



Friday, 27 October 2017

POLICY DEVELOPMENT AND DECISION GROUP (JOINT OPERATIONS TEAM)

A meeting of **Policy Development and Decision Group (Joint Operations Team)** will be held on

Monday, 6 November 2017

commencing at **4.00 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus, Torquay, TQ1 3DR

Members of the Committee

Councillor Haddock (Chairman)

Councillor Amil

Councillor Mills

Councillor Excell

Councillor Parrott

Councillor King

The Elected Mayor, Mayor Oliver

A prosperous and healthy Torbay

For information relating to this meeting or to request a copy in another format or language please contact:

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www.torbay.gov.uk

POLICY DEVELOPMENT AND DECISION GROUP (JOINT OPERATIONS TEAM) AGENDA

1. **Apologies**
To receive apologies for absence.
2. **Disclosure of Interests**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda
For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda
For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
3. **Minutes** (Pages 4 - 12)
To confirm as a correct record the Minutes of the meeting of the Policy Development and Decision Group held on 9 October 2017.
4. **Urgent Items**
To consider any other items the Chairman decides are urgent.
5. **Housing Benefit and Council Tax Support Risk Based Verification Policy 2018/19** (Pages 13 - 36)
To consider a report that reviews the Risk Based Verification Policy.
6. **New Burdens Business Rate Relief Scheme** (Pages 37 - 51)
To approve the New Burdens Business Rate Relief Scheme.
7. **Corporate Asset Management Plan** (To Follow)
To consider a report on the above.

- 8. Renewal of Neighbourhood Forum Status**
To consider a report on the above.

(To Follow)



Minutes of the Policy Development and Decision Group (Joint Operations Team)

9 October 2017

-: Present :-

Councillor Haddock

The Mayor and Councillors Excell, Haddock, King, Mills and Parrott

(Also in attendance: Councillors Darling (S), Ellery, Lewis (C), Morey and Tyerman)

18. Apologies

An apology for absence was received from Councillor Amil.

19. Disclosure of Interests

The Mayor declared a pecuniary interest in respect of the English Riviera Destination Management Plan.

20. Minutes

The minutes of the Policy Development and Decision Group (Joint Operations Team) held on 19 June and 24 July 2017 were correct records and signed by the Chairman.

21. Transformation Project - Review of Public Conveniences

The Assistant Director for Community and Customer Services advised that a comprehensive review of public toilets had been undertaken and that a procurement exercise was being undertaken to seek a commercial partner to deliver the provision of public toilets in Torbay. It was noted that the procurement exercise had reached a stage where a preferred bidder could be appointed, and that at the Joint Operations Team Policy Development Group held on 12 February 2016 it was agreed that public consultation would be undertaken before any final proposals on the type and shape of future public toilet provision would be presented for decision.

Members were given examples of different delivery models/schemes for the provision of toilets which had been adopted by other authorities. Members raised concern about the lack of facilities for the severely disabled and that part of the consultation sought the public's view on the closure of public toilets.

The Policy Development and Decision Group (Joint Operations Team) made the following recommendation to the Mayor:

- (i) that contrary to officer recommendation, the consultation proposed in the submitted report is not to be undertaken;
- (ii) that the Mayor does not support any reduction to the number of public toilets and that Community and Customer Services be requested to explore how the existing toilet provision can be provided via a modernisation programme which is in accordance with the Corporate Plan to reduce costs to the Council and report back to the Mayor and Executive Leads.

The Mayor considered the recommendations of the Policy Development and Decision Group (Joint Operations Team) set out above at the meeting and his decision is attached to these minutes.

22. Update of Torbay Economic Strategy and English Riviera Destination Management Plan

The Mayor presented the submitted report which set out a revised Economic Strategy that would support Torbay to build on its strengths to deliver economic growth, tackle inequality and create change in the area that benefits residents. The Mayor explained the four objectives which would assist Torbay in achieving its vision.

It was noted that the current Economic Strategy was due to expire and that certain factors, such as Brexit and the recent government election, meant that the existing strategy required reviewing and updating.

The Policy Development and Decision Group (Joint Operations Team) made the following recommendation to the Mayor on the Torbay Economic Strategy 2017-2022:

That subject to the wording set out below being included on Page 6 of the Strategy, the Council be recommended to approve the Torbay Economic Strategy 2017-2022, as set out in Appendix 2 to the submitted report, noting that the Policy Framework element of the Strategy starts at Page 10.

‘Working with the **‘Heart of the South West’** Local Enterprise Partnership to build our relationship with Government.’

The Mayor considered the recommendations of the Policy Development and Decision Group (Joint Operations Team) set out above at the meeting and his decision is attached to these minutes.

The Executive Lead for Planning, Transport and Housing presented the English Riviera Destination Management Plan 2017-2021 as set out in the submitted report. The Executive Lead advised that the overall objectives of the Destination Management Plan were to deliver a series of agreed actions in partnership with local stakeholders to strengthen and develop the English Riviera’s tourism offer.

The Policy Development and Decision Group (Joint Operations Team) made the following recommendation to the Executive Lead for Tourism, Culture and Harbours on the English Riviera Destination Management Plan 2017-2021:

That the Council be recommended that the English Riviera Destination Management Plan 2017-2021 Pride in Place, as set out in Appendix 2 to the submitted report, be adopted as a sub-strategy of the Torbay Economic Strategy.

The Executive Lead for Tourism, Culture and Harbours considered the recommendations of the Policy Development and Decision Group (Joint Operations Team) set out above and her decision is attached to these minutes.

(Note: Prior to consideration of the English Riviera Destination Management Plan 2017-2021, the Mayor declared his pecuniary interest and withdrew from the meeting room.)

Chairman

Record of Decisions

Transformation Project - Review of Public Conveniences

Decision Taker

Mayor on 09 October 2017

Decision

- (i) that contrary to officer recommendation, the consultation proposed in the submitted report is not to be undertaken;
- (ii) that the Mayor does not support any reduction to the number of public toilets and that Community and Customer Services be requested to explore how the existing toilet provision can be provided via a modernisation programme which is in accordance with the Corporate Plan to reduce costs to the Council and report back to the Mayor and Executive Leads.

Reason for the Decision

To determine a sustainable position for the future management of public toilets.

Implementation

The decision will come into force and may be implemented on Tuesday, 24 October 2017 unless the call-in process is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The Assistant Director for Community and Customer Services advised that a comprehensive review of public toilets had been undertaken and that a procurement exercise was being undertaken to seek a commercial partner to deliver the provision of public toilets in Torbay. It was noted that the procurement exercise had reached a stage where a preferred bidder could be appointed, and that at the Joint Operations Team Policy Development Group held on 12 February 2016 it was agreed that public consultation would be undertaken before any final proposals on the type and shape of future public toilet provision would be presented for decision.

