - Ratio of Current Assets to Current Liabilities.
 - Ratio of Current Assets Less Stock to Current Liabilities.
- Relief will normally only be awarded retrospectively. However, where you can show that the circumstances will remain the same for a period up to the end of the current financial year relief may be award for the remainder of the year
- It is unlikely that Hardship Relief would be granted in respect of an empty property or where there is little expectation of economic survival.

- It is expected that businesses should have taken prompt action to mitigate any factors giving rise to hardship. Examples of mitigating actions may include seeking business advice, discounts and promotions, reviewing pricing, extending the range of stock or services, negotiating with creditors etc. Applications may be declined in circumstances where the business is unable to demonstrate that it is taking reasonable steps to alleviate the hardship.

11.3 Period of Hardship Relief

11.3.1 In all cases relief will end in the following circumstances:

- At the end of a financial year
- All or part of the unoccupied area becoming occupied
- A change of liable person
- The property becomes empty or is used for a different purpose, or it becomes occupied
- The ratepayer enters any form of formal insolvency
- The ratepayer's financial circumstances significantly change. The rate payer must inform the council if their circumstance change, e.g. change in rateable value. Circumstances may also be reviewed by the Council periodically where awards are made to confirm hardship persists.

11.3.2 From the assessment of the above criteria, the Council will determine if the business is suffering from financial hardship due to the payment of Business Rates. If hardship relief is granted, applicants will be entitled to make further submissions in subsequent years. In the event of successive applications, evidence from an accountant or other professional adviser regarding the long-term viability of the business may be required.

11.4 Examples of Appropriate Circumstances

11.4.1 The following examples indicate circumstances where it may be appropriate to award relief. They are included in this policy in the form of broad general guidelines and are not intended to be prescriptive.

- Without rate relief the business will close and deprive local residents of an essential service and a source of significant local employment.
- The ratepayer's business has been detrimentally affected by circumstances beyond the ratepayers control and that do not constitute part of the normal risks in running a business of that nature (e.g. a natural disaster, an unusual or uncontrollable event in the neighbourhood of the

business such as a fire making the immediate area of the business unsafe).

N.B. in addition, it must be in the interest of the community as a whole for Hardship relief to be granted.

11.5 Claiming a Reduction due to Hardship

11.5.1 A claim must be made on an approved application form. This application form and any supporting information should be completed and returned to:

Durham County Council
Revenues and Benefits
PO Box 238
Stanley
Co Durham
DH8 1FP

11.5.2 It is the responsibility of the Ratepayer applying for relief to provide sufficient information and documentary evidence to support their applications. If the Ratepayer applying does not or will not provide the required evidence, we will still consider the application but only on the basis of the information and evidence provided.

11.6 The Decision Making Process

11.6.1 Upon receipt of written application form, all supporting information must be included for consideration.

- Initial applications will be considered by Revenues Team Manager (NNDR). These will include review sheet, with findings and financial implications and initial recommendations.
- Recommendations will then be forwarded to Revenues and Benefits Manager via the Revenues Manager.
- These will then be forwarded to Head of Finance and Transactional Services for approval / refusal.
- Once decision has been approved the ratepayer will be advised in writing of the decision.

11.7 Review of Decision

11.7.1 Under the Local Government Finance Act 1988, there is no right of appeal against the Council's use of discretionary powers. However, on individual discounts, the Council will accept a customer's request from a ratepayer for a re-determination of its decision.

- Re-determination of the decision will be by the Corporate Director.

- The Council will consider whether the ratepayer has provided any additional information that will justify a change to its original decision.

The Council will notify the ratepayer of its decision within 21 days of receiving a request for a redetermination

Durham County Council Equality Impact Assessment

NB: The Public Sector Equality Duty (Equality Act 2010) requires Durham County Council to have ‘due regard’ to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people from different groups. Assessing impact on equality and recording this is one of the key ways in which we can show due regard.

Section One: Description and Screening

Service/Team or Section	Financial Services, Resources
Lead Officer	Caterina Blackburn
Title	Discretionary Rate Relief - Review of Local Discretionary Rate Relief Policy
MTFP Reference (if relevant)	-
Cabinet Date (if relevant)	12 July 2017
Start Date	April 2017 (backdated awards)
Review Date	July 2018

Subject of the Impact Assessment

Please give a brief description of the policy, proposal or practice as appropriate (a copy of the subject can be attached or insert a web-link):

To seek Cabinet approval to the proposed discounts below in terms of the Discretionary Rate Relief scheme to be applied in County Durham in line with the Government announcements in March 2017, on Business Rates liabilities in 2017/18:

- a) a £600 cap on rates bills for those losing Small Business Rate Relief (SBRR) / Rural Rate Relief (RRR) as a result of the revaluation – statutory discounts – statutory national scheme;
- b) introduction of a £1,000 discount relief for public houses with a rateable value up to £100,000 – statutory national scheme;
- c) funding for the introduction of local Discretionary Rate Relief Scheme for businesses adversely impacted by the revaluation – discount / relief awarded based on the application of a locally developed policy / scheme.

Support for small businesses losing Small Business Rate Relief or Rural Rate Relief to limit increases in their bills to the greater of £600 or the real terms transitional relief cap for small businesses each year.

We have identified that there were only 55 cases in County Durham where this statutory relief would apply, subject to state aid rules. The estimated additional discount these 55 business would receive (reduction in rates liabilities) in 2017/18 would be circa £92,000.

Introduction of a £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2017.

We have identified that there was 225 public houses that could qualify for this support, subject to state aid rules. The estimated additional discount these 225 business could receive (reduction in rates liabilities) in 2017/18 would therefore be circa £225,000.

New funding to support £300 million of discretionary relief, to allow them to provide support to individual hard cases in their local area.

The 2017/18 business rates revaluation has classed Small Businesses as those businesses with a Rateable Value (RV) of less than £51k (the Small Business Multiplier threshold).

Analysis of small and medium sized businesses and their actual value of increased charges to rates bills in 2017/18 as a result of the revaluation, net of any reliefs and discounts therefore was:

Property Sizes	No. of Accounts with increases over £600 in 2017/18
Small Business <=£51,000 RV	318
Medium RV >£51,000<=£200,000	208
Total	526

To be eligible for this new relief, it is proposed that businesses will need to meet the following criteria :

- a. Have a rateable value of less than £200,000 (i.e. is classed as a small or medium sized businesses)
- b. Have had an increase in rateable value following the 2017 revaluation;
- c. The ratepayer has a continuing liability i.e. was liable for business rates on 31/03/17 and continues to remain liable for business rates (to ensure the support is targeted to those small and medium sized businesses adversely impacted by the business rates revaluation); and
- d. As a result of the above the rate payer has seen a net increase of over £600 in their rates bill in 2017/18

Properties that continue to meet the above criteria will receive the following discounts:

- a. 2017/18 - 50% of the increase above £600
- b. 2018/19 - 25% of the increase above £600

c. 2019/20 - 10% of the increase above £600

d. 2020/21 - 1.5% of the increase above £600

The amount of relief awarded may be reviewed in year and may be increased or decreased depending upon take up and the impact of appeals, to ensure the total amount of government grant received by Durham County Council is awarded to support local businesses. Rateable value changes made to the 2010 list will only be considered up to 30 September 2018.

Who are the main stakeholders? (e.g. general public, staff, members, specific clients/service users):

Financial Support Services (Assessments & Awards Team), Digital & Customer Services, Resources and local businesses in County Durham.

Screening

Is there any actual or potential negative or positive impact on the following protected characteristics?

Protected Characteristic	Negative Impact Indicate: Y = Yes, N = No, ? = unsure	Positive Impact Indicate: Y = Yes, N = No, ? = unsure
Age	N	N
Disability	N	N
Marriage and civil partnership (workplace only)	N	N
Pregnancy and maternity	N	N
Race (ethnicity)	N	N
Religion or Belief	N	N
Sex (gender)	N	N
Sexual orientation	N	N
Transgender	N	N

Please provide **brief** details of any potential to cause adverse impact. Record full details and analysis in the following section of this assessment.

In making these announcements, the Government stated that local authorities would be fully compensated, by way of s31 grant, for the loss of income because of these measures, which were announced after budgets had been set for 2017/18.

The amount of relief awarded may be reviewed in year and may be increased or decreased depending upon take up and the impact of appeals, to ensure the total amount of government grant received by Durham County Council is awarded to support local businesses. Rateable value changes made to the 2010 list will only be considered up to 30 September 2018.

How will this policy/proposal/practice promote our commitment to our legal responsibilities under the public sector equality duty to:

- eliminate discrimination, harassment and victimisation,
- advance equality of opportunity, and
- foster good relations between people from different groups?

The Policy will be monitored and reviewed, with increases to the awards to small businesses retrospectively applied should we need to in order to maximise spend against the available grant in year.

Evidence

What evidence do you have to support your findings?
Please **outline** your data sets and/or proposed evidence sources, highlight any gaps and say whether or not you propose to carry out consultation. Record greater detail and analysis in the following section of this assessment.

Consultation has been undertaken with the Police and the Fire and Rescue Services who are both supportive of the Council's proposals. The scheme has been shared with the North East Combined Authority (NECA) and it is understood that they will be presented to the NECA Board on 17 July, 2017 alongside policies developed by other local authorities in NECA, for noting and endorsement.

Screening Summary

On the basis of this screening is there:	Confirm which refers (Y/N)
Evidence of actual or potential impact on some/all of the protected characteristics which will proceed to full assessment?	N
No evidence of actual or potential impact on some/all of the protected characteristics?	N

Sign Off

Lead officer sign off: Paul Darby	Date: 07 June 2017
Service equality representative sign off: Claire Maddison / Mary Gallagher	Date: 07 June 2017

If carrying out a full assessment please proceed to section two.

If not proceeding to full assessment please return completed screenings to your service equality representative and forward a copy to equalities@durham.gov.uk

If you are unsure of potential impact please contact the corporate research and equalities team for further advice at equalities@durham.gov.uk

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**Corporate Overview and Scrutiny
Management Board**

15 September 2017



**Quarter One 2017/18
Performance Management Report**

**Report of Corporate Management Team
Lorraine O'Donnell, Director of Transformation and Partnerships
Councillor Simon Henig, Leader of the Council**

Purpose of the Report

- 1 To present progress against the council's corporate performance framework by Altogether priority theme for the first quarter of the 2017/18 financial year.

Summary

- 2 Despite the ongoing effects of austerity on the council, we continue to improve or maintain performance in many key areas. The employment rate has improved and is now at its highest level since 2007/08, better than the regional rate for the first time since 2014/15, but remains below the national figure. For the past two years, the number of 18 to 24 year olds claiming out of work benefits has fluctuated around its lowest level since 2014/15. Apprenticeship starts for 16 to 17 year olds and those sustained for 15 months or more from Durham County Council schemes, have increased since last year. In relation to Adult social care support, our reablement and rehabilitation service is improving with a higher percentage of older people still at home three months after discharge from hospital. First time entrants to the youth justice system remain low with fewer reported incidents of anti-social behaviour. Street and environmental cleanliness is good and we continue to divert more than 95% of our waste from landfill.
- 3 In other areas we see increasing needs or demand, and some performance challenges. The number of looked after children has been steadily rising since 2008 and is significantly higher than national levels with the number of looked after children residential placements with independent providers increasing considerably from last year. Increases are also evident in the number of children with a child protection plan and the number of children in need referrals. Challenges are ongoing in relation to the health of the county with life expectancy and healthy life expectancy, the mortality rate for deaths related to drug misuse, and breastfeeding prevalence all worse than national levels. Crime levels show a significant increase, mainly due to changes in recording practice, but there is evidence of real increases in some crime categories. Fly-tipping incidents have seen a 3% reduction this quarter. Ongoing improvement issues continue in relation to the rate of employee appraisals and although sickness levels have improved, they remain a priority.

Background

- 4 On 12 July 2017, Cabinet were advised that the council's partnership led Sustainable Community Strategy, setting out the vision for the county, and supporting council plan and service plans are due for review this year. There is a strong commitment to progressing the council's transformation programme, driven by a focus on delivering the best possible outcomes within available resources, and Cabinet agreed that an outcome based approach to planning is adopted. 2017/18 is a transition year as we review our vision, planning framework and associated performance management arrangements to ensure that they operate efficiently and are fit for purpose in the current climate.

Performance Reporting Arrangements for 2017/18

Key Performance Questions

- 5 A review of our performance reporting arrangements has led to the development of a series of key performance questions (KPQs). These questions are aligned to the 'Altogether' framework of six priority themes, and are designed to facilitate greater scrutiny of performance.

Key Performance Questions
<i>Altogether Wealthier</i>
1. Do residents have good job prospects?
2. Do residents have access to decent and affordable housing?
3. Is County Durham a good place to do business?
4. Is it easy to travel around the county?
5. How well does tourism and cultural events contribute to our local economy?
<i>Altogether Better for Children and Young People</i>
6. Are children, young people and families in receipt of universal services appropriately supported?
7. Are children, young people and families in receipt of early help appropriately supported?
8. Are children and young people in receipt of social services appropriately supported and safeguarded?
9. Are we being a good corporate parent for looked after children?
<i>Altogether Healthier</i>
10. Are our services improving the health of our residents and reducing health inequalities?
11. Are people in need of adult social care supported to live safe, healthy and independent lives?
<i>Altogether Safer</i>
12. How effective are we at tackling crime and offending?
13. How effective are we at tackling antisocial behaviour?
14. How well do we reduce the misuse of drugs and alcohol?
15. How well do we tackle abuse of vulnerable people including domestic abuse, child sexual exploitation and radicalisation?
16. How do we keep our environment safe including roads and

Key Performance Questions	
	waterways?
<i>Altogether Greener</i>	
	17. How clean and tidy is my local environment?
	18. Are we reducing carbon emissions and adapting to climate change?
	19. How effective and sustainable is our collection and disposal of waste?
<i>Altogether Better Council</i>	
	20. How well do we look after our people?
	21. Are our resources being managed for the best possible outcomes for residents and customers?
	22. How good are our services to customers and the public?
	23. How effectively do we work with our partners and communities?

- 6 A more focused set of performance indicators has been developed to provide evidence to help answer these questions for those with corporate governance responsibilities. Development of performance reporting will continue throughout the year in particular to enhance reporting of qualitative aspects of performance as highlighted in the 2016 Ofsted inspection.
- 7 There are other areas of performance that are measured in more detailed monitoring across service groupings and if performance issues arise, these will be escalated for consideration by Cabinet by including them in the corporate report on an exception basis.
- 8 The performance indicators are still reported against two indicator types which comprise of:
- (a) Key target indicators – targets are set for indicators where improvements can be measured regularly and where improvement can be actively influenced by the council and its partners; and
 - (b) Key tracker indicators – performance is tracked but no targets are set for indicators which are long-term and/or which the council and its partners only partially influence.
- 9 This report sets out our key performance messages from data released this quarter and a visual summary per Altogether priority theme that presents key data messages from the new performance framework showing the latest position in trends and how we compare with others.
- 10 A comprehensive table of all performance data is presented in Appendix 4.
- 11 An explanation of symbols used and the groups we use to compare ourselves is in Appendix 2.
- 12 To support the complete indicator set, a guide is available which provides full details of indicator definitions and data sources for the 2017/18 corporate indicator set. This is available to view either internally from the intranet (at Councillors useful links) or can be requested from the Corporate Planning and Performance Team at performance@durham.gov.uk.

Key Performance Messages from Data Released this Quarter

Altogether Wealthier

- 13 The employment rate has improved and is now at its highest level since 2007/08 and better than the regional rate, though remains below the national rate. For the past two years the number of 18 to 24 year olds claiming out of work benefits has fluctuated around its lowest level since 2014/15. Apprenticeship starts through council funded schemes as well as apprenticeships sustained for 15 months or more from Durham County Council schemes, have increased since last year. The proportion of 16 to 17 year olds in an apprenticeship in County Durham in March 2017 was higher than last year and the averages for both England and the North East.
- 14 Successful council intervention on housing development continues with a higher number of both empty properties brought back into use and new homes completed than last year. The number of affordable homes delivered and statutory homelessness preventions have fallen since last year. Work is currently ongoing to consider the impact of the forthcoming Homeless Reduction Act, which will focus more strongly on the prevention of homelessness.
- 15 The council, like most highways authorities, has a significant maintenance backlog. It has steadily increased its contribution to programmed capital maintenance from £0.7 million in 2010/11 to £9.1 million in 2017/18, in addition to £13 million provided by the Department for Transport. The council has also maintained maximum funding, under the Department for Transport's Incentive Fund, only one of two authorities to do so. In recent years, the council has prioritised budgets to maintain principal roads with the highest usage. This is reflected in the improved condition of A, B and C roads. Although the condition of unclassified roads is below the national average, there has been an improvement over the past year, and there is an on-going programme of resurfacing works in place. The National Highways Survey 2016 shows satisfaction with the maintenance and the condition of our highways has improved and is better than national averages.

Altogether Better for Children and Young People

- 16 Work continues to improve children's services in Durham in line with [Ofsted findings](#) across four key areas: political and management oversight; management and staffing capacity; improving the quality of social work practice; and compliance with regulations.
- 17 Performance is considered across three levels:
- (a) How our **early help and universal children's services** help support children in the wider community.
 - (b) How our **assessment and safeguarding services** are supporting children at risk and children in need.

- (c) Corporate **parenting support** for the 789 children for whom the council is their parent, and 230 care leavers.¹

Universal Services and Early Help

- 18 We are performing well in some key areas of universal services and early help. Durham primary schools are doing well in relation to Ofsted inspections, however, there is continued focus on secondary schools as fewer are judged outstanding or good compared to last year (see appendix 6 for table of secondary schools and grading). More children aged 0 to 2 years in deprived areas (88%) are registered with a Children's Centre and having sustained contact compared to last year (86%). Children's Centres play a vital role in early intervention, reaching those whose needs might otherwise escalate into more serious problems, and delivering crucial preventative support. In relation to child health, under 18 conceptions continue to reduce, the lowest since recording began in 1998 but remain significantly higher than in England.
- 19 A key performance issue identified this quarter relates to completing Education Health and Care plans within 20 weeks for children with special educational needs and disabilities. The target to complete 90% of plans within the statutory 20 week time limit was not met, with 65% completed within this timescale. A new data management system is being introduced which has impacted upon service delivery due to data cleansing but additional data resource has been provided to assist with this and an alert system for the 20 week process to aid casework is currently being fast-tracked.

Assessment and Safeguarding Services

- 20 Significant progress has been made on one of the performance issues reported last quarter. Our processing rate for responding to statutory referrals within one working day has improved from 58.6% at quarter one 2016/17 to 85.5% this quarter (April to June 2017) (see appendix 5, chart 4). Despite an increase in the number of children in need (see appendix 5, chart 1), improvement has continued in the re-referral rate, reducing from 24.8% to 17%.
- 21 Four key performance issues are identified this quarter that we need to address, better understand or keep under greater scrutiny:
- (a) Quality of assessment and casefiles
 - (b) Social worker caseloads
 - (c) Number of children and young people on a child protection plan
 - (d) Initial child protection conferences processed within timescales
- 22 Two key issues highlighted in the last report where good progress has been made are quality of casework and social worker caseloads. However further improvement is required in both areas.

¹ Figures as at Q1 2017/18

- (a) Casefile quality has significantly improved this quarter with 61% of social work team statutory case files assessed as good or above compared with 40% at the time of the Ofsted inspection (March 2016). Further progress is required to achieve our target for at least 80% of audited cases by March 2018. Grading of quality is in line with Ofsted grading and work to improve quality is ongoing, with an independent audit check on progress due in the autumn.
- (b) Caseload levels per social worker have reduced from the baseline of February 2016 when the Ofsted inspection took place, but further work is needed. Recruiting additional social work staff should assist in further reducing caseload levels to ensure that they are more manageable and reach the agreed target of no more than 20. The council continues to scrutinise staffing including vacancy levels and ratios of cases to social workers to address the issues highlighted in the Ofsted report. The recruitment environment continues to be challenging.

A workforce strategy is under development, designed to eradicate the chronic under-recruitment to permanent social work posts and to reduce turnover from these same posts. This includes expansion of the social work academy to bring in and develop newly qualified social workers, introduction of a social work apprenticeship scheme, increasing the number of frontline units in the service and to run a recruitment and marketing campaign aimed at attracting experienced social workers, and a range of measures to improve the working experience of social workers.

- 23 An ongoing performance challenge is the number of children with a child protection plan (CPP). The increasing number of children with a CPP is continuing (see appendix 5, chart 3). The number of children with a CPP in Durham has increased from a low point in the same period last year (358) to 486 in June 2017. The figure had previously been at a high level in June 2014 (446) before decreasing to its lowest in September 2015 (340). Durham's rate of children with a CPP is higher than the England average. The increase has implications in terms of increased work pressures and caseloads for social workers. Further analytical work to understand the reasons for the increase in children on a CPP is still ongoing.
- 24 A new performance issue emerging this quarter is the timeliness of initial child protection conferences (ICPC). The rate of processing ICPCs² within 15 working days of a safeguarding strategy meeting (Section 47 enquiry) or where a child with a Child Protection Plan (CPP) moves into the area, has decreased from 75.2% last year to 42.6% this quarter (April to June 2017). The reduction in performance is directly linked to independent reviewing officer (IRO) vacancies experienced between March and May 2017. A range of measures has been introduced including employment of agency and casual

² An initial child protection conference (ICPC) must be convened following a Section 47 enquiry to safeguard and promote the welfare of a child who is suspected of, or likely to be, suffering significant harm.

staff. The recruitment process has almost concluded with the situation resolved in June 2017 with no ICPCs delayed since that date because of IRO resource. Performance is expected to improve significantly during quarter two.

Corporate Parenting Support

- 25 As corporate parent, the council is responsible for 230 young people (aged 17 to 21) leaving care (June 2017) who are a particularly vulnerable cohort of young people. The wide range of support the council offers is good with provisional figures showing more care leavers in Durham are in suitable accommodation and in employment or training (EET) compared to both North East and national counterparts. More children were adopted with 53 children adopted (17.3% of those leaving care) during 2016/17 compared with 28 children (11.1%) in 2015/16.
- 26 Two key performance issues highlighted in the last report are ongoing and require continued scrutiny:
- (a) The number of looked after children
 - (b) Changes in social worker
- 27 There were 789 looked after children (LAC) at the end of June 2017 in County Durham. Although there are fewer than last quarter (810) there are significantly more than last year (712). Numbers have generally been increasing since a low base of 410 in 2008 (see appendix 5, chart 2) and are significantly higher than the national level. Further work is still ongoing to gain a better understanding of the reasons for an increase in the number of children looked after which has implications in terms of the council's corporate parenting responsibilities, workload pressures and increased costs. There is also a considerable increase in the use of independent providers for LAC residential placements which cost more, rising from 14 last year to 25 this quarter (at 28 June 2017); the lack of placement capacity within the county adds further financial pressure. The increased numbers of children to be placed is also affecting quality of care, with capacity issues meaning that some children are not matched with a permanent care placement quickly enough: at the end of July there were 33 children who were in temporary placements.
- 28 Changes in social worker were reported last quarter as the results of the Children's Commissioner's Stability Index project. This showed that 42% of children had no change of primary social worker, 30% had one change, but 16% of children had two changes and 12% had three or more changes of social worker. Although not out of line with comparators, this provides a baseline against which efforts to improve workforce stability and to restructure the service can be measured. Investigation shows that part of the reason for changes in social worker relates to the structure of the service which builds up to four moves into the child's journey, and plans to streamline this down to two moves are under development.
- 29 A new performance issue identified this quarter concerns the health of looked after children. Fewer looked after children in Durham had dental checks (82.5%) and health assessments (86.4%) compared to both regional and

national averages. Durham's Emotional and Behavioural Health Difficulties Score³ amongst looked after children (16 points) is worse than regional (14.5 points) and national (14 point) averages. Recognition of these issues is included in the 0-19 Healthy Child Programme and further investment in emotional wellbeing in schools is being planned.

