

BOROUGH OF BARROW-IN-FURNESS

EXECUTIVE COMMITTEE

Meeting, Wednesday, 26th March, 2014
at 2.00 p.m. (Committee Room No. 4)

NOTE: Group Meetings at 1.15 p.m.

A G E N D A

PART ONE

1. To note any items which the Chairman considers to be of an urgent nature.
2. To receive notice from Members who may wish to move any delegated matter non-delegated and which will be decided by a majority of Members present and voting at the meeting.

3. Admission of Public and Press

To consider whether the public and press should be excluded from the meeting during consideration of any of the items on the agenda.

4. Declarations of Interest

To receive declarations by Members and/or co-optees of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the revised Code of Conduct, they are required to declare any disclosable pecuniary interests or other registrable interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Members may however, also decide, in the interests of clarity and transparency, to declare at this point in the meeting, any such disclosable pecuniary interests which they have already declared in the Register, as well as any other registrable or other interests.

5. To confirm the Minutes of the meeting held on 19th February, 2014 (copy attached) (Pages 1-4).
6. Apologies for Absence/Attendance of Substitute Members.

FOR DECISION

- (D/R) 7. Recommendations of the Housing Management Forum, 27th February, 2014 (copy attached) (Pages 5-12).

- (D) 8. Financial Strategy Updates (Pages 13-14).
- (D) 9. Medium Term Financial Plan (Pages 15-16).
- (D) 10. Review of Property Conditions in the Private Rented Sector (Pages 17-20).
- (D) 11. Energy Company Obligation (ECO) (Pages 19-21).
- (D) 12. Cavendish House (Pages 22-23).
- (D) 13. Planning Policy - Annual Monitoring Report (AMR) and Housing Land Supply and Strategic Housing Land Availability Assessment Review (Pages 24-25).
- (R) 14. Customer Feedback/Complaints Policy (Pages 26-27).
- (D) 15. Fairtrade (Pages 28-29).

PART TWO

- (R) 16. Housing Business Support Regrades (Pages 30-32).

**NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 1 OF PART
ONE OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972
AND ACCESS TO INFORMATION (VARIATION) ORDER 2006**

**NOTE (D) - Delegated
(R) - For Referral to Council**

Membership of Committee Councillors

Pidduck (Chairman)
Sweeney (Vice-Chairman)
Barlow
Bell
Biggins
Garnett
Graham
Guselli
Hamilton
Irwin
Richardson
Seward

For queries regarding this agenda, please contact:

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EXECUTIVE COMMITTEE

Meeting: Wednesday 19th February, 2014
at 2.00 p.m.

PRESENT:- Councillors Pidduck (Chairman), Sweeney (Vice-Chairman), Barlow, Bell, Biggins, Garnett (Minute Nos. 110-114 and 120), Graham, Guselli, Hamilton and Seward.

110 – Declarations of Interest

Councillor Guselli declared a Disclosable Pecuniary Interest in Agenda Item No. 10, National Landlords' Association Accreditation Scheme (Minute No. 115), as he was a landlord. He left the meeting during consideration of this item. He also declared an Other Registrable Interest in Agenda Item No. 13 (Minute No. 118), Homelessness Strategy as he was a landlord.

111 – Minutes

The Minutes of the meeting held on 22nd January, 2014 were agreed as a correct record.

112 – Apologies for Absence

An apology for absence was received from Councillor Richardson.

113 – Council Finances Quarter 3 2013-2014

The Committee considered a detailed report of the Borough Treasurer regarding the Council's Finances for 2013-2014, as at the end of December 2013. The report included all revenue, capital and treasury items.

RESOLVED:- To note the report of the Borough Treasurer.

114 – Revised Local Development Scheme (LDS) and Planning Policy Update

The Executive Director informed the Committee that the 2004 Planning Act required Local Planning Authorities to prepare a Local Development Scheme (LDS). The LDS was intended to set out the targets for the stages of production of each of the relevant planning policy documents, identify the resources that would be required to ensure that the work was completed in accordance with the timetable and identify any risks that could result in delay.

The previous LDS had been published in January 2013 and there had been some slippage against the timetable that it set out.

The purpose of the report was to present a revised LDS for approval that illustrated the timetable for the production of the Council's Annual Monitoring Report, updated the Statement of Community Involvement and contained a single Local Plan document.

RESOLVED:- To agree the Revised Local Development Scheme and Planning Policy update which would take effect on 27th February, 2014.

115 – National Landlords’ Association Accreditation Scheme

The Executive Director informed the Committee that the Council had closed its Landlord Accreditation Scheme approximately two years ago. A number of other local authorities in Cumbria operated landlord accreditation schemes and were finding that they were not cost-effective. It was proposed that District Councils in Cumbria formally recognised the National Landlords’ Association (NLA) Accreditation Scheme. At present there were no practical implications for the Council, but general promotion of the scheme may help to spread good practice in the private rented sector.

RESOLVED:- To agree that the Council recognised the National Landlord’s Accreditation Scheme and authorised the Executive Director to sign up to the local authority agreement.

116 – Licensing Fees – Environmental Health

The Committee considered a report of the Executive Director that sets out the proposed locally set licensing fees based on full cost recovery, following a comprehensive review that had been carried out. The report also described the establishment of a self-financing Licensing Team.

RESOLVED:- (i) To note the proposed locally set licensing fees; and

(ii) To proceed with consultation on the local set licensing fees and refer to Council for approval on 8th April, 2014 with the consultation results included.

117 – Feasibility Study: Business Improvement District for Barrow

The Executive Director informed the Committee that it was proposed to commission a study into the feasibility of establishing a Business Improvement District for Barrow-in-Furness. The methodology proposed would have a strong emphasis on local business engagement and involve consulting with local businesses and organisations; analysis of findings; guidance on BID legislation and administration; analysis of BID levy and area options and preparation of a Final Report with recommendations.

RESOLVED:- To agree that Kolek Consulting be engaged to undertake a Study into the feasibility of establishing a Business Improvement District for Barrow at a fee of £3,840.

118 – Homelessness Strategy 2014-19

The Executive Director reminded the Committee that the Council was required to have a Homeless Strategy that described the actions it would take to tackle homelessness in its area.

Previously the Council had met that requirement by being a partner on the Cumbria Homeless Strategy.

As the Cumbria Strategy was now out of date, Officers had drafted a Strategy specific to the Council area.

The Committee considered a copy of the draft Strategy.

The Strategy had followed the relevant guidance and had looked at the levels of recent homelessness and reasons for people leaving their homes, what additional factors may impact on the issues in the foreseeable future and then included an action plan on proposed actions to respond.

In considering the draft, it was noted that the general approach was to work in co-operation with other agencies. Particular emphasis had been given on 'prevention' and recognition of the possibility of working closer with the private sector.

The Council received an annual grant of c.£93K which funded the delivery of much of the preventative work described. In addition, a grant of £20K had also been secured through the 'No Second Night Out' initiative to start looking to help non-statutory homeless applicants.

RESOLVED:- To agree the Homelessness Strategy 2014/19.

119 – Lease Arrangements for Cavendish Park

The Committee considered the circumstances which were required to transfer the lease on Cavendish Park playing fields, changing room and car park from Barrow Playing Fields Users Association to a newly formed body, Barrow Island Community Sports Trust.

Members were reminded that Barrow Island Community Trust had been established in 2012 as part of the Big Local programme set up by the Big Lottery Fund. That fund had awarded Barrow Island up to £1m which had to be spent over the next 10 years. Barrow Island Community Trust's Community Plan had an objective to improve sporting facilities and create a community centre. That plan had programmed £600k towards achieving that objective. Barrow Island Community Trust had recently established Barrow Island Community Sports Trust as the body to take the lease on Cavendish Park in order to invest the money in the facilities thereon.

The Barrow Playing Fields Users Association had agreed to surrender the lease on Cavendish Park because they recognised the benefit that the level of investment these changes would make. Barrow Playing Fields Users Association had expressed concern that they may find it more challenging to schedule local association football fixtures on the pitches which remained in their control.

The report recommended that Members approved the change in leasing arrangements for Cavendish Park, subject to some assurances being sought

regarding the capability of the newly formed Barrow Island Community Sports Trust to enter into a lease arrangement and any future liability which may rest with the Council connected to the improvements made possible by the Lottery Grant.

RESOLVED:- To approve the following, (subject to satisfactory answers to the assurances sought):-

- (i) The acceptance of the early surrender of the lease for all four playing field sites, (including Cavendish Park) from Barrow Playing Fields Users Association;
- (ii) The development of a new lease until 31st March, 2021 with BPFUA for the remaining three sites, to include a variation in the rent and grant arrangements based on the removal of the Cavendish Park Facilities;
- (iii) The development of a new 25 year lease with Barrow Island Community Sports Trust for Cavendish Park; and
- (iv) An agreement to waive the rent on Cavendish Park for an initial period of five years in consideration of the proposed investment to the facility.

REFERRED ITEMS

THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

120 – Marina Village, Future Development Options

The Executive Director reminded the Committee that its current policy was to pursue concurrent development of the residential and marina elements of Marina Village. The marina would require significant public sector funding and no timescale for its implementation could be given. He reported that there appeared to be an opportunity to put the residential elements of scheme, excluding land close to the marina, out to market providing that was done on a commercially pragmatic basis to reflect the risk in the house building market in Barrow.

RECOMMENDED:- To recommend the Council:-

- 1. To agree to market the residential element of the Marina Village site, excluding the waterfront land, in accordance with the process outlined in the report; and
- 2. To agree that the sum of £50,000 be allocated from reserves for that process.

The meeting ended at 3.10 p.m.

BOROUGH OF BARROW-IN-FURNESS

EXECUTIVE COMMITTEE

26th March, 2014

(D)/(R) AGENDA ITEM NO. 7

RECOMMENDATIONS

OF THE

HOUSING MANAGEMENT FORUM

27th February, 2014

***Subject to the protocol agreed by Council**

The recommendations of the meeting of the Housing Management Forum held on 27th February, 2014 are attached.

COPIES OF THE DETAILED REPORTS ON THESE ITEMS HAVE BEEN CIRCULATED PREVIOUSLY TO ALL MEMBERS OF THE COUNCIL.

The Council has agreed that the following protocol should operate:-

- The Executive Committee shall automatically agree any such recommendation or refer it back for further consideration.
- If on re-submission the Executive Committee is still unwilling to approve the recommendation, it is automatically referred to full Council for decision.

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 27th February, 2014	(i)
Reporting Officer: Colin Garnett, Housing Manager	
<p>Title: Housing Maintenance Investment Programme 2014/15</p> <p>Summary and Conclusions:</p> <p>The purpose of the report was to update Members on progress against targets, provide Members with a proposed Delivery Plan and update Members on associated matters for consideration and approval.</p> <p>Recommendations:</p> <p>To agree the following:-</p> <ol style="list-style-type: none"> 1. Note the proposed investment works and basis on which properties had been identified in the report shown at Appendix A of the report; 2. Note change of budget headings from originally agreed budget as follows: <ul style="list-style-type: none"> - Repointing to External Fabric Repairs - Fencing to Public Space/External Maintenance 3. Agree external support be engaged as necessary to ensure delivery of the programme and the cost met from the specific budget area; and 4. Where there was an option to deliver new areas of work through Cumbria Housing Partners' Framework. 	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 27th February, 2014	(ii)
Reporting Officer: Colin Garnett, Housing Manager	
<p>Title: Housing Maintenance Contract 2011/15</p> <p>Summary and Conclusions:</p> <p>The purpose of the report was to seek approval to commence a market testing exercise to establish the likely interest in the contract should it be necessary to go through a procurement process to award a new contract.</p> <p>Recommendations:</p> <p>To agree a market testing exercise to be completed and delegate the Housing Manager to appoint a suitably qualified adviser.</p>	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 27th February, 2014	(iii)
Reporting Officer: Colin Garnett, Housing Manager	
<p>Title: Adelphi Court, Barrow</p> <p>Summary and Conclusions:</p> <p>The purpose of the report was to consider the future use of Adelphi Court to meet identified housing need in the Borough.</p> <p>Recommendations:</p> <p>To agree the following:-</p> <ol style="list-style-type: none"> 1. Agree proposals to use the flats for supported housing for applicants/residents with mental health difficulties; 2. Agree a deadline for the completion of a workable proposal to be set at 30th April, 2014 for agreement by this Forum; and 3. Should a workable proposal not be available by the date proposed the flats be offered for letting to meet general housing need but flexibility be adopted on the 'first lettings' to try and achieve a more stable community. 	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 27th February, 2014	(iv)
Reporting Officer: Colin Garnett, Housing Manager	
<p>Title: Community Alarms Service</p> <p>Summary and Conclusions:</p> <p>The purpose of the report was to provide Members with an update on the current position with the Community Alarms Service.</p> <p>Recommendations:</p> <p>To agree the following:-</p> <ol style="list-style-type: none"> 1. Note information provided including reference to the contract arrangement with Carlisle Housing Association; 2. Agree the Housing Service continued to provide equipment from stock for existing customers with a move towards dispersed alarms replacing the old 'hard wired' system whilst receiving Supporting People funding; 3. Agree referral of any new customers to either: <ul style="list-style-type: none"> - Adult Social Care – for assessment for Telecare services; or - Community Alarms South Lakeland – 24 hour monitoring service; and 4. Agree disconnection and removal of UAC box from pervious warden's property in Dalton once all properties had a dispersed alarm in place. 	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 27th February, 2014	(v)
Reporting Officer: Colin Garnett, Housing Manager	
<p>Title: Cumbria Probation Trust – Community Payback</p> <p>Summary and Conclusions:</p> <p>The purpose of the report was to seek agreement for a Memorandum of Understanding to formalise the arrangement with Cumbria Probation Trust (CPT) to provide fencing for tenants on Council estates through the Community Payback arrangement.</p> <p>Recommendations:</p> <p>To agree the Memorandum of Understanding.</p>	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 27th February, 2014	(vi)
Reporting Officer: Colin Garnett, Housing Manager	
<p>Title: Key Tasks for the Housing Service 2014/15</p> <p>Summary and Conclusions:</p> <p>The purpose of the report was to review the Key Tasks of the Housing Service for 2013/14 and agree areas of work for 2014/15.</p> <p>Recommendations:</p> <p>To agree the following:-</p> <ol style="list-style-type: none"> 1. Note information on progress and additional comments regarding outstanding tasks; and 2. To agree proposed Key Tasks for 2014/15 and note comments regarding the likely influences on the service during the year. 	

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 8
Date of Meeting:	26th March, 2014	
Reporting Officer:	Borough Treasurer	
<p>Title: Financial Strategy Updates</p> <p>Summary and Conclusions:</p> <p>This report provides an update on the Council's Value For Money Strategy and Capital Strategy documents.</p> <p>Recommendations:</p> <p>To approve the amendments noted in the report of the Borough Treasurer.</p>		

Report

The Council's policies and strategies are set by the Full Council. Policies typically form part of the system of internal control and will generally be referred to Full Council from the Audit Committee; unless they are delegated decisions. Strategies are referred to Full Council upon the recommendation of the Executive Committee.

This report does not alter the Council's strategies, so it is not referred to Full Council. The report sets out some necessary amendments to keep the strategy documents up to date as part of their annual review.

The Council's Value For Money Strategy (**Appendix 1**) has been updated to reflect the Council's Priorities adopted on 21st January, 2014. The annual review has also made amendments to the 'Achieving VFM' paragraph to remove the reference to any particular Medium Term Financial Plan – the Value For Money Strategy applies to all financial plans of the Council.