Members were given examples of different delivery models/schemes for the provision of toilets which had been adopted by other authorities. Members raised concern about the lack of facilities for the severely disabled and that part of the consultation sought the public's view on the closure of public toilets.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

Yes – Reference Number: I030260

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

16 October 2017

Signed: _____
Mayor of Torbay

Date: _____

Record of Decisions

Torbay Economic Strategy 2017-2022

Decision Taker

The Mayor on 09 October 2017

Decision

That subject to the wording set out below being included on Page 6 of the Strategy, the Council be recommended to approve the Torbay Economic Strategy 2017-2022, as set out in Appendix 2 to the submitted report, noting that the Policy Framework element of the Strategy starts at Page 10.

'Working with the '**Heart of the South West**' Local Enterprise Partnership to build our relationship with Government.'

Reason for the Decision

To recommend that Council approves the revised Torbay Economic Strategy 2017-2022.

Implementation

The decision will come into force and may be implemented on Tuesday, 24 October 2017 unless the call-in process is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The Mayor presented the submitted report which set out a revised Economic Strategy that would support Torbay to build on its strengths to deliver economic growth, tackle inequality and create change in the area that benefits residents. The Mayor explained the four objectives which would assist Torbay in achieving its vision.

It was noted that the current Economic Strategy was due to expire and that certain factors, such as Brexit and the recent government election, meant that the existing strategy required reviewing and updating.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

Yes – Reference Number: I034000

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the

Standards Committee)

None

Published

16 October 2017

Signed: _____
Mayor of Torbay

Date: _____

Record of Decisions

Destination Management Plan 2017-2021

Decision Taker

The Executive Lead for Tourism, Culture and Harbours on 18 October 2017

Decision

That the Council be recommended that the English Riviera Destination Management Plan 2017-2021 Pride in Place, as set out in Appendix 2 to the submitted report, be adopted as a sub-strategy of the Torbay Economic Strategy.

Reason for the Decision

To recommend that Council approves the revised English Riviera Destination Management Plan 2017-2021.

Implementation

The decision will come into force and may be implemented on Thursday, 26 October 2017 unless the call-in process is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The Executive Lead for Planning, Transport and Housing presented the English Riviera Destination Management Plan 2017-2021 as set out in the submitted report. The Executive Lead advised that the overall objectives of the Destination Management Plan were to deliver a series of agreed actions in partnership with local stakeholders to strengthen and development English Riviera's tourism offer.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

Yes – Reference Number: I034001

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

18 October 2017

Signed: _____

Date: _____

Executive Lead for Tourism, Culture and Harbours



Meeting: Policy Development and Decision Group
(Joint Operations Team)

Date: 6 November 2017

Wards Affected: All Wards

Report Title: Housing Benefit & Council Tax Support Risk Based Verification Policy 2018/19

Is the decision a key decision? No

When does the decision need to be implemented? 1 April 2018

Executive Lead Contact Details: Mark King, Executive Lead for Planning, Transport and Housing, Telephone 01803 207114 Email Mark.King@Torbay.gov.uk

Supporting Officer Contact Details: Alison Whittaker, Head of Customer Services, Revenue & Benefits Telephone 01803 207221, email Alison.whittaker@torbay.gov.uk

1. Proposal and Introduction

- 1.1 The Council implemented Risk Based Verification into its Housing Benefit and Council Tax Support assessment processes by the Department of Work and Pensions (DWP) on 1 December 2016. It was approved by the Mayor in September 2016.
- 1.2 The Risk Based Verification Policy must be reviewed annually but not changed in-year as this would complicate the audit process. The amended policy should be approved by Members and Section 151 officer.
- 1.3 Risk Based Verification assesses the information provided on the application form and allocates the case to a risk category. If someone is in a low-risk category they may only be required to submit basic identification and National Insurance Number information. This targeted approach has shown to be more effective at identifying fraud and error, whilst also reducing costs and improving the customer journey. The process works on a risk matrix based on the applicants circumstances. The data can also be matched against data from other local authorities to ensure that customers do not have a duplicate claim in progress.

2. Reason for Proposal

- 2.1 At present the Council receives 8,000 new claims for Housing Benefit & Council Tax Support. Risk Based Verification (RBV) reduces the necessity for many customers to contact the Council through more expensive methods such as face to face, and decreases the need to produce original documents to support their claim

resulting in a reduction in the number of customer contacts, lower volumes of scanning and indexing and less information requests.

2.2 From a service perspective RBV has contributed to reduce processing times for new applications during a period where capacity has been diverted to other initiatives.

2.3 To summarise, the main reasons for continuing to undertake Risk Based Verification are as follows:

- An efficient administration that results in a reduction in officer processing time. This allows resources to be deployed to undertake other priority work and results in a reduction of administration costs.
- Significantly reduces the claim verification process for many customers, which also improves processing times.
- Reduces the volume of customer contact received by the Call Centre to chase the progress of applications due to claims being processed promptly.
- Ensures that Housing Benefit and Council Tax Support is paid promptly to ensure that customers remain up to date with their rent.
- Assists to identify potentially fraudulent cases and taking the appropriate action.

3. Recommendation(s) / Proposed Decision

That the Mayor be recommended:

3.1 That the amended Risk Based Verification Policy for Housing Benefit and Council Tax Support set out in Appendix 1 to the submitted report be approved

Appendices

Appendix 1: Risk Based Verification Policy

Appendix 2: Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011

Background Documents

Equality Impact Assessment Risk Based Verification Policy

Report Clearance

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Steve Parrock	
Monitoring Officer	Anne-Marie Bond	
Chief Finance Officer	Martin Phillips	
Relevant Director/Assistant Director	Bob Clark	

Section 1: Background Information

1.	<p>What is the proposal / issue?</p> <p>Continue to use Risk Based Verification (RBV) for new claims of Housing Benefit and Council Tax Support.</p> <p>The proposal is to amend the current policy to remove applying RBV for change of address applications as analysis has proved that there is no real gain in efficiency within this area of work.</p> <p>Through this amendment in policy it will allow staff resource to be allocated to review claims via the new Department for Work and Pensions (DWP) fraud initiatives including Wider Use Of Real Time Information (WURTI) on-line portal. This initiative identifies undeclared income changes and resultant overpayments of Housing Benefit for recovery.</p> <p>For high risks claims, apply additional use of Wider Use Of Real Time Information (WURTI) for a comprehensive review of income investigation.</p>
2.	<p>What is the current situation?</p> <p>Around 8,000 new claims for Housing Benefit and Council Tax Support are received and processed per year.</p> <p>As part of DWP Welfare Reform, new work initiatives continue to be introduced that the Council must comply with. This increases case load work for staff and a need to apply resource within the work areas of most gain.</p> <p>Applying RBV for new claim applications has increased efficiency of processing and improved performance.</p> <p>RBV is now an imbedded and accepted working practice within Revenue & Benefits.</p> <p>Customers are now more accustomed to the requirements for providing evidence depending on their risk rating.</p>
3.	<p>What options have been considered?</p> <p>Continuation of Risk Based Verification with amended policy.</p> <p>Revert back to the previous way of working, verifying the same amount of evidence for all new claims. However, this is a less effective and resource intensive process when compared to the benefits of Risk Based Verification and less likely to identify cases of fraud.</p>