Altogether Healthier

- 30 Positive progress has been made across health measures including 2,841 smoking quitters over 2016/17 exceeding the contracted target, although fewer quitters than last year. There is an increase in the use of e-cigarettes, which have become widely available and may be reducing numbers embarking on the stop smoking programme. The fall in smoking prevalence generally may also be contributing to the decline in use of smoking cessation services.
- 31 Mothers smoking at time of delivery has also reduced from last year and achieved the annual target but it is still higher than national rates. Durham Dales, Easington and Sedgfield (DDES) Clinical Commissioning Group (CCG) has the third highest rate in the North East and fifteenth highest of all CCGs in England. A steering group has been established to deliver an incentive scheme on behalf of DDES CCG. Women are registered through health professional referral, based on a specified criteria and can receive shopping vouchers if they successfully quit smoking. The government has set out an ambitious plan to make England, in effect, smoke-free in the next few decades. The new Tobacco Control Plan aims to significantly reduce smoking rates for the population by 2022, paving the way to a smoke-free generation. The plan also specifically aims to lower the smoking in pregnancy rate.
- 32 In relation to our adult social care support, our reablement and rehabilitation service is improving with a higher percentage of older people still at home three months after discharge from hospital. People who have achieved their desired outcomes from the adult safeguarding process remains high. Carers' satisfaction with the support and services they have received has fallen from 84.9% (2014/15) to 75.5%, in line with regional and national trends. Durham remains better than the national average but lower than the North East.
- 33 Four issues to highlight this quarter are:
- (a) Inequality in life expectancy and healthy life expectancy
 - (b) Mortality rate for deaths related to drug misuse
 - (c) Breastfeeding prevalence
 - (d) People receiving an assessment or review every 12 months
- 34 Life expectancy and mortality can be used as important measures of the overall health of County Durham's population and as an indicator of inequality

³ This is measured by the average score for looked after children for whom a Strengths and Difficulties Questionnaire (SDQ) was completed. A higher score indicates difficulties that are more emotional. A score of 0-13 is considered normal, a score of 14-16 is considered borderline cause for concern and a score of 17 and over is a cause for concern. A SDQ score is required for those children aged 5 to 16 (inclusive) who had been looked after continuously for at least twelve months at the 31 March. More detail is available from Public Health England [website](#).

both between and within areas.⁴ The data for the period 2013 to 2015 show that although people in County Durham are living longer they are spending more time in poor health. Healthy life expectancy has not been rising over time and locally, between 2009 to 2011 and 2013 to 2015, it fell for both men and women. In terms of HLE the absolute gap between County Durham and England for men and women both increased (3.5 years to 5.4 years for men; 4.0 years to 7.1 years for women). There is significant inequality in LE and HLE within County Durham. The gap in LE between the most deprived and least deprived areas is 7.9 years for men and 7.7 years for women and these have not changed significantly over time. The gap in HLE between the most deprived and least deprived areas is greater for men (13.8 years) and women (14.5 years). Healthy life expectancy and premature mortality are closely linked with long-term conditions such as congenital heart disease, stroke and cancer being among the leading causes of premature mortality in County Durham. These make a major contribution to the life expectancy gap between County Durham and England as a whole.

- 35 Recent published information shows that the mortality rate for deaths related to drug misuse for the period 2014 to 2016 is significantly higher in the North East and in County Durham than England. National data show the highest number of deaths since comparable records began in 1993. Of the deaths, more than two-thirds were due to misuse of drugs⁵, and two-thirds of the deaths were men, in line with previous years. Those in their 40s have overtaken people in their 30s as being the age group with the highest mortality rate from drug misuse. This breakdown of gender and age is not yet available for County Durham.
- 36 Breastfeeding prevalence still requires improvement, being significantly lower than nationally and slightly below the North East rates. A multi-agency action plan to increase breastfeeding rates has been developed involving public health, health visitors, midwifery and children's centre colleagues. Models of best practice are being looked at from other areas who have improved their rates. The implementation will require a wider system approach to tackle the social norms relating to breastfeeding in County Durham. The Best Beginnings Baby Buddy app has been created to help provide reliable and accurate information that is available 24 hours a day.
- 37 Adults in receipt of social care services should receive an assessment or review every 12 months. Between April and June 2017 performance was 87% and this needs further improvement, in particular within learning disability services. A deep dive analysis is currently being undertaken to look into this in more detail.

⁴ Life expectancy (LE) tells us how long a child born today would be expected to live if they experienced the current mortality rates of the area they were born in throughout their lifetime. Healthy life expectancy (HLE) at birth is the average number of years a person would expect to live in very good or good health.

⁵ Drug misuse is a subset of drug poisoning and is either: a death where the underlying cause is drug abuse or drug dependence, or a death where the underlying cause is drug poisoning and where any of the substances controlled under the Misuse of Drugs Act 1971 are involved.

- 38 The CQC are to undertake a programme of local system reviews of health and social care in 20 local authority areas. Reviews are initially happening in twelve challenged areas and the identification of these areas is principally based on a dashboard of six key metrics from across the sector where health and social care work most closely together, and assesses local areas against their statistical nearest neighbours (CIPFA) and nationally. The dashboard will be reviewed in the autumn. A further eight sites for review are to be identified in the coming months. These reviews will include a review of commissioning across the interface of health and social care and an assessment of the governance in place for the management of resources and will look specifically at how people move between health and social care, including delayed transfers of care, with a particular focus on people over 65 years old.
- 39 Durham is performing well on the majority of the six metrics (see Table 1 below) and the combined national ranking (based on the same 6 key indicators), where we rank 31 out of 152.

Table 1 Performance dashboard: Six key metrics

Metric	National Rank (out of 152)	Nearest Neighbour rank (out of 16)
Emergency Admissions (65+) per 100,000 65+ population	75	5
90th percentile of length of stay for emergency admissions (65+)	32	7
TOTAL Delayed Days per day per 100,000 18+ population	5	2
Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services *	64	8
Proportion of older people (65 and over) who are discharged from hospital who receive reablement/rehabilitation services	76	6
Proportion of discharges (following emergency admissions) which occur at the weekend	133	15

*based on 2016/17 data

- 40 The current measure for delayed transfers of care (DTC) from hospital shows Durham perform well with consistently low levels. The new Better Care Fund guidance has introduced a number of new proposals, including expectations about to what extent these would have to be reduced in the interface between health and social care, linking this target to the possibility of review of improved Better Care Fund funding in 2018/19 for areas that are performing poorly against the DTC target. The Local Government Association does not support these proposals, in particular the targets, as this

does not take into consideration the overall volume of discharges (which are rising), the extreme financial pressures on councils, and the need for local flexibility. There will also be a change in the way this data is reported for 2017/2018 to make it more representative of the entire month instead of a snapshot of days. NHS Digital are undertaking work to investigate the impact of this change on the measure and will keep us informed of progress. As a result there is no data currently available for quarter one.

Altogether Safer

- 41 Positive progress is evident across some key safer measures. Anti-social behaviour continues to decrease, with fewer incidents being reported to the police and the council. The number of first time entrants to the Youth Justice System (aged 10 -17 years) has fallen and remains well within target. There have been fewer child sexual exploitation referrals than last year and fewer people killed or seriously injured in road traffic accidents. Durham's campaign for cold water shock received a national award as part of the Municipal Journal Achievement Awards 2017.
- 42 A key issue identified this quarter relates to the crime rate. Crime figures this quarter show a significant increase in the number of crimes compared with the same period last year. April to June 2017 has seen a 44% increase from the same period last year in the number of crimes, rising from 8,566 to 12,368. Durham's crime rate this quarter is 23.8 (per 1,000 population), higher than the rate of 16.5 for the same period last year. 41 of 43 police forces have shown an increase and Durham has the third highest rate of increase.
- 43 The majority of the increase in police recorded crime is violence against the person, the majority without injury. The increase is mainly due to changes in recording practice in order that the police are compliant with the national crime-recording standard (NCRS). This is also true for criminal damage type offences. Changes in recording practice include the recording of identified crimes (reducing from 72 hours from initial report to 24 hours); and improved local recording of victim-based offence categories, specifically that of violence without injury and an audit of retrospective harassment cases.
- 44 The increase in arson incidents has seen a joint initiative launched between Durham Constabulary, County Durham and Darlington Fire Service and Durham County Council. Operation Valdis, aims to reduce the number of deliberate fires across the county by seizing abandoned vehicles as and when they are identified.
- 45 Reported harassment incidents and crimes that have a cyber-element have increased since 2014 and cyber-enabled fraud via online auction and shopping sites remain the largest financial threats to individuals. Reports relating to Snapchat and Instagram tend to concern sextortion and potentially indecent image incidents. Ransomware and other malware attacks/scams are becoming more frequent and there has been a dramatic decrease in the number of cyber-related intelligence reports since 2014.

- 46 A thematic inspection of Out Of Court Disposals within our Youth Offending Service took place in July and feedback was positive. We will not receive an individual inspection report, or written feedback on the inspection. The final report will include findings from all seven fieldwork sites being visited this summer, highlighting good practice and making recommendations for the sector and partners. This is due to be published early next year.

Altogether Greener

- 47 We continue to maintain a clean and tidy environment with good levels of street and environmental cleanliness across the county. Fly-tipping incidents have seen a 3% reduction this quarter compared to last quarter (see appendix 5, chart 5). Our Big Spring Clean campaign has engaged more volunteers in community litter picks compared to last year with more rubbish collected. More parks and cemeteries have been awarded Green Flag status by Keep Britain Tidy. Enforcement action has seen more fixed penalty notices issued for enviro-crime this quarter targeting hotspot areas through the multi-agency partnership.
- 48 Our collection and disposal of waste shows we continue to divert more than 95% of our waste from landfill and although our reuse, recycling and composting rate has improved we remain below the national average. There has been a slight decrease (-0.3%) in the number of properties joining the garden waste collection scheme compared to the same period last year although more kilograms of garden waste have been collected per household. A government funded Waste Collection Methodology Project is about to commence, the outcome of which will be known in December.

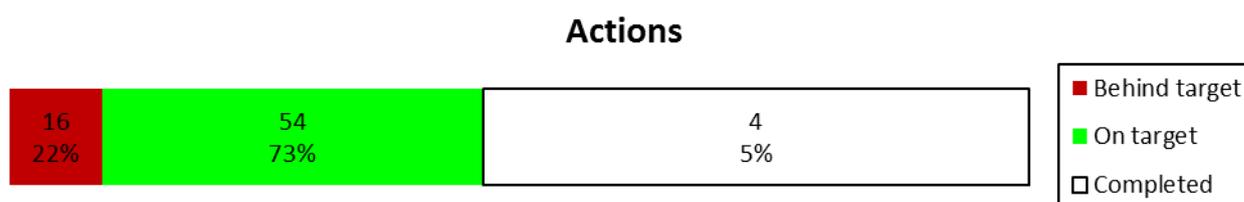
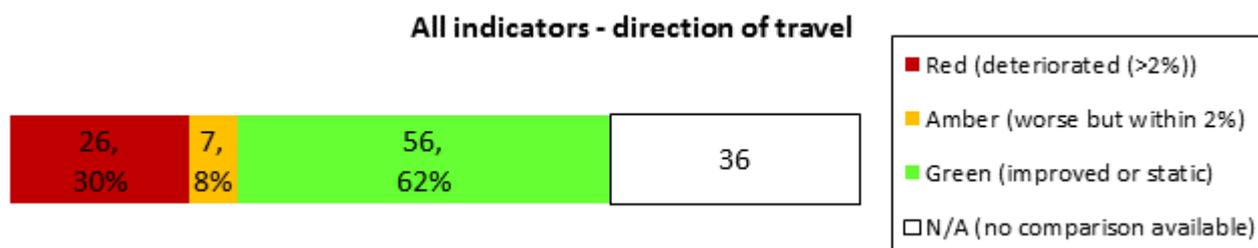
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- 49 In relation to customer contact, we continue to see a reduction overall in customers contacting us via telephony and an increase in customers accessing web forms to transact (see appendix 5, charts 6 to 10). Further analysis shows there continues to be a reduction in terms of telephony for general enquiries, switchboard and street scene. More than 90 services are available on the council's website for customers to do business with us 24 hours a day.
- 50 Overall sickness absence continues to improve, falling from 10.48 days lost per full time equivalent (excluding schools) in the previous quarter to 10.32 days in quarter one 2017/18. The council is committed to managing the attendance levels of its workforce and ensuring support is available to enable individuals to manage their health and wellbeing wherever possible.
- 51 The key performance issue identified this quarter relates to staff appraisals. The percentage of staff who had an appraisal has improved to 89%; however, performance remains below target and it is acknowledged that performance must improve. Chief Officers are following this through with managers where appraisals have not been undertaken. The council is committed to delivering performance appraisals with our employees as good practice and to ensure that the council's vision and priorities are communicated effectively throughout the organisation so that staff know what is expected of them and are

supported to deliver.

Overall Performance of the Council

Key Performance



- 52 In quarter one, 62% (56) of our key performance indicators improved or maintained performance and 30% (26) deteriorated compared to 12 months earlier. 78% (58) of Council Plan actions have been achieved or are on target to be achieved by the deadline. 22% (16 of 74) of actions slipped. In the majority of cases work has been rescheduled and timescales reset as reflected in the recommendations at paragraph 57.
- 53 Information and data to support the complete indicator set is provided at Appendix 4. A full copy of the exceptions, deletions, amendments and additions to council and service planning actions is available on request from performance@durham.gov.uk.

Risk Management

- 54 Effective risk management is a vital component of the council's agenda. The council's risk management process sits alongside our change programme and is incorporated into all significant change and improvement projects.
- 55 Appendix 3 summarises key risks in delivering the ambitions for each priority theme and how we are managing them.

Key Data Messages by Altogether Theme

- 56 The next section provides a summary per Altogether theme of key data messages. The format of the Altogether themes provides a snap shot overview aimed to ensure that key performance messages are easy to

identify.⁶ The Altogether themes are supplemented by information and data relating to the complete indicator set, provided at Appendix 4.

⁶ Images designed by Freepik from Flaticon, Homelessness Outreach Service by Hawaii Open Data US, Office Rental by Makhmudkhon, Pound Bills by John Burraco, Pounds by Oliviu Stoian from the thenounproject.com, Bury Council

Altogether Wealthier

Job prospects

Employment in 2016/17

71.5% working age population defined as in employment in County Durham (231,600 people). More than last quarter but below England and Wales (74.4%)

75.3% male working age population aged 16-64 (120,200)

67.8% female working age population aged 16-64 (111,400)

79% private sector (188,600), in line with England & Wales (78.6%)

To achieve national levels, **9,000** people (aged 16 - 64) out of **18,100** people economically inactive and wanting a job need to enter employment

Young people	Durham	England	North East
18-24 year olds who are out of work and claiming either Universal Credit or Jobseeker's Allowance (at Jun 2017)	3.9% (2,010 people)	2.6%	4.6%
16-17 year olds in an apprenticeship (at Mar 2017)	9.1%	6.4%	8.8%

Helping people back into work

268 jobs created/safeguarded as a result of Business Durham activity (Apr—Jun 2017)

222 apprenticeships started through County Council schemes (2016/17) above the target of 200

735 apprenticeships through Durham County Council schemes sustained for 15 months or more (at Jun 2017), which equates to 68.4% of all apprenticeship starts through these schemes

Apprenticeship programme - on hold while assessing the impact of the newly introduced levy to determine whether a successor programme will follow.

£15,496 average disposable household income that individuals have available for spending or saving after deduction of expenditure (2015). More than £15,246 in 2014 but less than England average of £19,447 and North East average of £16,197 (2015)

Housing and regeneration

↑ 45 empty properties brought back into use as a result of local authority intervention (Apr- Jun 2017). More than target (30) and last year (29)

↑ 422 net new homes completed (Apr- Jun 2017). More than last year (336)

↓ 198 affordable homes delivered (2016/17). In line with target (200) but fewer than 2015/16 (262)

↓ 320 clients for whom homelessness was prevented (Apr- Jun 2017). Less than last year (363)



Local authority road network



Structures are in 'good to fair' condition. Backlog has grown over the past year due to updated and more accurate condition surveys.

Condition of A, B & C roads is in line with national average (3% require maintenance to be considered).
On-going programme of resurfacing works in place for all roads.



£192m needed to bring DCC highway asset up to a good condition, and having no backlog with no defects (at Mar 2016).
£628m needed regionally, £12b needed across England and Wales

Overall Satisfaction with.... (National Highways & Transport survey)	2014	2016	National Average 2016
... condition of the highways	38%	45%	38%
... highway maintenance	49%	55%	53%

Altogether Better for Children and Young People

Early Help and Universal Services

Achieving Aspiration



92% Primary **65%* Secondary**

*11 out of 31 schools judged as Requires Improvement or Inadequate (2 more than last year and 1 more than last quarter). 6 LA maintained schools and 5 academies.

Not in Education, Employment or Training

4.9% of 16-17 year olds in Durham are not in education, employment or training, higher than national (2.7%) and North East (4.0) averages

Education Health and Care Plans Processed in 20 weeks

Children or young people with special educational need or disability

Performance has been going down and target of 90% not met



Health

Under 18 Conception rate (Apr 2015 — Mar 2016)

25.9 per 1,000 female population (213 conceptions), fewer than last year (27.5 and 233 conceptions) and lowest since 1998, but still significantly more than England (20.4).



Early Help support

727 families

benefitted from successful interventions* at March 2017 (16.7% of phase 2 overall total of 4,360 families by March 2020), above both the regional (15.7%) and national average (13.2%)

Stronger Families Programme

*this aims to assist individuals in a family to achieve reductions in crime/anti-social behaviour, improve school attendance or move back into employment through the Stronger Families Programme.



Sustained contact with Children's Centre



88% of Durham 0-2 year olds in the top 30% IMD* having sustained contact, more than last year (86%) (Jul 2016/Jun 2017)

* Indices of Multiple Deprivation 2010

Altogether Better for Children and Young People

Assessment and Safeguarding

Safeguarding (Apr—Jun 2016) (Apr - Jun 2017)

Child's Journey

1,415 Children in need referrals (CiN), more than last year (1,226)

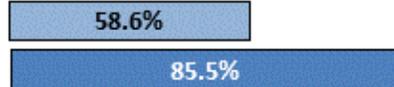
1,031 Single Assessments, more than last year (946)

486 Children with a child protection plan (CPP) more than last year (358)

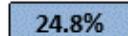
CPP rate = 48.6 per 10,000 lower than North East average (59.6) but higher than England average (43.1)

Our response

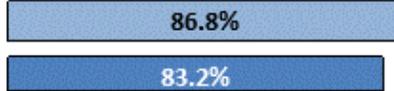
Statutory referrals processed in one working day



CiN referrals occurred within 12 months of previous referral

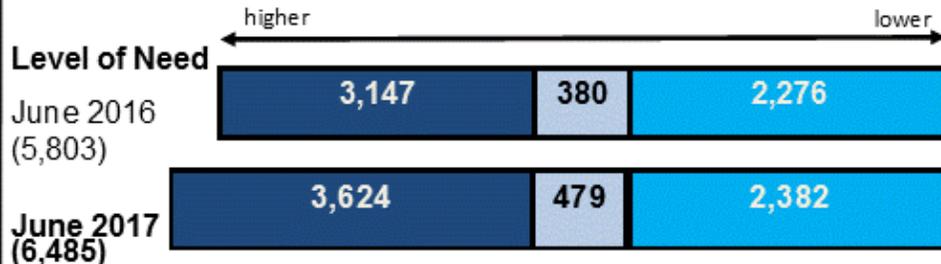


Single assessments completed in 45 days



Number of Children by Level of Need

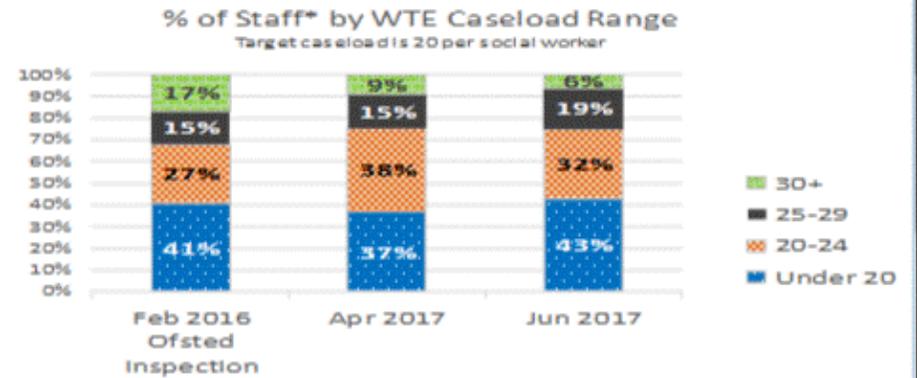
Level 4 (Statutory cases) LAC, CPP Children in Need Level 3 Families First Level 3/2 One Point Service



Social Work Practice

Social Worker Caseload (Feb 2016—Jun 2017)

- ◆ A target caseload is 20 per social worker (but depend on nature of cases)
- ◆ Caseload levels have improved



Casefile Quality

The quality of casework has significantly improved but remains below target

Statutory casefile quality	Target	Ofsted Mar 2016 (20 cases)	Quarter 4 Mar 2017 (158 cases)	Quarter 1 Jun 2017 (92 cases)
Good or above	80-100% By Mar 2018	40%	50%	61%
Below Good		60%	52%	39%

Our response to Initial Child Protection Conference



An initial child protection conference should be held within 15 working days after a safeguarding strategy meeting (Section 47 enquiry) or a child with a CPP moves into the area.