The Council's Capital Strategy (**Appendix 2**) has been updated reflect the Council's Priorities adopted on 21st January, 2014. The annual review has also removed the reference to particular years. The Capital Strategy applies to all Capital Programmes until the strategic direction is changed by Full Council.

(i) **Legal Implications**

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The recommendation has no financial implications. These strategies guide the financial decision making of the Council.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil.

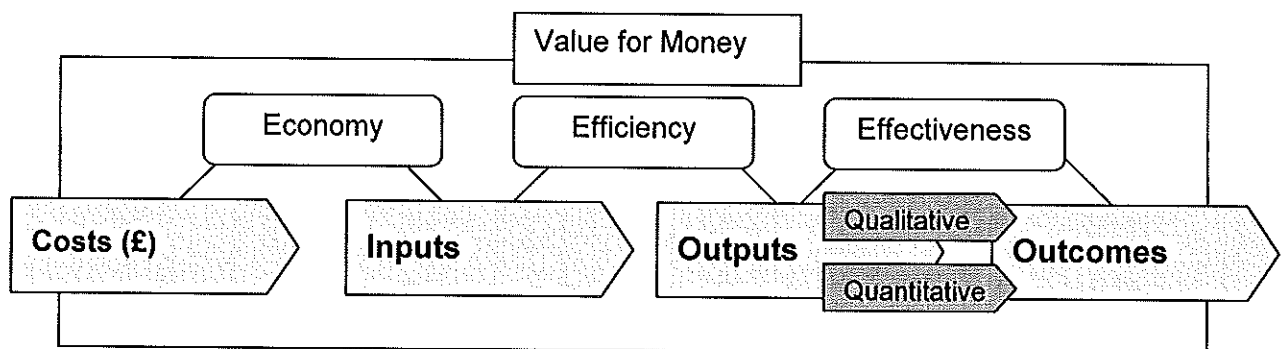


Value for Money Strategy

Introduction

Value For Money (VFM) can be defined as the relationship between Economy, Efficiency and Effectiveness. It is a term used to assess whether an organisation has obtained the maximum benefit from the goods and services it procures and provides within the constraint of limited resources facing the Council.

The VFM Strategy for Barrow Borough Council is not to spend as much (Economy), to spend it well and not wastefully (Efficiency) and to spend it wisely on what is needed (Effectiveness) to achieve the Council's Priorities.



There are three recognised ways of efficiency savings and therefore VFM by:

- Reducing inputs of resources whilst maintaining the same level of service delivery.
- Improving the level of service delivery whilst maintaining the same level of resources input.
- Improving the level of service delivery by a higher proportion than an increase in the level of resources input; investing for results.

VFM is therefore not about reducing the level of service delivery or providing less quality services.

VFM remains a major consideration for decision makers in providing quality public services. It is also a cornerstone of the concept of public accountability.

In delivering the Priorities the Council is committed to achieving VFM in all aspects of its activities.



Value for Money Strategy

Council Priorities

Housing: The Council is committed to continuing to provide a greater choice of good quality housing and regenerate the oldest and poorest housing in the Borough.

Regeneration and Public Realm: The Council is committed to working with partners and service providers to enhance the built environment and public realm.

Local Economy: The Council is committed to work on mitigating the effects of cuts in public spending, their impact on the local economy and working to secure a long term economic recovery for our community.

Service Delivery: The Council strives to provide good quality, efficient and effective services while reducing overall expenditure.

Raising Awareness

To realise VFM as an organisation, raising awareness is vitally important and this is achieved by:

- Publishing the VFM Strategy on the Council's Intranet and Internet.
- Following best practice and continually reviewing business processes.
- Making the best use of the Council's assets and resources.
- In preparing budget estimates, Heads of Service are encouraged to consider VFM and efficiencies when setting their spending plans.
- Ensuring that the Council's Purchasing Procedure is adhered to.
- Setting appropriate and robust Contract Standing Orders.
- Invest to save projects.

Achieving VFM

The Council's Medium Term Financial Plan includes allowance for various items that are known to increase over time, including contractual inflation. However, there is an expectation that efficiency savings will be realised over the term of the Plan in order to fund those items that increase over time but are less predictable or certain and those items identified but not yet built into the Plan.



Capital Strategy

Introduction

The purpose of this document is to show how the Capital Strategy determines the process for retaining and maintaining properties in the asset base and how capital projects are included in the Capital Programme in a rational and objective manner which maximises the contribution of the Capital Programme towards the achievement of the Council's Priorities.

In terms of volume, the majority of the Council's assets are the Housing Revenue Account dwellings. Day to day maintenance and any plans for improvements are incorporated into the Housing Revenue Account Business Plan. This covers a 30-year period and is updated annually.

Barrow Borough Council's Vision

To enhance the economic and social future of the Borough to meet the needs and aspirations of the community through:

- The Council continues to support delivery of its vision and has reorganised itself into a more efficient organisation focussing on strategic improvements to deliver better value to our customers.
- One of the Council's main objectives must be to achieve a balanced budget through an effective and responsible deficit reduction strategy to provide a sustainable platform to deliver our priorities. To this end we have identified the Council's priorities for 2013-2016 as:
 - **Housing:** The Council is committed to continuing to provide a greater choice of good quality housing and regenerate the oldest and poorest housing in the Borough.
 - **Regeneration and Public Realm:** The Council is committed to working with partners and service providers to enhance the built environment and public realm.
 - **Local Economy:** The Council is committed to work on mitigating the effects of cuts in public spending, their impact on the local economy and working to secure a long term economic recovery for our community.
 - **Service Delivery:** The Council strives to provide good quality, efficient and effective services while reducing overall expenditure.



Capital Strategy

These Priorities will be used as the basis for all future business planning and to direct the activity of any spare capacity and resources.

The Priorities do not feature equally in the capital strategy because some objectives incur predominately ongoing revenue costs.

The Capital Programme is related to the Council's Priorities as follows:

Council Priority	Capital Programme elements
The Council is committed to continuing to provide a greater choice of good quality housing and regenerate the oldest and poorest housing in the Borough.	Public housing Private housing Housing market renewal
The Council is committed to working with partners and service providers to enhance the built environment and public realm.	Housing market renewal Public buildings Other public assets Community initiatives
The Council is committed to work on mitigating the effects of cuts in public spending, their impact on the local economy and working to secure a long term economic recovery for our community.	Public buildings Other public assets
The Council strives to provide good quality, efficient and effective services while reducing overall expenditure.	Public buildings Other public assets

Resource Allocation

The Government introduced a new system for the management of capital finance in 2004-2005 contained in The Local Authorities (Capital Finance and Accounting) Regulations (2003), which became operative from 1st April 2004. The act sets out a new financial power for local authorities to use unsupported prudential borrowing for capital investment provided that the Council can afford the revenue consequences of any proposed borrowing. The key objectives of the prudential system are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. Under the regulations local authorities have been given the freedom to determine the amount of external borrowing they are prepared to undertake when considering their own capital spending and financing decisions.

At the outset of each Capital Programme planning cycle, the level of resources available to fund the Programme is reassessed in light of the most recent information. The current Programme is then reviewed to establish the level of resources needed to fund the committed Programme. This information is then used to establish the resources available to fund new schemes.



Capital Strategy

It is the Council's policy to maximise capital receipts through a review of existing property use. A rigorous approach has been adopted to the identification and disposal of surplus assets that are no longer required to meet the Priorities of the Council. Management Board annually considers the property portfolio and identifies property for sale. The Council views this as the most cost effective way to finance the Capital Programme.

The Council has been very successful at securing external funding from the Government and private sources, to achieve the delivery of its Capital Programme. The Council has been able to fund the majority of its Capital Programme from external funding in previous years.

For externally funded projects, the Council's policy is not to include schemes in the overall Programme until such time as the sources of funding have been confirmed. This is specifically to address issues over slippage within the Programme and to avoid the Council entering into an open-ended commitment which then deprives other important schemes of resources. However, it is vital that when such schemes have secured sufficient partner funding, that the Council has the capability to fund its share of the overall scheme cost and can add such schemes to the Programme if it desires.

Getting value for money is a priority for the Council and the Capital Programme should provide high quality, value for money public services. The Council recognises that best value is based on whole life costs and therefore the on-going revenue implications of capital spend are identified when bids for capital resources are assessed and when schemes are approved; when a new capital project is proposed any impact on revenue expenditure is anticipated and costed. These revenue costs are used to inform the revenue budget planning process and are considered alongside other priorities in the revenue budget when the overall budget is set.

In order to ensure that resources available for capital investment are used efficiently and effectively, the Council prioritises all capital projects in line with its Priorities, available resources and longer term revenue savings. This is achieved by the submission of bids for capital resources being appraised by the Capital Working Group which includes Management Team, for their consideration and comment. There is an Appraisal Request form and Bid Guidance Notes for managers to use. This process includes all elements of Capital Investment apart from planned housing maintenance.

The resulting draft Programme is then reported to the Executive Committee to make the decision as to the final Programme, in relation to the resources available. This is then subject to the Council's ratification.



Capital Strategy

Managing and Monitoring the Capital Programme

Detailed management, monitoring and review in terms of both the delivery of outcomes, Priorities and financial performance are the responsibility of the Capital Working Group, working in conjunction with the responsible manager. Progress reports incorporating any recommended variations to the Programme are presented to the Capital Working Group and the Executive Committee. Any 'learning' arising from the monitoring/review process is used to inform the strategy on an ongoing basis. The Council's Financial Regulations and Contract Standing Orders stipulate how the financial aspects of the Capital Programme and each capital scheme should be managed and the Capital Working Group ensures compliance with these requirements.

Barrow Borough Council is committed to consulting with the community, its partners and service users on the key issues affecting the quality of life in Barrow-in-Furness. It has always been important to ensure that resources and services are designed, delivered and improved to meet the changing needs and expectations of our community, our partners and our service users. To achieve this commitment the Council consults and involves the community on any major or controversial capital schemes and makes its policies, decisions and services accessible to comment from residents, businesses, agencies and major partners.

Revising the Capital Strategy

The Capital Strategy is reviewed annually to ensure it remains valid. The Council reviews the allocation of its Capital Resources on an annual basis to ensure that its Programme of investment is in line with the actual resources available to support its spending needs and priorities.

Summary

The Council will continue to prioritise its capital spending in line with its Priorities and other criteria. New and innovative ways of increasing capital finance and funding will continue to be explored. The Council will annually review its approach to capital expenditure having regard to outcomes of Service Reviews and Inspections, and outcomes of the Capital Programme.

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 9
Date of Meeting:	26th March, 2014	
Reporting Officer:	Borough Treasurer	
<p>Title: Medium Term Financial Plan 2014-2015 to 2016-2017</p> <p>Summary and Conclusions:</p> <p>The Medium Term Financial Plan incorporates the Council's Priorities, the Budget Strategy – Deficit Reduction, the budget setting process and Council Tax setting information. The Medium Term Financial Strategy is to continue the Budget Strategy's aim of eliminating the deficit in the core budget. This will require the continued use of reserves to set the pace of change and achieve long term financial resilience.</p> <p>Recommendations:</p> <p>To note the report of the Borough Treasurer.</p>		

Report

The Medium Term Financial Plan for 2014-2015 to 2016-2017 is attached at **Appendix 3**.

The Medium Term Financial Plan is based on the approved 2014-2015 budgets. The Plan contains projections for medium term to 2016-2017 and headline longer term projections to 2019-2020. The further into the future projections are made, the more uncertain they are. The assumptions made for each year are set out in the plan.

To summarise the Medium Term Financial Plan for General Fund, the use of reserves to control the pace of change will continue beyond the Budget Strategy period. The projections for 2015-2016 are based on a decrease in Government funding equivalent to a reduction in Revenue Spending Power of 6.9%; although the cap is not yet set. No further reductions in Government funding have been included.

Reserves will fund the budget deficit for the years to 2017-2018. The longer term budget deficit remains to be eliminated. Any actions taken early, will allow reserves to be retained and potentially used over a longer period.

The projection for 2015-2016, the end of the current Budget Strategy, shows a deficit of £595k, however without the reduction in Government funding the deficit

would be £275k; this is attributable to consideration of leisure trusts moving back a year and the lack of anticipated growth from economic recovery. Members should note that this would have made the achievement of the £5m Budget Strategy, £4.7m so far. The Budget Strategy still has two years to run; 2014-2015 and 2015-2016, so the £5m can still be achieved.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The risks are set out within the Plan.

(iii) Financial Implications

The financial implications are set out in the Plan.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil.



Medium Term Financial Plan 2014-2015 to 2016-2017

A. Introduction

Financial planning is a key tool for strategic management and is an aid to operational decision making. Without financial planning the Council would be unlikely to achieve its Key Priorities or make the best use of its resources.

The Medium Term Financial Plan (MTFP) is a financial representation of the Council's Vision and supports its' Key Priorities. The Council's Vision is to enhance the economic and social future of the Borough to meet the needs and aspirations of the community.

The Priorities of the Council are:

Housing: The Council is committed to continuing to provide a greater choice of good quality housing and regenerate the oldest and poorest housing in the Borough.

Regeneration and Public Realm: The Council is committed to working with partners and service providers to enhance the built environment and public realm.

Local Economy: The Council is committed to work on mitigating the effects of cuts in public spending, their impact on the local economy and working to secure a long term economic recovery for our community.

Service Delivery: The Council strives to provide good quality, efficient and effective services while reducing overall expenditure.

This MTFP covers the period from 2014-2015 to 2016-2017. The level of Government support for the Council is only known for 2014-2015.

The Medium Term Financial Strategy is to continue the Budget Strategy's aim of eliminating the deficit in the core budget. This will require the continued use of reserves to set the pace of change and achieve long term financial resilience.



Medium Term Financial Plan **2014-2015 to 2016-2017**

B. Planning process

To ensure a robust and achievable Medium Term Financial Plan is established, the planning process covered a number of key aspects:

Leadership – leading Members and the Management Board demonstrate strong leadership of finances and strategic direction.

Priorities – the Medium Term Financial Plan reflects the Council's Vision which is supported by its' Priorities.

Ownership – the Director of Resources produces and updates the Medium Term Financial Plan.

Achievement – the Director of Resources will monitor adherence to the Medium Term Financial Plan and will quantify and report any significant deviation to the Executive Committee and Management Board.

Risk management – the Medium Term Financial Plan includes a section setting out the financial implications of the inherent risks.

Efficiencies – the Management Board will continue to pursue efficiencies and eliminate these from the core budget. This is an on-going process.

Completeness – the Medium Term Financial Plan incorporates the Council's Priorities, the Budget Strategy – Deficit Reduction, the Council's Budget Setting process for revenue, capital and treasury management, and the Council Tax setting.



Medium Term Financial Plan 2014-2015 to 2016-2017

C. The funding gap

The Government support for the Council for 2010-2011 was £9.1 million. For 2015-2016 the Government support is estimated to be £5.3 million.

Compared to 2010-2011, the settlement now includes around £1 million of funding for items not included in the main settlement in 2010-2011; excluding these additional items, the £4.3 million estimated settlement for 2016-2016 is £4.8 million lower in cash terms than the 2010-2011 settlement, a reduction of 53%.

As the financing available for the Council reduces, so must the net expenditure. The balanced budget that is required for the Council uses specific items in determining the Total Revenue Financing. The Total Revenue Financing must be balanced, or matched to the Net Revenue Budget – this is the money spent delivering services.

The items included in Total Revenue Financing are:

- Government Financial Settlement;
- Other general Government grant – these are not ring-fenced, which means that they are not tied to a particular service. If they were for a specific service, they would be netted off against the running costs of that service.
- Council Tax; and
- Any surplus or deficit from preceding years Collection Fund – this is the over or under recovery of Council Tax from the last complete financial year, as at the time the budget is set.