4.	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan?</p> <p>Risk Based Verification provides a quicker, more efficient and less onerous service for many of the Council's customers supporting the Council's aspiration to deliver better and more efficient front line services.</p>
5.	<p>How does this proposal contribute towards the Council's responsibilities as corporate parents?</p> <p>This policy supports the efficient processing of new claims for Housing Benefit and Council Tax Support enabling payments to be issued promptly. This supports payments of rent being made at the earliest opportunity reducing the risk of rent arrears and escalating debt. This assists to protect secure households and reduces the risk of homelessness.</p> <p>Ongoing relationships with Adult services, Children's services and other local support agencies to ensure that vulnerable households are claiming the appropriate financial support to assist them with payment of their rent.</p>
6.	<p>How does this proposal tackle deprivation?</p> <p>Through improved processing times of new claims for Housing Benefit and Council Tax Support this supports customer's budget and money management for payment of their rent.</p>
7.	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>There has been no consultation as the policy will benefit all stakeholders by continuing to reduce the burden of evidence that needs to be supplied for claims verification purposes and reducing processing times of claims.</p>
8.	<p>How will you propose to consult?</p> <p>Not applicable for this proposal.</p>

Section 2: Implications and Impact Assessment

9.	<p>What are the financial and legal implications?</p> <p>On-going costs of the Risk Based Verification technology are contained within existing budgets.</p> <p>The contract for the Risk Based Verification IT system is for two years and will then re-evaluated. This proposal is for the second year of this agreement.</p> <p>There is a mandatory requirement to have a Risk Based Verification Policy that details risk profiles, verification standards and the minimum number of claims to be checked, which is set out in Appendix 1.</p> <p>The policy complies with the recommendations from the Department of Work and Pensions outlined in Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011, see Appendix 2. It should be noted that this policy will be the basis on which the Council is audited. For this reason, the policy is approved by Members and the Council's Section 151 Officer.</p> <p>External auditors check the annual certification process that the Council has followed its Risk Based Verification Policy. Failure to do so could result in subsidy implications, meaning there could be a cost to the Council. This will be monitored closely to ensure that subsidy is not affected.</p> <p>The verification levels laid out in Torbay's Policy is common practice and has been live in a number of other local authorities who have not had their subsidy claims challenged in this respect during their annual audit.</p> <p>The policy must be reviewed annually but not changed in-year as this would complicate the audit process.</p>
10.	<p>What are the risks?</p> <p>The risks of not implementing the revised RBV Policy are as follows:</p> <p>The volume of fraud and error claims detected will be compromised by not using a risk score identification matrix.</p> <p>Staff and customers will have difficulty reverting back to "old rules" evidence requirements.</p> <p>Increased processing times.</p> <p>Increased levels of customer contact chasing progress of unprocessed applications.</p> <p>Potential loss of subsidy income due to decrease in performance processing times.</p> <p>Additional processing staff would be required to absorb the increased administration work in processing applications without RBV.</p>

11.	<p>Public Services Value (Social Value) Act 2012</p> <p>The Council is contracted to the Civica Open Revenues IT system, which is used to administer all aspects of Council Tax, Non-Domestic Rates, BID, Housing Benefit and Council Tax Support administration.</p>
12.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>This scheme was introduced in December 2016 in Torbay and has been piloted in other local authorities and rolled out nationally from November 2011, allowing the Council to benefit from experiences of others.</p> <p>The results are in line with the anticipated risk categories.</p> <p>The RBV procedure has assisted in supporting the continued improvement in processing time for new claims. Target 28 days – current average Year To Date – 21 days.</p> <p>The scheme compliments the rationalisation of front facing customer contact due to the due reduced need for supporting documentation to accompany new claims.</p>
13.	<p>What are key findings from the consultation you have carried out?</p> <p>Not applicable for this proposal</p>
14.	<p>Amendments to Proposal / Mitigating Actions</p> <p>Not applicable for this proposal</p>

Equality Impacts

15	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			No adverse impact has been identified.
	People with caring Responsibilities			No adverse impact has been identified.
	People with a disability			No adverse impact has been identified.
	Women or men			No adverse impact has been identified.
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			No adverse impact has been identified.
	Religion or belief (including lack of belief)			No adverse impact has been identified.
	People who are lesbian, gay or bisexual			No adverse impact has been identified.
	People who are transgendered			No adverse impact has been identified.
	People who are in a marriage or civil partnership			No adverse impact has been identified.
	Women who are pregnant / on maternity leave			No adverse impact has been identified.

	Socio-economic impacts (Including impact on child poverty issues and deprivation)			No adverse impact has been identified.
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No adverse impact has been identified.
16	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	Not applicable for this proposal.		
17	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	Not applicable for this proposal.		

Appendix 1: Risk Based Verification Policy

Torbay Council
www.torbay.gov.uk



Risk Based Verification Policy

Contents

1. Introduction
2. Background
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Version Control

Version	Date	Notes
1	March 2016	Draft – Version 1
2	June 2016	Draft – Version 2
3	July 2016	Final
4	September 2017	Updated – Version 1
5	September 2017	Final

1. Introduction

The Department for Work and Pensions (DWP) issued circular S11/2011. This contained details of the DWP's policy on the use of Risk Based Verification for Housing Benefit and Council Tax Benefit. Although Council Tax Benefit was abolished from 1st April 2013, Risk Based Verification is being used for Torbay Council's localised Council Tax Support scheme.

This document outlines the legislative frameworks that apply to Risk Based Verification, Torbay Council's approach and the levels of verification that will be required to support a claim and ongoing award for Housing Benefit and Council Tax Support.

2. Background

Housing Benefit and Council Tax Support schemes nationally cost in the region of £29 billion in 2015. Ensuring that the right help is awarded is crucial both to the customers and the taxpayers. Combating fraud and reducing error is a key component of this.

The Verification Framework Policy was introduced by the DWP as guidance, in line with the Social Security Administration Act 1992, for administering Housing and Council Tax Benefit claims. This policy recommended that local authorities should obtain substantial evidence before determining claims for benefit. Although voluntary, it was adopted by the majority of councils to ensure that the correct amount of benefit was paid, that subsidy was maximised and that fraud was minimised.