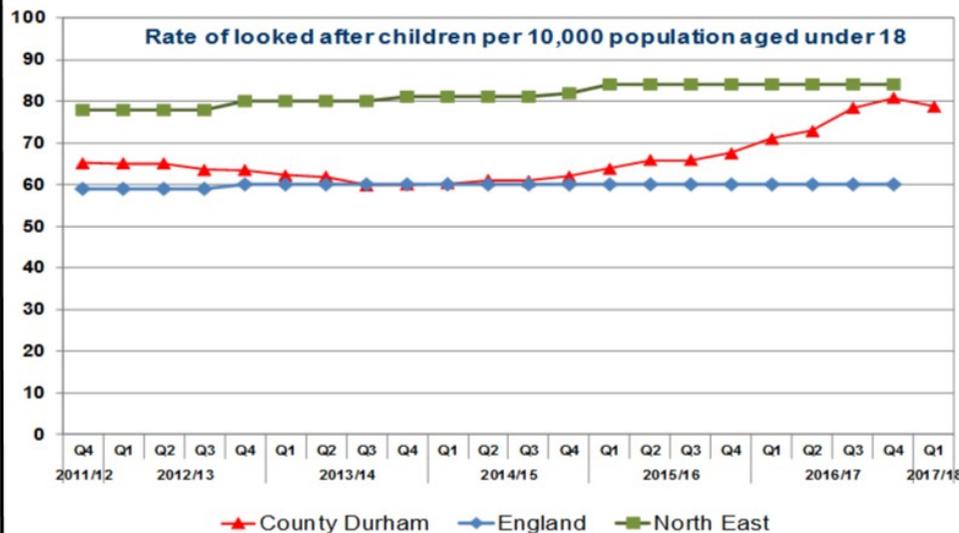
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Corporate Parenting Support

Safeguarding (30 June 2017)



- **789** children currently looked after (LAC), more than last year (712)
- **11%** Increase in LAC rate from 71 per 10,000 children (June 2016) to 78.7.
- **230** care leavers are also receiving support



Social Work Practice

- ♦ **640** LAC (81.4%) who are in a foster placement, compared to 599 84.4% last year—As at June 2017
- ♦ **25** LAC (3.2%) have independent residential placements, compared to 14 (2%) last year—As at June 2017
- ♦ **53** children (17.3%) adopted of those leaving care (2016/17), compared to 28 (11.1%) in 2015/16

Achieving Aspiration

Care leavers aged 17-21 (provisional data):

	Durham	North East	England
In suitable accommodation ✓	94.3% (Apr-Jun 2017)	86% (2015/16 ac yr)	84% (2015/16 ac yr)
Employment or training (EET) ✓	69.1% (Apr-Jun 2017)	50% (2015/16 ac yr)	52% (2015/16 ac yr)

Health of looked after children

	Durham	North East	England
A dental health check ✗	82.5% (Apr-Jun 2017)	86.3% (2013/14)	84.4% (2013/14)
Health assessment ✗	86.4% (Apr-Jun 2017)	94.7% (2013/14)	88.4% (2013/14)
Average Emotional and Behavioural Health Difficulties Score ✗	16 points (2016/17)	14.5 points (2015/16)	14 points (2015/16)

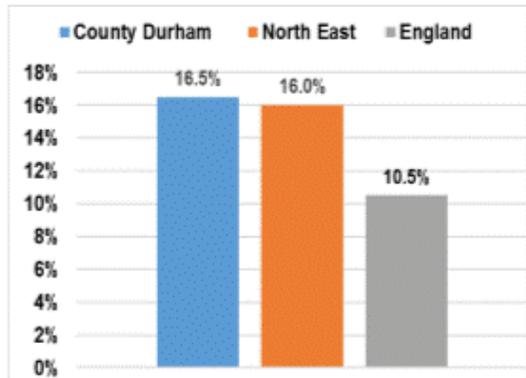
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Health of our residents

Smoking in County Durham

Mothers smoking at time of delivery 2016/17 - 16.5%

- ✓ Improvement from 2015/16 figure (18.2%)
- ✓ Achieved annual target (17.2%)
- ✗ but still worse than North East (16%) and England (10.5%)
- ✗ DDES CCG rate is poor (19.1%)
- ◆ Incentive scheme for DDES area introduced



Smoking quitters - 2016/17

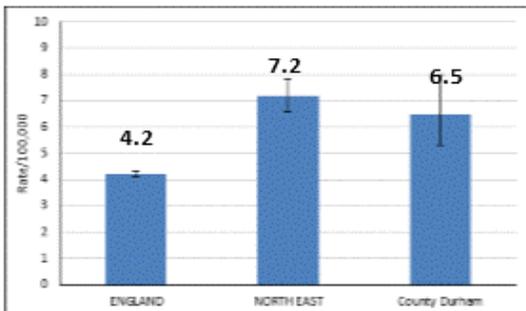


✓ **2,841** people quit smoking following support during 2016/17, exceeding the target of 2,311

Breastfeeding at 6 - 8 weeks from birth (Apr - Jun 2017)

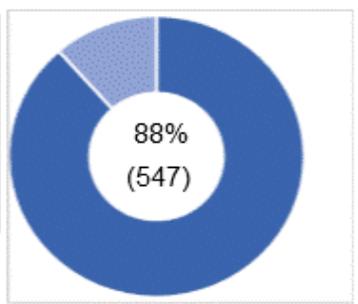
- ✗ 28.2% (down from 28.8% in Q1 2016/17)
- ✗ Lower than England (44.3%)
- ✗ Lower than North East (30.6%)

Mortality rate (per 100,000) deaths for drugs misuse 2014 - 2016



Adult social care support

Reablement Service - people still at home 91 days after discharge from hospital Jan - Mar 2017



- ✓ Better than same period last year (85.2%)
- ↑ % of total people receiving reablement where no further service was required: 82.6% (from 81.7%)
- ↓ % of total people completing reablement who require no ongoing care/reduced care: 86.3% (from 88.5%)

87.2% (7,259) of people received an assessment (within 12 months) in the year ended June 2017, slightly higher than the same period last year of 87%

% of people who achieved their desired outcomes from the adult safeguarding process	96.1% (307/321 people) (Apr - Jun 2016)
	95.6% (422/439 people) (Apr - Jun 2017)

Adults 65+ admitted to care on a permanent basis	↑
181 admissions (172.0 per 100,000 population) (Apr - Jun 2017)	
177 admissions (168.1 per 100,000 population) (Apr - Jun 2016)	
Number of bed days commissioned	↓
234,350 (Apr - June 2016)	
218,918 (Apr - June 2017)	

Survey of Adult Carers in England 2016/17

75.5% of carers satisfied with support and services (down from 84.9% in 2014-15)

- ✓ Higher than England (71%)
- ✗ Lower than North East (77.5%)

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Crime and anti-social behaviour (ASB)

Apr - Jun 2017:

	12,368 crimes (23.8 per 1,000 pop)
	4,134 police reported ASB incidents
	3,556 theft offences (6.9 per 1,000 pop)
	2,092 council reported ASB incidents

 12.8% reduction in police reported anti-social behaviour (ASB) incidents since Q1 2016/17
  6.7% reduction in council reported anti-social behaviour incidents since Q1 2016/17

 38 First Time Entrants to the Youth Justice System.
  Less than the Q1 profiled target of 62.5 or less FTEs and a decrease from Q1 2016/17

 Crime has increased by 44% compared to Q1 2016/17. This is partially due to changes in recording
  Nationally, 41 of 43 police forces have shown an increase in crime during 2016/17

 Theft offences have increased by 25.6% since Q1 2016/17.
  Nationally, 37 of 43 police forces showed an increase in theft offences during 2016/17



People's perceptions of Police dealing with concerns of ASB and crime: **61.3%**
 Slightly less than Q1 2016/17 (61.7%)
  Higher than most similar group average (58.5%)

Reducing misuse of drugs and alcohol

Alcohol related crime and ASB incidents

	Apr - Jun 2017	Apr - Jun 2016
% of alcohol related police ASB incidents	 17.7% (734)	18.2% (847)
% of alcohol related violent crime	 24.9% (1053*)	25.1% (704)

* The number has increased by 49.6%, in line with the increase in all crimes



Alcohol seizures - the Police recorded 398 seizures of alcohol between Apr and Jun 2017, of these 302 (75.8% were under 18).

Tackling abuse of vulnerable people



163 child sexual exploitation referrals between Jul 2016 - Jun 2017. Lower than the 207 reported in the same period last year.

Safe environment

Road Safety

Period	Total KSI	Children	Fatalities
Comparison	-17%	-40%	-33%
Jan - Mar 2017	39	3	4
Jan - Mar 2016	47	5	6



We won a national award for our cold water shock campaign, as part of the MJ Achievement Awards 2017.

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Clean and attractive environment

Environmental cleanliness

County Durham are maintaining good levels of environmental cleanliness (2016-17 annual figures)

-  **5.8%** litter
-  **9.8%** detritus
-  **1%** dog fouling

Big Spring Clean: Between Feb-Apr 2017 there were 191 litter picks involving 2,589 volunteers giving more than 3,381 hours of their time to collect almost 2,865 bags of rubbish, more than last year: +49 litter picks, +847 volunteers, +881 hours, +1,165 bags of rubbish collected.



Green Flag Awards: 12 (2 more than 2016) parks and cemeteries have been given accreditation by Keep Britain Tidy, in recognition of excellent standards of maintenance, management and good practice.

Green Heritage Site Award: Blackhill and Consett Park achieved an award to green spaces and for managing and promoting the elements of their heritage that make them unique.

Enforcement action

Fixed Penalty Notices issued for enviro-crime	12 months rolling total at		
	Mar-17	Jun-17	Change
	806	856	50 6.2%



Fly-tipping

Jul 2016 - Jun 2017

- 3%** reduction in fly-tipping incidents recorded compared to last quarter
- 7,524** incidents recorded compared with 7,768 last quarter
- 64%** was household waste
- 15%** increase in white goods compared to same period last year

Actions to date: 2017/18

Cameras deployed to 19 locations	12 incidents caught on CCTV
16 stop and search operations	5 duty of care warning letters 3 fixed penalty notices issued
455 further investigations	3 prosecutions £4,046 awarded in fines, compensation, costs and surcharges

Collection and disposal of waste

Refuse and recycling

May 2016 - Apr 2017

-  **95.9%** municipal waste diverted from landfill, in line with target (95%)
-  **39.9%** household waste re-used, recycled or composted, better than last quarter but below national average (43%)
-  **68,716** properties have joined the 2017 recycle garden waste scheme at Jun 2017, 236 less than at Jun 2016
-  **102 kgs** garden waste collected per household at Jun 2017, compared to 97kgs collected at Jun 2016

Our services to customers and the public

Customer Services - Jul 2016 - Jun 2017



37 seconds to answer a call on average and 6% calls abandoned

CUSTOMER CONTACT:

We continue to see a reduction overall in customers contacting us via telephony and an increase in customers accessing web forms to transact.



TELEPHONE

959,812



-1.9%



E-MAIL

66,415



-5.7%



WEB FORMS

83,739



+15.8%



FACE-TO-FACE

149,267



-11.7%



SOCIAL MEDIA

1,866



-11.6%

DOT from previous quarter % change



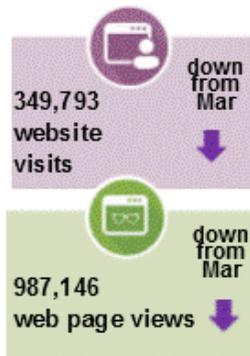
Save time do it online

Report Apply Book Pay Comment

Do it online facts and figures:



Website Stats - Jun 2017:



Top 5 pages (the most visited pages)



most popular news item: 4,244 page views - improvements to Neville's Cross

Preferred method of technology used to contact the Council



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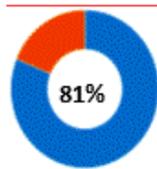
Looking after our people

Employee Wellbeing: (Jul 2016 – Jun 2017 excluding schools)

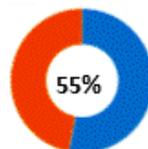
Overall sickness absence per full time equivalent continues to improve and achieved target (11.20 days) and is better than last year (11.48 days)



Employees having 5 working days or less sickness



More posts with no sickness absence, than last year (51%)

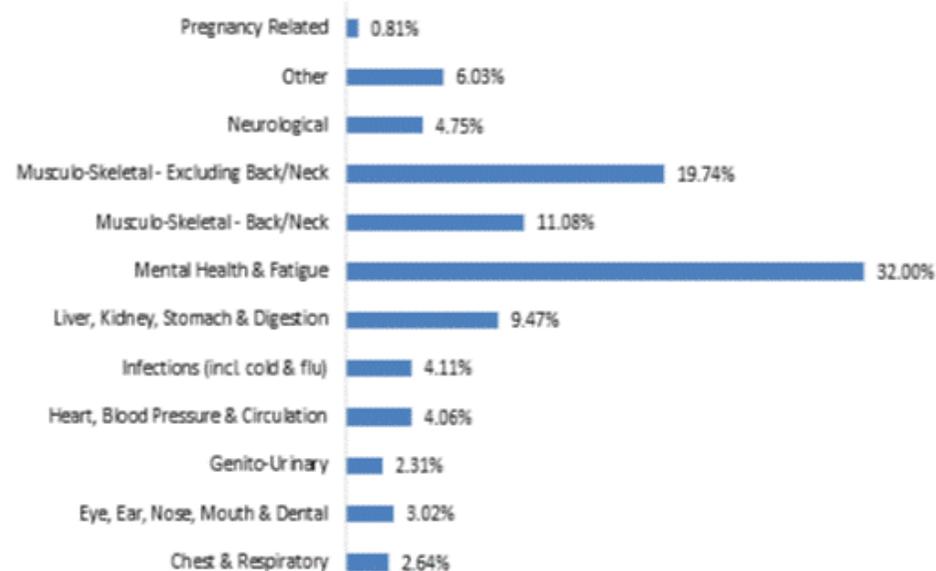


% of sickness absence (Apr– June 2017 excluding schools)	
short/medium/long term sickness	% rate
Short Term = 0 - 7.5 days	14.66%
Medium Term = 7.5 - 20 days	15.04%
Long Term = 20 days +	70.03%

% of staff performance appraisals completed (Jul 2016 – Jun 2017 excluding schools)

x 89% appraisals completed - slight improvement from previous quarter (88%) but below target (92%)

% Type Sickness Occurring



Managing our resources for residents and customers Finance: (Apr – Jun 2017)

Council Tax Collected



- 29.03% council tax collected (target 29.01%)
- 4,505 additional customers chose option to extend payment plan over 11/12 months rather than statutory 10 months (18,646 overall)

Business Rates Collected



- 33.67% business rates collected (target 33.55%)
- 281 additional ratepayers chose option to extend payment plan over 11/12 months rather than statutory 10 months (2,159 overall)

Recommendations and reasons

57 Corporate Overview and Scrutiny Management Board is recommended to:

- (a) Note the council's performance at quarter one.
- (b) Note all changes to the Council Plan outlined below:

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- (i) Agreeing a proposal for North Road has been further delayed while work for securing an external development partner and establishing the financial viability is carried out. The revised date is to be confirmed.
- (ii) The deadline to deliver the Chapter Homes business plan has been revised from December 2018 to October 2019 as the Council has not yet agreed to the transfer of land so the deadline now reflects the expected site completion date.
- (iii) Work to improve access to Durham Rail station is ongoing on the western path and the deadline has been delayed from June 2017 until August 2017.
- (iv) Developing and finalising a full business case for Horden Rail Station has been delayed from December 2017 to October 2018 while awaiting detailed design work with Network Rail for planning permission.

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- (v) Expanding enforcement powers around anti-social behaviour by increasing the number of Public Space Protection Orders (PSPOs), designed to reduce anti-social behaviour in public spaces, is delayed from April 2017 to October 2017. A new countywide PSPO was introduced for dog fouling in June and more PSPOs are being considered going forward.
- (vi) Work with partners to evaluate the effectiveness of the Multi-Agency Intervention Service to ensure the current approach is meeting its desired outcomes has been delayed from July 2017 until July 2018. An August start date is anticipated with evaluation built into this project.

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- (vii) The review to harmonise current operational practices relating to the collection of clinical waste is delayed from September 2017 to March 2018. Stage 1 in the north will roll out in September 2017 but as this is a complex issue further consultation and operational changes are required.
- (viii) The Commissioning of a leachate treatment system at Coxhoe East landfill site has been delayed from August 2017 to November 2017. The service is currently preparing this project for tender.

- (ix) A strategic review of street sweepings and food waste to improve the customer experience, reduce costs and generate revenue (including waste operations and contracts) has been delayed from August 2017 to March 2018. The street sweeping element is almost complete. The food waste element is part of the government funded Waste Collection Methodology Project which is about to commence.
- (x) The fleet restructure to realign operational practices to meet service delivery demands (due June 2017) and a review of the location of fleet vehicles (due September 2017), have both been delayed until March 2018. Consultations have commenced with staff and trade unions. Review of location of fleet vehicles will commence once the fleet restructure is finalised.
- (xi) The review of operational practices around allotments to harmonise standards and embed enforcement has been delayed from January 2018 to July 2018. Enforcement activity has increased regarding basics such as non-cultivation. Wider enforcement is dependent on a review of standard rules to be considered.
- (xii) The review of the Allotment Policy to increase community ownership and involvement in the management of allotments has been delayed from April 2017 to July 2018. It is anticipated that the Policy will be considered by Scrutiny in the autumn, followed by consultation and implementation.
- (xiii) Completion of capping activities at Joint Stocks Landfill site to standards set by the Environment Agency due June 2018 has been delayed until November 2019. The ability to cap is proportionate to the volume of soil able to be secured. Phase 1: Part 1 aims for completion by November 2018 and Part 2 by November 2019.

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- (xiv) The review of public conveniences to ascertain the distribution and standard of provision to inform future countywide proposals by May 2017 is behind target with a revised completion date of September 2017. Scoping work has been completed and further work is being considered.
- (xv) The review of the Customer First Strategy is under further consideration in light of the Head of Service restructure which has led to the establishment of the new Digital and Customer Services function. It has been proposed that a combined Digital and Customer Service Strategy is developed; to be confirmed once some initial baselining work has been completed.

Contact: Jenny Haworth Tel: 03000 268071

Appendix 1: Implications
 Appendix 2: Report Key
 Appendix 3: Risk Management

Appendix 4: Summary of key performance indicators

Appendix 5: Volume measures

Appendix 6: Secondary Schools Require Improvement and Inadequate

Appendix 1: Implications

Finance - Latest performance information is being used to inform corporate, service and financial planning.

Staffing - Performance against a number of relevant corporate health Performance Indicators (PIs) has been included to monitor staffing issues.

Risk - Reporting of significant risks and their interaction with performance is integrated into the quarterly monitoring report.

Equality and Diversity / Public Sector Equality Duty - Corporate health PIs are monitored as part of the performance monitoring process.

Accommodation - Not applicable

Crime and Disorder - A number of PIs and key actions relating to crime and disorder are continually monitored in partnership with Durham Constabulary.

Human Rights - Not applicable

Consultation - Not applicable

Procurement - Not applicable

Disability Issues - Employees with a disability are monitored as part of the performance monitoring process.

Legal Implications - Not applicable

Appendix 2: Report key

Performance Indicators:

Direction of travel/benchmarking

Same or better than comparable period/comparator group

GREEN

Worse than comparable period / comparator group (within 2% tolerance)

AMBER

Worse than comparable period / comparator group (greater than 2%)

RED

Performance against target

Meeting/Exceeding target

Getting there - performance approaching target (within 2%)

Performance >2% behind target

- ✓ Performance is good or better than comparable period/benchmark
- ✗ Performance is poor or worse than comparable period/benchmark
- ↔ Performance has remained static or is in line with comparable period/benchmark

National Benchmarking

We compare our performance to all English authorities. The number of authorities varies according to the performance indicator and functions of councils, for example educational attainment is compared to county and unitary councils however waste disposal is compared to district and unitary councils.

North East Benchmarking

The North East figure is the average performance from the authorities within the North East region, i.e. County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar and Cleveland, Stockton-On-Tees, South Tyneside, Sunderland. The number of authorities also varies according to the performance indicator and functions of councils.

Nearest Neighbour Benchmarking:

The nearest neighbour model was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA), one of the professional accountancy bodies in the UK. CIPFA has produced a list of 15 local authorities which Durham is statistically close to when you look at a number of characteristics. The 15 authorities that are in the nearest statistical neighbours group for Durham using the CIPFA model are: Barnsley, Wakefield, Doncaster, Rotherham, Wigan, Kirklees, St Helens, Calderdale, Dudley, Northumberland, Tameside, Sheffield, Gateshead, Stockton-On-Tees and Stoke-on-Trent.

We also use other neighbour groups to compare our performance. More detail of these can be requested from the Corporate Planning and Performance Team at performance@durham.gov.uk.

Appendix 3: Risk Management

Risk Management

1. The strategic risks identified as potential barriers to successfully achieving our objectives are listed against each Altogether theme. These risks have been identified using the following criteria:
 - a) Net impact is critical, and the net likelihood is highly probable, probable or possible.
 - b) Net impact is major, and the net likelihood is highly probable or probable.
 - c) Net impact is moderate, and the net likelihood is highly probable.
2. As at 30 June 2017, there were 23 risks on the corporate strategic risk register, one more than as at 31 March 2017. During quarter 1, two risks were added and one was removed. The following matrix categorises the strategic risks according to their net risk evaluation as at 30 June 2017. To highlight changes in each category during the last quarter, the number of risks as at 31 March 2017 is shown in brackets.

Corporate Risk Heat Map

Impact					
Critical	1 (1)	1 (0)	4 (4)		1 (1)
Major		3 (2)	3 (3)	0 (1)	
Moderate			9 (10)	1 (0)	
Minor					
Insignificant					
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

Key risks 

3. One risk was removed from the corporate strategic risk register as these factors already exist in many parts of the region and are being managed on a location-by-location basis, as applicable.
 - a. Diminishing Capital Resources, continuing depressed land values and cautious growth in the private sector may have an impact on the ability to deliver major projects and town initiatives within proposed timescale. (REAL)
4. Two risks were added:-
 - a. Inability to recruit and retain children's social workers and social work managers may seriously inhibit the delivery of services. (CYPS)
 - b. If the Council suffered a major cyber-attack, then it may be unable to effectively deliver essential services during the period of recovery. (T&P)

5. The likelihood of the following risk has been reduced from possible to unlikely. An ongoing project is in place to ensure compliance and servers that cannot be made compliant or effectively relocated will be switched off. A Public Services Network risk register has also been completed, and is reviewed on an ongoing basis and as part of the annual review.
 - a. If we were to fail to comply with Central Government's Public Services Network Code of Connection and PCI criteria for our computer applications, this would put some of our core business processes at risk, such as Revenues and Benefits, which rely on secure transfer of personal data. (RES)

6. Due to the effectiveness of existing controls, the net likelihood of the following risk is now considered possible, not probable. However, the review has also highlighted a marginal increase in the net financial impact, meaning that the overall net impact is now critical, not major.
 - a. Major Interruption to IT Service Delivery (RES)

7. At a corporate strategic level, key risks to the Council, with their respective net risk evaluations shown in brackets, are:
 - a. **Altogether Wealthier:** There are no key risks in delivering the objectives of this theme.
 - b. **Altogether Better for Children and Young People:** Failure to protect a child from death or serious harm (where service failure is a factor or issue). Management consider it possible that this risk could occur which, in addition to the severe impacts on children, will result in serious damage to the Council's reputation and to relationships with its safeguarding partners. To mitigate the risk, actions are taken forward from Serious Case Reviews and reported to the Local Safeguarding Children Board. Lessons learned are fed into training for front line staff and regular staff supervision takes place. This risk is long term and procedures are reviewed regularly. (Critical / Possible)
 - c. **Altogether Healthier:** There are no key risks in delivering the objectives of this theme.
 - d. **Altogether Safer:** A service failure of Adult Safeguarding leads to death or serious harm to a service user. Management consider it possible that this risk could occur which, in addition to the severe impacts on service users, will result in serious damage to the Council's reputation and to relationships with its safeguarding partners. As the statutory body, the multi-agency Safeguarding Adults Board has a Business Plan in place for taking forward actions to safeguard vulnerable adults including a comprehensive training programme for staff and regular supervision takes place. This risk is long term and procedures are reviewed regularly. (Critical / Possible)
 - e. **Altogether Greener:** There are no key risks in delivering the objectives of this theme.
 - f. **Altogether Better Council:**
 - i. If there was to be slippage in the delivery of the agreed Medium Term Financial Plan savings projects, this will require further savings to be

made from other areas, which may result in further service reductions and job losses. Management consider it possible that this risk could occur, which will result in a funding shortfall, damaged reputation and reduced levels of service delivery. To mitigate the risk, a programme management approach for key projects has been established and embedded across the Council. Monitoring by Corporate Management Team and Cabinet provides assurance over the implementation of the agreed MTFP savings projects. It should be recognised that this will be a significant risk for at least the next four years. (Critical / Possible)

- ii. Ongoing Government funding cuts which now extend to at least 2019/20 will continue to have an increasing major impact on all Council services. Management consider it highly probable that this risk could occur, and to mitigate the risk, sound financial forecasting is in place based on thorough examination of the Government's red book plans. This will also be a significant risk for at least the next four years. (Critical / Highly Probable)
- iii. Major interruption to IT service delivery. Corporate Management Team has approved a project to provide improved ICT resilience for the Council's main Data Centre. It is anticipated that the improvement works, which will significantly reduce the risks from electrical and mechanical failures, will be completed by March 2018. (Critical / Possible).