For 2014-2015, the Total Revenue Financing adds up to £10.6 million:

- Government Financial Settlement £5.9 million;
- Other general Government grants £0.7 million;
- Council Tax £4 million (including precepts and collection fund).

The Net Revenue Budget must therefore be £10.6 million to have a balanced budget.

Under the Local Government Finance Act 1992, the Council is charged with setting a balanced budget by the 11th March of the preceding financial year.

Medium Term Financial Plan 2014-2015 to 2016-2017

D. Budget Strategy – Deficit Reduction

Forecasting the Council's budget at the time of the Budget Strategy produced a cumulative deficit of £5,013k unless corrective action was taken. This is still a valid baseline for comparing the reduction going forward:

	2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000	2015-16 £000
Staff pay	5,641	6,100	6,273	6,449	6,595
Other costs	11,742	12,025	12,307	12,603	12,912
Benefits net of subsidy	122	122	122	122	122
External income	(7,176)	(7,201)	(7,201)	(7,201)	(7,201)
Internal income	(985)	(988)	(992)	(992)	(992)
Treasury items	1,532	1,609	1,752	1,848	1,944
Pension costs	1,085	1,145	1,208	1,274	1,340
Use of reserves	46	46	46	46	46
Net Revenue Budget	12,007	12,858	13,515	14,149	14,766
Government support	(7,077)	(6,205)	(5,487)	(4,852)	(4,949)
Council Tax	(4,341)	(4,461)	(4,572)	(4,686)	(4,804)
Total Revenue Financing	(11,418)	(10,666)	(10,059)	(9,538)	(9,753)
Deficit on the year	589	2,192	3,456	4,611	5,013
Restructuring Reserve	(589)				
Net deficit	0				

The Budget Strategy, to balance the General Fund budget by 2015-2016, was endorsed by Full Council on the 24th January 2012.

The Budget Strategy identified 5 key components that would drive the Net Revenue Budget down to match the revenue financing available:

1. Prudent use of balances;
2. Efficiency measures;
3. Reduce staffing costs;
4. Increasing income; and
5. Service reductions.

The current forecast for 2015-2016 without any reduction in Government support is a deficit of £0.3m; this is not balanced as the consideration of Trust status has been moved back a year and the anticipated growth from economic recovery has not fully materialised. Reductions in other items have mitigated some of the economic recovery impacts.



Medium Term Financial Plan 2014-2015 to 2016-2017

E. General Fund revenue budget

The 2014-2015 General Fund revenue budget incorporates the continuation of the components identified in the Budget Strategy – Deficit Reduction policy paper and refines items where more up to date information has become available.

The 2014-2015 budget was approved by Full Council on the 4th March, 2014 was:

	2014-15 £000
Staff pay	4,677
Other costs	11,539
Benefits net of subsidy	73
External income	(6,859)
Internal income	(736)
Treasury items	1,496
Pension costs	1,135
Use of reserves	(203)
Net Revenue Budget	11,122
Government support	(5,901)
Government grants	(747)
Council Tax	(3,991)
Total Revenue Financing	(10,639)
Net shortfall	483
Budget support	(483)
Needed from reserves	-

The net shortfall has been met from the Budget Setting Support reserve.

Medium Term Financial Plan 2014-2015 to 2016-2017

2015-2016 Projection

The projection for 2015-2016 incorporates the following changes against the 2014-2015 budget:

- 1% pay award and natural increments.
- Savings from the waste management and street cleansing contracts as the Weekly Collection Support Scheme grant ends in 2014-2015.
- Income from:
 - Fees and charges;
 - 1.9% council tax increase;
 - External interest earned on temporarily surplus cash; and
 - Cumbria Business Rates Pool.
- 6.9% reduction in Revenue Spending Power.

	Projection 2015-2016 £000
Staff pay	4,713
Other costs	11,156
Benefits net of subsidy	73
External income	(6,912)
Internal income	(803)
Treasury items	1,468
Pension costs	1,182
Use of reserves	12
Net Revenue Budget	10,889
Government support	(5,862)
Government grants	(480)
Council Tax	(3,952)
Total Revenue Financing	(10,294)
Net shortfall	595
Budget support	(595)
Needed from reserves	-

These projections are based on the 2014-2015 settlement, reduced by 6.9% of Revenue Spending Power. The funding cap is not yet set and may change. The illustrative Government support has not been used for this projection; this would increase the net shortfall by £700k.

Medium Term Financial Plan 2014-2015 to 2016-2017

2016-2017 Projections

The projection for 2016-2017 incorporates the following changes against the 2015-2016 budget:

- 1% pay award and natural increments.
- The removal of the Neighbourhood Management Team.
- Savings from the Dock Museum, Forum and Park Leisure Centre going into a Trust.
- Income from:
 - Fees and charges;
 - 1.9% council tax increase; and
 - External interest earned on temporarily surplus cash.

	Budget 2016-2017 £000
Staff pay	4,696
Other costs	11,165
Benefits net of subsidy	73
External income	(6,992)
Internal income	(811)
Treasury items	1,447
Pension costs	1,230
Use of reserves	21
Net Revenue Budget	10,829
Government support	(5,264)
Government grants	(480)
Council Tax	(4,027)
Total Revenue Financing	(9,771)
Net shortfall	1,058
Needed from reserves	(1,058)

The Budget Setting support reserve ran to the end of the Budget Strategy, 2015-2016. The shortfall in 2016-2017 can be funded from the Restructuring reserve.

These projections are based on the Government funding levels of 2015-2016.

Medium Term Financial Plan 2014-2015 to 2016-2017

F. Looking ahead

Projecting the budget out further, to identify the longer term deficit, give the following headline figures:

	Budget 2017-2018 £000	Budget 2018-2019 £000	Budget 2019-2020 £000
Net Revenue Budget	11,033	10,677	10,235
Total Revenue Financing	(9,787)	(9,949)	(10,118)
Net shortfall	1,246	728	117
Needed from reserves	(1,246)	(728)	(117)

These projections incorporate the following changes against the 2016-2017 budget:

- 1% pay award and natural increments.
- Income from:
 - Fees and charges;
 - 1.9% council tax increase; and
 - External interest earned on temporarily surplus cash.
- No new borrowing for capital.
- Impacts from Housing Benefit responsibilities ending.
- Natural contracted services changes.

The reserves available to fund this position are not sufficient into the longer term. Any actions to secure savings early will allow reserves to be retained and able to support the Council in the longer term. Reserves are the only tool that the Council has to set the pace of changes to the organisation:

	Reserves £000	Balance £000	
Balance at 31/3/2015		3,276	
Required for 2015-2016	(595)	2,681	
Required for 2016-2017	(1,058)	1,623	
Required for 2017-2018	(1,246)	377	
Required for 2018-2019	(728)	(351)	Insufficient reserves
Required for 2019-2020	117	(468)	Insufficient reserves



Medium Term Financial Plan **2014-2015 to 2016-2017**

F. Council Tax

The Council Tax for 2014-2015 was set by Full Council on the 4th March, 2014. The Barrow Borough Council demand on the Collection Fund to meet the 2014-2015 General Fund budget was set at £3,877,910.

Across the whole Borough, the chargeable dwellings are split over the Council Tax bands as follows:

Band	2014-2015	Split
A	18,774	58%
B	5,311	17%
C	4,512	14%
D	2,238	7%
E	948	3%
F	229	1%
G	71	-
H	1	-
Total	32,084	100%

Each £1 of the unparished Council Tax bill belongs to:

- Cumbria County Council 73 pence;
- the Police Authority 13 pence; and,
- Barrow Borough Council 14 pence.



Medium Term Financial Plan **2014-2015 to 2016-2017**

G. Budget assumptions

The assumptions used in forecasting the 2014-2015 budget and beyond have been applied to each year:

- Staff pay awards 1%
- Employer national insurance contributions 6.6%
- Employer pension contributions for current staff 13.4%

- Grounds maintenance contract 3.2%
- Refuse, recycling and street cleaning contract 2%
- Revenues, benefits and customer services contract 3.2%

- Electricity and gas charges 5%
- Water charges 2.9%

- Discretionary income price increases 2.5%

- Interest earned on temporary deposits increasing 0.01% a year

- No new loans taken out

- Government support reducing 6.9% of Revenue Spending Power for 2015-2016 and remaining at that level for the rest of the Plan

- Council Tax increase 1.9%



Medium Term Financial Plan **2014-2015 to 2016-2017**

H. Risk

Estimates contain an element of risk from items such as inflation, the financial markets, Government support, customer demand and the anticipation of future events:

- Staff pay
 - Regrading scheme opened in February 2014.
 - 1% pay award may be insufficient.
 - Employers pension contributions for current staff at 13.4% may be insufficient.
 - Employers' national insurance contributions at 6.6% may be insufficient.
- Utility costs
 - The usage and costs of gas and electricity may be estimated too low.
 - The costs of NNDR and water rates may be estimated too low.
- Supplies and services
 - Professional fees set to reflect the reduced establishment may be insufficient.
 - Further efficiency savings from discretionary headings may not be possible.
- Contracted services
 - Inflation on contracted services may be insufficient.
 - Building cleaning contract due to be tendered during this MTFP.
 - All contracts with inflation automatically applied are a risk to sustainability.
- External income
 - The anticipated increase in income generation may not materialise.
 - All fees and charges are expected to increase by at least 2.5% year on year in the MTFP.
- Corporate items
 - Interest rate fluctuations.
 - Cost of new borrowing.
 - The estimated pension costs for previous employees may be insufficient – the next triennial valuation will be for the financial years 2017-2018 to 2019-2020.
- Funding
 - Government support may be lower than estimated.
- Other items not yet built into the MTFP:
 - Elements of Welfare Reform; and
 - Retention of Business Rates.



Medium Term Financial Plan 2014-2015 to 2016-2017

I. Sensitivity

The following list quantifies the larger MTFP risks and 1% sensitivity has been applied to illustrate the potential impact on the MTFP and provide an indication on the level of reserves that the Council should hold to mitigate these:

- Staff pay
 - Each additional 1% pay award may cost **£50k** per year.
 - Each additional 1% employers' pension contributions for current staff may cost **£40k** per year.
 - Each additional 1% employers' national insurance contributions may cost **£40k** per year.
- Utility costs
 - Each additional 1% spend on utility costs may cost **£15k** per year.
- Contracted services
 - Each additional 1% inflation on contracted services may cost **£60k** per year.
- External income
 - Each 1% increase in fees and charges less than anticipated may cost **£30k** per year.
- Corporate items
 - Each 1% increase in interest rates may cost **£10k** per year (per £1m).
 - Each additional 1% spend on pension costs for previous employees may cost **£15k** per year.
- Funding
 - Each 1% of Government support less than anticipated (in cash terms) may cost **£60k** per year.
 - Each 1% of Council Tax increases less than anticipated may cost **£40k** per year.

Applying a 1% adverse variance on these items produces a **£360k** shortfall on the MTFP each year, with the three years of the Budget Strategy totalling **£1,080k**.

Medium Term Financial Plan 2014-2015 to 2016-2017

J. Capital

The Capital Programme and Financing for 2014-2015 to 2016-2017 was approved at Full Council on the 4th March, 2013.

The Capital Programme includes financing from borrowing as shown below, the costs of financing are included in the General Fund revenue budget. There is a shortfall in the level of usable capital receipts which is explained after the table:

	2014-2015 £000	2015-2016 £000	2016-2017 £000
Investment			
Public housing	1,834	1,878	2,094
Private housing	600	600	600
Housing market renewal	135	-	-
Public buildings	216	95	-
Other public assets	365	100	100
Community initiatives	183	-	-
Retentions	25	25	25
Asset investment fund	250	250	255
Total	3,608	2,948	3,074
Financing			
Major repairs reserve	1,834	1,878	2,094
Grants and contributions	807	399	399
Borrowing	435	390	500
Reserves	30	-	-
Capital receipts	502	281	281
Total	3,608	2,948	3,074

The programme requires £626k of usable capital receipts to be fully funded. The projects in future years will not be commissioned until sufficient funding is in place as usual.

Capital receipts are closely monitored as the proposed capital programme is reliant on usable capital receipts for financing each year. Where capital receipts are not achieved, projects will be reviewed and prioritised against the financing available.



Medium Term Financial Plan **2014-2015 to 2016-2017**

K. Treasury

The Treasury Management Strategy for 2014-2015 was approved by Full Council on the 4th March, 2014. This Strategy sets out the Prudential Indicators that control all of the Council's treasury activities, the borrowing strategy, the annual investment strategy and credit and counterparty risk management. The borrowing requirements of the Capital Programme are included in the Treasury Management Strategy.

CIPFA defines treasury management as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Council is required to set the maximum level of debt, beyond which external debt is prohibited. This limit can only be set or revised by Full Council. This Prudential Indicator is the Authorised Limit for External Debt; the limit and the expected external debt is shown below:

	2014-2015	2015-2016	2016-2017
	£m	£m	£m
Authorised Limit	55.0	55.0	55.0
External debt	39.5	39.5	39.5

Medium Term Financial Plan 2014-2015 to 2016-2017

L. Reserves and Balances

The projected reserves and balances at the 31st March, 2015 are:

Reserve	31/3/2015
VAT exemption	£250,000
Insurance excesses	£39,730
Uninsured losses	£500,000
Public buildings	£420,590
Trainees (ex. pay and grading)	£204,150
Cremator relining	£45,500
Welfare Support	£187,930
CCTV	£35,370
Budget Setting Support	£600,000
Restructuring	£2,676,360
Specific Grants (ring-fenced)	£527,850
Woodbridge Haven (ring-fenced)	£43,360
James Freel Close (ring-fenced)	£567,000
General Reserve	£1,000,000
Total	£7,097,840

Reserve	31/3/2015
Committed	£4,959,630
Ring-fenced	£1,138,210
General Reserve	£1,000,000
Total	£7,097,840

The General Fund balance at the 31st March, 2015 is expected to be £2m.

Earmarked reserves are a means of building up funds to meet known or predicted requirements for a specific purpose. The purpose of the reserve can only be changed by the Executive Committee.

The **VAT reserve** is held to cover the potential repayment of VAT should the VAT on exempt activities exceed 5% of the overall VAT reclaimed from HMRC.

The **insurance – excesses reserve** is used to pay for settled claims.

The **insurance – uninsured losses reserve** is held in respect of unidentified and unquantifiable risks to the Council.



Medium Term Financial Plan 2014-2015 to 2016-2017

The **public buildings reserve** is to be used for major works that fall outside the routine repairs and maintenance that are included in the General Fund revenue budget.

The **trainee reserve** is held to cover the costs of the three year contracts of the five trainee posts created in 2014-2015.

The **cremator reserve** is held to cover the costs of the cyclical relining.

The **welfare support reserve** is held to cover the costs of supporting welfare reform and other initiatives aimed at assisting those on low incomes.

The **CCTV reserve** is held to cover the costs of the CCTV service.

Setting the level of the **general reserve** is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a particular year. £1 million is considered to be the minimum level that the Council should hold at this time. Account should be taken of the key financial assumptions underpinning the budget and financial strategy alongside a consideration of the Council's financial management arrangements, including:

- the level of borrowing;
- debt outstanding;
- council tax collection rates;
- recent rises in the price of utilities and commodities;
- the inflation rates used in the budget;
- unexpected increases;
- volatility in the financial markets;
- the reserve is a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- the reserve is a contingency to cushion the impact of unexpected events or emergencies; and,
- once a specific purpose has been identified and an allocation from the general reserve has been agreed by the Executive Committee, the amount will be noted against the committed reserves.