In 2011, the DWP allowed a limited number of councils to pilot a scheme to try to reduce the cost of the verification process and, at the same time, reduce fraud and error based on risk based verification principles. It is an approach used by Job Centre Plus and will underpin Universal Credit when it is fully implemented.

The pilots were successful and the DWP subsequently extended Risk Based Verification so that all councils can adopt this approach for Housing Benefit and Council Tax Support claims. This is summarised in circular S11/2011.

Torbay Council administers around 8,000 new claims annually for Housing Benefit and Council Tax Support. This policy has been developed to underpin a regime of preventing fraud and error from entering the system whilst continuing with live caseload intervention.

The policy takes into account that Torbay Council must adhere to Housing Benefit and Council Tax Support legislation. The regulations do not specify what information and evidence the Council should obtain from a customer. However, it does require an authority to have information which allows an accurate assessment of a customer's entitlement, when a new claim application is received.

The Councils legal obligation to verify information for Housing Benefit claims is defined in Housing Benefit Regulation 86 which states;

“a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person's entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”

Furthermore; Section 1 of the Social Security (Administration) Act 1992 dictates a National Insurance number must either be stated or enough information provided to trace or allocate one. This legislation applies to both customers and their partners.

(1A) No person whose entitlement to any benefit depends on his making a claim shall be entitled to the benefit unless subsection (1B) below is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming benefit.

(1B) this subsection is satisfied in relation to a person if–

(a) The claim is accompanied by–

(i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person;

or

(ii) information or evidence enabling the national insurance number that has been allocated to the person to be ascertained;

or

(b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated.

Given that these requirements are at the core of the process of administering claims, they will be adhered to at all times and checked within the Quality Assurance process for Housing Benefit and Council Tax Support claim assessment.

3. Process

Risk Based Verification is a method of applying different levels of checks to new claims, for Housing Benefit and Council Tax Support applications. A risk profile will be given to each customer, determined by proprietary software using statistical information and risk propensity data gathered over many years about what type of claim represents what type of risk. The higher the risk, the greater the checks used to establish that the claim is genuine.

This approach allows the targeting of resources and is very effective in identifying higher levels of fraud and error, reducing the overall cost of verifying claims and improving processing times for some low risk claims.

In adopting Risk Based Verification there is still an obligation to get all the facts and make an accurate assessment but there is not the need to gather documentary evidence in all cases.

4. Implementation

Pursuant to DWP circular S11/2011 Torbay Council (hereafter referred to as 'the Council') has applied Risk Based Verification to all new claims for Housing Benefit and Council Tax Support since 1 December 2016.

The Council will use an on line application form available through the Civica W2 IT system or a hard copy form if this system is not available. The risk scoring software will be provided by Call Credit and will be integrated into the Civica Open Revenues system to produce risk scores in real time.

Each new claim will be allocated a risk score – Low, Medium or High. The evidence requirements will differ based on the risk score assigned. The evidence requirements are

contained at Appendix 1 of this policy. Circular S11/2011 confirms that local authorities have discretion to determine their own risk groups and Circular G1/2016 provides updated advice on the evidence standards required

It should be noted that a National Insurance Number and confirmation of identity must be made in all cases regardless of the risk score, in order to comply with legislation. This verification is only required on the first claim for low and medium risk cases and will not be requested again in support of any future claims, unless there has been a break in entitlement.

Low Risk

Only the customer's identity will be verified in accordance with sections 1(1a) and 1(1b) of the Social Security Administration Act 1992. The only evidence required will be original documents to prove identity and National Insurance Number, unless there are exceptional circumstances where this is not possible, then photocopies or digital images will be acceptable.

If the applicant is a student original documents will be required to prove income and status, unless there are exceptional circumstances where this is not possible.

Medium Risk

Cases in this group must have the same checks as low risk plus declared documentary proof for every type of income or capital. The documentation can be photocopies or digital images in this instance.

High Risk

All high risk cases must have the same checks as low risk plus original documentation for each type of declared income or capital.

Original documents to prove identity and National Insurance Number must be provided for each new claim.

In addition further checks may be carried out, that will include; DWP's Real Time Information service, which provides access to HM Revenue and Customs PAYE earnings and non state pension (occupational pension) information, and in some cases a more detailed home visit within six months of the application.

5. Recording and Monitoring

In line with Department of Work and Pensions guidance it is expected that around 55% of cases will be Low Risk, 25% Medium and 20% High. Baseline data has been gathered to record against the Torbay Council caseload so that this pattern can be monitored against DWP expectations.

Once a risk group has been allocated individual claims cannot be downgraded to a lower risk group. They can, however, be upgraded to a higher risk group with approval from a Team leader or Manager, if there is good reason. Cases that are upgraded will be recorded, along with the reason for doing so.

All risk scores are recorded by the Risk Based Verification software and will show on the customer's account within the Civica Open Revenues system.

As suggested by the DWP there will be a robust baseline against which to record the impact of Risk Based Verification. The figures are derived from cells 222 and 231 of the Single Housing Benefit Extract will constitute the baseline of fraud and error currently identified by the Council.

The Council will review 5% of claims from each risk group through a sample check, visit or in-claim review. This will help monitor the effect of fraud and error detection rates when compared to the baseline rate. It is expected that the level of fraud and error will reflect the level of risk in each risk group.

6. Training and Awareness

Training will be provided to all staff within Customer Services and Revenue and Benefits that deal with Housing Benefit and Council Tax Support applications. This will ensure that the processes and procedures are agreed and understood.

Internal and external stakeholders will also be made aware of this process.

7. Business Continuity

The ability to obtain a risk group in real time is dependent on an internet connection. If this is not available and we are unable to generate a risk score the claim will be treated as medium risk and the appropriate level of verification will be applied.

8. Audit Requirements

Internal Audit have been consulted on the implementation of Risk Based Verification and on this policy. Auditors will undertake their duties based on the terms of this policy and provided cases have been assessed in line with the policy, it shall meet audit requirements.

External auditors will check during the annual certification process that the Council has followed its Risk Based Verification Policy. Failure to apply the correct verification standards could result in Housing Benefit subsidy implications and a loss of revenue for the council. This will be monitored closely to ensure subsidy is not compromised.

9. Equalities

Risk Based Verification will apply to all new claims for Housing Benefit and Council Tax Support. A mathematical model is used to determine the Risk score for any claim. This model does not take into account any of the protected characteristics dealt with by the Equalities Act and applies equally to all claimants.

The course of action to be taken in respect of the risk score is governed by this policy. As such there should not be any equalities impact.

Where it is intended to carry out visits, these will be undertaken by a trained visiting officer. These officers are used to carrying out visits to the vulnerable, elderly and disabled, as these groups of claimants are often unable to access Council Services in any other way. They are also able to carry out visits to people whose first language is not English.