Appendix 4: Summary of Key Performance Indicators

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
Altogether Wealthier												
1. Do residents have good job prospects?												
1	RED PI40	Proportion of the working age population defined as in employment	71.5	2016/17	Tracker	69.0	GREEN	74.4	RED	69.8*	GREEN	2016/17
2	RED PI88	Per capita household disposable income (£) [1] [2]	15,496	2015	Tracker	15,246	GREEN	19,447	RED	16197*	RED	2015
3	RED PI62	Number of apprenticeships started through Durham County Council schemes	222	2016/17	200	74	GREEN	No Data		No Data		
4	RED PI105	Number of apprenticeships from Durham County Council schemes sustained at least 15 months [2]	735	As at Jun 2017	Tracker	663	GREEN	No Data		No Data		
5	RED PI92	Number of gross potential jobs created or safeguarded as a result of Business Durham activity [3]	268	Apr - Jun 2017	NA	1,409	NA	No Data		No Data		
9	CYP S1	Percentage of 16 to 17 year olds in an apprenticeship	9.1	As at Mar 2017	Tracker	8.0	GREEN	6.4	GREEN	8.8*	GREEN	As at Mar 2017

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered	
196	7	RED PI7a	Number of 18 to 24 year olds who are out of work and claiming either Universal Credit or Jobseekers Allowance (JSA)	2,010	As at Jun 2017	Tracker	1,855	RED	No Data		No Data		
	8	RED PI8b	Proportion of all Jobseeker's Allowance (JSA) claimants that have claimed for one year or more	32.20	As at Jun 2017	Tracker	29.90	NA [4]	No Data		No Data		
2. Do residents have access to decent and affordable housing													
	9	RED PI30	Number of empty properties brought back into use as a result of local authority intervention	45	Apr - Jun 2017		30	29	GREEN	No Data		No Data	
	10	RED PI10b	Number of net homes completed	422	Apr - Jun 2017	Tracker	336	GREEN	No Data		No Data		
	11	RED PI36a	Number of clients who have accessed the Housing Solutions Service and for whom homelessness has been prevented	320	Apr - Jun 2017	Tracker	363	RED	No Data		No Data		
	12	RED PI10a i	Number of affordable homes delivered [3]	198	2016/17		200	262	RED	No Data		No Data	

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
3. Is County Durham a good place to do business?												
13	RED PI87	Gross Value Added (GVA) per capita in County Durham (£) [1] [2]	15,210	2014	Tracker	15,202	GREEN	25,624	RED	18413*	RED	2014
14	RED PI89	Number of registered businesses in County Durham	16,585	2015/16	Tracker	16,400	GREEN	No Data		No Data		
4. Is it easy to travel around the county?												
15	NS06 a	Percentage of A roads where maintenance is recommended (scanner survey)	3	2016/17	Tracker	4	GREEN	3	GREEN	3*	GREEN	2015/16
16	NS06 bc	Percentage of B and C roads where maintenance is recommended (scanner survey)	3	2016/17	Tracker	4	GREEN	6	GREEN	6*	GREEN	2015/16
17	NS06 d	Percentage of unclassified roads where maintenance is recommended (scanner survey)	20	2015/16	Tracker	19	RED	17	RED	14*	RED	2015/16
18	NS07	Highways maintenance backlog (£millions)	191.7	2016	Tracker	181	NA	No Data		No Data		

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
5. How well does tourism and cultural events contribute to our local economy?												
19	RED PI100	Number of visitors to County Durham (million)	18.7	2015	Tracker	18.1	GREEN	No Data	No Data			
20	RED PI101	Number of jobs supported by the visitor economy	10,961	2015	Tracker	10,803	GREEN	No Data	No Data			
21	RED PI102	Amount (£ million) generated by the visitor economy	778	2015	Tracker	752	GREEN	No Data	No Data			
Altogether Better for Children and Young People												
1. Are children, young people and families in receipt of universal services appropriately supported?												
22	CYP S24	Average attainment 8 score/score for LA (all pupils at the end of key stage 4 in state-funded mainstream and special schools and academies - replacing GCSE attainment)	49.2	2015/16 ac yr (final)	Tracker	New PI	NA	48.5	GREEN	48.7*	GREEN	2015/16 ac yr (final)
23	CYP S27	Average point score per A level entry of state-funded school students	31.9	2015/16 ac yr (final)	Tracker	New PI	NA	31.8	GREEN	30.63*	GREEN	2015/16 ac yr (final)
24	CYP S2	Percentage of 16 to 17 year olds who are not in education, employment or training (NEET) [5]	4.9	Apr - Jun 2017	Tracker	4.7	RED	No Data		4*	RED	

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
25	CYP S25	Gap between the average Attainment 8 score of Durham disadvantaged pupils and the average Attainment 8 score of non-disadvantaged pupils nationally (at KS4)	-12.5	2015/16 ac yr (final)	Tracker	New PI	NA	-12.3	AMBER	-13.3*	GREEN	2015/16 ac yr (final)
26	CYP S26	Percentage of children in the Early Years Foundation Stage achieving a Good Level of Development	69	2015/16 ac yr (final)	64.0	63.6	GREEN	69.3	AMBER	68.4*	GREEN	2015/16 ac yr (final)
27	CYP S29	Gap between the percentage of Durham disadvantaged pupils and the percentage of non-disadvantaged pupils nationally who achieve the expected standard in reading, writing and maths (at KS2)	-16	2015/16 ac yr (final)	Tracker	New PI	NA	-22	GREEN	-23*	GREEN	2015/16 ac yr (final)
28	CYP S30	Ofsted percentage of primary pupils in good or better schools	91.7	As at Jun 2017	Tracker	92	AMBER	90	GREEN	91*	GREEN	As at May 2017
29	CYP S31	Ofsted percentage of secondary pupils in good or better schools	64.5	As at Jun 2017	Tracker	70	RED	79	RED	67*	RED	As at May 2017

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
30	CYP S32	Exclusion from school of All Durham children - percentage of children with at least one fixed exclusion	2	2016/17 ac yr	Tracker	1.9	RED	No Data		No Data		
31	AHS1	Under 18 conception rate per 1,000 girls aged 15 to 17	25.9	2015/16	Tracker	27.5	GREEN	20.4	RED	27.5*	GREEN	2015/16
32	AHS2	Proportion of five year old children free from dental decay	64.9	2014/15	Tracker	New PI	NA	75.2	RED	72*	RED	2014/15
33	AHS3	Alcohol specific hospital admissions for under 18's (rate per 100,000)	67.5	2013/14 - 2015/16	Tracker	72.8	GREEN	37.4	RED	66.9*	AMBER	2013/14 - 2015/16
34	AHS4	Young people aged 10-24 admitted to hospital as a result of self-harm	489.4	2011/12 - 2013/14	Tracker	504.8	GREEN	367.3	RED	532.2*	GREEN	England - 2011/12 - 2013/14 NE - 2010/11 - 2012/13
35	AHS5	Percentage of children aged 4 to 5 years classified as overweight or obese	24.3	2015/16 ac yr	Tracker	23.0	RED	22.1	RED	24.6*	GREEN	2015/16 ac yr

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
36	ASH6	Percentage of children aged 10 to 11 years classified as overweight or obese	37	2015/16 ac yr	Tracker	36.6	AMBER	34.2	RED	37*	GREEN	2015/16 ac yr
37	CYP S33	Percentage of Education Health and Care Plans completed in the statutory 20 week time period	66.0	Jan - Jun 2017	90.0	90.0	RED	58.6	GREEN	73.4*	RED	Jan - Dec 2016
2. Are children, young people and families in receipt of Early Help services appropriately supported?												
38	CYP S22	Percentage of successful interventions (families turned around) via the Stronger Families Programme (Phase 2)	16.7	Sep 2014 - Mar 2017	24.4	NA	NA	13.2	GREEN	15.7*	GREEN	Sep 2014 - Mar 2017
39	CYP S23	Percentage of children aged 0-2 years in the top 30% IMD registered with a Children's Centre and having sustained contact	88.1	2016/17	60	86	GREEN	No Data		No Data		
3. Are children and young people in receipt of social work services appropriately supported and safeguarded?												
40	CYP S14	Percentage of First Contact & EDT enquiries processed within 1 working day	85.5	Apr - Jun 2017	Tracker	58.6	GREEN	No Data		No Data		

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
41	CYP S15	Percentage of statutory children in need referrals received which occurred within 12 months of a previous referral	17.0	Apr - Jun 2017	Tracker	24.8	GREEN	22.3	GREEN	20.6*	GREEN	2015/16
42	CYP S16	Percentage of statutory single assessments completed within 45 working days	83.2	Apr - Jun 2017	Tracker	86.8	RED	83.4	AMBER	82.1*	GREEN	2015/16
43	CYP S17	Rate of children subject to a child protection plan per 10,000 population aged under 18	48.6	As at Jun 2017	Tracker	35.7	RED	43.1	RED	59.6*	GREEN	As at Mar 2016
44	CYP S18a	Rate of children in need (proxy) per 10,000 population aged under 18 (L4 open cases only)	361.4	As at Jun 2017	Tracker	313.9	NA	337.7		441.5*		2015/16
45	CYP S18b	Level 2/3 cases open to One Point Service - Rate per 10,000 population aged under 18	47.8	As at Jun 2017	Tracker	37.9	NA	No Data		No Data		
46	CYP S18c	Level 3 cases open to Families First Teams - Rate per 10,000 population aged under 18	237.5	As at Jun 2017	Tracker	227.1	NA	No Data		No Data		

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
47	CYP S19	Percentage of strategy meetings initiated which led to an initial child protection conference being held within 15 working days	42.6	Apr - Jun 2017	Tracker	75.2	RED	76.7	RED	82.4*	RED	2015/16
48	CYP S20	Percentage of Social Workers with fewer than 20 case	43.0	As at Jun 2017	Tracker	42.0	GREEN	No Data		No Data		
49	CYP S21	Percentage of Case File Audits which are rated as good or better	60.9	Apr - Jun 2017	80.0	New PI	NA	No Data		No Data		

4. Are we being a good corporate parent for Looked After Children?

50	CYP S3	Rate of looked after children per 10,000 population aged under 18	78.7	As at Jun 2017	Tracker	71.0	NA	60		84*		As at Mar 2016
51	CYP S4	Percentage of children adopted from care (as % of total children leaving care) [number of children adopted shown in brackets]	17.3	2016/17	Tracker	11.1	GREEN	15	GREEN	13*	GREEN	2015/16
52	CYP S5	Percentage of LAC who are in a foster placement	81.4	As at June 2017	Tracker	84.4	RED	No Data		No Data		
Page 203	CYP S6	Number of independent residential placement	3.2	As at Jun 2017	Tracker	2.0	RED	No Data		No Data		

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
54	CYP S7	Percentage of children looked after continuously for 12 months or more who had a dental check	82.5	Apr - Jun 2017	Tracker	90.9	RED	84.4	RED	86.3*	RED	2013/14
55	CYP S8	Percentage of children looked after continuously for 12 months or more who have had the required number of health assessments	86.4	Apr - Jun 2017	Tracker	77.0	GREEN	88.4	RED	94.7*	RED	2013/14
56	CYP S9	Emotional and behavioural health of children looked after continuously for 12 months or more (SDQ)	16.0	2016/17	Tracker	14.9	RED	14	RED	14.5*	RED	2015/16
57	CYP S10	Average Attainment 8 score of Looked After Children	31.3	2016/17 ac yr	Tracker	New PI	NA	22.8	GREEN	25.9*	GREEN	2015/16 ac yr
58	CYP S11	Percentage of LAC achieving the expected standard in Reading, Writing and Maths (at KS2)	44.0	2016/17 ac yr	Tracker	New PI	NA	25	GREEN	27*	GREEN	2015/16 ac yr
59	CYP S12	Percentage of care leavers aged 17-21 in education, employment or training (EET)	69.1	Apr - Jun 2017	Tracker	59.3	GREEN	52	GREEN	50*	GREEN	2015/16 ac yr
60	CYP S13	Percentage of care leavers aged 17-21 in suitable accommodation	94.3	Apr - Jun 2017	Tracker	94.5	AMBER	84	GREEN	86*	GREEN	2015/16 ac yr

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
Altogether Healthier												
1. Are our services improving the health of our residents?												
61	AHS12	Percentage of mothers smoking at time of delivery	16.5	2016/17	17.2	18.1	GREEN	10.5	RED	16*	RED	2016/17
62	AHS13	Four week smoking quitters per 100,000 smoking population	3,010	2016/17	2,449	3,076	RED	No Data		No Data		
63	AHS7	Male life expectancy at birth (years) [2]	78.1	2013-2015	Tracker	78.0	GREEN	79.5	AMBER	77.9*	GREEN	2013-2015
64	AHS8	Female life expectancy at birth (years) [2]	81.2	2013-2015	Tracker	81.3	AMBER	83.1	RED	81.6*	AMBER	2013-2015
65	AHS9	Healthy life expectancy at birth [Female]	57	2013-2015	Tracker	New PI	NA	64.1	RED	60.1*	RED	2013-2015
66	AHS10	Healthy life expectancy at birth [Male]	58	2013 - 2015	Tracker	New PI	NA	63.4	RED	59.6*	RED	2013-2015
67	AHS14	Excess weight in adults (Proportion of adults classified as overweight or obese)	67.6	2013-15	Tracker	69	GREEN	64.8	RED	68.6*	GREEN	2013-15
68	AHS11	Suicide rate (deaths from suicide and injury of undetermined intent) per 100,000 population	15.7	2013 - 2015	Tracker	14.8	RED	10.1	RED	12.4*	RED	2013 - 2015
69	AHS38	Prevalence of breastfeeding at 6-8 weeks from birth	28.2	Apr - Jun 2017	Tracker	28.8	RED	44.3	RED	30.6*	RED	Jan - Mar 2017
70	AHS40	Estimated smoking prevalence of persons aged 18 and over	17.9	2016	Tracker	19.0	GREEN	15.5	RED	17.2*	RED	2016

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
71	AHS41	Self-reported wellbeing - people with a low happiness score	11.4	2015/16	Tracker	New PI	NA	8.8	RED	10.2*	RED	2015/16
72	NS20	Participation in Sport and Physical Activity: active	62.2	2015/16	Tracker	New PI	NA	65.4	RED	No Data		2015/16
73	NS21	Participation in Sport and Physical Activity: inactive	25.4	2015/16	Tracker	New PI	NA	22	RED	No Data		2015/16

2. Are people needing adult social care supported to live safe, healthy and independent lives?

74	AHS18	Adults aged 65+ per 100,000 population admitted on a permanent basis in the year to residential or nursing care	172.0	Apr - Jun 2017	TBC	168.1	RED	628.2		843*		2016/17
75	AHS20	Proportion of older people who were still at home 91 days after discharge from hospital into reablement/ rehabilitation services	88.5	Jan - Mar 2017	TBC	85.2	GREEN	82.7	GREEN	85.5*	GREEN	2015/16
76	AHS16	Percentage of individuals who achieved their desired outcomes from the adult safeguarding process	95.6	Apr - Jun 2017	Tracker	96.1	AMBER	No Data		No Data		

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
77	AH17	Percentage of service users receiving an Assessment or Review within the last 12 months	87.2	Jul 2016 - Jun 2017	Tracker	87.0	GREEN	No Data		No Data		
78	AHS2 1	Overall satisfaction of people who use services with their care and support	63.6	2016/17	Tracker	New PI	NA	64.4	AMBER	67.2*	RED	2015/16
79	AH22	Overall satisfaction of carers with the support and services they receive	75.5	2016/17	Tracker	New PI	NA	41.2	GREEN	49.3*	GREEN	2014/15
80	AHS2 3	The proportion of adult social care service users who report they have enough choice over the care and support services they receive	73.1	2016/17	Tracker	New PI	NA	No Data		No Data		

Altogether Safer

1. How effective are we at tackling crime and disorder?

81	CYP S35	First time entrants to the youth justice system aged 10 to 17 (per 100,000 population of 10 to 17 year olds) [2]	89	Apr - Jun 2017	146	95	GREEN	357		413**		2015/16
82	AHS2 4	Overall crime rate (per 1,000 population) [2]	23.8	Apr - Jun 2017	Tracker	16.5	RED					
Page 3 of 207	AHS2 5	Rate of theft offences (per 1,000 population) [2]	6.8	Apr - Jun 2017	Tracker	5.5	RED					

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
84	AHS2 6	Proportion of all offenders (adults and young people) who re-offend in a 12 month period	27.4	Oct 2014 - Sep 2015	Tracker	27.5	GREEN	24.8	RED	29.5*	GREEN	Oct 2014 - Sep 2015
85	CYP S36	Proven re-offending by young people (who offend) in a 12 month period (%)	42.6	Oct 2014 - Sep 2015	Tracker	46.9	GREEN	37.8	RED	43.4*	GREEN	Oct 14 - Sep 15

2. How effective are at tackling Anti-Social Behaviour?

86	AHS2 7	Dealing with concerns of ASB and crime issues by the local council and police [1] [2] [6]	61.3	Jan - Dec 2016	Tracker	61.7	AMBER	No Data		58.5**	GREEN	Jan - Dec 2016
87	AHS2 8a	Number of police reported incidents of anti-social behaviour [2]	4,134	Apr - Jun 2017	Tracker	4,664	GREEN	No Data		No Data		
88	AHS2 8b	Number of council reported incidents of anti-social behaviour	2,092	Apr - Jun 2017	Tracker	2,243	GREEN	No Data		No Data		

3. How well do we reduce misuse of drugs and alcohol?

89	AHS3 1	Percentage of successful completions of those in alcohol treatment	28.6	Oct 2015 - Sep 2016 (representations to Mar 2017)		38.3	30.2	RED	38.3	RED	33.2*	RED	England Oct 2015 - Sep 2016 (rep to Mar 2017)
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Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
90	AHS32	Percentage of successful completions of those in drug treatment - opiates	6.2	Oct 2015 - Sep 2015 (representations to Mar 2017)	8.0	6.0	GREEN	6.6	RED	5.4*	GREEN	Oct 2015 - Sep 2016 (rep to Mar 2017)
91	AHS33	Percentage of successful completions of those in drug treatment - non-opiates	26.9	Oct 2015 - Sep 2016 (representations to Mar 2017)	49.1	33.0	RED	37.1	RED	29.2*	RED	Oct 2015 - Sep 2016 (rep to Mar 2017)
92	AHS29	Percentage of anti-social behaviour incidents that are alcohol related	17.7	Apr - Jun 2017	Tracker	18.2	GREEN	No Data		No Data		
93	AHS30	Percentage of violent crime that is alcohol related	24.9	Apr - Jun 2017	Tracker	25.1	GREEN	No Data		No Data		
94	AHS36	Alcohol seizures	398	Apr - Jun 2017	Tracker	536	NA	No Data		No Data		
4. How well do we tackle abuse of vulnerable people, including domestic abuse, child sexual exploitation and radicalisation?												
Page 5 209	CYP S34	Number of child sexual exploitation referrals [2]	163.0	Jul 16 - Jun 17	Tracker	207	NA	No Data		No Data		

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered	
5. How do we keep our environment safe, including roads and waterways?											
96	RED PI44	Number of people killed or seriously injured in road traffic accidents	39	Jan - Mar 2017	Tracker	47	GREEN	No Data	No Data		
		Number of fatalities	8			6			NA		
		Number of seriously injured	31			41			NA		
97	RED PI45	Number of children killed or seriously injured in road traffic accidents	3	Jan - Mar 2017	Tracker	5	GREEN	No Data	No Data		
		Number of fatalities	0			0			NA		
		Number of seriously injured	3			5			NA		
Altogether Greener											
1. How clean and tidy is my local environment?											
98	NS14 a	Percentage of relevant land and highways assessed (LEQSPRO survey) as having deposits of litter that fall below an acceptable level	5.80	2016/17	7.00	5.89	GREEN	10	GREEN	No Data	2014/15
99	NS14 b	Percentage of relevant land and highways assessed (LEQSPRO survey) as having deposits of detritus that fall below an acceptable level	9.79	2016/17	10.00	8.18	RED	27	GREEN	No Data	2014/15

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
100	NS14c	Percentage of relevant land and highways assessed as having deposits of dog fouling that fall below an acceptable level	0.96	2016/17	Tracker	1.26	GREEN	7	GREEN	No Data		2014/15
2 Are we reducing carbon emissions and adapting to climate change?												
101	RED PI46	Percentage reduction in CO ₂ emissions in County Durham (by 40% by 2020 and 55% by March 2031)	48	As at Dec 2014	Tracker	42.00	GREEN	No Data		No Data		
102	RED PI48	Percentage change in CO ₂ emissions from local authority operations	-6	2015/16	Tracker	-10.40	RED	No Data		No Data		
3. How effective and sustainable is our collection and disposal of waste?												
103	NS10	Percentage of municipal waste diverted from landfill	95.9	May 2016 - Apr 2017		95.0	95.7	GREEN	No Data		No Data	
104	NS19	Percentage of household waste that is re-used, recycled or composted	39.9	May 2016 - Apr 2017	Tracker	38.9	GREEN	43.0	RED	35.3*	GREEN	2015/16
105	NS15	Number of fly-tipping incidents	7,524	Jul 2016 - Jun 2017	Tracker	7,782	GREEN	No Data		No Data		

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered
Altogether Better Council										
1. How well do we look after our people?										
106	RES/011	Percentage of performance appraisals completed in current post in rolling year period (excluding schools)	89.02	Jul 2016 - Jun 2017	92.00	87.11	GREEN	No Data	No Data	
107	RES/LPI/012a	Days / shifts lost to sickness absence – all services excluding school staff	10.32	Jul 2016 - Jun 2017	11.20	11.48	GREEN	No Data	No Data	
108	RES/052	Percentage of posts with no absence in rolling year (excluding schools)	54.77	Jul 2016 - Jun 2017	Tracker	51.35	GREEN	No Data	NA	
109	RES/019a	% of sickness absence which is short term	19.6	Apr - Jun 2017	Tracker	20.2	NA	No Data	NA	
110	RES/019b	% of sickness absence which is medium term	17.0	Apr - Jun 2017	Tracker	18.2	NA	No Data	NA	
111	RES/019c	% of sickness absence which is long term	63.4	Apr - Jun 2017	Tracker	61.6	NA	No Data	No Data	
112	RES/053	Percentage of employees having five days or less sickness per 12 month rolling period	80.59	Jul 2016 - Jun 2017	Tracker	77.33	NA	No Data	No Data	

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered
2. Are our resources being managed for the best possible outcomes for residents and customers?										
113	RES/002	Percentage of council tax collected in-year	29.03	Apr - Jun 2017	29.01	29.00	GREEN	97.20	95.80*	2016/17
114	RES/003	Percentage of business rates collected in-year	33.67	Apr - Jun 2017	33.55	33.55	GREEN	98.20	98.13*	2016/17
3. How good are our services to customers and the public?										
115	NS26	Average time taken to answer a telephone call (seconds)	37	Jul 2016 - June 2017	Tracker	39	GREEN	No Data	No Data	
116	NS20	Percentage of abandoned calls	6	Jul 2016 - Jun 2017	Tracker	6	AMBER	No Data	No Data	
117	NS43 a	Number of customer contacts - face to face	149,267	Jul 2016 - Jun 2017	Tracker	205,583	NA	No Data	No Data	
118	NS43 b	Number of customer contacts –telephone	959,812	Jul 2016 - Jun 2017	Tracker	1,004,888	NA	No Data	No Data	
119	NS43 c	Number of customer contacts - web forms	83,739	Jul 2016 - Jun 2017	Tracker	82,201	NA	No Data	No Data	
Page 20 Page 213	NS43 d	Number of customer contacts - emails	66,415	Jul 2016 - Jun 2017	Tracker	68,046	NA	No Data	No Data	

Page Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
121	NS43e	Number of customer contacts - social media	1,866	Jul 2016 - Jun 2017	Tracker	2,733	NA	No Data		No Data		

[1] Previous period data amended /refreshed

[2] Data 12 months earlier amended/refreshed

[3] Target is annual

[4] Since August 2015, out of work claimants who are single with no dependants will be claiming Universal Credit.