The **General Fund balance** is the prudent level maintained for potential emergencies, unexpected events or un-budgeted statutory expenditure. The Section 151 Officer (the Director of Resources) can authorise this type of expenditure but must report it to the Executive Committee at the earliest opportunity. The balance may be used to supplement un-budgeted expenditure that could impact on service delivery if not incurred. £2 million is considered to be the minimum level that the Council should hold at this time.



Medium Term Financial Plan 2014-2015 to 2016-2017

N. Housing Revenue Account

From the 1st April 2012 the Housing Subsidy system ended. The Housing Revenue Account is self-financing as set out in its 30 year Business Plan; the rent from the dwellings pays for the upkeep and management of the dwellings.

The Housing Revenue Account budget for 2014-2015 was approved by Full Council on the 4th March, 2014. It is a balanced budget with a 3.7% rent increase for dwellings and garages.

The Housing Revenue Account remains a ring-fenced account as determined by the Local Government Housing Act 1989.

	Balance at 1/4/2014 £000
Housing Revenue Account	
Committed reserves	
Major Repairs Reserve	131
Fund balance	2,001

The **Major Repairs Reserve** is a statutory reserve that holds the balance of funding that is estimated to be unspent at the 31st March, 2014. This is specifically for the planned maintenance of Housing Revenue Account dwellings.

The **Housing Revenue Account balance** is the prudent level maintained for potential emergencies, unexpected events or un-budgeted statutory expenditure. The Section 151 Officer (the Director of Resources) can authorise this type of expenditure but must report it to the Executive Committee at the earliest opportunity. The balance may be used to supplement un-budgeted expenditure that could impact on service delivery if not incurred.

EXECUTIVE COMMITTEE	(D) Agenda Item 10
Date of Meeting: 26th March, 2014	
Reporting Officer: Executive Director	
<p>Title: Review of Property Conditions in the Private rented Sector</p> <p>Summary and Conclusions:</p> <p>The Government has published a discussion paper on property conditions in the private rented sector. This is the first stage of a review aimed at improving conditions in the sector. A draft response to the discussion paper is attached.</p> <p>Recommendation:</p> <p>To endorse the attached response to the discussion paper.</p>	

1. Background

- 1.1. The Government recognises that the private rented sector is an important and growing sector within the wider housing market. The Government's view is that the majority of landlords provide good quality accommodation and that tenants are by and large satisfied. The Government's policy position is that the sector should therefore not have further regulatory burdens placed upon it unless there is a clear need.
- 1.2. However, the Government does accept that in a minority of cases, private landlords provide a poor standard of accommodation and do not manage their property in a reputable manner. It wishes to tackle the problems of poor landlords, whilst not imposing onerous regulation on the majority. It has published a consultation paper to explore what action could be taken to achieve this objective.
- 1.3. The discussion paper is attached as **Appendix 4** and is broken down into six sections:
 - 1.3.1. Rights and responsibilities of tenants and landlords related to property conditions;
 - 1.3.2. Retaliatory eviction (where the landlord takes steps to evict a tenant following a reasonable request from the tenant to carry out repairs);
 - 1.3.3. Illegal evictions and Rent Repayment Orders;
 - 1.3.4. Safety conditions in the home;
 - 1.3.5. Licensing of rented housing;

1.3.6. Housing Health and Safety Rating System.

2. Response

2.1. The private rented sector in Barrow has shown considerable growth over recent years, and aspects of regulation of the sector are statutory duties on the Council. The Council must respond to complaints of poor housing conditions, and take the most appropriate course of action where serious hazards are found. Certain Houses in Multiple Occupation (HMOs) must be licenced, and the Council is the licensing authority.

2.2. Successive stock condition surveys in Barrow have shown that the condition of the private rented sector is poorer than the average for the Borough. This discussion document is therefore of relevance and may lead to significant changes for private tenants.

2.3. A response to the consultation questions is attached as **Appendix 5**, and Members are requested to endorse this.

(i) Legal Implications

There are no legal implications.

(ii) Risk Assessment

No corporate risk has been identified.

(iii) Financial Implications

There are no financial implications.

(iv) Health and Safety Implications

There are no Health and Safety implications for the Council.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has a positive effect on the Health and Wellbeing of users of this service by improving housing conditions.

Background Papers

Nil



Department for
Communities and
Local Government

Review of Property Conditions in the Private Rented Sector

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Contents

Introduction	4
Rights and responsibilities of tenants and landlords	6
Retaliatory eviction	9
Rent Repayment Orders	11
Safety conditions	14
Licensing of rented housing	17
Housing Health & Safety Rating System	20

Property conditions review

Introduction

The private rented sector is an important and growing part of our housing market, housing 3.8 million households in England. The quality of privately rented housing has improved rapidly over the past decade.

The overwhelming majority of landlords are reputable and provide decent well maintained homes. This is demonstrated by high levels of satisfaction with 83% of tenants happy with the service they receive from their landlord¹. We want to support these landlords to continue to provide a good service and a safe home for their tenants. The Government is keen not to impose further regulation on these good landlords. Unnecessary regulation increases costs and red tape for landlords, and can stifle investment. It also pushes up rents and reduces the amount of choice and supply for tenants. We believe that non-regulatory alternatives, e.g. incentives or peer pressure, can be as effective as regulation.

Good landlords, who are approachable and offer help and support, can have an incredibly positive impact on their tenants, including on some of the more vulnerable members of our society who have turned to the private rented sector to meet their housing needs.

However, there is a small proportion of landlords who neglect their properties and exploit their tenants. While good landlords can have an extremely positive impact on the lives of their tenants, the small minority of bad landlords can have an equally negative impact. These rogue landlords give the whole sector a bad name. We are determined to crack down on them, so that they either improve the service they provide or leave the sector. We are already doing this. We have provided over £4m to a number of local authorities who bid for funds to help them tackle acute and complex problems with the small minority of rogue landlords in their area. This money will be used to build on the Government's ongoing success in tackling 'beds in sheds'. Backed by £2.6 million government funding, this initiative has resulted in the discovery of more than 900 illegally rented outbuildings and overcrowded homes since 2011. Action is now being taken against the owners.

We are also tackling the small minority of letting agents who provide a poor service and engage in unacceptable practices. Letting agents are already subject to consumer protection legislation and where agents are in breach of this legislation, such as by charging unfair fees, action can be taken against them by trading standards who have civil and criminal enforcement powers. While the recent ruling from the Advertising Standards Authority means that all non-optional lettings agent's fees should be prominently included in advertisements for rental properties.

The Government wants to strengthen the hand of consumers in cases like these. That is why, as part of the Enterprise and Regulatory Reform Act 2013, we have introduced new legislation which will require all letting and managing agents in England to belong to an

1

approved redress scheme. This will offer a clear route for landlords and tenants to pursue complaints; weed out the agents that give the whole sector a bad name, and drive up standards.

The main objective of this discussion paper is to consider what more can be done and how best to tackle bad landlords without negatively impacting on the good ones. The Government announced a package of measures on 16 October to help ensure that tenants get a good deal when they rent a home. The measures included a commitment to undertake a review into property conditions in the private rented sector.

This discussion document is the first stage of the review. We have set out the issues that the review will cover and are inviting comments. To stimulate debate, we have sought to ask open questions. The document does not recommend any policy or legal changes and the inclusion of particular issues or questions in the document should not be taken to imply that Government has decided to introduce any new requirements on the sector.

The closing date for responses is **28 March 2014**. All responses will be carefully considered.

Responses should be sent to: PRSReview@communities.gsi.gov.uk

Section 1: Property conditions review

Rights and responsibilities of tenants and landlords

Property conditions

1. This section is concerned with the rights and responsibilities of tenants and landlords in respect of the condition of the property. The quality of privately rented housing has improved rapidly over the past decade, and levels of satisfaction compare well to other tenures. According to the English Housing Survey 2010-11 Household Report, over 83% of private tenants are very or fairly satisfied with their accommodation. The survey also found that over 71% of private tenants are satisfied with the way their landlord carries out repairs and maintenance. The powers available to local authorities are wide-ranging and we encourage them to use those powers where appropriate. Amongst other things, they can require landlords to repair properties that are in a hazardous condition, introduce licensing schemes, and take over the management of poorly managed licensable properties.
2. However, a small minority of properties in the sector are in poor condition. Tenants have a right to live in safe and well maintained homes. They do not always understand the standards that they should expect with regard, for example, to issues such as safety, excess heat and cold, pollutants, protection against infections and accidents, and their right to expect that any necessary repairs are carried out promptly.
3. The Government published a draft Tenants' Charter in October. The Charter aims to help the more than nine million people who live in the private rented sector in England have a better understanding of what they can expect and, if something goes wrong, where to go for help.
4. The vast majority of private sector landlords provide decent accommodation that is free from hazards to health. It should go without saying that tenants have a right to expect that their landlord will be aware of, and comply with, the law.
5. However, there is unfortunately a small minority of landlords that are not always aware of the various legal requirements with which they must comply. One of the objectives of the private rented sector Task Force we created is to improve professionalism across the industry and the creation of more purpose built, professionally managed rented properties will help us achieve this.
6. In addition to situations where landlords rent out substandard accommodation because they are unaware of their responsibilities, there is a smaller sub-set of landlords who deliberately rent out unsafe, overcrowded and frequently squalid accommodation. This group of landlords – rogue landlords – are fully aware of their legal duties but deliberately flout them. The vast majority of landlords do not fall into that category but we will pursue those that do and require them to either improve or leave the sector.

Question 1: In addition to the production of the Tenant's Charter, is there any further action that could be taken to raise awareness amongst tenants and landlords of their rights and responsibilities? Who needs to take this action?

7. Local authorities have an important role to play in helping ensure that privately rented properties in their area are of a good standard, in addition to raising tenant and landlord awareness of their rights and responsibilities. Where a tenant has concerns about the condition of their property, they may not know that they can obtain appropriate help and advice from their local authority. Even where they do know that the local authority has a legitimate role, they may not know what to expect from the authority in terms of likely response times and the action that will be taken. We are taking action to address this through the Tenants' Charter but we would welcome views on whether there is more that could be done to raise awareness.

Question 2: What is best practice in raising awareness amongst tenants of their right to seek help and advice from their council and how can this be shared between local authorities

8. There is some anecdotal evidence to suggest that the response from local authorities when approached by private sector tenants can be variable, thereby creating additional uncertainty. It is clearly unacceptable for a local authority not to respond to complaints at all. They will, of course, want to prioritise requests for assistance so one possibility might be for local authorities to publish details of the response times to which they work, in accordance with the seriousness of the complaint. They could also make clear what tenants can do next if they are unhappy with the way in which the local authority has dealt with their query.

Question 3: What is best practice in dealing with requests for help and advice from private sector tenants and how can this be shared between local authorities?

9. Where a tenant has complained to their local authority that the property, in their view, contains hazards to their health and which the landlord has failed to rectify, the authority will normally carry out an assessment of the property. This involves using a standard methodology – the Housing Health and Safety Rating System – which provides an objective assessment of the extent to which a property contains hazards and the likelihood of harm occurring to the occupier(s) as a result. This is underpinned by operational² and enforcement³ guidance for local authorities. Guidance for landlords and property related professionals is also available⁴ However, many

² www.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf

³ www.gov.uk/government/uploads/system/uploads/attachment_data/file/7853/safetyratingsystem.pdf

⁴ www.gov.uk/government/uploads/system/uploads/attachment_data/file/9425/150940.pdf

landlords and tenants do not understand how the system works or how an assessment is produced. While the Tenants' Charter will help to increase overall awareness and understanding, there may be some benefit in having the guidance for landlords updated and possibly widened to include information for tenants on the hazards that they should look out for in a property.

Question 4: Should the guidance for landlords be updated and widened to include information for tenants, to help them understand whether a property contains hazards?

Section 2: Property conditions review

Retaliatory eviction

10. There is anecdotal evidence to suggest that some tenants are concerned that if they request a repair or improvement to the property, their landlord will decide that the easiest course of action is to simply evict the tenant, rather than carrying out the repair or improvement. Responding to a request for a repair to be carried out by issuing a possession notice under section 21 of the Housing Act 1988 is known as 'retaliatory' eviction'. Of course, no reputable landlord would respond in this way to a reasonable request for repairs or improvements.
11. While such behaviour is likely to be relatively rare, and will be limited to rogue landlords, even the fear of being served with such a notice can act as a powerful disincentive to tenants, deterring them from asking their landlord to carry out a repair or improvement. However, most landlords will want to know whether a repair is needed, and if so, to have the problem fixed so that it does not deteriorate further to the detriment of their property. It is recognised that there will be incidences of tenants making repeated repair requests which are not merited but this can normally be addressed through a professional approach to property management.
12. It is clearly unacceptable that a tenant should feel that they cannot request a repair because they are afraid they might be evicted as a result. In such cases, the tenant will be in the unsatisfactory position of either having to continue renting a property that is in need of repair, make the repair themselves, or having to move and find alternative accommodation, with consequent costs and disruption. Sometimes the property is subsequently re-let without the repairs having been carried out.

Tackling retaliatory eviction

13. One way of helping to reduce retaliatory evictions may be to introduce restrictions on the use of the section 21 possession procedure by the landlord in certain situations. For example, a restriction could be brought in providing that a section 21 possession notice has no legal force where repairs or improvements have not been carried out to a property. Such a restriction would not have any impact on reputable landlords as they will want to keep their properties in good repair.
14. There are precedents for placing restrictions on the issuing of section 21 notices. Currently, a section 21 notice has no legal force where:
 - a landlord or letting agent has not put the tenant's deposit in an approved tenancy deposit scheme;
 - the landlord fails to license the property where legally it should have been licensed.

15. Any change would require very careful consideration as to when the trigger point should be for the introduction of a restriction on these lines and whether it should only apply to more serious cases of disrepair (e.g. where a category 1 hazard under the Housing Health and Safety Rating System has been identified).
16. We would also need to carefully consider how to prevent spurious or vexatious complaints being made by tenants as a way of preventing landlords from regaining possession using section 21. This may suggest that the trigger point for such a restriction should be following a local authority inspection or even later in the enforcement process. Placing restrictions on the ability of a landlord to issue or rely on a possession notice under section 21 would not, however, prevent the landlord from seeking possession on other grounds where these can be made out. Section 8 of the Housing Act 1988 provides that a landlord may seek possession on a number of grounds, for example, where a tenant is more than 8 weeks in arrears on their rent. None of the landlord's rights under section 8 would be affected by any restriction on using section 21.

Question 5: Do you think restrictions should be introduced on the ability of a landlord to issue or rely on a section 21 possession notice in circumstances where a property is in serious disrepair or needs major improvements?

Question 6: What would be an appropriate trigger point for introducing such a restriction?

Question 7: How could we prevent spurious or vexatious complaints?

Section 3: Property conditions review

Illegal evictions and hazards in the home: rent repayment orders

Illegal eviction

17. This section is concerned with illegal evictions covered by the Protection from Eviction Act 1977. An illegal eviction occurs when a landlord forces a tenant to leave their home without following the correct legal procedure, which generally includes serving a possession notice and obtaining a court order. It may also involve harassment of the tenant accompanied by threatened or actual violence. This behaviour is not widespread and is normally associated with rogue landlord activity. Illegal eviction is a criminal offence under the Protection from Eviction Act 1977 and is punishable with up to 2 years imprisonment, or a fine, or both. We will produce guidance for public sector authorities on their role in supporting tenants who find themselves being threatened with, or are the victims of, illegal eviction.