A full Equality Impact Assessment can be found at Appendix 2.

Legal Implications

The Risk Based Verification Policy complies with the recommendations from the Department of Work and Pensions Circular HB/CTB S11/2011. It should be noted that this policy will be the basis on which the Council is audited. For this reason, the policy is approved by the Council's Section 151 Officer and Elected Members.

Any errors or fraud overpayments identified following the review of claims, will be dealt with under the Housing Benefit Regulations or the current Council Tax Support Scheme.

Call Credit record all risk score requests and an audit log of requests is generated which the Council will use to ensure that the verification process is being followed and reduced verification applied. There will be a blind sample of cases by Call Credit where the risk group will be adjusted and level of verification applied will be checked.

Reports will be provided on a monthly basis detailing the percentage of cases falling into each risk group, the fraud and error identified in each risk group and the level of fraud and error detected in the sample of blind cases.

10. Policy Review

The policy will be reviewed annually and any changes will be referred to Members for approval. In accordance with DWP guidance changes will not be made in-year as this would complicate the audit process.

11. Policy approval

This Policy has been produced in line with Department for Work and Pensions guidance on the use of Risk-Based Verification as detailed in HB/CTB Circular S11/2011 and G1/2016.

This policy is approved by:

Head of Customer Services, Revenue and Benefits.....

Date.....

Section 151 Officer.....

Date.....

Appendix 1 – Evidence Requirement

Type of Evidence	Subcategory	Low Risk	Medium Risk	High Risk
Identity & NINO	Identity	Originals required unless exceptional circumstances	Originals required unless exceptional circumstances	Originals required
	Identity Separate ID for standard claims	Originals required unless exceptional circumstances	Originals required unless exceptional circumstances	Originals required
Residency & Rent	Private Tenants		Originals, digital images or Photocopies	Originals required
	Social Landlords		Originals, digital images or Photocopies	Originals required
	Public Sector			
	Registered		Originals, digital images or Photocopies	Originals required
Household Composition	Partner's ID & NINO (see Identity & NINO for claimant)	Originals required unless exceptional circumstances	Originals required unless exceptional circumstances	Originals required
	Dependants		Originals, digital images or Photocopies	Originals required
	Non-Dependant Working		Originals, digital images or Photocopies	Originals required
	Non-Dependant – Passported Benefit			
	Non-dependant – no income		Originals, digital images or Photocopies	Originals required
	Non-dependant – Student		Originals, digital images or Photocopies	Originals required
Income	DWP State Benefits			
	Earnings, SMP, SSP		Originals, digital images or Photocopies	Originals required and Real Time Information Service checks
	Self Employed		Originals, digital images or Photocopies	Originals required – self employed form
Child Care Costs			Originals, digital images or Photocopies	Originals required
Student Status	Income & Status Required	Originals required unless exceptional circumstances	Originals required unless exceptional circumstances	Originals required
Capital	Below lower capital limit		Originals, digital images or Photocopies if over £5,500 - not required if under these amounts	Originals required
	Above lower capital limit		Originals, digital images or Photocopies	Originals required
	Property		Originals, digital images or Photocopies	Originals required

Appendix 2 – Equality Impact Assessment

The Risk score profiles are determined by a propensity model; a mathematical formula which uses historical outcome data to establish the likelihood of fraud and error appearing in any given claim. Each benefit claim is analysed by the risk score software to identify if any of the characteristics associated with the occurrence of fraud and error are present. Likelihood is expressed by a risk category of high, medium or low risk’.

The course of action to be taken in respect of the risk score is governed by this policy. As such there should not be any equalities impact.

	Positive Impact	Negative Impact	Neutral Impact
Older or younger people			No adverse impact has been identified.
People with caring Responsibilities			No adverse impact has been identified.
People with a disability			No adverse impact has been identified.
Women or men			No adverse impact has been identified.
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			No adverse impact has been identified.
Religion or belief (including lack of belief)			No adverse impact has been identified.
People who are lesbian, gay or bisexual			No adverse impact has been identified.
People who are transgendered			No adverse impact has been identified.
People who are in a marriage or civil partnership			No adverse impact has been identified.
Women who are pregnant / on maternity leave			No adverse impact has been identified.
Socio-economic impacts (Including impact on child poverty issues and deprivation)			No adverse impact has been identified.
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No adverse impact has been identified.
Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	Not applicable for this proposal.		
Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	Not applicable for this proposal.		

Appendix 2: Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

1st Floor, Caxton House, Tothill Street, London SW1H 9NA

HB/CTB S11/2011

SUBSIDY CIRCULAR

WHO SHOULD READ	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
ACTION	For information
SUBJECT	Risk-Based Verification of HB/CTB Claims Guidance

Guidance Manual

The information in this circular does not affect the content of the HB/CTB Guidance Manual.

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
 - **technical content of this circular**, contact
Email: HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK
 - **distribution of this circular**, contact
Email: HOUSING.CORRESPONDENCEANDPQS@DWP.GSI.GOV.UK

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Risk-Based Verification of HB/CTB Claims Guidance

Introduction

1. This guidance outlines the Department's policy on Risk-Based Verification (RBV) of Housing Benefit and Council Tax Benefit (HB/CTB) claims.

Background

2. RBV allows more intense verification activity to be focussed on claims more prone to fraud and error. It is practiced on aspects of claims in Jobcentre Plus (JCP) and the Pension Disability and Carers Service (PDCS). Local authorities (LAs) have long argued that they should operate a similar system. It is the intention that RBV will be applied to all Universal Credit claims.
3. Given that RBV is practised in JCP and PDCS, the majority (up to 80%) of HB/CTB claims received in an LA may have been subject to some form of RBV. Already 16 LAs operate RBV. Results from these LAs have been impressive. In each case the % of fraud and error identified has increased against local baselines taken from cells 222 and 231 of the Single Housing Benefit Extract (SHBE). In addition, in common with the experience of JCP and PDCS there have been efficiencies in areas such as postage and storage and processing times have improved.
4. We therefore wish to extend RBV on a **voluntary basis** to all LAs from April 2012.

This guidance explains the following;

- What is RBV?
- How does RBV work?
- The requirements for LAs that adopt RBV
- How RBV claims will be certified
- What are the subsidy implications?

What is RBV?

5. RBV is a method of applying different levels of checks to benefit claims according to the risk associated with those claims. LAs will still be required to comply with relevant legislation (Social Security Administration Act 1992, section 1 relating to production of National Insurance numbers to provide evidence of identity) while making maximum use of intelligence to target more extensive verification activity on those claims shown to be at greater risk of fraud or error.
6. LAs have to take into account HB Regulation 86 and Council Tax Benefit Regulation 72 when verifying claims. The former states:

“a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person’s entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”

Council Tax Benefit Regulation 72 is similar.