Information on long term claimants is not available therefore this PI no longer represents all long term out of work claimants

[5] The high number of school leavers whose status is 'not known' impacts significantly on this indicator

[6] A confidence interval applies to the survey results

Appendix 5: Volume Measures

Chart 1. Children in need referrals within 12 months of previous referral

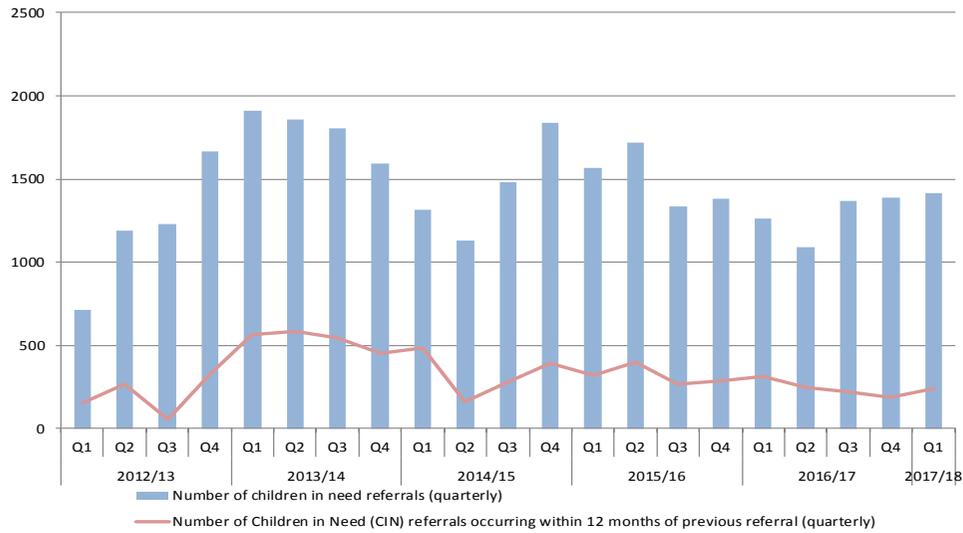


Chart 2. Looked after children cases

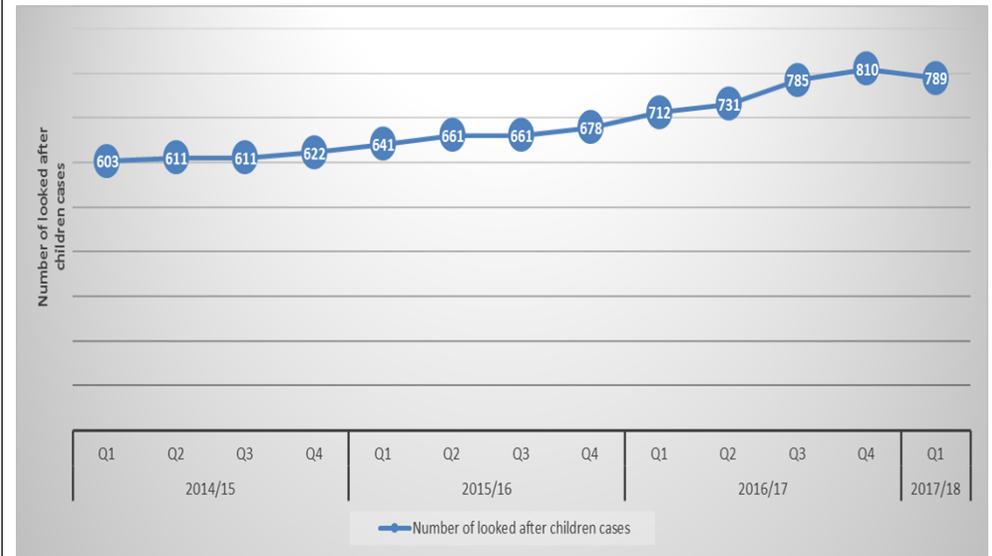


Chart 3. Children with a child protection plan

Rate of CPP per 10,000 population under 18



Chart 4. First Contact Volume and Process Rate

% of First Contact enquiries processed within 1 working day

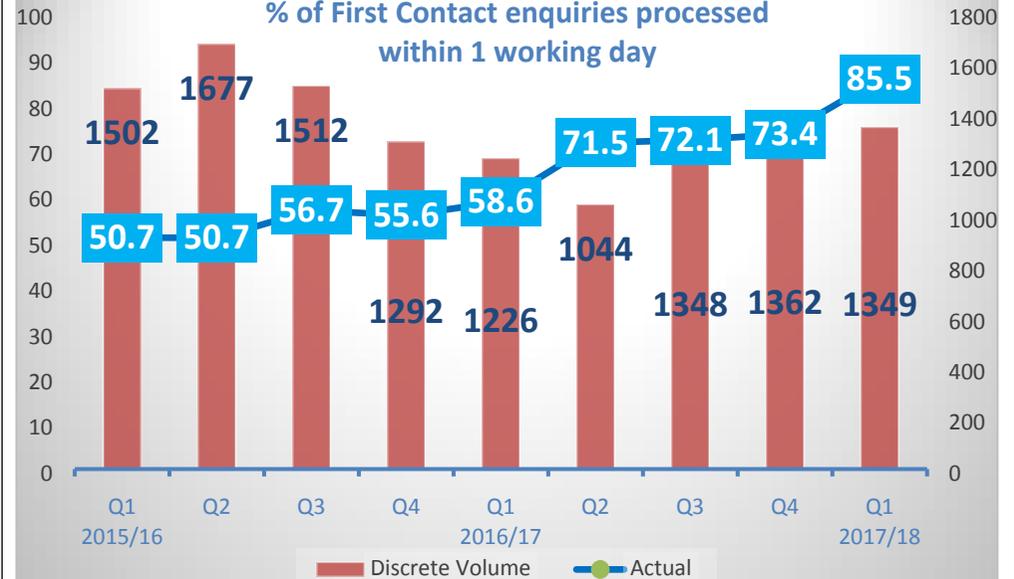


Chart 5. Fly-tipping incidents

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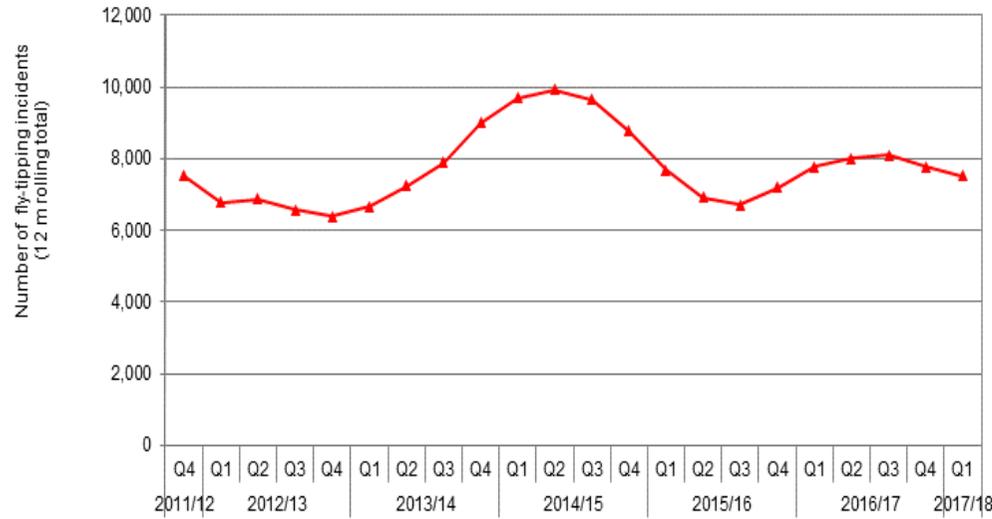


Chart 6. Telephone calls via customer services

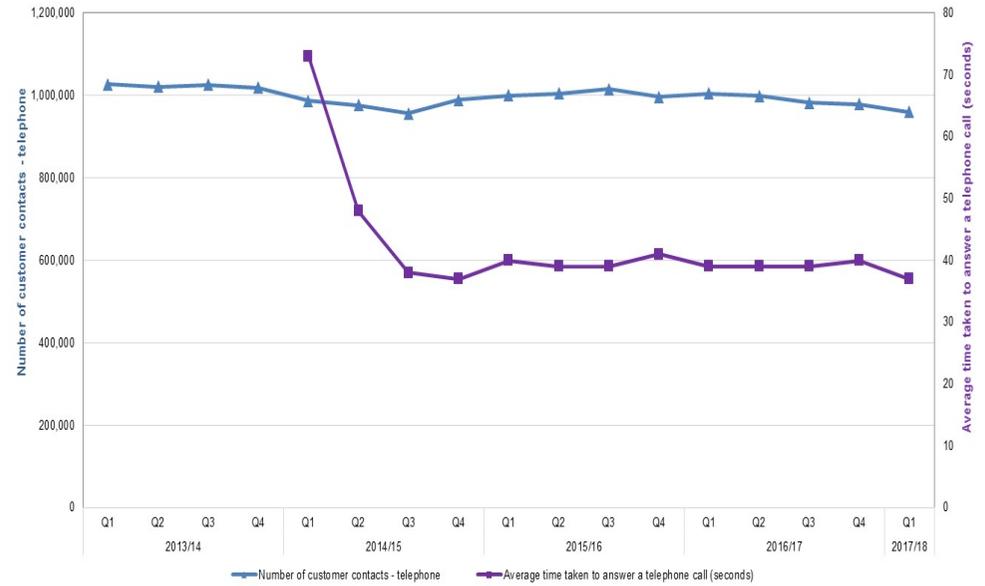


Chart 7. Face to face contacts via customer access points

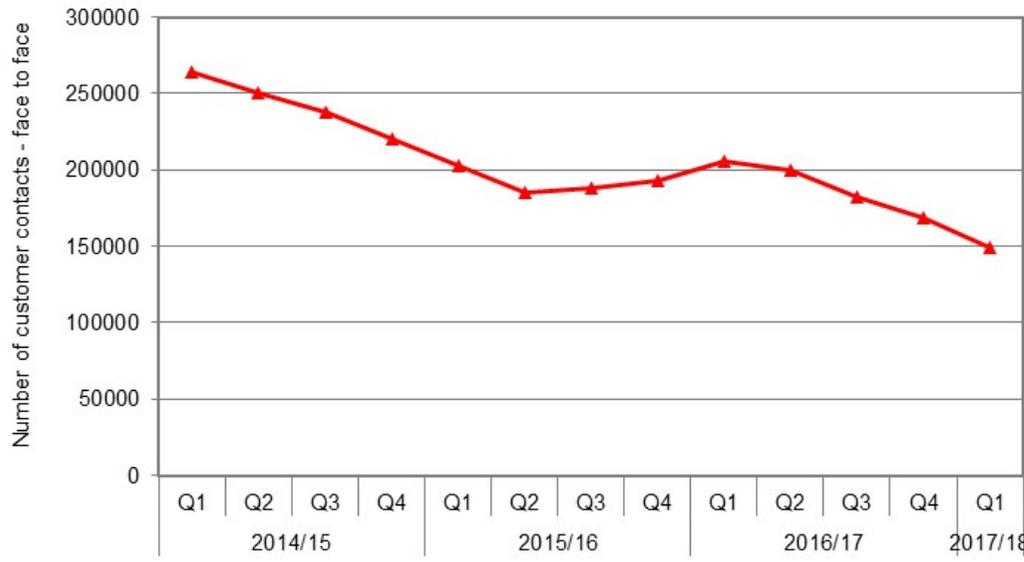


Chart 8. Customer contacts – web forms

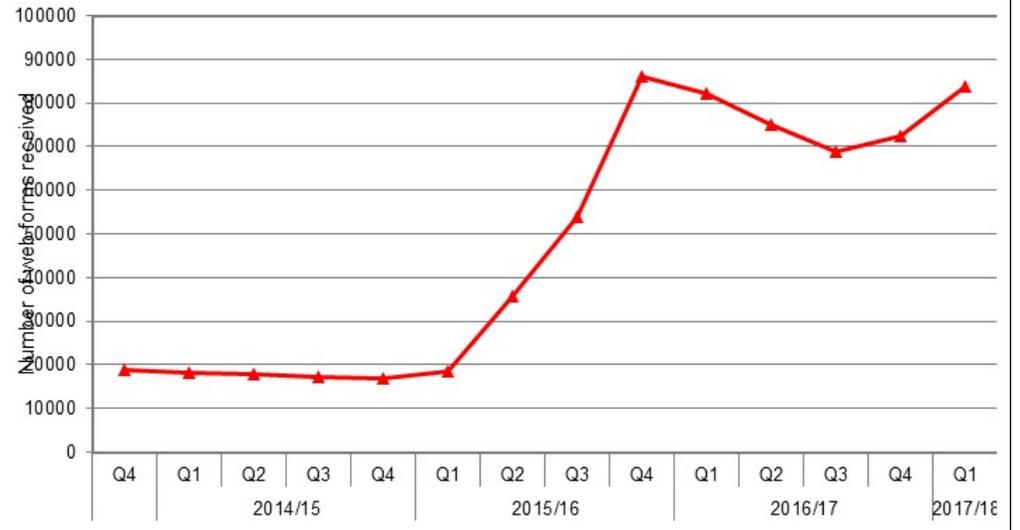


Chart 9. Customer contacts - emails

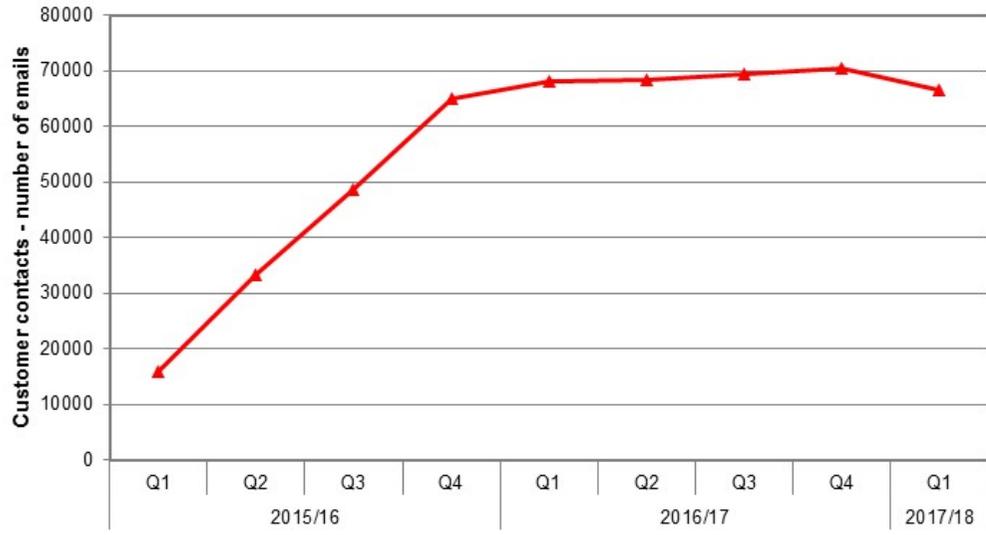
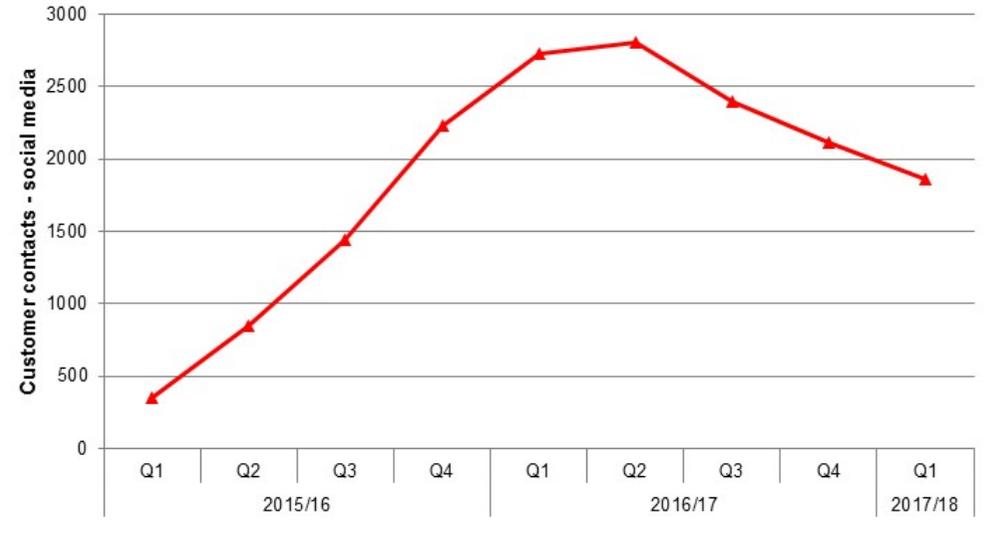


Chart 10. Customer contacts – social media



Appendix 6: Secondary Schools Require Improvement and Inadequate

Total 11 schools Require Improvement and Inadequate	
Require Improvement (8)	
Maintained (4 schools)	Belmont Community School Fyndoune Community College Greenfield Community College Tanfield School
Academies (4 schools)	Framwellgate School Staindrop School Teesdale School Woodham Academy
Inadequate (3)	
Maintained (2 schools)	Durham Community Business College Whitworth Park School
Academies (1 schools)	North Durham Academy

As at 30 June 2017

**Corporate Overview and Scrutiny
Management Board**

15 September 2017

**Customer Feedback Report
Quarter 1 2017 - 2018**



Report of John Hewitt, Corporate Director of Resources

Purpose of the Report

- 1 To present to Members the Customer Feedback: Complaints, Compliments and Suggestions report for quarter 1, 2017/18 (full report attached at Appendix 2).

Background

- 2 The report in relation to the Council's performance and key issues regarding corporate and statutory complaints, compliments and suggestions provides invaluable insight into customer feedback on service delivery; their perception of how the Council is dealing with issues important to them locally and also how we apply our policies and procedures. It is used, alongside performance data, to identify key areas for improvement and is used to track trends and highlight areas which need further consideration or which are emerging as key issues.
- 3 There are two main areas of complaints; those which are classed as "statutory" complaints which arise from our duties as a local social services authority and "corporate" complaints which cover all other areas. As both aspects are essentially customer feedback on delivery of services, albeit there are different processes supporting resolution, they are all reported quarterly in a combined report which is considered by Corporate Overview and Scrutiny Management Board.

Quarter 1

- 4 The report at Appendix 2 provides a breakdown of all Customer Feedback received by the Council during quarter 1, 2017/18. It summarises the Council's performance in dealing with corporate and statutory complaints, explores the themes and identifies the actions we will take to not only put things right for an individual but to improve wider service provision. The report also provides positive feedback in the form of compliments across services and also suggestions from customers as to what they think we should consider to improve service provision.

Recommendations

- 5 Members are asked to note the information in the report.

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Tel. 03000 268161

Appendix 1: Implications

Finance – Information on financial remedies in relation to the Local Government and Social Care Ombudsman is included within the report

Staffing – None.

Risk – None.

Equality and Diversity / Public Sector Equality Duty – Complaints regarding any equality and diversity aspect are handled in consultation with the Council's Equality Team.

Accommodation – None.

Crime and Disorder – None.

Human Rights – None.

Consultation – None.

Procurement – None.

Disability Issues – Complaints and suggestions in relation to disability will be considered in line with the Council's Equality approach and Corporate Team.

Legal Implications – None.

Putting our
Customers first

Customer Feedback Report

Complaints, compliments and suggestions

Quarter 1, 2017/18

Altogether better

Background information

1. Customer feedback is a valuable tool. It not only helps us understand what is important to service users and what we are doing well, it can also indicate widespread issues and offer us the opportunity to put things right and improve our services.
2. Covering a range of customer feedback, this report highlights the main themes throughout quarter 1, 2017/18 (1 April 2017 to 30 June 2017), summarises our performance in dealing with complaints, identifies any lessons learned and states what remedial action we have taken, or plan to take, to put things right and ensure similar mistakes are avoided in the future. As feedback can also highlight opportunities for operational improvement even when the service is delivered properly, the report also includes a selection of customer suggestions and their outcomes, and an overview of comments relating to our decision making.

Complaints

3. Within this document, there are two types of complaint. Statutory complaints which arise from our duties as a local social services authority and corporate complaints which cover all other complaints. As each complaint type is subject to its own processes and policy, they are reported separately.
4. The first stage in the corporate complaints process enables service areas to resolve the issue in the first instance, providing a service response. Should the customer remain dissatisfied with the service response they can escalate to the Customer Feedback Team, who will either progress with an independent investigation, or advise the service user to contact the Local Government and Social Care Ombudsman (the Ombudsman). Independent investigation of statutory complaints is arranged by the statutory complaint teams.

Summary:

5. During quarter 1, 2017/18, we received 568 complaints: 56 statutory complaints and 512 corporate complaints.

	Q1 2016/17	Q1 2017/18	change		
number received	504	568	64	↑	13%
- Statutory complaints	45	56	11	↑	24%
- corporate complaints	459	512	53	↑	11%

6. We have analysed the dataset to identify the channels used to report complaints during quarter 1, 2017/18, and although telephony remains the most popular way of giving us

feedback, there appears to have been a shift towards reporting via our website. The following table shows a breakdown of channels used by customers in relation to complaint submission between 2015/16 and 2017/18.

Channel	Q1 2015/16	Q1 2016/17	Q1 2017/18	Change over last 2 years
Website	32.5%	39.5%	40.2%	7.7 pp
Face to Face	2.9%	3.4%	1.4%	-1.5 pp
Telephone	49.9%	43.5%	47.3%	-2.6 pp
Letter / Form / Fax	2.3%	4.0%	4.5%	2.2 pp
E-mail	12.7%	9.5%	6.3%	-6.4 pp

7. Of the complaints handled during quarter 1, 2017/18, more than half were upheld (partially or fully).

	Q1 2016/17	Q1 2017/18	change
% upheld (fully or partially)	52%	60%	↑ 8pp
- Statutory complaints	47%	36%	↓ -15pp
- corporate complaints (service response)	52%	68%	↑ 16 pp
- corporate complaints (independent investigation)	16%	7%	↓ -9 pp

8. Following investigation by service areas, 34 complainants remained dissatisfied and requested their complaint progress to independent review. Investigations have been completed into 29 corporate complaints, of which 7% (2) were upheld (partly or fully).
9. During 2017/18, the Ombudsman delivered decisions into 16 matters. Six complaints were upheld.
10. In addition to complaints, we also received 242 compliments, 126 suggestions and 98 comments in relation to our policies and procedures.

Statutory Complaints: Children’s Social Care Services

11. During quarter 1, 2017/18, Children’s Social Care Services received 28 statutory complaints, 22% more (+5) than quarter 1, 2016/17. No complaints progressed to independent investigation; there were two in quarter 1, 2016/17. During the quarter, one complaint, which had been through Stages 1 and 2, was escalated to Stage 3 (Review Panel), with a final outcome awaited at the time of writing this report.