Rent Repayment Orders

18. While illegal evictions are relatively rare, when they do occur, they can be a frightening and traumatic experience for tenants. We are inviting views on what further steps we should consider taking to minimise the incidence of illegal eviction. One option could be to give the courts power to impose a Rent Repayment Order where a tenant has been illegally evicted and the landlord found guilty of a criminal offence under the Protection from Eviction Act 1977. This may be in addition to any damages that the tenant may receive and any criminal penalty imposed on the landlord.

19. A Rent Repayment Order is an order by a First Tier Tribunal requiring a landlord to repay some or all of any rent they have received. Where Housing Benefit has been received, then a tribunal can order repayment of the money to the local authority. Rent Repayment Orders are currently only available in situations where a landlord has failed to license a property which legally should have been licensed or has not put the deposit in an approved tenancy deposit scheme.

20. Extending Rent Repayment Orders to incidences of illegal eviction would provide some degree of financial recompense to the tenant where they have paid rent. It would also act as a strong additional deterrent to the small minority of landlords who may be considering ignoring the correct legal procedures and evicting a tenant illegally.

21. An alternative to a Rent Repayment Order could be to consider permitting a local authority to prohibit the property being rented out on the grounds that by illegally evicting their tenant, the landlord had demonstrated they should not be involved in the business of renting out property.

Question 8: Do you think Government should introduce Rent Repayment Orders where a landlord has been convicted of illegally evicting a tenant?

Question 9: Should this be in addition to, or instead of, any damages the tenant may have received, or action taken by the local authority, for example a prohibition on renting out the property?

Question 10: Should a Rent Repayment Order be issued automatically where a landlord has illegally evicted a tenant?

Rent Repayment Orders where a property contains serious hazards

22. As part of the package announced on 16 October, we stated that we would consider the scope for extending Rent Repayment Orders where a property has serious hazards. This could be done by providing that where a landlord is found to have rented out a property that contains serious hazards, they may be made subject to a Rent Repayment Order.
23. Landlords are already liable to pay a heavy fine if they rent out a property containing serious hazards to health and fail to comply with notices issued by the local authority requiring improvements to be made. However Rent Repayment Orders would provide the hard-working tenant with money back if they have been living in sub-standard accommodation.
24. If it was decided to introduce Rent Repayment Orders where a property contains serious hazards, we would need to carefully consider when the trigger point should be for the introduction of such an Order. Options include failing to comply with an improvement notice or following successful prosecution in the magistrates' court. It would need to be decided whether such an Order should only apply to more serious cases of disrepair (e.g. serious hazards under the Housing Health and Safety Rating System). In doing so, we could also consider whether there is a need to review the sanctions currently available to local authorities when dealing with less serious housing condition breaches (for example, Category 2 hazards under the Housing Health and Safety Rating System).
25. It would also be important to put safeguards in place to prevent spurious or vexatious complaints been made by tenants as a way of attempting to unfairly benefit from a Rent Repayment Order
26. An alternative to a Rent Repayment Order could be to consider permitting a local authority to prohibit the property being rented out on the grounds that as they had let a property which contained hazards, the landlord should not be involved in the business of renting out property.

Question 11: Do you think a landlord should be subject to a Rent Repayment Order if they rent out a property that contains serious hazards?

Question 12: What should the trigger point be?

Question 13: Should a Rent Repayment Order be in addition to, or instead of, any damages that the tenant may also be awarded, or other action taken by the local authority, for example a prohibition on renting out the property?

Question 14: Is there a need to review the sanctions currently available to local authorities when dealing with less serious housing condition breaches?

Section 4: Property conditions review

Safety conditions

27. This section of the discussion paper sets out some of the issues relating to property conditions and safety that the review will cover and invites views. As with the previous section, the issues that are raised here are intended to prompt debate and the inclusion of particular questions or issues should not be taken to imply that the Government intends to introduce any policy or legislative changes.

Smoke alarms

28. Building Regulations require the provision of smoke alarms in all new dwellings but at present, landlords are not legally required to install or maintain smoke alarms in their properties⁵. Working smoke alarms are known to be an effective life safety device, and analysis suggests a person is at least 4 times more likely to die in a fire in the home if they do not have a working smoke alarm⁶. The number of properties across all tenures with a smoke alarm has increased rapidly over the past few decades - from 8% in 1988 to 74% by 2001. The latest English Housing Survey reports that 88% of all households now have at least one working smoke alarm. In the private rented sector, the rate of ownership of smoke alarms is growing at a faster rate than other tenures with 82% of properties now having at least one working smoke alarm, a figure that has increased from 62% in 2001⁷.

29. More generally, fire statistics show a downward trend in dwelling fire deaths and injuries in England. A non-regulatory approach to increase smoke alarm installation in the private rented sector has been deployed, including targeted national awareness activity, and direct retrofitting of smoke alarms by fire authorities and their partners. This approach has seen deaths in the home reduced by 60% in the last 30 years to 211 in 2012-13 and are now the lowest level ever recorded.

30. However, requiring the installation of smoke alarms in all privately rented homes would impose additional costs on landlords. The actual cost would depend on the type and number of alarms that had to be installed. In England, there are three main types of smoke alarms available on the market, ranging from the most basic 1-year battery alarms (retail at approx £5); 10-year battery alarms (retail at approx £15); and hard-wired (battery back-up) devices (retail at approx £25). Hard-wired detectors will also require a qualified electrician to install the device.

31. The Government has taken powers which would enable it to make regulations requiring the installation of smoke alarms in rented homes, with financial civil penalties for those

⁵ Except landlords of HMOs subject to mandatory licensing

⁶ Analysis of English Housing Survey 2009-10 and GB Fire Statistics 2012/13

⁷ English Housing Survey Home Report 2011 (published July 2013)

landlords who fail to comply. It was made clear at the time those powers were taken that Government would only regulate if, following a review of property conditions in the sector, it concluded that there was a clear need for regulation in this area and the costs of doing so were clearly outweighed by the benefits. Regulation is always a last resort and, as part of the review, we will also explore the scope for non-regulatory alternatives to promote further take-up.

Question 15: Should private sector landlords be required to install, and maintain, smoke alarms in their properties, or would a non-regulatory approach to encourage greater take-up be a better option?

Carbon monoxide alarms

32. It is a requirement of the Building Regulations that a carbon monoxide alarm must be installed in any property when a solid fuel heating system, for example, a wood burning stove, is first installed. There is no requirement for any other property to have a carbon monoxide alarm. Carbon monoxide poisoning causes approximately 40 deaths and 200 serious injuries per year.

33. The cost of a carbon monoxide alarm starts at about £15 for the most basic model. Research by the Gas Safe Register suggests that about 15% of homes across all tenures have a carbon monoxide alarm. So introducing such a requirement could have significant financial implications for landlords. Combined smoke and carbon monoxide alarms could offer a more cost effective approach. However, this is not always a practical option as the most appropriate location for a smoke alarm may not also be the optimum place to fit a carbon monoxide alarm. As with smoke alarms, the Government has taken powers which would enable it to require landlords of rented properties to install carbon monoxide alarms. However, regulation is always a last resort. As part of the review, we will explore the scope for non-regulatory alternatives to promote voluntary take up of carbon monoxide alarms. The current powers would only be used to introduce regulations if the review into property conditions concludes that there is a clear need to do so and the benefits clearly outweigh the costs.

Question 16: Should private sector landlords be required to install, and maintain, carbon monoxide alarms in their properties or would a non-regulatory approach be a better option?

Landlord & Tenant Act 1985

34. The Landlord & Tenant Act 1985 places a general duty on landlords to keep in repair the structure and exterior⁸ of properties they rent out. It also requires them to keep in repair and proper working order, certain installations in the property⁹.

⁸ This includes drains, gutters and external pipes

Question 17: Does the Landlord & Tenant Act 1985 cover the right areas, or should it be broadened to cover other issues?

Inspection of electrical installations

35. Landlords are under a general legal duty to ensure that electrical installations in the property are safe and kept in good working order. The Electrical Safety Council recommends that electrical installations in rented dwellings should be checked by a qualified electrician every 5 years and that a visual inspection of electrical sockets etc should be undertaken on a change of tenancy. An inspection by an electrician will cost in the region of £100 – 150.
36. We believe the current approach strikes the right balance between ensuring that homes are safe from the risk of electrical faults and not putting an undue burden on landlords.

Question 18: Do you think that the current approach strikes the right balance or should there be a statutory requirement on landlords to have electrical installations regularly checked?

⁹ This includes installations for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas and electricity). It also includes installations for space heating and heating water.

Section 5: Property conditions review

Licensing of rented housing

37. The current licensing arrangements for the private rented sector were introduced to give local authorities the ability to deal with problems that may arise in connection with rented property and provides for three types of licensing:

- Mandatory licensing of larger Houses in Multiple Occupation
- Additional licensing of smaller Houses in Multiple Occupation
- Selective licensing of all types of private rented housing

38. Additional and selective licensing are discretionary powers. Additional licensing may be introduced by a local authority for smaller Houses in Multiple Occupation in all or part of their area where there are significant management issues or the properties are in a poor condition.

39. Selective licensing allows local authorities to license all privately rented housing in a designated area that suffers from low housing demand and/or significant anti-social behaviour. For both additional and selective licensing, local residents, landlords and tenants must be consulted prior to their introduction.

40. Last year, we contacted all local housing authorities requesting details of their practical experience of using licensing in their area, the reasons for introducing the schemes and their impact. In the case of authorities who had considered introducing licensing in their area but had decided not to do so, we asked them whether there were any particular reasons for deciding not to go down that route. Responses were received from 194 local housing authorities. A summary of responses is set out at Annex A.

41. A major drawback of licensing is that it impacts on all landlords and places additional burdens on reputable landlords who are already fully compliant with their obligations. This creates additional unnecessary costs for reputable landlords which tend to be passed on to tenants. The majority of landlords provide a good service and the Government does not want to impose unnecessary additional costs on them or tenants who may see their rents rise as landlord costs rise.

42. There is also an increased risk of putting unnecessary costs on landlords who provide a good service where the designated area is not strictly limited to the locality which is directly experiencing low housing demand and/or anti social behaviour. The Government does not support the use of licensing across an entire local authority area. Such an approach is disproportionate and unfairly penalises good landlords. Authority wide licensing is reportedly having an adverse impact on landlords' ability to obtain mortgage finance¹⁰. In addition, we believe that it goes against the policy intention of the original legislation (Housing Act 2004) which was designed to tackle problems in specific and strictly defined parts of a local authority area. One way of addressing this

¹⁰ Sunday Times article by Anna Mikhailova - Published 15 December 2013

issue may be to introduce tighter restrictions on the use of selective licensing. For example, there could be a restriction on the geographic size of a designated area or on the type of property to which the designation relates.

43. The Government does not support a nationwide licensing scheme or a national register of landlords. A national licensing scheme would be inflexible and would push up regulatory costs for landlords, ultimately increasing rents and reducing choice for tenants. A national register of landlords would be a financial burden on all landlords and cost £40m per year (excluding set up costs), with a ten year total cost of £330m at current prices. Those costs would be passed on to tenants. In addition, it is unclear what a national register would achieve. In Scotland, for example, after over five years, just 0.5% of licensed landlords have had their licence revoked or refused.
44. As an alternative to licensing, many local authorities have introduced a voluntary accreditation scheme for landlords in their area. This is an approach that we encourage. The schemes aim to raise standards by providing education and training to landlords, identifying poor practice and generally increasing levels of professionalism amongst landlords.
45. Most accreditation schemes accredit the landlord rather than the property. The conditions the landlord is required to adhere to include being a fit and proper person, signing up to a code of conduct and attending training and development courses. Other conditions include compliance with statutory conditions, meeting decent home standards, maintaining gas and electricity supplies, provision and checking of smoke alarms, and working with the council and its partners.
46. While voluntary accreditation has generally been well received by landlords and has increased landlords' awareness of their responsibilities, its impact has been fairly limited. As there is no requirement on landlords to join such schemes, accreditation tends to be taken up mainly by the reputable landlords. On the other hand, knowing which landlords are accredited may help local authorities target action against non-accredited landlords who are failing to meet their responsibilities.
47. A proposal put forward by the Department for Communities and Local Government Select Committee was to permit local authorities to introduce a licensing scheme which related to the individual landlord, rather than the property. The purpose of such an approach would be to enable local authorities to specifically target rogue landlords in their area. Such an approach would not affect the vast majority of landlords. Criteria would need to be developed to ensure that any such scheme did not inadvertently impact on reputable landlords.

Question 19: How effective is voluntary accreditation as a way of driving up standards?

Question 20: Should we consider introducing tighter restrictions on the use of selective licensing to avoid putting unnecessary burdens on good landlords?

Question 21: Should we consider introducing an approach which would enable local authorities to focus any licensing scheme solely on rogue landlords?

48. In England, the planning system groups common uses of land and buildings into specific classes¹¹. Planning legislation specifies that the change of use of land or buildings requires planning permission if it constitutes a material change of use¹².
49. In the short-term letting sector this means that a person may be able to rent their residential property provided that it does not amount to a material change in use i.e. provided that a house is primarily used as a home first and short-term letting accommodation second. Local planning authorities will consider each case taking into account, for example, the amount of a property which is used as a short-term let, frequency of use, whether the property owners live in the property whilst it is used as a short term let.
50. Greater London, is subject to different rules and people are prevented from letting their property in Greater London on a short term basis¹³. This means that if a person were to rent a property in London for less than 90 consecutive nights it would amount to a material change of use that would require a planning application to be submitted. Local authorities in Greater London currently have discretion to take enforcement action against short-term letting whenever they consider it expedient to do so. These London provisions from the 1970s have attracted controversy more recently, such as during the recent London Olympics. The internet has also seen changing patterns in short-term lets, as new technologies are helping facilitate householders rent out their homes for short periods of time without recourse to traditional letting agencies.

Question 22: Should the relevant provisions of the Greater London Powers Act 1973 be reviewed or updated, does London need separate rules from the rest of England, and what comments would you have on how regulations could better support and reflect modern technology?

¹¹ Under the Town and Country Planning (Use Classes) Order 1987 Houses are grouped into use class C3, whereas guest houses and boarding houses are grouped into use class C1.

¹² There is no statutory definition of 'material change of use'; however, it is linked to the significance of a change and the resulting impact on the use of land and buildings.

¹³ Section 25 of the Greater London Powers Act 1973 states that the "use as temporary sleeping accommodation of any residential premises in Greater London involves a material change of use of the premises and of each part thereof which is so used".

Section 6: Property conditions review

Housing Health & Safety Rating System

51. In section 1 of this paper, we invited views on the need for a tenant's guide to identifying hazards in their homes. The methodology which underpins the Housing Health and Safety Rating System is now several years old and we are considering whether it needs to be updated. The operational guidance was published in 2006 and may also need to be revised.

Question 23: Do you think the methodology that underpins the Housing Health and Safety Rating System and/or the accompanying operational guidance need to be updated?

Conclusion

52. A number of possible options on ways to improve property conditions in the private rented sector have been set out in this document. However, we recognise that there may be other options which have not been considered here. Alternative suggestions of ways to improve the sector would, therefore, be welcome.

53. All responses to this discussion paper will be carefully considered and will feed into the next stage of our review of property conditions in the sector.