7. These Regulations do not impose a requirement on authorities in relation to what **specific** information and evidence they should obtain from a claimant. However, it does require an authority to have information which allows an **accurate assessment** of a claimant’s entitlement, both when a claim is first made and when the claim is reviewed. A test of reasonableness should be applied.

How does RBV work?

8. RBV assigns a risk rating to each HB/CTB claim. This determines the level of verification required. Greater activity is therefore targeted toward checking those cases deemed to be at highest risk of involving fraud and/or error.
9. The classification of risk groups will be a matter for LAs to decide. For example, claims might be divided into 3 categories:
 - **Low Risk Claims:** Only essential checks are made, such as proof of identity. Consequently these claims are processed much faster than before and with significantly reduced effort from Benefit Officers without increasing the risk of fraud or error.
 - **Medium Risk Claims:** These are verified in the same way as all claims currently, with evidence of original documents required. As now, current arrangements may differ from LA to LA and it is up to LAs to ensure that they are minimising the risk to fraud and error through the approach taken.
 - **High Risk Claims:** Enhanced stringency is applied to verification. Individual LAs apply a variety of checking methods depending on local circumstances. This could include Credit Reference Agency checks, visits, increased documentation requirements etc. Resource that has been freed up from the streamlined approach to low risk claims can be focused on these high risk claims.
10. We would expect no more than around 55% of claims to be assessed as low risk, with around 25% medium risk and 20% high risk. These figures could vary from LA to LA according to the LA’s risk profiling. An additional expectation is that there should be more fraud and error detected in high risk claims when compared with medium risk claims and a greater % in medium risk than low risk. Where this proves not to be the case the risk profile should be revisited.
11. LAs may adopt different approaches to risk profile their claimants. Typically this will include the use of IT tools in support of their policy, however, the use of clerical systems is acceptable.

12. Some IT tools use a propensity model¹ which assesses against a number of components based on millions of claim assessments to classify the claim into one of the three categories above. Any IT system² must also ensure that the risk profiles include 'blind cases' where a sample of low or medium risk cases are allocated to a higher risk group, thus requiring heightened verification. This is done in order to test and refine the software assumptions.
13. Once the category is identified, individual claims cannot be downgraded by the benefit processor to a lower risk group. They can however, exceptionally, be upgraded if the processor has reasons to think this is appropriate.

The requirements for LAs that adopt RBV

14. RBV will be voluntary. However, all LAs opting to apply RBV will be required to have in place a **RBV Policy** detailing the risk profiles, verification standards which will apply and the minimum number of claims to be checked. We consider it to be good practice for the Policy to be examined by the authority's Audit and Risk Committee or similar appropriate body if they exist. The Policy must be submitted for Members' approval and sign-off along with a covering report confirming the Section 151 Officer's (section 85 for Scotland) agreement/recommendation. The information held in the Policy, which would include the risk categories, should not be made public due to the sensitivity of its contents.
15. The Policy must allow Members, officers and external auditors to be clear about the levels of verification necessary. It must be reviewed annually but not changed in-year as this would complicate the audit process.
16. Every participating LA will need a robust baseline against which to record the impact of RBV. The source of this baseline is for the LA to determine. Some LAs carry out intensive activity (along the lines of the HB Review) to measure the stock of fraud and error in their locality. We suggest that the figures derived from cells 222 and 231 of SHBE would constitute a baseline of fraud and error currently identified by LAs.
17. Performance using RBV would need to be monitored monthly to ensure its effectiveness. Reporting, which must be part of the overall Policy, must, as a minimum, include the % of cases in each risk category and the levels of fraud and error detected in each.

How RBV claims will be certified?

18. Auditors will check during the annual certification that the subsidy claim adheres to the LA's RBV Policy which will state the necessary level of verification needed to support the correct processing of each type of HB/CTB claim. The risk category will need to be recorded against each claim. Normally the LA's benefit IT/clerical system will allow this annotation.

¹ Whilst DWP is of the opinion that the use of IT will support the success of RBV, it does not in anyway endorse any product or company

² The same safeguard must be applied to clerical systems

Other considerations

19. The sample selection for HB/CTB cases will not change i.e. 20 cases will be selected for each headline cell on the claim form. The HB COUNT guidance used by the external auditors for certification will include instructions for how to deal with both non-RBV and RBV cases if selected in the sample. For non-RBV cases, the verification requirements will remain the same i.e. LAs will be expected to provide all the documentary evidence to support the claim.

What are the subsidy implications?

20. Failure by a LA to apply verification standards to HB/CTB claims as stipulated in its RBV Policy will cause the expenditure to be treated as LA error. The auditor will identify this error and if deemed necessary extrapolate the extent and, where appropriate, issue a qualifying letter. In determining the subsidy implications, the extrapolation of this error will be based on the RBV cases where the error occurred. For this reason, it is important that RBV case information is routinely collected by ensuring that LA HB systems incorporate a flag to identify these RBV cases. If sub-populations on RBV cases can not be identified, extrapolations will have to be performed across the whole population in the particular cell in question.
21. We will now work with the respective audit bodies to incorporate this into the COUNT guidance. If you have any queries please contact Manny Ibiayo by e-mail HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK



Meeting: Policy Development Decision Group
(Joint Operations Team)

Date: 6 November 2017

Wards Affected: All

Report Title: New Burdens Business Rate Relief Scheme

Is the decision a key decision? No

When does the decision need to be implemented?

Executive Lead Contact Details: Elected Mayor and Executive Lead for Finance, Governance, and Regeneration, Mayor Oliver. Phone number (01803) 207001 and email mayor@torbay.gov.uk

Supporting Officer Contact Details: Martin Phillips, Head of Finance (01803) 207285 martin.phillips@torbay.gov.uk / Ian Westwood, Revenue Coordinator (01803) 207187 ian.westwood@torbay.gov.uk

1. Proposal and Introduction

- 1.1 In the Spring Budget on 8 March 2017 the Government announced they would make available a discretionary fund of £300m over four years from 2017-18 to support those businesses that faced the steepest increases in their business rates bills as a result of the 2017 revaluation.
- 1.2 The scheme will be administered by billing authorities discretionary relief powers under section 47 of the Local Government Finance Act 1988.

2. Reason for Proposal

- 2.1 Central Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct funding where it is most needed to support local economies.
- 2.2 Each authority in England has been given a share of the £300m to support their local businesses, and given the task of developing and delivering a local discretionary relief scheme targeting the hardest pressed ratepayers.

Torbay has been awarded the following amounts:

Year 1: £211K

Year 2: £103K

Year 3: £42K

Year 4: £6K

The money will be received via a section 31 grant.