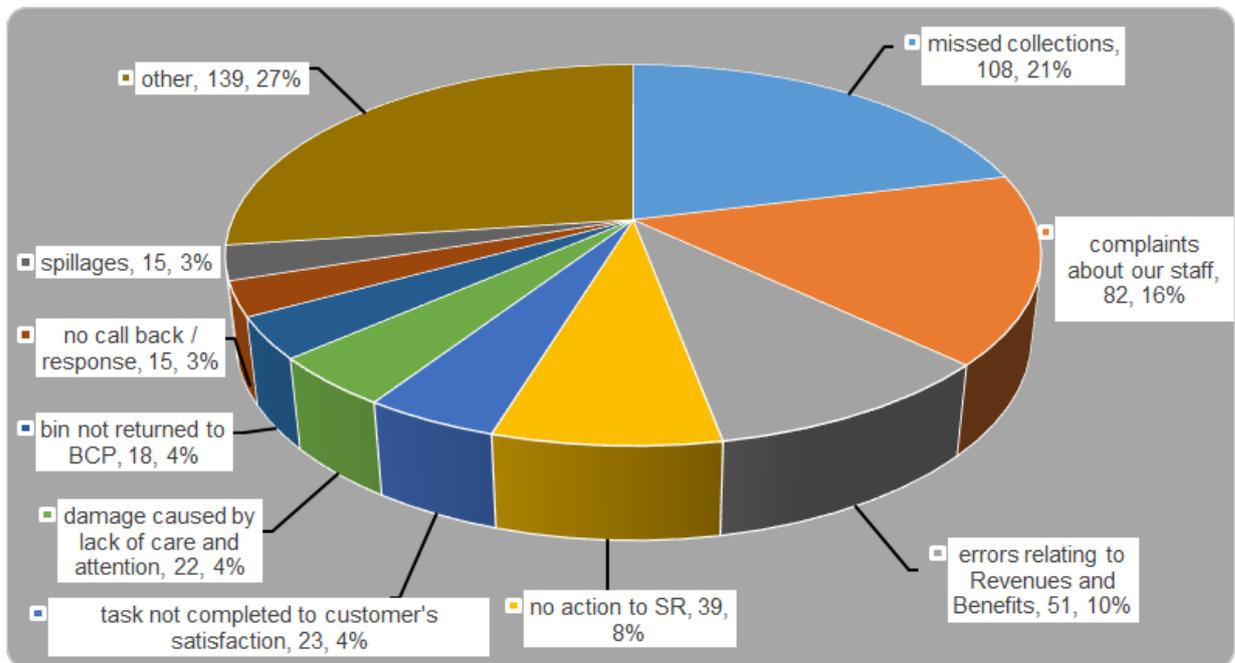
12. Of the 28 complaints, 26 were resolved within their prescribed timescale (93%) and two outside their prescribed timescale (7%). Of the 28 complaints: 18 were not upheld (64%), two were upheld (7%) and 8 partially upheld (29%).
13. Three complaints were declined; two due to the complainant being ineligible to act on the child's behalf, and one due to the events occurring more than one year ago.
14. During quarter 1, a number of actions were taken in response to complaints, including:
 - Reminding fostering social workers to complete assessment forms accurately, being mindful of other ongoing matters in family's lives and to contact people when they promise to do so.
 - Reviewing the training needs of Child Protection social workers to ensure that they have a broad knowledge of children's health needs and appropriate responses.

Statutory Complaints: Adult Social Care Services

15. During quarter 1, 2017/18, Adult Social Care Services received 28 statutory complaints, 27% more (+6) than quarter 1, 2016/17.
16. More than two-thirds of these complaints related to Older People / Physical Disabilities / Sensory Impairment. The most common reason for complaint was a disputed decision where a service user disagrees with an explanation or decision.
17. 22 complaints were resolved during quarter 1, 2017/18, all within their agreed timescale. Of the 22 resolved complaints: 14 were not upheld (64%), two were upheld (9%) and six partially upheld (27%). Six were still being investigated at the time of writing this report.
18. During quarter 1, a number of actions were taken in response to complaints, including:
 - Reminding all staff of the procedure for adding information to Care and Support Review documents.
 - Reminding staff to provide family members with the appropriate information and explanations about the nature of the meetings they are been invited to attend.

Corporate Complaints

19. During quarter 1, 2017/18, we received 512 corporate complaints, 53 more than the same quarter last year. Of those complaints investigated during quarter 1, 68% were upheld (fully or partially).
20. Further analysis has identified nine topics that collectively account for almost three quarters of complaints.



Missed Collections

21. In line with previous reports, missed collections remains the most frequent cause of complaint across the council. During quarter 1, 2017/18, we received 108 complaints, which is an 11% increase (11 more) when compared to the same quarter last year.
22. Of the 108 complaints, 54 related to kerbside refuse and recycling, 38 to garden waste, 12 to bulky collections, 2 to trade waste and 2 to clinical waste. This quarter's increase was mainly attributable to a slight increase in missed collections relating to kerbside refuse and recycling.
23. Investigations have been completed into 96 complaints and 94% were upheld (80 fully and 10 partially).
24. When considering these complaints, it is important to note that every quarter our refuse and recycling crews complete more than 3 million refuse and recycling collections, 400,000 garden waste collections and 8,000 bulky collections.

Complaints about our staff

25. During quarter 1, 2017/18, we received 82 complaints about our staff: a slight increase on the 78 received during the same period in 2016/17. There were four main causes of complaint.
26. Nineteen customers felt staff behaved toward them in an aggressive or intimidating way, often using foul, obscene or insulting language. The majority of complaints involved our household refuse and recycling service, both the collection service and the Household

Waste Recycling Centres. Investigations have been completed into 17 complaints and 14 were upheld (10 fully and four partially).

27. Seventeen customers complained our staff were deliberately unhelpful, obstructive or unreasonable. Again, the majority of complaints involved our household refuse and recycling service, both the collection service and the Household Waste Recycling Centres. Investigations have been completed into 14 complaints and eight were upheld (five fully and three partially).
28. Ten complainants witnessed our staff driving in a dangerous manner. This mainly involved our frontline refuse and recycling, highway maintenance and street cleansing teams. Five of the complaints were near misses, three involved mobile phones, one driving on a footpath and one involved driving too close to horses and their riders. Investigations have been completed into seven complaints and six were upheld (two fully and four partially).
29. Nine residents complained our staff were rude, abrupt or dismissive of their issue or query. The complaints related to a wide range of service areas in small numbers. Investigations have been completed into six complaints and five were upheld (two fully and three partially).
30. The remaining complaints included staff parking inappropriately, throwing items from vehicles, starting work at inappropriate times (e.g. early morning or weekend), smoking whilst carrying out their duties or not fulfilling their duties using appropriate health and safety equipment (in the opinion of the complainant).
31. We expect the highest standards from all our employees and we deal with any alleged misconduct through our HR policies and procedures. We pass all complaints relating to non-DCC employees to the appropriate contractor for them to address under their own procedures. The contractor feeds back the results of their investigations to ourselves.

Process and Procedure in the Revenues and Benefits Service

32. Each year, we process in the region of 115,000 work items relating to Council Tax, Housing Benefit and Council Tax Reduction. All of these areas are complex, subject to frequent change and highly legislated. During quarter 1, we received 51 complaints, mainly in relation to staff failing to follow process and procedure or due to human error where manual input was required. We have completed investigations into 48 complaints and 29 were upheld.
33. In all cases, the error or omission is referred back to the responsible member of staff for correction. We also seek to minimise the risk of error by automating processes to reduce manual interventions and carrying out quality assurance interventions. Any identified trends and patterns are used to further develop training plans and inform process reviews.

Progressing a customer's request for service, concern or query

34. Each quarter, we receive more than 425,000 contacts, the majority of which require us to action a request or resolve an issue. During quarter 1, 2017/18, we received 39 complaints from customers unhappy that there had been no action in response to their request, concern or query: a 44% increase on the 27 received during the same period in 2016/17. Analysis of the data shows that there were three main reasons for this type of complaint during quarter 1.
35. Seven customers were unhappy that we had not actioned their service request for a bin repair or delivery of a replacement bin. We have completed investigations into six of these complaints and all were fully upheld. Every quarter we receive in the region of 5,000 requests of this type.
36. A further seven complainants were unhappy we had not actioned their report of an enviro-crime: three related to fly-tipping, three to littering and one to an abandoned vehicle. We have completed investigations into six of these complaints and two were partially upheld. Every quarter we respond to around 2,000 reports of enviro-crime.
37. We received six complaints that we had failed to complete a street lighting repair. Of the three complaints investigated, one was partially upheld. Each quarter we repair around 3,000 streetlights.
38. We also received complaints from customers unhappy that we had not responded to their request or query, for example, to cut back overgrown trees / hedges, issue a waste permit for the Household Waste Recycling Centres, replace their bus pass and cancel their gym membership.
39. Investigations have been completed into 29 complaints and 44% were upheld (eight fully and nine partially).

Service Standards

40. 23 complainants felt the standard of our work was inadequate. More than half of these complaints related to two frontline service areas: grass cutting (nine complaints) and highway maintenance (four complaints). Two thirds of complainants cited the standard of work and the remaining third to us leaving the local environment in an unacceptable condition after we had completed the work.
41. The remaining complaints related to the following service areas in small numbers: street lighting, street cleansing, refuse and recycling, and anti-social behaviour.
42. Investigations have been completed into 18 complaints and 50% were upheld (eight fully and one partially).

Damage to property

43. The basis of 22 complaints was that staff had damaged property, either theirs or the Council's, due to a lack of care and attention whilst undertaking their duties. This is an increase on the six complaints received during the same period in 2016/17.
44. The most frequent cause of these complaints (10 instances) was damage allegedly caused by our refuse and recycling crews. These included damage to: walls, fencing and paving (4), grassed areas / plants (3), refuse and recycling receptacles (2) and drains (1). Investigations have been completed into nine complaints and seven were upheld (six fully and one partially).
45. We received eight complaints about our grounds maintenance service: five related to our use of weed killer, two to damage caused by grass cutters and one to us cutting down privately owned trees. Investigations have been completed into six complaints and five were upheld (four fully and one partially).
46. Three complaints related to our highway maintenance teams, two cited car damage (one by stone chips following road resurfacing and one due to grit) and one to pavement damage during replacement works. Investigations have been completed into two complaints and neither was upheld.
47. The final complaint concerned injury from a litter bin. This complaint was not upheld following investigation.

Bins not returned to Bin Collection Point

48. We received 18 complaints objecting that our refuse and recycling crews were not returning bins to their collection point. We have completed investigations into 17 complaints and fully upheld 16.

Customer Care

49. Fifteen complaints were from customers unhappy not to have received an expected call back or update following their initial contact.
50. Investigations have been completed into 13 complaints and six were upheld (four partially and two fully).

Spillages

51. We received 15 complaints about spillages which we did not clean up. The vast majority related to our household waste collection service and mainly concerned broken glass. All fifteen complaints have been investigated and 12 were upheld (10 fully and two partially).

52. It is important to remember when considering these complaints that our refuse and recycling crews complete 1.5 million recycling collections each quarter. We have reminded refuse and recycling crews to clean up any spillages that occur.

Other

53. The remaining 27% of corporate complaints related to a wide variety of issues in smaller volumes.

Corporate complaints subjected to independent investigation

54. During quarter 1, 2017/18, 33 complainants requested that we escalate their complaint to the next stage. It was agreed that 22 complaints should be subject to an independent investigation. Determination is made on whether an independent investigation by the Customer Feedback Team would be appropriate; based on the service response, any remedy already offered and the reasons given by the customer for wanting to take the complaint to the next stage. Where we decline to conduct an independent investigation, we will inform the customer that their next step would be to seek advice from the Ombudsman.
55. During the same period, we completed investigations into 29 complaints. Of these, two were partially upheld, as shown in the table below:

Outcome	Complaint	Action to be taken
Partially upheld	The complainant was not included in a consultation process regarding tree felling.	We have implemented a new practice, which involves an updated consultation list and handover record to the case officer, which will make internal policy more robust and reduce the likelihood of further consultation errors. Council has apologised for the error.
	The complainant was not included in a planning consultation process	A change from a paper-based system to an electronic system resulted in this oversight. However, this objection would not have affected the planning officer’s final decision. Council has apologised for the error.

Complaints to the Local Government and Social Care Ombudsman (the Ombudsman)

56. During quarter 1, 2017/18, the Ombudsman delivered decisions in relation to 16 complaints. Conclusions were reached based on details supplied by complainants and supplemented in some instances with contextual information from Council officers.

57. The 16 complaints related to a number of service areas including licensing, refuse and recycling, revenues and benefits, adult care services and planning. Of these complaints, four were found to be outside the Ombudsman's jurisdiction, one was referred back to the council to deal with under our complaints procedure, and in five cases no further action was proposed. The Ombudsman upheld six complaints as detailed in the following table:

Ombudsman's final decision	Action to be taken
The Council delayed processing a disabled facilities grant, which resulted in the complainant not having appropriate home adaptations.	The Council is to apologise and pay £2,750 in recognition of the injustice suffered due to the delay and £100 redecoration costs. The Council is to review procedures relating to Disabled Facilities Grants to avoid other people being similarly affected.
The Council was not at fault when it stopped the complainant's Discretionary Housing Payment (DHP). But it unduly delayed recognising their health and care needs could justify further DHPs. This caused financial hardship.	The Council had already taken action to remedy the issues before the Ombudsman's decision and to the Ombudsman's satisfaction. The Council corrected the DHP error within five days and revised its original decision in relation to the complainant's health conditions.
The Council failed to give the complainant enough information about how to proceed with a Disabled Facilities Grant (DFG) or the process. This caused delay and confusion.	The Council is to apologise for the delay and a lack of clear, written information about the DFG process, pay £500 for the frustration and uncertainty caused, explain the process to the complainant and immediately progress any application made by the complainant. The Council is to make its DFG policy, procedures and processes publically available. This should include all stages and timescales, the use of panels, appeal mechanisms and detail of when an enquiry becomes an application (for meeting the legislative timescale of six months).
The Council was at fault due to significant delays in investigating a noise complaint	The Council to apologise for the delay and pay the complainant £150 to acknowledge the frustration and uncertainty caused.
The Council delayed carrying out transition assessments and then withdrew weekly overnight respite sessions for almost three months.	The Council is to apologise for the fault found and pay the complainant £1,000 (£750 for the lost respite care and £250 for time and trouble). The Council is to review its policies and procedures for responding to requests for transition assessments to ensure they comply fully with statutory guidance.

Ombudsman's final decision	Action to be taken
The Council failed to stop debt recovery letters in a timely manner.	The Council to apologise for the fault and the distress caused.

Compliments

58. We also receive many positive comments about our staff and the services we provide, and we believe that understanding what is working well and valued is as important as knowing what is not working as well.
59. During quarter 1, 2017/18, we received 242 compliments, 31 in relation to social care services and 211 in relation to other services. These compliments recognise not only the motivation, dedication and hard work of our staff but also the high standard and value of the services we provide. The majority of the compliments related to satisfaction with service provision but a number of compliments conveyed thanks to specific individuals.
60. As far as we are able, we have passed these thanks onto the individuals concerned. We have recorded or received various compliments where staff have gone the extra mile and customers have taken the time to express their gratitude. Some examples are provided in the following table.

Service Area	Customer's Comments
Neighbourhood Wardens	<p>I recently moved to a new area and had never had a need to call upon the services you provide. However having done so I would like to commend the response I received.</p> <p>Their response was prompt (almost immediate in fact), attentive and comprehensive. They showed genuine understanding and sympathy for the concerns I raised and were able to offer guidance and suggested solutions.</p> <p>I also received regular email contact from all concerned and phone calls too to keep me updated.</p> <p>Too often local authorities and their teams get nothing but a hard time and I think it's important to recognise great service where and when it happens. I recognise the huge financial pressures that the public sector is under which makes the response and service even more commendable.</p>
Clean and Green	<p>I would like to compliment your litter picker. I travel through this area frequently and he always keeps the streets very tidy. I am so pleased this lovely man, who is out in all weathers maintains the tidiness of village. He deserves a compliment and I wanted to pass this on to him. Please thank him as I do not think these hard workers are thanked enough for what they do.</p>
Highway Maintenance	<p>Further to our telephone conversations in recent days, I would just like to thank you for the attention and service afforded me and the other residents in resolving the problem.</p>

	<p>The team that sorted out the problem were two of the most courteous, efficient and helpful men I have come across and nothing seemed to be too much trouble for them. Whilst it didn't really take them that long to resolve the issue (as much as they could) I feel sure that they went beyond what is classed as their normal duty. When they left our street they were going to report the problem to Northumbrian Water as there was clearly some kind of blockage in the surface water main drain system that needed to be attended to by them.</p> <p>That was clearly done immediately as Northumbria Water was on site the same afternoon and confirmed exactly what your team had said. Northumbria Water will be returning with a camera and whatever else they need to permanently fix the problem over the next few days/weeks.</p> <p>Once again, thank you for your time and trouble.</p>
Refuse and recycling	<p>Can you please pass on my appreciation to the refuse collection team. I was out riding my horse and I had alongside me my 4 year old son riding his pony on lead rein. The driver was extremely courteous and made us feel very safe as we were passing.</p> <p>He saw us in good time and pulled into the side as far as he was able and turned off his engine. He then didn't start again until we were well clear. Both my horses are good in traffic but the extra care your crew took was excellent and if I wasn't out with such placid horses their actions will have avoided any hassle or potential for an accident. Thank you again.</p>

Feedback relating to our policies and procedures

61. Our service provision is reflected in our policies and procedures, and during quarter 1, 2017/18, we received 98 items of feedback as a direct consequence of carrying out actions in line with those policies and procedures.
62. Almost half of this feedback relates to one of two key areas, our household waste policies and procedures (24 contacts) and our fees and charges (21 contacts).
63. The most frequent cause for feedback in relation to our household waste policies and procedures (eight instances) was not emptying or permanently removing bins due to contamination. This type of feedback relating to contamination has been declining, partly due to the decision to remove bins after a third contamination, and partly due to the continuation of our educational programme which includes waste awareness campaigns including Bin it Right, door knocking, roadshows and school educational sessions.
64. Four contacts related to our Garden Waste Collection Scheme: not being able to transfer their subscription to a new property (two instances), retaining the 14-day refund policy for poor service and not providing an assisted collection at empty properties.

65. Five contacts related to our Bulky Waste Collection Scheme: objections to placing items at the designated Bin Collection Point (three) and not being able to add more items (two).
66. All remaining feedback relating to household waste policies and procedures covered a wide range of issues in single numbers. These included; excluding hard plastics from the kerbside recycling scheme; not collecting side waste; only permanently removing wheeled bins which are empty; delays at HWRCs as a result of compacting waste; not collecting recycling in black bags; time to produce a waste permit (48 hours); inability to purchase items directly from a HWRC.
67. 21 contacts related to our fees and charges, which are reviewed annually and allow us to provide local services which might not otherwise be possible. The main reason for dissatisfaction was the £20 administration and delivery charge to replace a bin lost, stolen or damaged beyond repair. Other areas consistent to both years are; the standard £40 charge by our pest control service that covers visits and materials and notice periods for gym cancellations.
68. We received four contacts about our revenues and benefits policies and procedures. All related to our policy that all unoccupied properties are subject to 100% council tax for the first two years, and then 150% if they remain unfurnished.
69. In addition to the three key areas above, the following policies and procedures received feedback during quarter 1, 2017/18: closing schools to use as polling stations; application process for a postal vote; stray dogs; not taking children on term time holidays; highway maintenance; traffic management; speed management installations.

Suggestions

70. We believe suggestions are essential to the ongoing development and improvement of our services, and carefully consider all received. During quarter 1, 2017/18, we received 126 suggestions.
71. A number of suggestions related to our Household Waste Recycling Centres (HWRCs). The most frequent suggestion was to e-mail waste permits to ensure fast delivery and save postage costs. We are currently developing a new project to look at the options around digitising waste permits.
72. A resident suggested that we remove the requirement to list all items to be disposed of when applying for a waste permit as it was too cumbersome. We intend to review this requirement as part of the digitisation project. However, it is important to note that we request the detailed waste description to ensure the customer does not have a wasted journey as not all HWRCs accept all waste types. By knowing what the customer wishes to dispose of, we can direct them to an appropriate site.

73. Another HWRC suggestion was to increase the number of skips available for use at each site, thereby allowing more cars to access the site and make it easier and quicker for residents to dispose of their waste. We know some of our HWRCs can become very busy at peak times and we have worked closely with the contractor who manages the sites to ensure that as many skips as physically possible are placed on site and the compaction and emptying of skips is as efficient as possible. We have processes in place which allow skips to be compacted safely within a cordoned off area whilst customers are on site, this has helped manage traffic congestion and ease the time for residents to dispose of their waste.
74. We frequently receive suggestions that encourage greater use of parking restrictions and, during quarter 1, received several suggestions involving the use of double yellow lines. One suggestion related to South Road near Durham Crematorium where there has been increased parking from students. We are aware of this issue and will consult to determine if a clearway or double yellow lines should be implemented. Another suggestion was to implement double yellow lines at South Road near Howlands Park and Ride to prevent drivers from parking on the road outside the bus entrance. In this case, we are seeking a traffic regulation order to resolve the issue.
75. We also regularly receive suggestions that propose changes to our road system. For example, we received a suggestion, during quarter 1, to remove the bus lane on the A690 towards Gilesgate roundabout to prevent traffic delays experienced in the current single lane arrangement. However, the length of the current two-lane section ensures that the maximum volume of traffic can enter the junction from the A690 whenever a green signal is given. Therefore, even if we removed the entire bus lane, the time taken for motorists to travel from the A1(M) into the city would remain unchanged.

Corporate Overview and Scrutiny Management Board

15 September 2017

Resources – Revenue and Capital Outturn 2016/17



Report of John Hewitt, Corporate Director Resources

Purpose of the Report

1. To provide details of the outturn budget position for the Resources service grouping highlighting major variances in comparison with the budget based on the outturn position at the end of March 2017.

Background

2. County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. These budgets have subsequently been revised to account for grant additions/reductions, corporate savings/adjustments, budget transfers between service groupings and budget profiling between years. This report covers the financial position for the following major accounts maintained by the Resources service grouping:

- (a) *Revenue Budget - £18.187 million (original £16.282 million)*
- (b) *Capital Programme - £4.179 million (original £11.868 million)*

3. The original Resources General Fund budget has been revised in year to incorporate a number of budget adjustments as follows:

- (a) APT & C 2016/17 Pay Award from Contingency - +£368,000
- (b) Local Council Tax Admin Grant- -£46,000
- (c) Transfer from ACE – Transport adjustment - +£5,000
- (d) Transfer from Resources-CAC-Bank Charges- +£32,000
- (e) Auto-enrolment - +£19,000
- (f) Use of Corporate Contingency for HR Teaching Assistants exercise- +£51,000
- (g) Transfer to Corporate Contingency-Coroner's service - -£79,000
- (h) Use of Human Resources Reserve- +£57,000
- (i) Use of Corporate Procurement Reserve- +£50,000
- (j) Use of Oracle Development Reserve- +£165,000
- (k) Use of ICT Trading Account Reserve - +£383,000
- (l) Use of ICT/HR Modern Ways of Working Reserve- +£17,000
- (m) Use of Corporate MTFP ER/VR Reserve- +£446,000
- (n) Use of Corporate Equal Pay Reserve- +£69,000
- (o) Use of Land Search Reserve- +£79,000
- (p) Use of Resources Cash Limit Reserve-Operations & Data car allowances - +£29,000
- (q) Use of Welfare Assistance Reserve - +£300,000
- (r) Use of DHP Reserve- +£30,000
- (s) Contribution to Welfare Rights Reserve- -£70,000

The revised General Fund Budget for Resources, which was agreed at Quarter 3, was £18.187 million.