ANNEX A

Summary of responses to information gathering exercise on licensing

1. There were 194 responses from local authorities;
 - 14 local authorities introduced a total of 23 licensing schemes since 2010, of which:
 - 9 authorities introduced 1 scheme;
 - 2 authorities introduced 2 schemes;
 - 2 authorities introduced 3 schemes;
 - 1 authority introduced 4 schemes.
 - The main reasons for introducing licensing schemes were;
 - low housing demand (3 authorities);
 - anti social behaviour (4 authorities);
 - anti social behaviour and low housing demand (7 authorities).
 - A range of conditions were attached to the licences, of which the main ones were:
 - restrictions on the use or occupation of particular parts of the property by people occupying it;
 - requirement on the licence holder to take reasonable steps to prevent or reduce anti social behaviour;
 - supply of facilities and equipment and a requirement to keep them in repair and good working order;
 - compliance with the Tenancy Deposit Scheme;
 - requirement to inform the council of changes of circumstances;
 - requirement to supply the occupiers with a signed, written statement of the terms on which they occupy it;
 - conditions relating to security, refuse and waste disposal, training and management of the property.
2. A total of 59 other local housing authorities had considered introducing licensing in their area. About 60% did not proceed, either because they felt unable to meet the criteria or there were no areas within their area which would meet the criteria. The other 40% had not proceeded either because they were in the process of gathering evidence or consulting or because they lacked the resources to do so.
3. The information gathering exercise found that 110 local authorities had introduced or supported voluntary accreditation schemes for landlords in their area. The schemes were mainly introduced to improve the condition and management of the private rented sector and to engage better with landlords.

Review of property conditions in the Private Rented Sector

<p>Section 1: Property Conditions</p>	<p>Question 1: In addition to the production of the Tenant's Charter, is there any further action that could be taken to raise awareness amongst tenants and landlords of their rights and responsibilities? Who needs to take this action?</p>	<p>Assuming that a huge advertising campaign is not being envisaged, the best way to ensure that landlords and tenants understand their respective rights and responsibilities would be to introduce mandatory licensing / accreditation, or the requirement to use a licenced / accredited agent.</p> <p>A suite of well-branded standard factsheets would also be useful for LA enforcement / advice officers.</p> <p>Local authorities can of course raise awareness in this way. This is an area where joint working may realise substantial benefits, as a generic awareness raising campaign across many local authority areas would be as effective as a number of single authority campaigns (indeed arguably more so) for a similar cost of production.</p> <p>Working with appropriate voluntary agencies such as Shelter / Age UK / MIND would also assist with raising awareness for amongst their client groups. There is also a need to increase awareness amongst relevant statutory bodies, such as Education, Social Services and the Police.</p>
<p>Question 3: What is best practice in dealing with requests for help and advice from private sector tenants and how can this be shared between local authorities?</p>	<p>Clear service standards are required, together with details of complaints procedures.</p> <p>Yes, this would be useful. However, HHSRS is fairly complex and difficult system to summarise succinctly. This makes effective communication with both landlords and tenants difficult. Some serious hazards identified by HHSRS may be considered by landlords to be either trivial (e.g. falls on stairs) or to be intrinsic to the property (e.g. excess cold). Some items of disrepair that may be important to the tenant will not be covered by HHSRS.</p> <p>This being the case, any improvements to the guidance available would be welcome. Landlord training on HHSRS should be included in any nationally recognised accreditation scheme.</p>	
<p>Question 2: What is best practice in raising awareness amongst tenants of their right to seek help and advice from their council and how can this be shared between local authorities</p>	<p>Question 4: Should the guidance for landlords be updated and widened to include information for tenants, to help them understand whether a property contains hazards?</p>	

<p>SECTION 2: Retaliatory eviction</p>	
<p>Question 5: Do you think restrictions should be introduced on the ability of a landlord to issue or rely on a section 21 possession notice in circumstances where a property is in serious disrepair or needs major improvements?</p>	<p>In principle this is a reasonable idea, but careful consideration of the “trigger point” is required.</p>
<p>Question 6: What would be an appropriate trigger point for introducing such a restriction?</p>	<p>This would be reasonable where a Category 1 hazard or hazards are present, and where the local authority has decided to serve an Improvement Notice or Hazard Awareness Notice. However, this would not prevent notice being served before the hazard had been identified and the appropriate form of action determined by the local authority. If this sanction were to be introduced, it would need to have the power to make the s21 notice unenforceable.</p>
<p>Question 7: How could we prevent spurious or vexatious complaints?</p>	<p>This will be virtually impossible in practice. Landlords will be able to evict for rent arrears as the grounds under s8 Housing Act (1988) will remain available. However, where eviction is being sought under s21 for another reasonable purpose that could in principle be covered by s8, but is more difficult to prove, or subject to the test of “reasonableness” (e.g. anti-social behaviour), a vexatious complaint could have the effect of frustrating actions by the landlords which were by any sensible measure justifiable.</p>
<p>SECTION 3: Illegal evictions and hazards in the home: Rent repayment orders</p>	
<p>Question 8: Do you think Government should introduce Rent Repayment Orders where a landlord has been convicted of illegally evicting a tenant?</p>	<p>The existing regime of civil damages is reasonably punitive. Rent Repayment Orders would add a further deterrent. It is also important that landlords have appropriate access to information and guidance on their responsibilities (see Question 1).</p>
<p>Question 9: Should this be in addition to, or instead of, any damages the tenant may have received, or action taken by the local authority, for example a prohibition on renting out the property?</p>	<p>Prohibition on renting out a property does not seem to make sense as a stand-alone sanction for this offence only. It would be more sensibly considered as part of a mandatory licensing / accreditation scheme. Also, the consequences of prohibition on renting out a property would need to</p>

	<p>be thought through. Would this just be for a period (effectively loading a further financial penalty on top of the possibility of fines, civil damages and potentially Rent Repayment Orders) or indefinitely (effectively making the property valueless in revenue terms to the owner and enforcing a sale – this looks something like CPO by the back door). Prohibition as a penalty for earlier transgressions is not the same as that compelled by Prohibition Orders where the means of lifting the prohibition is specified in the Order.</p>
<p>Question 10: Should a Rent Repayment Order be issued automatically where a landlord has illegally evicted a tenant?</p>	<p>As this is a further potential sanction on top of existing penalties, this should remain at the discretion of the RPT or the courts.</p>
<p>Question 11: Do you think a landlord should be subject to a Rent Repayment Order if they rent out a property that contains serious hazards?</p>	<p>Yes – it seems unfair that landlords should be able to retain rent for letting seriously sub-standard housing. It is not good practice to advise tenants to withhold rent so some form of formal redress that allows tenants (or the local authority as payers of Housing Benefit) to reclaim rent paid would be appropriate.</p>
<p>Question 12: What should the trigger point be?</p>	<p>By the courts as part of a prosecution for failure to comply with an Improvement Notice, or through the courts / RPT where a Prohibition Order has been made.</p>

<p>Question 13: Should a Rent Repayment Order be in addition to, or instead of, any damages that the tenant may also be awarded, or other action taken by the local authority, for example a prohibition on renting out the property?</p>	<p>Yes, at the discretion of the court / RPT.</p>
<p>Question 14: Is there a need to review the sanctions currently available to local authorities when dealing with less serious housing condition breaches?</p>	<p>No. Where the hazards are less serious (Category 2) then logically the sanctions should be less serious. The existing regime seems to deal with these hazards adequately.</p>
<p>SECTION 4:</p>	
<p>Safety conditions</p>	
<p>Smoke alarms</p>	
<p>Carbon monoxide alarms</p>	
<p>Landlord & Tenant Act 1985</p>	
<p>Inspection of electrical installations</p>	
<p>Question 15: Should private sector landlords be required to install, and maintain, smoke alarms in their properties, or would a non-regulatory approach to encourage greater take-up be a better option?</p>	<p>A simple national standard for the installation of properly maintained smoke alarms does not seem unduly onerous, and would be simpler and clearer than leaving this as a matter for local interpretation and discretion.</p>
<p>Question 16: Should private sector landlords be required to install, and maintain, carbon monoxide alarms in their properties or would a non-regulatory approach be a better option?</p>	<p>See response to Question 15.</p>
<p>Question 17: Does the Landlord & Tenant Act 1985 cover the right areas, or should it be broadened to cover other issues?</p>	<p>The Landlord and Tenant Act contains various basic requirement that landlords are required to meet. These are not as onerous or detailed as the provisions of the Housing Act 2004. If there are additional requirements that are seen to be appropriate, amendments to HHSRS would seem more appropriate.</p>

<p>Question 18: Do you think that the current approach strikes the right balance or should there be a statutory requirement on landlords to have electrical installations regularly checked?</p>	<p>A statutory requirement for a current electrical installation report and regular checks would bring the requirements for electrical installations into line for those with gas installations. This would be a reasonable step that would be in line with the balance of risk between gas and electrical systems.</p>
<p>SECTION 5: Licensing of rented housing</p>	
<p>Question 19: How effective is voluntary accreditation as a way of driving up standards?</p>	<p>Extremely ineffective in our experience. Unless additional incentives are introduced, landlords do not wish to become accredited unless they are already motivated to be responsible, high quality landlords. This situation does nothing to improve standards amongst less motivated landlords.</p>
<p>Question 20: Should we consider introducing tighter restrictions on the use of selective licensing to avoid putting unnecessary burdens on good landlords?</p>	<p>No. Whilst we have no direct experience of selective licensing, our view is that licensing is not an onerous burden for good landlords. Our experience is that good quality landlords of licensable HMOs do not face a time-consuming or costly process to obtain a licence. There is no reason to suppose that selective licensing would be more of a burden. The existing restrictions on introducing selective licensing are already tight and do not need to be tightened further. There does not seem to be any reason to believe that Local Authorities are using these powers frivolously.</p>
<p>Question 21: Should we consider introducing an approach which would enable local authorities to focus any licensing scheme solely on rogue landlords?</p>	<p>It is difficult to see how this could be achieved fairly or objectively. A definition of "rogue landlord" would need to be arrived at, and this would be extremely difficult in practice. In any case, the focus of any selective licensing scheme will be on the poorer quality landlords. Licensing should create a fair standard which good landlords will find easy to achieve, and poor landlords will have to do more to attain.</p>
<p>Question 22: Should the relevant provisions of the greater London Powers Act 1973 be reviewed or updated, does London need separate rules from the rest of England, and what comments would you have on how regulations could better support and reflect modern technology?</p>	<p>No response</p>

**SECTION 6:
Housing Health & Safety Rating System**

Question 23: Do you think the methodology that underpins the Housing Health and Safety Rating System and/or the accompanying operational guidance need to be updated?

Yes. The system is unnecessarily complex, and this does cause some problems with enforcement and with ensuring that landlords understand their obligations. Much of the data that underpins the scoring is also quite old, and at the very least this should be brought as up to date as possible.

EXECUTIVE COMMITTEE	(D) Agenda Item 11
Date of Meeting: 26th March, 2014	
Reporting Officer: Executive Director	
<p>Title: Energy Company Obligation (ECO)</p> <p>Summary and Conclusions:</p> <p>The Government has announced substantial changes to their policies on energy efficiency. The requirements for energy companies to deliver a range of assistance to households to improve energy efficiency, reduce energy consumption and reduce carbon emissions have become less onerous. This report proposes supporting a county-wide response that will support the delivery of ECO improvements in Barrow.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 1. To note the report and the changes to the Energy Company Obligation Scheme; and 2. To approve funding of £2,700 to support the Cumbria Warm Homes Project Officer for a further six months. 	

1. Background

- 1.1. Members have previously considered a report on the Energy Company Obligation (ECO) (minute 69 16/10/13 refers). That report outlined a delivery process for the main ECO schemes. These schemes impose targets on energy companies to provide free or subsidised energy efficiency measures and are known as:
 - Carbon Emissions Reduction Obligation (CERO)
 - Carbon Savings Community Obligation (CSCO)
 - Home Heating Cost Reduction Obligation (HHCRO).
- 1.2. Carlisle City Council had carried out a procurement exercise on behalf of all the Cumbrian district councils to identify a preferred provider to deliver these schemes. The preferred provider for Barrow was Gentoo Group Ltd.
- 1.3. Since Members were presented with this report, the Government announced that it intends to reduce the ECO targets (by 33% in the case of CERO), and to extend the period over which the ECO obligations apply from 2015 to 2017. The Government has launched a formal consultation on the detail of the changes.

- 1.4. This has had the effect of reducing the amount that the energy companies are prepared to pay for energy efficiency measures, and the proposals brought forward by Gentoo Group for Barrow are no longer fundable. This situation has been replicated in the other districts in Cumbria.

2. Future Proposals

- 2.1. The previous ECO offer was developed through the Borough Council's participation in the Cumbria Warm Homes (CWH) Partnership. CWH employs a Project Officer to co-ordinate the process.
- 2.2. The Project Officer's post is funded until the end of March 2014. Following this date, it was intended that the post would be funded through commission paid for referrals into ECO schemes. This will no longer happen as there are for the time being no ECO schemes operating in the county.
- 2.3. Despite the changes announced to the ECO requirements, it should still be possible to develop projects that will benefit residents of Barrow and the rest of Cumbria. This could be achieved through direct negotiation with energy companies, or through installers or other intermediaries.
- 2.4. ECO (in a similar manner to its forerunner schemes) will typically provide free insulation or heating improvements for residents who are often in fuel poverty. They do this at low or no cost to the Council, so the benefits to residents are very high compared with the Council's costs. However, the Council has very limited capacity to be able to carry out this work independently. It is more realistic that the CWH process will successfully facilitate new ECO schemes.
- 2.5. It is proposed that the CWH Project Officer post is supported for a further six months, to allow ECO schemes to be developed for the county under the new arrangements. The cost will be apportioned between the district councils and the County Council. Thereafter the intention would remain that the post would be funded through commission from referrals.
- 2.6. The cost of the Council's share of supporting the CWH Project Officer post for six months will be £2,700. It is recommended that this cost is met from the Welfare Support Reserve.

(i) Legal Implications

There are no legal implications.

(ii) Risk Assessment

No significant corporate risk has been identified.

(iii) Financial Implications

No costs other than officer time and those identified in the report are required.

(iv) Health and Safety Implications

There are no Health and Safety implications for the Council.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has a positive effect on the Health and Wellbeing of users of this service by improving housing conditions.

Background Papers

Papers held by Housing Renewal Manager

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 12
Date of Meeting:	26th March, 2014	
Reporting Officer:	Executive Director	
<p>Title: Cavendish House</p> <p>Summary and Conclusions:</p> <p>The report details the current position with regard to Cavendish House, Barrow-in-Furness.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. To note the report; and 2. To authorise the Executive Director to terminate the lease of Cavendish House on the terms reported. 		

Report

Background

The Council occupies Cavendish House under the terms of a 10 year lease dated 26th November, 2009.

The term of the lease is 31st December, 2009 to 30th December, 2019.

The annual rent is £43,000pa excluding VAT and rates.

There is a break clause in the lease enabling the council, on not less than six months written notice, to terminate the agreement on 30th December, 2014.

The Executive Director requests approval to serve formal notice on the landlord terminating the lease of Cavendish House on 30th December, 2014.

(i) **Legal Implications**

Formal termination of leasehold contract

(ii) **Risk Assessment**

The recommendation has no significant implications.

(iii) Financial Implications

Cessation of all property costs.

(iv) Health and Safety Implications

The recommendation has no detrimental impact the built environment or public realm.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has little impact on the Health and Wellbeing of users of this service.

Background Papers

Nil

EXECUTIVE COMMITTEE	(D) Agenda Item 13
Date of Meeting: 26th March, 2014	
Reporting Officer: Executive Director	
Title: Planning Policy - Annual Monitoring Report (AMR) and Housing Land Supply and Strategic Housing Land Availability Assessment Review	
Summary and Conclusions:	
The purpose of this report is to advise members of the publication of the 2012/13 Annual Monitoring Report (AMR) and the Housing Land Supply and Strategic Housing Land Availability Assessment Review 2013.	
Recommendation:	
To note the content of the Annual Monitoring Report and the Housing Land Supply and Strategic Housing Land Availability Assessment Review 2013.	