- 2.3 A discretionary policy has been designed within a Devon wide framework under the guidance of the Section 151 officers from across Devon. Each authority has adapted the framework policy taking into consideration the amount of money that has been allocated by central government.
- 2.4 The Department of Communities and Local Government are keen for authorities to roll out their discretionary schemes as soon as practical in order to ease the burden of business rates on ratepayers.
- 2.5 Under the policy, ratepayers will be identified by analysing the effect of the 2017 revaluation on the amount they have to pay. Where a ratepayer qualifies they will automatically be awarded relief up to the maximum amount for the relevant year, and a revised rate bill issued. Should there be monies remaining after the above exercise has been carried out, it will be made available for other ratepayers to apply for, with awards judged against the eligibility criteria.

3. Recommendation(s) / Proposed Decision

- 3.1 That the scheme set out in Appendix 1 be approved.

Appendices

Appendix 1: New Burdens Business Rate Relief Scheme

Appendix 2: Application form

Background Documents

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/620750/BRI_L_4-2017_Spring_Budget_update.pdf

The above link refers to the Spring Budget Update for the Discretionary Relief

Report Clearance

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Steve Parrock	
Monitoring Officer	Anne-Marie Bond	23/10/17
Chief Finance Officer	Martin Phillips	
Relevant Director/Assistant Director	Fran Hughes	

Section 1: Background Information	
1.	<p>What is the proposal / issue?</p> <p>To identify ratepayers who have experienced the highest increases in the amount of business rates payable as a result of the 2017 revaluation, and provide financial support to ease this burden.</p>
2.	<p>What is the current situation?</p> <p>Central government announced a discretionary scheme in the Spring Budget of 2017. The scheme is to be funded by central government but under the responsibility of each local authority within England.</p>
3.	<p>What options have been considered?</p> <p>The government is monitoring progress of the development of the discretionary schemes and publishing information on those authorities who have introduced their schemes.</p> <p>Torbay's policy has been developed under a Devon wide framework in conjunction with section 151 officers. Major preceptors have also been consulted.</p>
4.	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan?</p> <p>The policy will allow financial support to businesses over the next four years that will help support continued employment with Torbay by reducing the financial burden on existing businesses</p>
5.	<p>How does this proposal contribute towards the Council's responsibilities as corporate parents?</p> <p>Not applicable</p>
6.	<p>How does this proposal tackle deprivation?</p> <p>It will help reduce the financial burden of local businesses allowing more money to be retained within the local economy.</p>
7.	<p>Who will be affected by this proposal and who do you need to consult with.</p> <p>Local businesses that meet the criteria of the scheme will benefit from reduced Business Rate bills over the next four years. The cost of this will be borne by Central Government.</p> <p>Consultation is required with the major preceptors: Devon and Cornwall Police Commissioner and Devon and Somerset Fire Authority.</p>

8.	<p>How will you propose to consult?</p> <p>Under the guidance given by Central Government, in order to reclaim the funding of the scheme through the Section 31 Grant, major preceptors have to be consulted.</p> <p>Devon and Cornwall Police Authority and Devon and Somerset Fire Authority have therefore been provided with a summary of Torbay Council's scheme.</p>
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Section 2: Implications and Impact Assessment

9.	What are the financial and legal implications? The requirement to have a Discretionary policy was introduced by Central Government during the Spring Budget on 8 March 2017. Local Authorities are required to have their policy in place at the earliest opportunity.
10.	What are the risks? Failure to have a policy in place may result in Central Government imposing a penalty on the council. No specific details have been published.
11.	Public Services Value (Social Value) Act 2012 Not applicable
12.	What evidence / data / research have you gathered in relation to this proposal? Modelling of the 2017 Rating List has taken place in order to produce a scheme that is both focused on local businesses and affordable within the allocation of Central Government funding.
13.	What are key findings from the consultation you have carried out? Outcome of the compulsory consultation with the Devon and Cornwall Police Commissioner and Devon and Somerset Fire Authority is still to be received.
14.	Amendments to Proposal / Mitigating Actions Still waiting outcome of consultation

Equality Impacts

15	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
	People with caring Responsibilities			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
	People with a disability			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
	Women or men			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded

Religion or belief (including lack of belief)			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
People who are lesbian, gay or bisexual			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
People who are transgendered			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
People who are in a marriage or civil partnership			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
Women who are pregnant / on maternity leave			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
Socio-economic impacts (Including impact on child poverty issues and deprivation)			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded

	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
16	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	If the ratepayer is a sole trader, by reducing the Business Rates charge through the award of relief, the additional income available could be used to lessen the impact of Council Tax payable by the ratepayer.		
17	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None		

Discretionary Business Rates Relief Scheme

Purpose of the Policy

On the 8 March 2017 the Chancellor announced that Central Government would provide £300m to support those businesses most affected by increases in rateable value, following the publication of the new rating list, compiled by HMRC Valuation Office Agency under the 2017 revaluation.

The mechanism to deliver the new Discretionary Business Rates Relief is via a scheme devised by individual authorities across England.

This document outlines the following areas:

Details of the criteria for the scheme operated by the Council;

Guidance on granting and administering reliefs;

European Union requirements under State Aid regulations,

Introduction

The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to “top up” cases where ratepayers were already entitled to mandatory relief.

Over recent years the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations

The granting of discretionary relief falls broadly into the following categories;

Discretionary Relief - Charities who already receive mandatory relief;

Discretionary Relief – Premises occupied by organisation not established or conducted for profit whose main objectives are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts or premises occupied by organisations not established or conducted for profit and wholly or mainly used for recreation;

Discretionary Relief – Granted under the Localism Act 2011 provisions;

Local Newspaper Relief for two years from 1 April 2017;

Local Public House Relief for one year from 1 April 2017

Support for Small Business Relief for up to five years from 1 April 2017.

Relief will be granted until the business pays their full rate charge or their transitional rate charge (calculated in accordance with the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016.

The government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding under the new Discretionary Business Rate Relief Scheme where it is most needed to support local economies.

The scheme will be administered under section 47 of the Local Government Finance Act 1988 for a period of four years from 1 April 2017.

Under the current rates retention scheme that was introduced in 2013, the reduction in business rates receipts resulting from the increased award of discretionary relief will generally result in a reduction in the local authority's business rates income under the 50% rates retention system of 50% of the value of the relief given.

Funding arrangements will ensure that authorities are compensated for the loss of income they incur by means of grant payments under section 31 of the Local Government Finance Act 2003.

Parameters of the Scheme

A condition of the grant payment from the Government is that relief will be awarded only to those ratepayers who have faced an increase in their rates bill following the 2017 revaluation.

Local authorities will design their own schemes taking into the following:

The Proposed Torbay Scheme

Torbay Council's scheme has been designed under a Devon wide framework, with each authority taking a decision to modify their scheme taking into account the needs of their local community based on data from the 2017 revaluation.

In deciding which organisations should receive Discretionary Business Rates Relief, the council has considered the following priorities:

- That any award should support business, organisations and groups that help retain services in the council's area and not compete directly with existing businesses in an unfair manner;
- It should help and encourage business, organisations, groups and communities to become self-reliant;
- Awarding Discretionary Business Rates Relief should not distort competition or significantly change the provision of services within the Council's area;
- Local (Devon based) organisations will be given priority over national organisations. Where requested, the organisation will need to supply the council with clear evidence of all financial affairs including, and most importantly, the amounts of monies raised, used and invested locally. This will be essential where the organisation is national in nature.
- To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community and that also relate to the priorities of the Council, which, without granting Discretionary Business Rates Relief they would be unable to do;

- To assist the Council in delivering services which could not be provided otherwise;
- To assist the Council to meet its priorities including;
 - I. Supporting local business and tourism;
 - II. Improving local skills knowledge and productivity
 - III. Protecting the environment and
 - IV. Providing responsive services that supporting people and families need;
 To ensure that the financial impact of awarding Discretionary Business Rates Relief is justified in terms of the local outcomes achieved by the organisation receiving it

Criteria

The maximum rateable value for a qualifying business in the 2017 rating list will be £200,000

Businesses facing an increase of less than 2% will not be eligible for this relief.

A minimum award of £50 has been set

A maximum award of £1000 has been set

The scheme is open to businesses that operate solely within Devon

Pubs that benefit from the Pub Relief Scheme in 2017 will be eligible to claim Discretionary Business Rates Relief from 2018

Schools will be excluded from the Discretionary Business Rates Relief Scheme.

Funding

Every authority within England is to be provided with a share of the central government fund of £300m to support their local businesses. This is to be administered through billing authorities discretionary relief powers under section 47 of the Local Government Finance Act 1988.

Central Government has allocated Torbay Council the following amounts to fund the Discretionary Business Rates Relief Scheme. Any relief granted will be compensated under section 31 of the Local Government Finance Act 2003.

2017/18 - £211,000

2018/19 - £103,000

2019/20 - £ 42,000

2020/21 - £ 6,000

The above figures represent the maximum level set by Central Government. It is possible for the Council to grant more relief than the allocated amount, however this additional amount would be financed by the Council.

Consultation

The Council has consulted with the major preceptors in relation to this scheme and has taken their comments into account when determining the eligibility criteria. This is an essential part of the Discretionary Business Rate Relief Scheme and is in line with the grant determination issued by the Department of Communities and Local Government (DCLG) No 31/3071.

In the case of Torbay Council the following major preceptors have been consulted.

The Police and Crime Commissioner for Devon and Cornwall; and
The Devon and Somerset Fire and Rescue Service.

European Union State Aid requirements

Discretionary Business Rate Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013). De Minimis Regulations allow an undertaking to receive up to € 200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years.)

In all cases where discretionary relief is to be granted or where liability is to be reduced, when making an application, ratepayers will be required to provide the Council with sufficient information to determine whether these provisions are applicable in their case.

Application Process

As the basis of the Discretionary Business Rates Relief scheme considers the impact of the 2017 revaluation on the amount of rates payable, qualifying properties will be identified from the data held on the local authority records.

Qualifying ratepayers will have Discretionary Relief calculated on a sliding scale based on the increase in the rates bill in April 2017 after all other statutory reliefs have been applied.

As the level of funding received from Central Government is likely to exceed the amount payable from the cases automatically identified in years one and two, the council will also accept applications from companies that do not fully meet the criteria within the policy. For these organisations a completed application will be required, together with any such evidence, documents, accounts and financial statements etc. necessary to allow the Council to make a decision.

Applications should be made to the Revenue Section of the Council and will determined in accordance with this policy

Variation and amendment of relief under scheme

Business Rates are calculated on a daily basis with ratepayers liability being changed throughout the year

Alterations may occur as a result of a change made by HMRC Valuation Office to the rateable value of a property. These changes can occur in year or as a backdated amendment.

Under the Non Domestic Rating (Discretionary Relief) Regulations 1989 (SI1989/1059) where relief has been granted the Council is required to provide ratepayers with 12 months' notice in writing before relief is either varied or withdrawn.

Reporting a change in circumstance

Where relief has been awarded the council will require any change in circumstance which may affect the amount of relief to be reported within 21 days from the date the change occurred.

Where a change is reported, relief will, if appropriate be revised or cancelled. Where any award is to be reduced, the council will look to recover the amount from the date the change took place.

Where the change in circumstance is not reported and it is subsequently identifies that the level of relief awarded is not correct, the Council reserves the right to remove any awarded completely.

Fraud

Where a ratepayer falsely applies for any relief, or where the ratepayer knowingly provides false information, or withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

Business Rate Discretionary Relief Application Form

Please answer all the questions and sign the declaration at the bottom of the form.

Business Rates account number	
-------------------------------	--

Name of ratepayer	
-------------------	--

Type of company/business	
--------------------------	--

Contact telephone number	
--------------------------	--

Email address	
---------------	--

Is the company/business part of a group?

Yes

Name of group

--

No

Total number of employees in the company/business or group	
--	--

Total annual turnover of the company/business or group – We may ask you to provide evidence of this figure.	£
---	---

Annual balance sheet total for last accounting year (for the company/business or group)	£
---	---

Was the property empty on or after 01.04.2017?

Yes

Date from

--

Date to

--

No

I confirm the organisation named above has not received De Minimis aid in the last three financial years (the current and previous two financial years)

Yes

No

Please continue overleaf

If No to the previous question, I confirm that the organisation named above has received the following De Minimis aid in the current and last two financial years:

Organisation providing the assistance	Value of assistance	Date of assistance	Nature of assistance

(Please continue on a separate page if necessary)

Declaration

I am authorised to sign on behalf of the organisation named above. I understand the requirements of the De Minimis (EC Regulations 1998/2006).

- I declare the information I have given on this form is correct and complete.
- I understand if I give information that is wrong you may take action against me.
- I agree to tell the Council within 21 days of any change in my circumstances that may affect my entitlement to rate relief.

Signed	
--------	--

Name	
------	--

Date	
------	--

Your position	
---------------	--

Please return your completed application form to us at:

Council Business Rates

Email Tel:

We will assess your entitlement and send you an amended bill if you qualify. You must tell us about any changes which may affect your entitlement to rate relief or an exemption. If you do not report a change, you may pay an incorrect amount for Business Rates and may even be investigated for fraud. If you would like more information on what changes to report please contact us.