4. The summary financial statements contained in the report cover the financial year 2016/17 and show: -
 - (a) The approved annual budget;
 - (b) The actual income and expenditure as recorded in the Council's financial management system;
 - (c) The variance between the annual budget and the final outturn;
 - (d) For the Resources revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue

5. The service is reporting a cash limit variance (underspend) of **£1.801 million** against a revised budget of **£18.187 million**. This compares with the underspend of £1.529 million that was reported at Quarter 3.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£000's)

Category	Annual Budget	Actual Outturn	Variance	Total Items Outside Cash Limit	Final Cash Limit Variance
Employees	42,607	41,867	(740)	(571)	(1,311)
Premises	6,209	7,089	880	(912)	(32)
Transport	739	565	(174)	1	(173)
Supplies and Services	16,460	15,292	(1,169)	211	(958)
Transfer Payments	111	111	0	(0)	0
Third Party Payments	19	21	2	0	2
Central Support and Capital	9,975	15,647	5,672	(5,576)	96
Gross Expenditure	76,120	80,592	4,472	(6,847)	(2,375)
Income	(58,005)	(63,918)	(5,913)	6,487	574
Net Expenditure	18,115	16,674	(1,441)	(360)	(1,801)
HB Transfer payments	183,746	181,102	(2,644)	115	(2,529)
HB Central Support and Capital	400	(14)	(414)	0	(414)
HB Income	(184,073)	(181,131)	2,943	0	2,943
HB Net Expenditure	72	(43)	(115)	115	0
Total Net Expenditure	18,187	16,631	(1,556)	(245)	(1,801)

By Head of Service (£000's)

Category	Annual Budget	Actual Outturn	Variance	Total Items Outside Cash Limit	Final Cash Limit Variance
Central Establishment Recharges	(16,454)	(23,194)	(6,740)	6,740	0
Corporate Finance	5,294	4,594	(700)	402	(298)
Financial Services	10,621	12,667	2,046	(2,820)	(774)
I.C.T. Services	9,970	12,350	2,380	(2,380)	(0)
Internal Audit and Insurance	1,231	1,148	(83)	0	(83)
Legal & Democratic Services	7,292	8,947	1,655	(2,304)	(649)
Management/ Performance	160	161	1	2	3
Net Expenditure Excluding HB	18,115	16,674	(1,441)	(360)	(1,801)
Housing Benefit	72	(43)	(115)	115	0
Net expenditure	18,187	16,631	(1,556)	(245)	(1,801)

7. The table below provides a brief commentary on the variances against the revised budget analysed by Head of Service. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. redundancy costs) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
Central Establishment Recharges	Central Establishment Recharges	No variance	0	0
Corporate Finance	Management	£33k Underbudget on Employees £12k Underbudget on Supplies and Services	(45)	
	Financial Systems	£50k Underbudget on Employees £3k Overbudget on Supplies and Services	(47)	
	Procurement	£17k Overbudget on Employees £12k Underbudget on Supplies and Services £55k Overachieved Income	(50)	
	Pensions	£30k Overbudget on Employees £4k Underbudget on Supplies and Services £27k Overachieved Income	1	
	Strategic Finance	£11k Overbudget on Employees £12k Underbudget on Supplies and Services £39k Additional Income	(40)	
	Occupational Health	£10k Overbudget on Employees £30k Underbudget on Supplies and Services £1k Overbudget on Third Party Payments £18k Additional Income	(37)	
	Health and Safety	£71k Underbudget on Employees from managing vacancies in advance of restructure linked to MTFP savings in 2017/18	(80)	

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
		£1k Underbudget on Supplies and Services £8k Additional Income		
	Human Resources	£16k Underbudget on Employees from managing vacancies in advance of restructure linked to MTFP savings in 2017/18 £1k Underbudget on Transport £11k Overbudget on Supplies and Services £6k Underachieved Income	0	(298)
Financial Services	Management	£54k Underbudget on Employees £1k Underbudget on Supplies and Services	(55)	
	Operations & Data	£39k Underbudget on Employees from managing vacancies in advance of restructure linked to MTFP savings in 2017/18 £5k Overbudget on Transport £24k Overbudget on Supplies and Services £37k Overachieved Income	(47)	
	Financial Management	£8k Overbudget on Employees £3k Underbudget on Transport £35k Overbudget on Supplies and Services £185k Overachieved Income	(145)	
	Revenues and Benefits	£700k Underbudget on Employees from managing vacancies in advance of restructure linked to MTFP savings in 2017/18 £50k Underbudget on Transport £272k Overbudget on Supplies and Services mainly due to Printing and Telephone charges £16k Overbudget on packages £56K Over recovery on Court Fee income £9K Overachieved Income	(527)	(774)
ICT	ICT Services	£180k Underbudget on Employees £5k Overbudget on Premises £64k Underbudget on Transport £1,001k Underbudget on Supplies and Services £12k Overbudget on central and capital charges, which includes £378k expenditure on the Tribal capital scheme, which was funded by £378k of Reserves £1,228k Underachieved Income, which is linked to the underbudget position on supplies and services	0	(0)
Internal Audit and Risk	Insurance and Risk	£7k Overbudget on Employees £1k Overbudget on Transport/Supplies and Services £1k Underachieved Income	9	
	Internal Audit	£76k Underbudget on Employees £1k Overbudget on Supplies and Services £23k Overachieved Income	(98)	
	Corporate Fraud	£6k Overbudget on Employees £1k Overbudget on Supplies and Services £1k Overachieved Income	6	(83)

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
Legal and Democratic Services	Corporate and Democratic Core	£144k Underbudget on employees from vacancies and future MTFP savings £59k Underbudget on transport due to reduced expenditure in Democratic Representation and Chauffeurs £248k Underbudget on supplies and services relating to reduced expenditure on printing, legal expenses, telephony costs, subscriptions and functions £2k Overbudget on central charges £88k Overachieved income	(537)	
	Legal Services	£3k Overbudget on employees £36k Underbudget on Registrars premises £2k Underbudget on transport £7k Overbudget on supplies and services £84k Overachieved income mainly in Electoral services, offset by a reduction of income relating to Land Charges	(112)	(649)
Service Management	Service Management	No Material Variances	3	3
Benefits Payments and Subsidy	Benefits	£66,767 HB subsidy reserve. £118,140 DHP overspend covered from Welfare assistance reserve and £30,014 from DHP reserve.	0	0
TOTAL				(1,801)

8. The final outturn position was £272,000 more underbudget than the forecast prepared at Quarter 3 and reported to Cabinet in March. The £1.801 million under budget will be carried forward under the 'cash limit' regime.

Capital Programme

9. The Resources capital programme currently comprises 22 schemes, 19 of which are managed within ICT.
10. The original Resources capital programme was £11.868 million and this was revised for additions/reductions, budget transfers and budget profiling in year. The revised final budget was £4.179 million. Summary financial performance to the end of March 2017 is shown below:

	Final Annual Budget £'000	Final Outturn	
		Actual Spend £'000	Spend %
ICT Services	3,514	3,778	108%
Legal and Democratic	19	19	100%
Finance	646	59	9%
Total	4,179	3,856	92%

11. Total expenditure in 2016/17 was £3.856 million, which was 92% of the budget. A full breakdown of schemes and actual expenditure to 31 March 2017 is given in **Appendix 2**.

Recommendations:

12. Corporate Overview and Scrutiny Managemnt Board is requested to note the contents of this report.

Contact: Ian Herberson – Finance Manager

Tel: 03000 261 861

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: Resources Capital Programme 2016/17

	Final Annual Budget £	Final Outturn	
		Actual Spend £	Spend %
Applications and Development	25,000	8,634	35%
Archiving of obsolete systems based on non-supported hardware.	50,000	-	0%
Big Data	9,200	-	0%
Broadband / Digital Durham	354,997	1,231,065	347%
Code of Connection Compliance	110,000	104,850	95%
Conversion of Capita One Software to Tribal	274,000	378,373	138%
Corporate Mail Fulfilment	3,916	-	0%
Dark Fibre installations and Circuit/Microwave Upgrades	257,437	202,707	79%
Email Upgrade	155,000	68,699	44%
Homeworking	21,968	18,253	83%
Learning Gateway	73,895	-	0%
Mobile Device Management	165,000	-	0%
Ongoing Server replacement	531,294	556,024	105%
Replacement of Desktop ICT Equipment	900,948	887,139	98%
Sharepoint Architecture	37,000	26,969	73%
Tanfield Datacentre Core Switching Replacement	35,953	-	0%
Tanfield Datacentre LAN Switching Replacement	407,830	202,664	50%
Wireless Network Replacement	100,135	92,319	92%
ICT Services	3,513,573	3,777,697	108%
RES Electronic Voting Equipment	19,421	19,421	100%
Legal and Democratic Total	19,421	19,421	100%
Migration of HR/Payroll functionality	596,285	85,366	14%
Civica Pension Fund Administration System	49,913	(26,325)	-53%
Finance Total	646,198	59,041	9%
Total	4,179,192	3,856,159	92%

15 September 2017

**Resources – Quarter 1 June 2017:
Forecast of Revenue and Capital
Outturn 2017/18**



Report of John Hewitt, Corporate Director Resources

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Resources service grouping, highlighting major variances in comparison with the budget based on the position to the end of June 2017.

Background

2. County Council approved the Revenue and Capital budgets for 2017/18 at its meeting on 22 February 2017. These budgets have subsequently been revised to account for grant additions/reductions, corporate savings/adjustments, budget transfers between service groupings and budget profiling between years. This report covers the financial position for the following major accounts maintained by the Resources service grouping:

- (a) *Revenue Budget - £16.711 million (original £16.628 million)*
- (b) *Capital Programme – £16.828 million (original £16.228 million)*

3. The original Resources General Fund budget has been revised in year to incorporate a number of budget adjustments as follows:

	<u>£,000</u>
(a) Transfer to REAL - H&S SGS Surveillance Audit Administration	-16
(b) Transfer from REAL - Customer Services	-510
(c) Transfer from CAS - Parenting Panel Budget	6
(d) Transfer from Adults and Public Health-Web Development	1
(e) Transfer from Childrens-Web Development	1
(f) Transfer from REAL - Customer Services - Central Dept Support Recharge	837
(g) Transfer from Corporate - Head of People & Talent Management	100
(h) Direct Revenue Funding of Capital (Remote Access and Mail Fulfillement)	-335

The revised General Fund Budget now stands at £16.711 million.

4. The summary financial statements contained in the report cover the financial year 2017/18 and show: -
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the Resources revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.
5. The service is reporting a cash limit variance (underspend) of **£0.832 million** against a revised budget of **£16.711 million**.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£000's)

Category	Full Year Current Budget	Year To Date Actual	Forecast Outturn	Variance	Total Items Outside Cash Limit	Cash Limit Variance
Employees	44,347	12,572	45,140	793	(1,681)	(887)
Premises	6,073	89	6,043	(30)	0	(30)
Transport	667	138	673	6	(26)	(20)
Supplies and Services	14,713	5,661	15,237	524	(347)	177
Transfer Payments	0	0	0	0	0	0
Third Party Payments	23	4	20	(3)	0	(3)
Central Support and Capital	12,201	22	12,202	1	0	1
Gross Expenditure	78,023	18,485	79,315	1,292	(2,053)	(762)
Income	(237,545)	(10,518)	(237,515)	30	(100)	(70)
Net Expenditure	(159,522)	7,967	(158,201)	1,321	(2,153)	(832)
HB Transfer payments	176,233	53,120	176,233	0	0	0
HB Central Support and Capital	0	0	0	0	0	0
HB Income	0	0	0	0	0	0
HB Net Expenditure	176,233	53,120	176,233	0	0	0
Total Net Expenditure	16,711	61,086	18,032	1,321	(2,153)	(832)

By Head of Service (£000's)

Category	Full Year Current Budget	Year To Date Actual	Forecast Outturn	Variance	Total Items Outside Cash Limit	Cash Limit Variance
Central Establishment Recharges	(21,282)	(35)	(21,281)	0	0	0
Corporate Finance	4,574	1,296	4,738	164	(349)	(185)
Financial Services	9,736	1,382	10,027	291	(764)	(473)
I.C.T. Services	8,947	2,613	9,528	582	(463)	(118)
Internal Audit and Insurance	1,103	284	1,137	34	(54)	(20)
Legal & Democratic Services	7,194	2,825	7,441	247	(522)	(276)
Management/ Performance	6,440	81	6,443	3	0	3
Net Expenditure Excluding HB	16,711	8,447	18,032	1,321	(2,153)	(832)
Housing Benefit	0	52,639	0	0	0	0
Net expenditure	16,711	61,086	18,032	1,321	(2,153)	(832)

7. The table below provides a brief commentary on the variances against the revised budget, analysed by Head of Service. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. redundancy costs) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
Central Establishment Recharges	Central Establishment Recharges		0	0
Corporate Finance	Management	£2k underbudget on employees	(2)	
	Financial Systems	£9k underbudget on employees	(9)	
	Procurement	£29k underbudget on employees £1k underbudget on transport £12k underbudget on supplies and services £10k over achieved income	(52)	
	Pensions	No material variance	0	
	Strategic Finance	£12k overbudget on employees £21k over achieved income	(9)	
	Occupational Health	£8k underbudget on employees £2k underbudget on supplies and services £4k under achieved income	(6)	
	Health and Safety	£37k underbudget on employees £5k underbudget on transport £11k overbudget on supplies and services	(41)	

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
		£10k over achieved income		
	Human Resources	£104 underbudget on employees £1k overbudget on transport £6k overbudget on supplies and services £31k under achieved income	(66)	(185)
Financial Services	Management	No material variance	0	(473)
	Operations & Data	£6k overbudget on employees £15k underbudget on supplies and services £1k overbudget on central support and capital £4k under achieved income	(4)	
	Financial Management	£47k overbudget on employees £1k underbudget on transport £7k underbudget on supplies and services £88k additional income	(49)	
	Revenues and Benefits	£420K underbudget on employees and other budgets. Including a managed position on vacancies in relation to early achievement of 18/19 MTFP savings.	(420)	
ICT	Customer Services	£101k underbudget on employees mainly due to vacancies to be filled in 2017-18 £14k underbudget on staff travelling £3k underbudget on supplies and services £3k underbudget on third party payments	(121)	118
	ICT Services	£15k overbudget on employees, consisting of £162k underbudget offset by reserve funding from ICT Trading (£61k), redundancy reserves (£77k) and funding for Digital Durham (£9k) £3k overbudget on transport £123k overbudget on supplies and services, consisting of £17k underbudget on software with £195k contribution towards Microsoft software from ICT Trading reserves and £335 Direct Revenue Funding of capital schemes £98k reduced income consisting of reduced income from County Durham Housing Group income of £242k offset by £100k from cash limit reserves, reduced miscellaneous income of £210k offset by additional income from NEWCO of £254k	239	
Internal Audit and Risk	Insurance and Risk	£4k over budget on employees	4	
	Internal Audit	£5k underbudget on employees £2k overbudget on supplies and services	(4)	

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
		£1k over achieved income		
	Corporate Fraud	£18k underbudget on employees £2k over achieved income	(20)	(20)
Legal and Democratic Services	Corporate and Democratic Core	£56k underbudget on employees £8k underbudget on transport £69k underbudget on supplies and services £9k additional income	(142)	(276)
	Legal and Other Services	£15k underbudget on employees, consisting of £415k additional employee costs, offset by a £430k contribution from the Elections reserve £30k underbudget on premises relating to Registrars rent and service charges £3k overbudget on transport £57k underbudget on supplies and services, consisting of £36k overspend and £93k elections reserve applied £35k additional income consisting of additional one-off income from County Durham Housing Group (£51k) and Government grants (£91k) offset by reduced Land Charges (£107k)	(134)	
Service Management	Service Management	£3k overbudget on supplies and services	3	3
Benefits Payments and Subsidy	Benefits			0
TOTAL				(832)

8. In summary, the service grouping is on track to maintain spending within its cash limit.

Capital Programme

9. The original Resources capital programme was £16.228 million and this has been revised for additions/reductions, budget transfers and budget profiling between years. The revised budget now stands at £16.828 million.

10. Summary financial performance to the end of June 2017 is shown below:

	Original Annual Budget 2017/18 £000	Revised Annual Budget 2017/18 (June MOWG) £000	Profiled Budget 2017/18 £000	Actual Spend to 30/06/2017 £000	Remaining Budget £000
ICT Services Include Design and Print	15,641	15,641	1,564	1,444	14,197
Corporate Finance & Financial Services	587	1,187	119	0	1,187
Total	16,228	16,828	1,683	1,444	15,384

11. Total expenditure to 30 June 2017 is £1.444 million (9%) of the annual budget. The profiled budget for this period is £1.683 million, therefore spend is below profiled / expected spend in the year to date. A full breakdown of schemes and actual expenditure to 30 June 2017 is given in **Appendix 2**.
12. At year end the actual outturn performance will be compared against the revised budgets and at that time service and project managers will need to account for any budget variance.

Recommendations:

13. The Corporate Overview and Scrutiny Management Board is requested to note the contents of this report.

Contact: Ian Herberson – Finance Manager

Tel: 03000 261861

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position alongside details of balance sheet items such as earmarked reserves held by the service grouping to support its priorities.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: Resources Capital Programme 2017/18

Resources	Revised Annual Budget 2017/18 £000	Profiled Budget 2017/18 £000	Actual Spend 30/06/17 £000	Remaining Budget £000
Archiving of obsolete systems based on non supported hardware.	200	20	-	200
Big Data	149	15	-	149
Broadband / Digital Durham	11,838	1,184	1,028	10,810
Code of Connection Compliance	105	11	-	105
Corporate Mail Fulfilment	44	4	6	38
Dark Fibre installations and Circuit/Microwave Upgrades	125	12	70	55
Email Upgrade	86	9	-	86
Homeworking	875	87	-	875
Learning Gateway	74	7	-	74
Mobile Device Management	360	36	-	360
Ongoing Server replacement	145	15	22	123
Replacement of Desktop ICT Equipment	1,391	139	34	1,357
Sharepoint Architecture	23	2	-	23
Tanfield Datacentre Core Switching Replacement	36	4	-	36
Tanfield Datacentre LAN Switching Replacement	95	10	-	95
Applications and Development	16	2	-	16
Conversion of Capita One Software to Tribal	-	-	41	(41)
Schools Web Filtering Project	-	-	243	(243)
Wireless Network Replacement	79	8	-	79
ICT Services Include Design and Print Total	15,641	1,565	1,444	14,197
Migration of HR/Payroll functionality	511	51	-	511
Civica Pension Fund Administration System	76	8	-	76
Open Revenues/Fraud & ICON System	600	60	-	600
RES - Finance Resources Total	1,187	119	-	1,187
RES Total	16,828	1,684	1,444	15,384

15 September 2017



**Transformation and Partnerships –
Revenue and Capital Outturn 2016/17**

**Joint Report of John Hewitt, Corporate Director Resources and
Lorraine O'Donnell, Director of Transformation and Partnerships**

Purpose of the Report

- 1 To provide details of the outturn budget position for the Transformation and Partnerships (TAP) service grouping highlighting major variances in comparison with the budget based on the outturn position at the end of March 2017.

Background

- 2 County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the TAP service grouping:

- (a) *TAP Revenue Budget - £10.660 million (original £9.447 million)*
- (b) *TAP Capital Programme – £4.041 million (original £5.621 million)*

- 3 The original TAP General Fund budget has been revised to incorporate a number of budget adjustments as follows:

- (a) Budget increase for the pay award +£60,000
- (b) Transport adjustment -£5,000
- (c) To Modern Ways of Working Reserve -£38,000
- (d) To Flood Coordinator Reserve -£70,000
- (e) Use of Residents Research Reserve +£10,000
- (f) Use of Disabled Go Reserve +£8,000
- (g) Use of Customer Focus Reserve +£50,000
- (h) Use of Community Reserve +£85,000
- (i) Use of Community Led Development Reserve +£15,000
- (j) Use of Transformation Challenge Reserve +£248,000
- (k) Use of Inspire Reserve (Resources) +£95,000
- (l) Use of AAP Reserve - Public Health +£75,000
- (m) Use of AAP Reserve (Welfare Assistance) +£40,000
- (n) Use of AAP Reserve (CCG) +£170,000
- (o) Use of AAP Reserve (Health Champions) +£134,000
- (p) Use of Corporate Procurement Reserve +£220,000

(q) Use of MTFP Redundancy Reserve +£116,000

- 4 The revised General Fund Budget now stands at £10.660 million.
- 5 The summary financial statements contained in the report cover the financial year 2016/17 and show:
- (a) The approved annual budget;
 - (b) The actual income and expenditure as recorded in the Council's financial management system;
 - (c) The variance between the annual budget and the outturn;
 - (d) For the TAP revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

- 6 The Service is reporting a cash limit underspend of **£105,000** against a revised budget of **£10.660 million**. The forecast outturn position at Quarter 3 was a cash limit underspend of £87,000. This represents an increase of £18,000 over that reported at Quarter 3.
- 7 The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£000's)

	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Employees	7,013	7,213	200	(139)	61
Premises	273	378	105	(107)	(2)
Transport	50	39	(11)	8	(3)
Supplies and Services	1,937	1,906	(31)	163	132
Agency and Contracted	78	69	(9)	9	0
Transfer Payments	2,336	2,467	131	(149)	(18)
Central Costs	2,485	5,231	2,746	(2,743)	3
GROSS EXPENDITURE	14,172	17,303	3,131	(2,958)	173
INCOME	(3,512)	(3,983)	(471)	193	(278)
NET EXPENDITURE	10,660	13,320	2,660	(2,765)	(105)

Analysis by Head of Service (£000's)

	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Partnership and Community Engagement	7,599	10,337	2,738	(2,826)	(88)
Planning and Performance	1,514	1,671	157	(146)	11
Policy and Communications	2,744	248	(2,496)	2,468	(28)
Central	(1,197)	1,064	2,261	(2,261)	0
NET EXPENDITURE	10,660	13,320	2,660	(2,765)	(105)

- 8 Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	(Under) / overbudget £'000s
Partnership and Community Engagement (PACE)	Area Action Partnerships, Community Buildings, PACE	£53,000 managed under budget on supplies and services and £23,000 overachieved income.	(88)
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£11,000 managed over budget the majority of which is employee related.	11
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£28,000 under budget, predominantly resulting from a managed under budget on supplies and services across the service.	(28)
Central	Central Costs	No variances.	0
TOTAL			(105)

- 9 The under budget of £105,000 will be carried forward under the "cash limit" regime and will be available to support the TAP service grouping priorities over the medium term. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2016/17 which amount to £0.832 million.

Members Neighbourhoods Revenue Budget

- 10 During 2016/17 each elected member received an annual allocation of £20,000; £6,000 revenue and £14,000 capital. The revenue budget allocation for 2016/17 was £0.756 million. Previous years unspent allocations totalling £1.287 million are held in an earmarked reserve. During 2016/17 £0.922 million was spent and £0.074 million transferred to capital resulting in £0.240 million being transferred from the reserve leaving a closing balance on the reserve of £1.047 million.
- 11 The Members Initiative Fund element of this budget equates to £252,000 based on £2,000 per elected member. The 2016/17 outturn expenditure amounted to £354,000 with the balance of £102,000 being drawn down from the Members Initiative Fund reserve resulting in a closing balance on the reserve of £4,246.

AAP Area Budgets

- 12 Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £100,000; £76,000 revenue and £24,000 capital. The revenue budget allocation for the current year is £1.064 million. Combined with revenue budgets carried forward from previous years of £1.997 million and £0.426 million from Welfare Assistance and Wellbeing and Commissioning the total revenue budget available is £3.487 million to develop agreed AAP priorities. Actual spend of £2.133 million was incurred during 2016/17 and £0.075 million and £0.075 million was transferred to capital leaving a balance on the reserve £1.279 million.

Capital Programme

- 13 The TAP capital programme comprises five main schemes, Assets in the Community, Area Action Partnerships Capital, AAP Initiatives, Members Neighbourhoods Capital and Community Facilities in Crook.
- 14 The Transformation and Partnerships capital programme was revised at Outturn for budget rephased from 2015/16. This increased the 2016/17 budget to £5.621 million. Further reports to the MOWG in 2016/17 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised 2016/17 capital budget stood at **£4.041 million**.
- 15 Summary financial performance to the end of March 2017 shown below.

Service	Original Annual Budget 2016/17 £000	Revised Annual Budget 2016/17 £000	Actual Spend to 31 March 2017 £000	Spend % £000
Assets in the Community	1,151	252	295	117
Area Action Partnership	434	438	426	97
AAP Initiatives	-	116	144	124
Members Neighbourhoods	3,529	2,728	1,469	54
Community Facilities Crook	507	507	163	32
Total	5,621	4,041	2,497	62

- 16 £2.497 million of capital expenditure has been incurred during 2016/17. This is 62% of the revised capital budget. The remainder of capital budget will be reprofiled to 2017/18.

Recommendations:

- 17 The Corporate Overview and Scrutiny Management Board is requested to note the contents of this report.

Contact: Ian Herberson – Finance Manager

Tel: 03000 261 861

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Corporate Overview and Scrutiny Management Board

15 September 2017



Transformation and Partnerships – Quarter 1 June 2017: Forecast of Revenue and Capital Outturn 2017/18

Joint Report of John Hewitt, Corporate Director Resources and Lorraine O'Donnell, Director of Transformation & Partnerships

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Transformation and Partnerships (TAP) service grouping, highlighting major variances in comparison with the budget based on the position to the end of June 2017.

Background

2. County Council approved the Revenue and Capital budgets for 2017/18 at its meeting on 22 February 2017. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the TAP service grouping:
 - (a) *TAP Revenue Budget - £10.738 million (original £8.716 million)*
 - (b) *TAP Capital Programme – £4.572 million (original £4.149 million)*
3. The original TAP budget has been revised to incorporate a number of budget adjustments since the original budget was approved in February, details as follows:
 - (a) Transfer into TAP former CAS – Unitisation – £1.094 million
 - (b) Transfer into TAP from REAL Culture & Sport – Unitisation – £14,000
 - (c) Transfer into TAP from REAL PPP – Unitisation – £0.192 million
 - (d) Transfer into TAP from former RED PPP – Unitisation – £0.713 million
 - (e) Transfer into TAP from Contingencies £10,000 – Removal of income for internal recharges (website)

The revised General Fund Budget now stands at £10.738 million.

4. The summary financial statements contained in the report cover the financial year 2017/18 and show:-
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the TAP revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue – General Fund Services

5. The service is reporting a cash limit overspend of **£0.440 million** against a revised budget of **£10.738 million**.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£000's)

Subjective Analysis	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Employees	9,586	2,637	10,386	800	-293	507
Premises	284	39	284	0	0	0
Transport	67	9	67	0	0	0
Supplies and Services	1,747	323	1,849	102	-100	2
Agency and Contracted	146	0	146	0	0	0
Transfer Payments	1,196	330	1,586	390	-390	0
Central Costs	2,281	73	2,484	203	-203	0
GROSS EXPENDITURE	15,307	3,411	16,802	1,495	-986	509
INCOME	-4,569	-615	-4,647	-78	9	-69
NET EXPENDITURE	10,738	2,796	12,155	1,417	-977	440

Analysis by Head of Service (£000's)

Head of Service	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
T&P MTFP (Managed Savings)	-565	0	0	565	0	565
Partnership and Community Engagement Strategy	7,089	1,388	7,561	472	-530	-57
Comms & Information Management	2,568	688	2,535	-33	-16	-49
Transformation	2,638	523	2,922	284	-269	15
Central	653	197	781	128	-162	-34
	-1,645	0	-1,645	0	0	0
NET EXPENDITURE	10,738	2,796	12,155	1,417	-977	440

7. The table below provides a brief commentary on the variances against the revised budget, analysed by individual Head of Service. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	Forecast Year End (Under) / overspend £000's	Forecast Year End Underspend £000's
TAP MTFP (Managed Savings)	Service Grouping Management	The previously planned restructure of the former ACE service grouping has been delayed following the unitisation of services into TAP. A larger restructure, incorporating both the 2017/18 and 2018/19 savings targets is now planned across the new TAP service grouping. This has resulted in a delay in achieving £565k of the 2017/18 MTFP savings. The net overspend as a result of the savings delay is fully covered by the use managed underspends and the TAP cash limit reserve.	565	565
Partnership and Community Engagement (PACE)	Head of PACE	(£20k) Income Recharge-GE to Syrian Vulnerable Persons Scheme – MTFP.	-20	-57
	Area Action Partnerships	£75k managed overspend on employees (63k 3% staff turnover not met).	71	
	Community Buildings	No material variances.	0	
	PACE	(£40k) managed underspend on employees.	-41	
	CCU	(£68k) managed underspend on employees.	-68	

Head of Service	Service Area	Description	Forecast Year End (Under) / overspend £000's	Forecast Year End Underspend £000's
Strategy	Head of Planning and Performance	£1k managed overspend on employees (3% staff turnover not met).	1	-49
	Service Grouping Management	(£21k) managed underspend on employees.	-21	
	Research and Equalities	£8k managed overspend on employees (3% staff turnover not met).	8	
	Scrutiny & Performance	(£12k) managed underspend on employees.	-12	
	Policy & Planning	(£25k) managed underspend on employees (G. Robinson 17k for MTFP).	-25	
Comms & Information Management	Head of Communications & Marketing	£4k managed overspend on employees (3% staff turnover not met).	4	15
	Comms & Marketing	£14k managed overspend on employees (3% staff turnover not met).	14	
	County Records	£57k managed overspend on employees met from external funding sources.	0	
	Information Management	(£10k) managed underspend on employees.	-10	
	Public Relations	Durham County News £7k unachievable Income.	7	
Transformation	Head of Transformation	Minor Variances.	0	-34
	Programme Office	(£34k) managed underspend on employees (Anne Smith 29k MTFP).	-34	
Central	Central Costs	No material variances.	0	0
TOTAL				440

8. In summary, the service grouping is not forecast to maintain its spending in line with its cash limit this year. This is largely due to a planned delay in the restructure of the former Assistant Chief Executives Service Grouping, which has been delayed following the unitisation of services into TAP, with a larger restructure, incorporating 2018/19 savings targets, now planned. MTFP savings required in 2017/18 amounted to £0.979 million of which £0.414 million will be delivered, leaving £0.565 million yet to be achieved.

Members Neighbourhoods Revenue Budget

9. The Members Initiative Fund has been merged with the Members Neighbourhoods Revenue budget.
10. An MTFP saving of £0.330 million has been applied as a reduction in the individual Members' allocation from £6,000 to £3,400 this year.
11. Each elected member now receives an annual allocation of £19,400; £5,400 (including £2,000 from the former Members' Initiatives Fund) revenue and £14,000 capital.
12. The revenue budget allocation for the current year is £0.680 million. Previous years unspent allocations totalling £1.047 million are held in an earmarked reserve. At 30 June, 2017, £1.093 million of the total budget allocation of £1.728 million has been either spent or committed and it is expected that the remaining budget will be allocated during the remainder of the year.
13. There is a remaining balance of £4,246 held in an earmarked reserve in respect of the former Members Initiative Fund.

AAP Area Budgets

14. Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £100,000; £76,000 revenue and £24,000 capital.
15. The revenue budget allocation for the current year is £1.064 million to develop projects to meet the agreed AAP priorities.
16. Previous years unspent allocations totalling £0.875 million are held in an earmarked reserve. At 30 June a total of £0.681 million has either been committed or spent and it is expected that the remaining £1.258 million will be committed later in the year.

Transformation Challenge Award

17. The Transformation Challenge Award 2015/16 is a Government programme to support local authorities to transform the way they work. Durham's bid focused on the 'Durham Ask' which is about working with community groups and other local organisations to transform the way local services are provided.
18. A grant of £1.400 million was received during 2015/16 of which £0.233 million was spent in 2015/16 on grants and staffing, with a further £0.264 million expended in 2016/17. The remaining balance of £0.903 million has been placed in an earmarked reserve. At present expenditure is forecast of £0.586 million during 2017/18, leaving a year-end balance of £0.317 million.

Capital Programme

19. The TAP capital programme comprises four main schemes, Assets in the Community, Area Action Partnerships Capital, Members Neighbourhoods Capital and Community Facilities in Crook.

20. The TAP capital programme has been revised to take into account the 2016/17 outturn position, where unspent budget was transferred from 2016/17. This increased the 2017/18 budget to £4.149m. Further revisions were approved at MOWG in June 2017 and the revised budget now stands at **£4.572m**.

21. Summary financial performance to the end of June is shown below:

Service	Original Annual Budget 2017/18 £000	Revised Annual Budget 2017/18 £000	Actual Spend to 30 June £000	Remaining Budget £000
Assets in the Community	1,018	1,018	82	936
Area Action Partnership	342	480	9	471
Members Neighbourhoods	2,378	2,665	273	2,392
Community Facilities Crook	344	344	337	7
AAP Initiatives	66	66	32	34
Total	4,149	4,572	733	3,840

22. Officers continue to carefully monitor capital expenditure on a monthly basis. £733,000 of actual expenditure has been incurred to date. This is 16% of the total estimated spend in the year.

23. At year end the actual outturn performance will be compared against the revised budgets and at that time service and project managers will need to account for any budget variance.

Recommendations:

24. The Corporate Overview and Scrutiny Management Board is requested to note the contents of this report.

Contact: Ian Herberson – Finance Manager

Tel: 03000 261861

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

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**Corporate Overview and
Scrutiny Management Board**



15 September 2017

Notice of Key Decisions

**Report of Corporate Management Team
Helen Lynch, Head of Legal and Democratic Services**

Purpose of the Report

- 1 To consider the list of key decisions that is scheduled to be considered by the Executive.

Background

- 2 New rules in relation to Executive decisions were introduced by The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, which came into force on 10 September 2012.
- 3 The regulations took away the requirement for the Executive to produce a Forward Plan of key decisions, however introduced that the decision maker cannot make a key decision unless a document has been published at least 28 clear days before the decision is taken, unless either a general exception or special urgency requirements have been met. The document which has to be published must state:
 - a) that the key decision is to be made on behalf of the relevant local authority
 - b) the matter in respect of which the decision is to be made
 - c) where the decision maker is an individual, that individual's name and title if any and where the decision maker is a decision making body, its name and list of its members
 - d) the date on which or the period within which the decision is to be made
 - e) a list of the document submitted to the decision maker for consideration in relation to the matter of which the key decision is to be made
 - f) the address from which, subject to any prohibition or restriction on their disclosure copies of, or extracts from any document listed as available

- g) that other documents relevant to those matters may be submitted to the decision maker
 - h) the procedure for requesting details of those documents (if any) as they become available.
- 4 The requirements also apply to an exempt matter as previously it did not strictly have to be included in the Forward Plan. Now a publicity document must contain particulars of the matter, but may not contain any confidential exempt information or particulars of the adviser or political adviser or assistant.
- 5 Notices of key decisions that are being produced meet the legal requirements of publication, as well as continuing to provide information for a four month period. Members will therefore be able to consider key decisions as previously for the four month period.

Current Notice of Key Decisions

- 6 The notice of key decisions that is attached to the report at Appendix 2, is the latest to be published prior to the papers for the Board being dispatched to members. The notice complies with the requirements for Cabinet to be able to take key decisions at the meeting on 13 September 2017. It also contained information on those key decisions that are currently scheduled to be considered by the Executive up to 31 December 2017.
- 7 The information in the Notice of Key Decisions provides the Overview and Scrutiny Management Board with the opportunity of considering whether it wishes to seek to influence any of these key decisions, or to request further information. Members are asked to note that this version of the Notice has been amended and includes a column which has been added to advise of the relevant Scrutiny activity.
- 8 In responding to the request of the previous Board for further information to be provided on any items that are removed from the previous notice without being considered by Cabinet, this information will be provided at the meeting.
- 9 If the Board wished to examine any of the key decisions, consideration would need to be given as to how this could be accommodated in the Overview and Scrutiny Work programme.

Recommendation

- 10 You are recommended to give consideration to items listed in the notice.

Contact: Ros Layfield, Committee, Member and Civic Services Manager
Tel: 03000 269708
Jenny Haworth, Head of Strategy, Transformations and Partnerships
Tel: 03000 268071

Appendix 1: Implications

Finance : Will be reflected in each individual key decision report to Cabinet.

Staffing: Will be reflected in each individual key decision report to Cabinet.

Risk: Will be reflected in each individual key decision report to Cabinet.

Equality and Diversity/ Public Sector Equality Duty: Will be reflected in each individual key decision report to Cabinet.

Accommodation: Will be reflected in each individual key decision report to Cabinet.

Crime and Disorder Will be reflected in each individual key decision report to Cabinet.

Human Rights: Will be reflected in each individual key decision report to Cabinet.

Consultation: Will be reflected in each individual key decision report to Cabinet.

Procurement: Will be reflected in each individual key decision report to Cabinet.

Disability Issues: Will be reflected in each individual key decision report to Cabinet.

Legal Implications: Will be reflected in each individual key decision report to Cabinet.

SECTION ONE - CORPORATE

Ref. No.	Date of Decision (i.e. date of Cabinet meeting)	Description of Decision to be Made	Background Documents	Lead Cabinet Member	Main Consultees & Means of Consultation	Contact details for further information	Scrutiny involvement
CORP/R/17/01	18-Oct-17	Strategy for School Provision in County Durham	Report to Cabinet 14/12/2016. Schools National Funding Formula and High Needs Funding Stage 2 Consultation: DCC Response	Cabinet Portfolio Holder for Finance and Cabinet Portfolio Holder for Children & Young People's Services	There will be a range of options that will need to be considered and therefore essential that the schools and local communities are fully involved in discussing long term plans for their schools. To ensure there is meaningful involvement and participation of all relevant stakeholders the local Area Action Partnerships will play a leading role in helping to support the relevant consultation processes	John Hewitt, Corporate Director of Resources, 03000 261943 and Margaret Whellans, Corporate Director of Children and Young People's Services 03000 222593	CYP OSC received a report on the National School Funding Formula Government Consutation stage 2 at its meeting on 27 Feb 2017. Members requested an update to a future meeting when the results of the consultation is known.

SECTION ONE - CORPORATE

CORP/R/17/02	18-Oct-17	2018/19 General Fund Revenue and Capital Budget MTFP 8, Council Plan & Service Plans	Report to Cabinet 12/07/2017	Leader of the Council and Cabinet Portfolio Holder for Finance	The public will be consulted as well as Area Action Partnerships. A broad range of partner organisations will also need to be consulted. A full consultation plan will be developed but methods could include on-line responses, AAP fora and partnership fora.	John Hewitt, Corporate Director of Resources, 03000 261943 and Lorraine O'Donnell, Director of Transformation & Partnerships 03000 268060	Scrutiny will have input into the formulation of MTFP 8 and provide member assurance into this development process.
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SECTION TWO - CHILDREN AND YOUNG PEOPLE'S SERVICES

Ref. No.	Date of Decision (i.e. date of Cabinet meeting)	Description of Decision to be Made	Background Documents	Lead Cabinet Member	Main Consultees & Means of Consultation	Contact details for further information
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SECTION THREE - ADULT AND HEALTH SERVICES

Ref. No.	Date of Decision (i.e. date of Cabinet meeting)	Description of Decision to be Made	Background Documents	Lead Cabinet Member	Main Consultees & Means of Consultation	Contact details for further information	Scrutiny Involvement
AHS/01/17	13/09/17	Drug and Alcohol Recovery Service Procurement		Cabinet Portfolio Holder for Adult and Health Services	Stakeholders consulted included Police, Probation, NHS Foundation Trusts, Youth Offending, CCGs, schools, GPs, Pharmacists and service users (adults, young people and families).	Amanda Healy, Director of Public Health for County Durham 03000 264323	Members of the SSC OSC held a Working Group meeting in November 2016 and provided a response to the Cabinet Member and Director of Public Health following consideration of initial information on proposals for re-procurement of the service.

SECTION FOUR - REGENERATION AND LOCAL SERVICES

Ref. No.	Date of Decision (i.e. date of Cabinet meeting)	Description of Decision to be Made	Background Documents	Lead Cabinet Member	Main Consultees & Means of Consultation	Contact details for further information	Scrutiny Involvement
ReaL/02/17	13/12/17	Aykley Heads SES Project Update		Cabinet Portfolio Holder for Economic Regeneration		Sarah Robson, Head of Economic Development and Housing 03000 267332	
ReaL/10/17	18/10/17	Durham City Sustainable Transport Strategy (Final)		Cabinet Portfolio Holder for Economic Regeneration		Stuart Timmiss, Head of Planning and Assets 03000 267334	

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Corporate Overview and Scrutiny Management Board

15 September 2017



Information update from the Chairs of the Overview and Scrutiny Committees

Report of Lorraine O'Donnell, Director of Transformation and Partnerships

Purpose of the Report

- 1 To present to Members an information update of overview and scrutiny activity from June 2017 – September 2017.

Background

- 2 It has previously been agreed that a written report of Chairs' updates would be presented for information only to all Corporate Overview and Scrutiny Management Boards. Members of the Corporate Overview and Scrutiny Management Board (COSMB) are encouraged to get involved in any area of Overview and Scrutiny activity via thematic committees and/or talk to Scrutiny Committee Chairs and OS Officers on areas of project/overview activity.

Updates

- 3 Updates from Overview and Scrutiny Committees are from 23 June 2017 – 15 September 2017.

Corporate Overview and Scrutiny Management Board (COSMB)

<i>Update on Previous Reviews</i>	There are no systematic reviews to report for this period.
<i>Scrutiny Review Activity</i>	<p>CRM Member portal – COSMB Members were invited to take part in a trial of the proposed Member portal:</p> <ul style="list-style-type: none"> • Two sessions were held on 26 July 2017 and 28 July 2017. Members in attendance received a demo and were given the opportunity to ask questions. The portal was attached to a device of their choice, phone/laptop, to be used over the summer period. • A feedback session took place on 12 September 2017 to receive Members' comments on use of the proposed Member portal.
<i>Overview reports/ Presentations</i>	<p>COSMB on 23 June 2017 received reports and presentations on:</p> <ul style="list-style-type: none"> • County Durham Partnership update • Customer Feedback, Complaints and Suggestions Q4 and Annual Representations report • Overview and Scrutiny Annual Report • Work Programme Refresh • Notice of Key Decisions • Petitions update.

Safer and Stronger Communities Overview and Scrutiny Committee (SSC OSC)

Update on Previous Reviews	SSC OSC on 26 June 2017 received an update on: <ul style="list-style-type: none"> • Review of alcohol and its demand on the Emergency services.
Scrutiny Review Activity	The Committee have agreed to undertake review activity on cybercrime and hold a focused meeting on arson and secondary deliberate fires.
Overview reports/ Presentations	SSC OSC on 26 June 2017 received reports and presentations on: <ul style="list-style-type: none"> • Open Water Safety • Activity of the Hate Crime Action Group • Domestic Abuse and Sexual Violence Plan on a Page • Work Programme Refresh • Safe Durham Partnership update.

Economy and Enterprise Overview and Scrutiny Committee (E & E OSC)

Update on Previous Reviews	There are no systematic reviews to report for this period.
Scrutiny Review Activity	There is no review activity to report for this period.
Overview reports/ Presentations	Economy and Enterprise OSC on 29 June received reports and presentations on: <ul style="list-style-type: none"> • County Durham Economic Partnership • Business Durham • Work Programme refresh • Minutes of the County Durham Economic Partnership.

Environment and Sustainable Communities Overview and Scrutiny Committee (Environment OSC)

Update on Previous Reviews	Environment OSC on 14 July 2017 received an update on the recommendations of: <ul style="list-style-type: none"> • Scrutiny review of Management of the Woodland Estate owned by Durham County Council.
Scrutiny Review Activity	There is no review activity to report for this period.
Overview reports/ Presentations	Environment OSC on 14 July 2017 received reports and presentations on: <ul style="list-style-type: none"> • Air Quality Management in County Durham County Council • Waste Programme • Refresh of the Work Programme • Minutes from the County Durham Environment Partnership Board.

Children and Young Peoples Overview and Scrutiny Committee (CYP OSC)

Update on Previous Reviews	CYP OSC on 4 July 2017 received an update on the recommendations of: <ul style="list-style-type: none"> Scrutiny review of Self Harm by Young People
Scrutiny Review Activity	There is no review activity to report for this period.
Overview reports/ Presentations	CYP OSC on 4 July 2017 received reports and presentations on: <ul style="list-style-type: none"> Care Quality Commission (CQC), Review of Health Service for Children Looked After and Safeguarding in County Durham Supporting Care Leavers into Education, Employment and Training Work Programme Refresh Summary of the Children and Families Partnership minutes. <p>A Special Meeting of CYP OSC on 11 September 2017 at Seaham High School received reports and presentations on:</p> <ul style="list-style-type: none"> Elective Home Education Management of Fixed Term Exclusions A Summary of School Ofsted Inspection results Student Voice Survey.

Adults, Well-being and Health Overview and Scrutiny Committee (AWH OSC)

Update on Previous Reviews	There are no systematic reviews to report on for this period.
Scrutiny Review Activity	The AWH OSC Review of Suicide Rates and Mental Health and Wellbeing in County Durham has completed its evidence gathering and a further meeting of the Review group will be held to identify key findings and recommendations prior to production of the review report.
Overview reports/ Presentations	AWH OSC on 7 July 2017 received reports and presentations on: <ul style="list-style-type: none"> NHS Commissioning update Proposed de-commissioning of Stroke Support Services across County Durham Director of Public Health Annual Report 2016/17 Durham, Darlington and Teesside, Hambleton, Richmondshire and Whitby STP Joint Health Scrutiny Committee NHS Foundation Trust 2016/17 Quality Accounts Work Programme Refresh.

Performance/Budget/Work Programme Reporting

- Information on both performance and outturn reports continue to be received and commented upon.

Regional Scrutiny

Better Health Programme – Joint Health Overview and Scrutiny Committee

- 5 The Better Health Programme (BHP) met on 10 July 2017. The agenda included:
- (a) Proposed re-designation of the Better Health Programme Joint Health Scrutiny Committee
 - (b) Better Health Programme update.

North East Combined Authority (NECA)

- 6 The Chair and Vice-Chair of COSMB and represented DCC on the NECA Overview and Scrutiny Committee at a meeting on 10 July 2017. The agenda included:
- (a) Terms of Reference for the Overview and Scrutiny Committee and Overview and Scrutiny Sub-Committee
 - (b) Forward Plan and Scrutiny Work Programme
 - (c) Transport Plan for the North East.

Recommendation

- 7 Members are invited to receive the report and note the information contained therein.

Background Papers: Previous committee reports/presentations.

Contact: Jenny Haworth Tel: 03000 268071

Appendix 1: Implications

Finance – N/A

Staffing – N/A

Risk – N/A

Equality and Diversity / Public Sector Equality Duty – N/A

Accommodation – N/A

Crime and Disorder – N/A

Human Rights – N/A

Consultation – N/A

Procurement – N/A

Disability Issues – N/A

Legal Implications – N/A

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