Report

The purpose of this report is to advise Members of the publication of the 2012/13 Annual Monitoring Report (AMR) and the Housing Land Supply Statement and Strategic Housing Land Availability Assessment Review 2013 produced by the Planning Policy Section.

This is the ninth Annual Monitoring Report to be published and a full colour copy is available to view in the Member's Room or on the Council's website.

The AMR is required by legislation and regulations to demonstrate progress in producing the planning policy documents set out in the Council's Local Development Scheme (LDS).

The Council's current Local Development Scheme (February 2014) reflects the requirements of the National Planning Policy Framework (NPPF) introduced in March 2012, and the Council's decision to produce a single Local Plan document, which is currently underway.

As the production of a single Local Plan requires the review of all saved policy this is currently being progressed. The AMR provides a list of saved policies and documents together with an indication of when saved policies are likely to be cancelled or replaced. It also provides an up to date list of background studies which are produced as an evidence base to inform the Local Plan.

The AMR contains a range of data and statistics including housing data which should be read in conjunction with the Council's Housing Land Supply and Strategic Housing Land Availability Assessment Review 2013 which sets out the housing requirement for the Borough. This document also looks at the ways in which the requirement can be met over the next 5 and 15 year period. This document can be found along with the AMR on the Council's website or a hard copy is available in the Members Room.

(i) Legal Implications

Elements of the AMR's content are statutory requirements.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

The recommendation has no financial implications.

(iv) Health and Safety Implications

The recommendation has no implications.

The recommendation has no detrimental impact the built environment or public realm.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Correspondence held by the Executive Director.

EXECUTIVE COMMITTEE		Part One (R) Agenda Item 14
Date of Meeting:	26th March, 2014	
Reporting Officer:	Deputy Executive Director	
<p>Title: Customer Feedback/Complaint Policy</p> <p>Summary and Conclusions:</p> <p>Officers have reviewed the Council Complaints Policy to ensure that it complies with current best practice</p> <p>Recommendations:</p> <p>To recommend the Council to adopt the Customer Feedback/Complaint Policy.</p>		

Report

The Council's Complaints Policy has been reviewed to ensure that it complies with current best practice, provides a user friendly interface between the Council and its customers, and provides an opportunity for customers to give us positive as well as negative feedback on service delivery.

Service Delivery

The proposed Policy is attached at **Appendix 6**.

Members are asked to note the following key points:

1. Complaints and feedback will be used to improve all services.
2. A central log of all formal complaints will be maintained and Management Board will receive a quarterly report detailing the nature of the complaint and the service affected, together with information about what remedial action has been taken in each case. All positive feedback received will also be reported.
3. The policy provides clear guidance to all staff on how to handle complaints and explains what procedure to follow when escalating complaints to the next level.
4. The policy identifies specific deadlines which must be adhered to at all times.
5. There is a specific reference to the role elected members may adopt (see Para. 2.6). If members receive a complaint direct from a constituent, they should refer them to Stage 1 of the procedure.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

The recommendation has no financial implications.

(iv) Health and Safety Implications

The recommendation has no implications.

(v) Equality and Diversity

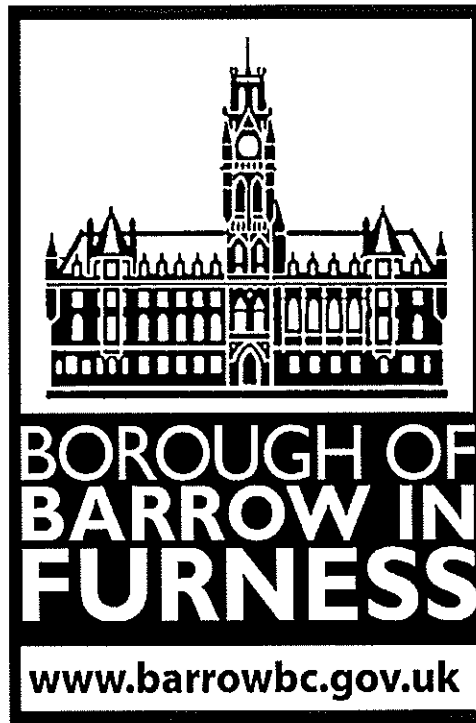
The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil



Customer Feedback/Complaints Policy

Version Control:	
Document Name:	Customer Feedback/Complaints Policy
Version:	Version 3.1
Responsible Officer:	Corporate Services Officer
Approved by:	
Date Approved:	
Review Date	

Revision History

Revision date	Version	Description
January 2014	Version 1.0	Initial Draft
6 th February 2014	Version 2.0	Agreed by Management Board
10 th February 2014	Version 3.1	Changes following MB
	Version 3.1	Approved by Executive Committee
	Version 3.2	Approved by Full Council

Distribution

Name	
All staff	
Management Group	
Contract Partners	
Placed on intranet/internet	

Contents

	Page
Introduction	3
Complaints procedure and timescales	5
The complaints process	8
Scope of the complaints procedure	11
Monitoring and performance reporting	12
Review and evaluation	12
Complaints procedure flow-chart	13

1. Introduction

The purpose of this policy is to improve our services by responding positively to all customer feedback, including complaints. In particular the policy is designed to:-

- Ensure the customer has an easy, accessible, straightforward means of making formal representations to the Council which offers prompt action and speedy resolution of complaints;
- Resolve customer complaints at the first point of contact with the service;
- Give the customer confidence that his/her complaint is being dealt with effectively and fairly, even if the outcome is not to his/her complete satisfaction.

1.1 What is a complaint?

A complaint is an expression of dissatisfaction about a council service or decision that requires a response.

This could cover:

- A failure to provide information or give the correct information;
- An unsatisfactory level of service, including delays and non-delivery of service;
- A failure to follow the Council's agreed policies and procedures;
- The behaviour of staff or contractors employed by the Council including discrimination and/or harassment;
- Failure to fulfil statutory responsibilities.

1.1.1 This document details the Council's policy on dealing with feedback received from our customers.

1.1.2 Feedback about the services we provide, both positive and negative, provides an opportunity to recognise what we are doing well, and to improve where we are not doing so well. Complaints are our opportunity to listen and understand. They allow us to explain what we can do to put things right, to negotiate a way forward, to demonstrate openness and honesty and, where appropriate, to say "sorry".

1.1.3 The aim of this policy is to provide a fair, consistent and structured procedure for our customers when they are dissatisfied with a service they have received. The service concerned will place emphasis on resolving complaints as quickly as possible.

1.1.4 This policy applies to all services we provide both directly and indirectly, such as contracted out services.

1.2 What a customer can expect

1.2.1 Customers can expect to receive a consistently high quality service when they contact any member of staff with a complaint. We will deal with all complaints promptly, and with courtesy and efficiency.

1.2.2 When a customer wishes to complain about a Council service, they can expect:

- Their complaint to be resolved at first point of contact if possible;
- If not resolved at first point of contact a full written response within the timescales specified in this procedure or to be kept informed about the progress of their complaint with an explanation as to why the response has not been possible and when a response can be expected; and
- To progress to the next stage of the complaints process if they remain dissatisfied with the outcome and they have new evidence.

1.3 When dealing with complaints we will:

- Treat all complaints seriously and confidentially;
- Keep a central record of the complaints;
- Learn lessons from complaints to continually develop and improve our services;
- Monitor and report our performance in dealing with and resolving complaints.

Draw this information together centrally, so that Elected Members are provided with an overview of complaints across the authority's services and functions

1.4 Compliments, Comments & Suggestions

1.4.1 If we have done something well we appreciate customers taking the time to tell us. Everyone likes to know that their work is appreciated and it helps us to know what our customers think is important. Compliments will be passed onto the person concerned and his/her manager.

1.5 Accessibility

1.5.1 The Council is committed to equal opportunities and our aim is to make this procedure easy to use and accessible to all of our customers.

1.5.2 Staff will provide information on the complaints procedure for customers wishing to make a complaint and provide any assistance they may require.

1.6 Confidentiality and Freedom of Information

All feedback or complaints received will be dealt with in accordance with the requirements of the Data Protection Act 1998 and the Freedom of Information Act 2000.

2. Complaints Procedure and Timescales

2.1 Informal - Point of Service (not recorded)

- 2.1.1 Most complaints can be dealt with quickly and satisfactorily by 'front-line' staff who provide the service. This is the first opportunity for a service to resolve a customer's dissatisfaction. The member of staff, who receives the complaint either by telephone, face-to-face contact, email, fax or letter will ensure that all reasonable steps are taken to resolve the complaint at this point.
- 2.1.2 If it is not possible to resolve the complaint informally then the complaint will be recorded in the Complaints System (Stage 1 complaint) and assigned to the relevant Service Head (Management Group Level).

2.2.1 Stage 1 Complaint

- 2.2.1 The Service Head will investigate the complaint that has not been resolved, ensure that it is recorded and send a full response to the complainant within 10 working days. The complaint will be acknowledged within 5 working days.
- 2.2.2 The complainant will be advised that should they remain dissatisfied they have a right to make a Stage 2 – Formal Complaint. They will be provided with a copy of the Council's Complaint Leaflet and the procedure explaining the process.

2.3 Stage 2 (Formal) Complaint

- 2.3.1 Customers who remain dissatisfied after receiving the Council's response to their Stage 1 complaint can raise a formal complaint. The Council will record the details and then pass the complaint to the Departmental Head or Manager responsible for the service area to which the complaint relates. The complaint will be acknowledged within 5 working days.
- 2.3.2 The Departmental Head/Manager will act as the "Designated Officer" for the receipt of a formal complaint and for ensuring that each complaint is then processed in accordance with the complaints procedure and within the timescales prescribed.
- 2.3.3 Where the response to a complaint requires input from more than one Division/Department the Officer responsible for the service to which the complaint substantially relates will act as lead officer and secure the relevant input from the appropriate Division/Department.
- 2.3.4 In cases where the Officer to whom the complaint is referred was involved in providing the original response, they will thoroughly review their original decision, in consultation with their next most Senior Divisional/Departmental Officer(s). Where this would be an Officer at Director level the Officer should consult an Assistant Director.
- 2.3.5 The Officer will ensure that a response is prepared and a reply made in writing to the complainant within 20 working days of the date the complaint was acknowledged. If a full reply is not possible within the specified time, the complainant will be informed as to when he/she can

expect a response.

2.4 Stage 3 Complaint - Director of Resources or Executive Director Review

2.4.1 Where the complainant remains dissatisfied the Director of Resources or Executive Director will review the matter personally (Stage 3) and decide what further action needs to be taken to resolve the complaint. The complaint will be acknowledged within 5 working days.

The Director, or Executive Director, will respond in writing to the complainant within 20 working days of the complainant registering continued dissatisfaction.

2.4.2 Where the complainant has also taken up the matter with his/her local elected representative and the member concerned has made representations on the complainant's behalf, the Member will be kept fully informed during all stages of the procedure.

2.4.3 All responses will be recorded centrally.

2.4.4 Where disciplinary action may be contemplated against a member of staff, the HR Manager will be consulted as early as possible. The complaint will be investigated in full before disciplinary action is considered. Any disciplinary action will be kept separate from the investigation of the complaint. The complainant will be informed of the outcome of the investigation only.

2.4.5 Officers who originally responded to the complainant's representations at the initial stage will be informed by their supervisor of the outcome of any complaint which is subsequently processed under the Complaints Procedure and any actions taken to resolve the complaint.

2.5 Final Stage: Local Government Ombudsman/Housing Ombudsman

2.5.1 **Local Government Ombudsman:** With the exception of Housing Management Complaints; if after going through the Complaints Procedures the complainant remains dissatisfied, they can refer their complaint to the Local Government Ombudsman.

2.5.2 **Housing Ombudsman (Housing Management Issues only):** After Stage 3 tenants have the right to appoint a Designated Person. This may be an MP, a local councillor or the Tenant's Complaints Panel.

A Designated Person will help resolve the complaint in one of two ways;

1. try and resolve the complaint themselves or
2. refer the complaint straight to the Ombudsman.

If they refuse to do either the tenant can contact the Ombudsman directly.

If the Designated Person cannot help or achieve resolution they can refer a complaint to the Ombudsman.

Complaints to the Ombudsman do not have to be referred by a designated person but if they are not there must be at least **8 weeks** from the end of the Council's Complaints Procedure before the Ombudsman can consider the case.

2.6 Role of Elected Members/Local MP

- 2.6.1 Members of the public who are dissatisfied with a council service may approach their ward councillor or local MP directly. If they still remain dissatisfied following their councillor's explanation of the situation then they should be signposted to our customer feedback process. Councillors/Local MP may act as an advocate for their constituent where this is requested by the complainant.
- 2.6.2 Ward councillors/Local MP, acting as an advocate, will be notified if a complaint from a resident in their ward reaches Stage 3. They will be invited to supply additional written information that might help the investigation in advance of the Review. At the complainant's request they will be informed of the outcome.

2.7 Extending time limits

We aim to resolve all complaints within the timescales above; however, if a complaint is very complex, or translation/interpretation is required it may occasionally be necessary, in exceptional circumstances, to extend these time limits. If this is the case, we will write to the complainant and explain the reasons why additional time is necessary and set out a revised deadline.

3. The Complaints Process

3.1 Complaints

3.1.1 A complaint may be made in the following ways:

- telephone;
- letter;
- email;
- face to face contact;
- complaints form
- via the Council's website, www.barrowbc.gov.uk

3.1.2 No member of staff may investigate any complaint that directly relates to him or her as an individual.

3.1.3 Where an investigation finds that management action is required relating to a member of staff's behaviour or attitude, then the matter will be dealt with under existing Human Resources policies and procedures. The outcome of such an investigation will remain confidential to the Council.

3.1.4 Management Group will ensure that information about Stage 1 and 2 complaints are recorded centrally in the Council's Complaint System including:

- complainant's surname;
- subject of complaint;
- officer responsible for dealing with the case;
- responses, action taken and any changes made as a result of the complaint.

3.1.6 Where the complaint is about something outside our control we will advise, if we can, who to take the issue up with.

3.2 Complaints involving more than one service

3.2.1 A lead Group Manager will be appointed to co-ordinate this response and a single response will be sent to the complainant addressing all the points that have been raised.

3.2.2 Each service involved will be responsible for investigating the issues relating to their service, and providing information to the lead Group Manager within sufficient time to enable agreed timescales to be complied with.

3.3 Vexatious and persistent complainants

3.3.1 Complainants may be angry and/or aggrieved, sometimes with good cause. Most behave in legitimate ways. A very small minority make complaints that are vexatious; they persist unreasonably, or make complaints in order to make life difficult for the Council rather than genuinely to resolve a grievance. This may involve making serial complaints about different matters, or continuing to raise the same or similar matters over and over again.

3.3.2 It is important to distinguish between people who make a number of complaints because they really think things have gone badly wrong, and people who are simply being difficult. It is important to consider the merits of the case rather than a complainant's attitude.

- 3.3.3 A complainant may be considered to be vexatious and/or persistent where they:
- Persist in pursuing a complaint where the complaints procedures have been fully and properly implemented and exhausted;
 - Change the emphasis of a complaint or continually raise additional issues or seek to prolong contact by continually raising further concerns or questions upon receipt of a response;
 - Are unwilling to accept documented evidence as being factual in spite of correspondence specifically answering their questions or do not accept that facts can sometimes be difficult to verify when a long period of time has elapsed;
 - Do not clearly identify the precise issues which they wish to be investigated, despite reasonable efforts to help them specify their concerns, and/or where the concerns identified are not within the remit of the Council to investigate;
 - Focus on a trivial matter to the extent that this is out of proportion to its significance and continue to focus on this point;
 - Adopt a regular 'scattergun' approach by pursuing a complaint through a variety of sources simultaneously e.g. MP, Councillor, Ombudsman etc;
 - Make unreasonable demands on staff time with excessive telephone calls, e-mails, or letters and expecting an immediate response;
- 3.3.4 Determination of a vexatious complainant will be done in consultation with the Council's Monitoring Officer. Once a complainant is considered to be vexatious a member of the Corporate Support Team will write to them confirming the decision and asking them not to enter into any further correspondence regarding the matter. They will also record the details on the Council's central register. If the complainant still continues to correspond without raising any significant new matters or presenting any new information then it should simply be filed with no acknowledgment sent.
- 3.3.5 A complaint to the Council does not have to be made in writing. However, if a complainant keeps telephoning either to discuss an existing complaint or to make a new complaint, and this is proving time consuming and disruptive, it may be reasonable to ask them to put their concerns in writing and to discontinue the call. If the problem persists, it may be reasonable to tell the complainant that the Council will, for a set period, not accept telephone calls and only deal with the complainant in writing.
- 3.3.6 If the complainant is told that the Council will only deal with his or her concerns in writing, a letter should be sent to the complainant to confirm the reasons for this. This approach will only relate to the existing complaint.
- 3.3.7 Vexatious complainants often contact many different people within the Council, and can try and take advantage of the differing responses they

may receive. It is important to try and ensure that a vexatious complainant has one main contact within the Council.

3.4 Anonymous Complaints

3.4.1 Anonymous complaints will not be dealt with under this procedure, as the Council needs to correspond with and in some cases meet with the complainant in order to address their concerns. Complainants will not be penalised in any way for making complaints.

3.4.2 Anonymous complaints will be held on file and investigated by the team involved in order to identify possible areas for service improvement. When taking details of a complaint, staff should always encourage customers to provide their identity in order for their complaint to be effectively dealt with. The Council cannot investigate complaints if there is insufficient detail to determine what the problem is.

3.5 Complaints by Councillors and Members of Parliament

The complaints procedure is intended for individual citizens to seek redress. Councillors and MPs may bring forward a formal complaint by acting as their constituent's advocate. In this case the complaint will be treated as a service review.

3.6 Complaints referred from the Local Government Ombudsman (LGO)

Occasionally complainants approach the Local Government Ombudsman direct about a council matter. In these cases the LGO will often refer the matter back to the Council to deal with. In these cases the complaint will be treated as a Stage 1 complaint.

3.7 Remedies

3.7.1 If, following a complaint investigation, a complaint is upheld, it is necessary to consider the appropriate remedy.

3.7.2 It is important that the remedy is made as quickly as possible after the conclusion of the investigation. The Investigating Officer should always consider practical action as a suitable remedy, for example:

- An apology;
- Delivery of the service required;
- A change of procedure to prevent a recurrence of the incident.

3.7.3 If the complainant has suffered loss or distress, financial compensation may be appropriate. Management Board will decide the appropriate remedy, in consultation with the Monitoring Officer where necessary and applying the Local Government Ombudsman guidelines.

4. Scope of the complaints procedure

4.1 This procedure covers complaints relating to the majority of services provided by, or on behalf of the Council. However, there are a number of exceptions where different statutory or legal processes apply. These include:

- Complaints about matters for which the Council is not responsible;
- Complaints about service where an appeals procedure already exists such as: -
 - Housing Benefit/Council Tax Support appeals.
 - Planning Appeals. If the Council refuses a planning application the applicant may appeal to the Secretary of State.
 - Job Applications. If a job applicant is unhappy with the way that their application has been dealt with.
 - Licensing issues are dealt with by the Licensing Sub-Committee.
 - Decisions about homelessness and suitability of accommodation.
 - Parking enforcement notices.
- Complaints that are being considered by the Local Government Ombudsman;
- Complaints that are being considered by the Housing Ombudsman;
- Freedom of Information complaints that are being considered by the Information Commissioner;
- Allegations of personal misconduct by employees or Councillors. The Council's disciplinary procedures or Monitoring Officer will deal with such allegations respectively;
- Complaints made under the Whistleblower's Policy;
- Complaints made by staff under the Grievance Procedure;
- Comments and views about Council Policy that has been agreed democratically, in accordance with the Council's Constitution, cannot be treated as a complaint. Complainants may wish to give us their views as a comment or suggestion instead;
- Reporting everyday problems (such as missed bins, neighbour harassment, nuisance, noise, complaints about food etc.) should be dealt with under existing procedures directly by the appropriate team. The complaints procedure would only be utilised if the resident complained that the Council's response was inadequate;
- Complaints that are the subject of legal proceedings or are being referred to the Council's insurers.

4.2 A service in receipt of a complaint, which for any reason cannot be considered under the complaints procedure, will provide an explanation to the complainant and advise the appropriate route to follow.

5. Monitoring and performance reporting

- 5.1 The Council is committed to continually improving the services we deliver to our customers. Information gained from customer feedback can be a valuable tool in identifying the needs of our customers and developing our services to meet those needs.
- 5.2 The Corporate Support Team has overall responsibility for monitoring and reporting performance in complaint handling and resolution.
- 5.3 The Corporate Support Team will collate and prepare reports on complaints received and their resolution on a quarterly basis. These reports will be considered by Management Board and elected members at appropriate meetings. The quarter 4 report will also incorporate the annual report from the Local Government Ombudsman.
- 5.4 Ad hoc reporting may also be carried out either at the request of a Council Committee or Management Board, or to highlight any areas of concern identified by the Corporate Support Team.

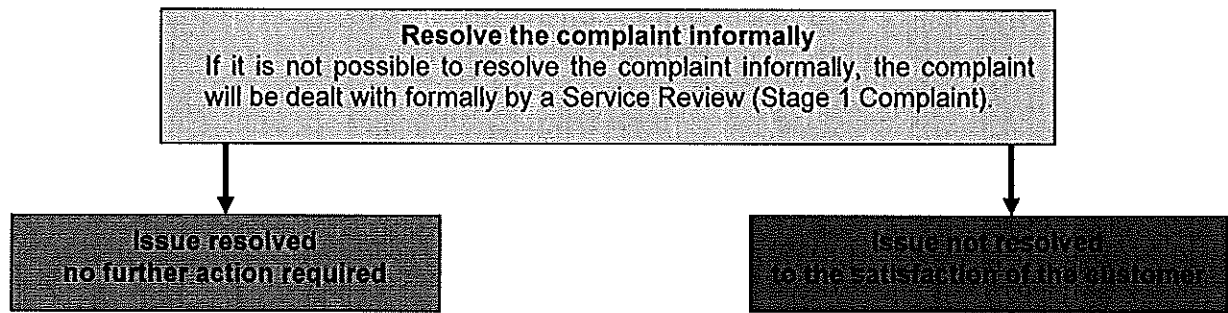
6. Review and evaluation

- 6.1 In order to ensure we continue to provide the best possible complaints handling and customer feedback service for our customers, this policy will be subject to formal review by the Corporate Support Team every 3 years.
- 6.2 Staff involved in complaints handling will also be consulted for their views and suggestions on how the procedure may be improved, and are encouraged to contact the Corporate Support Team for advice and support at any time.

Customer Feedback/Complaints Procedure Flow-Chart

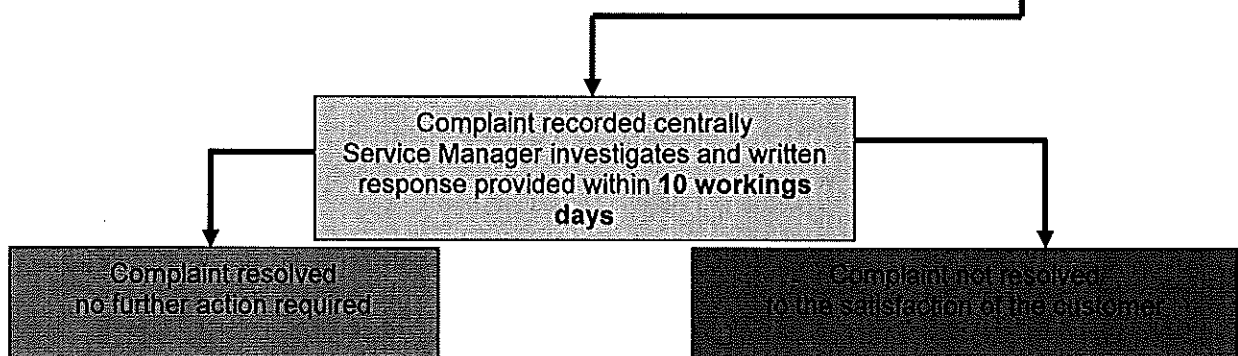
Point of Service - Informal

This is the first opportunity for a service to resolve a customer's dissatisfaction



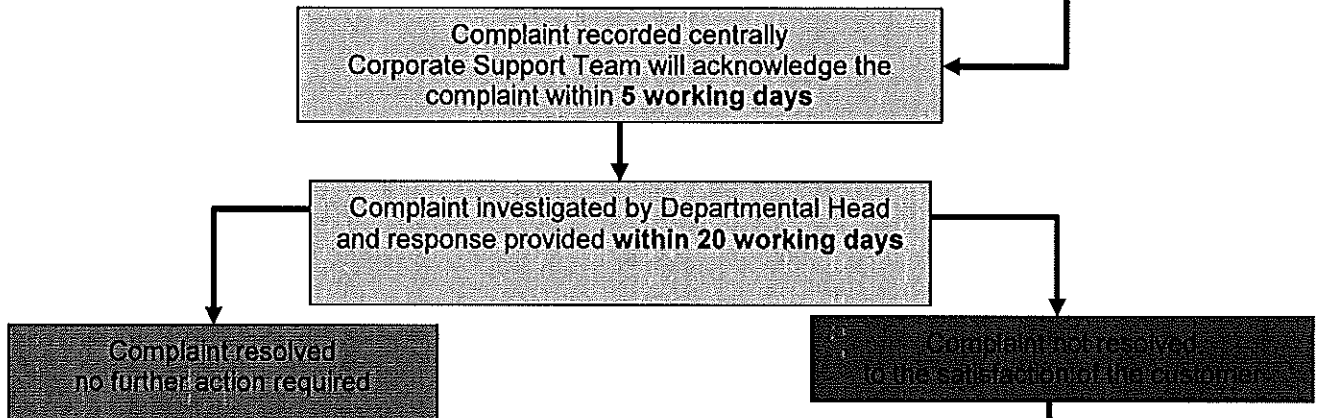
Stage 1 Complaint - Service Review

This is where the Service Manager will look into a complaint that has not been resolved informally.



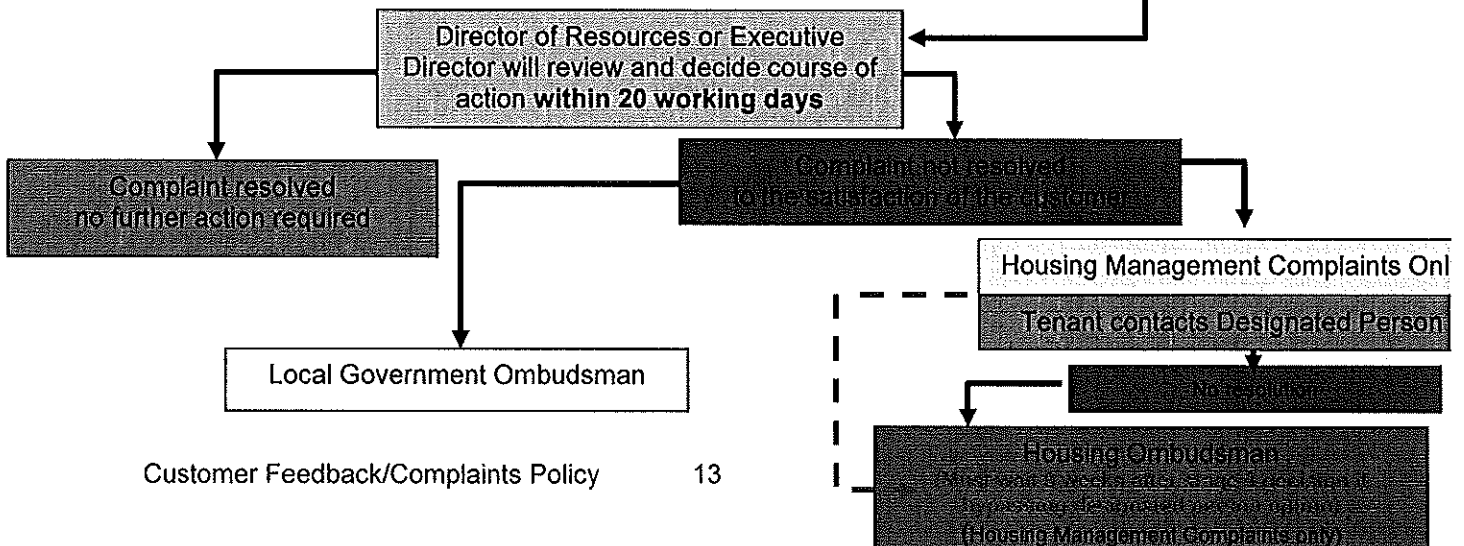
Stage 2 (Formal) Complaint

The Departmental Head/Manager will review the complaint and Stage 1 response.



Stage 3 Complaint

Director of Resources or Executive Director Review



EXECUTIVE COMMITTEE		Part One (D) Agenda Item 15
Date of Meeting:	26th March, 2014	
Reporting Officer:	Policy Review Officer	
<p>Title: Fairtrade</p> <p>Summary and Conclusions:</p> <p>The Scrutiny Committee has reviewed the requirements for retaining Fairtrade status and agreed that we should renew our commitment to the Fairtrade principles.</p> <p>Recommendation:</p> <p>Members are invited to consider the recommendations from the Overview and Scrutiny Committee and agree that the Borough of Barrow in Furness retains its Fairtrade town status.</p>		

Report

The Borough of Barrow in Furness achieved Fairtrade status in 2007.

The Overview and Scrutiny Committee received notice that periodically we have to renew our commitment to the principles of Fairtrade in order to retain Fairtrade status.

To retain Fairtrade town status the following five goals must be achieved.

1. Fairtrade coffee and tea at its meetings and in offices and canteens. This is of less relevance to us because we do not have a canteen and there are very few Council meeting where we serve refreshments.
 - **We have agreed that Fairtrade tea and coffee will be available at the Full Council meeting and at Planning Committee**
2. A range of Fairtrade products must be readily available in the area's shops and served in local cafés and catering establishments.
 - **The number required has been significantly exceeded.**
3. Fairtrade products must be used by a number of local work places (estate agents, hairdressers etc.) and community organisations (churches, schools etc.) **The number required has been significantly exceeded.**

4. Attract popular support for the campaign.
 - **A Fairtrade event was held in the Forum during Fairtrade fortnight.**
5. A local Fairtrade steering group must be convened to ensure continued commitment to Fairtrade Town status.
 - **A steering group is in place and includes two representatives from the Council.**

Having reviewed the requirements for retaining Fairtrade status the Overview and Scrutiny Committee agreed that there is continuing demand for Fairtrade products in the Borough and has recommended that we retain our Fairtrade town status.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

The recommendation has no financial implications.

(iv) Health and Safety Implications

The recommendation has no implications.

The recommendation has no detrimental impact the built environment or public realm.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil