



**WATFORD  
BOROUGH  
COUNCIL**

# **CABINET**

**Monday, 5th December, 2016**

**7.00 pm**

**Town Hall Watford**

**Publication date: 25 November 2016**

**Contact**

If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Caroline Harris Democratic Services Manager on 01923 278372 or by email – [legalanddemocratic@watford.gov.uk](mailto:legalanddemocratic@watford.gov.uk) .

Welcome to this meeting. We hope you find these notes useful.

### **Access**

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## **Cabinet Membership**

Mayor	D Thornhill	(Chair)
Councillor	P Taylor	(Deputy Mayor)
Councillors	K Collett, S Johnson, I Sharpe and M Watkin	

## **Agenda**

### **Part A – Open to the Public**

- 1. Apologies for Absence**
- 2. Disclosure of Interest (if any)**
- 3. Minutes of previous meeting**

The minutes of the meeting held on 7 November 2016 to be submitted and signed.

Copies of the minutes of this meeting are usually available seven working days following the meeting.

*(All minutes are available on the Council's [website](#).)*

- 4. Conduct of meeting**

The Cabinet may wish to consider whether there are any items on which there is general agreement which could be considered now, to enable discussion to focus on those items where the Cabinet sees a need for further debate.

- 5. Neighbourhood Forum Task Group - Final report (Pages 5 - 42)**

Report of Committee and Scrutiny Officer

- 6. Community Infrastructure Levy Annual Report 2015-16 (Pages 43 - 50)**

Report of Planning Policy Section Head

- 7. Ombudsman's Decision (Pages 51 - 58)**

Report of Head of Democracy and Governance

**8. Exclusion of press & Public**

**The Chair to move:** that, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item there would be disclosure to them of exempt information as defined in Section 100(1) of the Act for the reasons stated below in terms of Schedule 12A.

**Note: if approved, the Chair will ask members of the press and public to leave the meeting at this point.**

**9. Update on Recyclable Material Consortium Contract (Pages 59 - 64)**

Report of Client Manager – Waste and Recycling

This report is considered Part B in accordance with Paragraph 3, Part 1, Schedule 12A as it contains commercially confidential information.

## PART A

**Report to:** Overview and Scrutiny Committee  
Cabinet

**Date of meeting:** Thursday, 24 November 2016  
Monday, 5 December 2016

**Report of:** Committee and Scrutiny Officer

**Title:** Neighbourhood Forum Task Group - Final report

### 1.0 **Summary**

- 1.1 This report provides Overview and Scrutiny Committee and Cabinet with the final report and recommendations of the Neighbourhood Forum Task Group. The report is attached as Appendix A.
- 1.2 Overview and Scrutiny Committee is asked to review the report and recommendations prior to its presentation to Cabinet on 5 December 2016.
- 1.3 Cabinet is asked to consider the task group's recommendations for approval. An extract of Overview and Scrutiny Committee's minutes will be circulated at the Cabinet meeting.

### 2.0 **Recommendations**

#### **Overview and Scrutiny Committee**

- 2.1 that the final report and recommendations of the Neighbourhood Forum Task Group be agreed and forwarded to Cabinet.

#### **Cabinet**

- 2.2 that the task group's recommendations be considered for approval –
- a. Continue Neighbourhood Forum funds and increase the amount to £3,000 per ward.
  - b. Focus future funding on local organisations, groups and charities.

- c. Rename “Neighbourhood Forums” to “Neighbourhood Locality Funds”.
- d. Relaunch the funds using the council’s communications team, providing links to all relevant forms and information on the council’s website.
- e. The Head of Democracy and Governance to review guidelines to clarify:
  - how often recipients can receive funding (normally not more than once a year, however the type of project, rather than the organisation, should be the guide)
  - proportionality criteria
  - declaration of members’ interests.
- f. Officers to investigate a feasibility of allocating money to individual wards to spend by a given date, e.g. mid-December. After this point, any remaining funds should be pooled so that all wards can bid for the available funds. At the end of the year, any remaining money in this pool should be allocated to the chairman’s chosen charities.
- g. Officers to look into the feasibility of requiring recipients to apply for funds directly, preferably using online forms.
- h. Encourage wards to minimise their administration costs for meetings in order to seek the most cost effective means, particularly in regard to advertising meetings.
- i. Require recipients to complete a feedback questionnaire on their completed projects. Any funds not used for the specific purpose granted should be returned to Watford Borough Council.

**Contact Officer:**

For further information on this report please contact: Sandra Hancock,  
Committee and Scrutiny Officer  
telephone extension: 8377 email: [legalanddemocratic@watford.gov.uk](mailto:legalanddemocratic@watford.gov.uk)

**Report approved by:** Head of Democracy and Governance

**3.0 Detailed proposal**

3.1 In February 2016, the Head of Democracy and Governance, in conjunction with the Mayor, submitted a scrutiny proposal form requesting a review of Neighbourhood

Forums including the funding criteria.

- 3.2 Overview and Scrutiny Committee considered the proposal at its meeting on 3 March 2016. Following a discussion, it was agreed that a task group should be set up ready to start in the new municipal year. The review needed to include information about how other local authorities managed locality funding.
- 3.3 Due to the timing of the decision to set up the task group and the close proximity to the purdah period for the local elections in May 2016, the Committee and Scrutiny Officer advised that she would seek expressions of interest from non-executive councillors after the local elections.
- 3.4 On 17 May 2016 the Committee and Scrutiny Officer emailed all councillors about the new task group asking them to contact her if they were interested in taking part in the review of Neighbourhood Forums. A further reminder was sent to all councillors on 3 June 2016. In total seven councillors expressed an interest in participating in the task group.
- 3.5 At the meeting on 16 June 2016 Overview and Scrutiny Committee agreed the following membership –
- Councillor Stephen Cavinder (elected Chair at the task group’s first meeting)
  - Councillor Kareen Hastrick
  - Councillor Anne Joynes
  - Councillor Rabi Martins
  - Councillor Mo Mills
- 3.6 The task group has met on three occasions. The first meeting took place on 19 July 2016 and the final meeting was on 27 September 2016. As part of the review a survey was sent to all councillors asking for their views about Neighbourhood Forums. The results of the survey were considered by the task group and have helped with the formation of some of the recommendations.
- 3.7 The task group’s final report and recommendations will be presented to Cabinet at its meeting on 5 December 2016 for consideration. Cabinet’s comments and decisions on the recommendations will be presented to Overview and Scrutiny Committee at its meeting in January.
- 3.8 Overview and Scrutiny Committee is asked to review the report prior to it being forwarded to Cabinet.
- 3.9 Cabinet is asked to consider the task group’s recommendation as set out in paragraph 2.2 of this report and the task group’s final report.

## 4.0 **Implications**

### 4.1 **Financial**

4.1.1 The Head of Finance (shared services) comments that an increase of £500 per ward in the funding would mean that budget growth of £6,000 p.a. would have to be added to the Council's medium term financial strategy (MTFS).

### 4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that any legal implications are contained within the report.

### 4.3 **Equalities**

4.3.1 Councillors are reminded that any venues used for meetings need to be accessible for all residents.

### 4.4 **Potential Risks**

No direct risks have been identified as a result of the recommendations, which are proposing amendments to the existing Neighbourhood Forum arrangements and protocol.

### 4.5 **Staffing**

4.5.1 There are no additional staffing implications as a result of the task group's recommendations.

## Appendices

Appendix A – Neighbourhood Forum Task Group final report

## Background Papers

No additional papers were used in the preparation of this report.

## File Reference

None





## Neighbourhood Forum Task Group

**November 2016**



## Contents

	<b>Page</b>
<b>Task Group members</b>	4
<b>Proposed recommendations</b>	5
<b>Background to the task group</b>	7
<b>Historic context</b>	7
<b>Overview of the task group's work</b>	7
<b>Recommendations and comments</b>	9
<b>Bibliography/background papers</b>	12
<b>Appendices</b>	13-29
1. Task group scope and proposal	13
2. Meeting agreed actions: 19 July 2016	19
3. Meeting agreed actions: 07 September 2016	23
4. Meeting agreed actions: 27 September 2016	27

### **Task group members**

Councillor Stephen Cavinder  
Councillor Kareen Hastrick  
Councillor Anne Joynes  
Councillor Mo Mills  
Councillor Rabi Martins

Chair, Councillor for Woodside Ward  
Councillor for Meriden Ward  
Councillor for Leggatts Ward  
Councillor for Vicarage Ward  
Councillor for Central Ward

### **Officer support**

Carol Chen  
Ishbel Morren  
Caroline Harris  
Sandra Hancock  
Alan Garside  
Jodie Kloss

Head of Democracy and Governance  
Committee and Scrutiny Support Officer  
Democratic Services Manager  
Committee and Scrutiny Officer  
Committee and Scrutiny Support Officer  
Committee and Scrutiny Support Officer

## **Proposed recommendations to present to Overview and Scrutiny Committee**

### **General**

1. Continue Neighbourhood Forum funds and increase the amount to £3,000 per ward.
2. Focus future funding on local organisations, groups and charities.
3. Rename “Neighbourhood Forums” to “Neighbourhood Locality Funds”.
4. Relaunch the funds using the Council’s communications team, providing links to all relevant forms and information on the Council’s website.

### **Guidelines**

1. The Head of Democracy and Governance to review guidelines to clarify:
  - how often recipients can receive funding (normally not more than once a year, however the type of project, rather than the organisation, should be the guide)
  - proportionality criteria
  - declaration of members’ interests.

### **Process**

1. Officers to investigate the feasibility of allocating money to individual wards to spend by a given date, e.g., mid-December. After this point, any remaining funds should be pooled so that all wards can bid for the available funds. At the end of the year, any remaining money in this pool should be allocated to the chairman’s chosen charities.
2. Officers to look into the feasibility of requiring recipients to apply for funds directly, preferably using online forms.

### **Value for money**

1. Encourage wards to minimise their administration costs for meetings in order to seek the most cost effective means, particularly in regard to advertising the meetings.

2. Require recipients to complete a feedback questionnaire on their completed projects. Any funds not used for the specific purpose granted should be returned to Watford Borough Council.

## **Background to the task group**

In February 2016, the Head of Democracy and Governance, in conjunction with the Mayor, proposed that a review of the operation of Neighbourhood Forums should be undertaken, particularly the use of Neighbourhood Forum budgets.

It was suggested that the task group should review the Neighbourhood Forum Community Engagement Budget criteria, focusing on historic spend and uses of the funding for the future.

The task group was agreed by Overview and Scrutiny Committee in March and the membership was approved at its June meeting.

## **Historic context**

Neighbourhood Forums were established in 2008 in response to changes in the way councillors engaged with their local communities.

Prior to 2008, Area Committees had provided open forums for residents to discuss issues of concern. However, councillors increasingly wished to provide practical assistance for small, local projects in their wards.

Initially, an annual budget of £5,000 per ward was agreed, to be divided between meeting and project activities according to individual ward requirements. In 2011, this amount was reduced to £2,500 following a review of actual expenditure levels.

When the Neighbourhood Forums were established, councillors were provided with guidance about the funds together with the rules governing their expenditure. Following an audit review in 2011, this guidance was amended.

## **Overview of the task group's programme of work**

At the task group's first meeting, the Head of Democracy and Governance advised that there were a number of important issues which should be reviewed:

- funding criteria and guidance
- operation of the Neighbourhood Forums, particularly the uses to which funds were put and the bodies receiving those funds
- historic overview of actual spend
- future uses for the funding
- ensuring value for money.

In order to carry out its work, the task group agreed three key actions:

- officers should undertake a historic review of previous spend, dating from 2011 when the ward funds were reduced from £5,000 to £2,500
- officers should review other local authority funding schemes, including Watford Borough Council's small grants fund
- officers should undertake a survey of members' views on the application for, and use of, Community Engagement budgets.

The task group met on three occasions. Around these meetings, the agreed research and analysis was undertaken by officers to inform the task group's deliberations.



## Recommendations and comments

### General

- 1. Continue Neighbourhood Forum funds and increase the amount to £3,000 per ward.**
- 2. Focus future funding on local organisations, groups and charities.**
- 3. Rename “Neighbourhood Forums” to “Neighbourhood Locality Funds”.**
- 4. Relaunch the funds using the Council’s communications team, providing links to all relevant forms and information on the Council’s website.**

The survey of councillors’ views found wide-ranging support for the continuation of Neighbourhood Forum funds, which enabled them to carry out their work in their local communities and made possible activities which would not otherwise take place.

In addition to their continuation, the task group proposed that the Neighbourhood Forum funds should be increased from £2,500 to £3,000 per annum.

Having reviewed the recipients of funds over the preceding five years, the task group noted that the Neighbourhood Forum budgets had especially benefitted small, often voluntary and not for profit, groups promoting activities for the benefit of the local community. The task group suggested that future funds should target local organisations, groups and charities, rather than larger, national bodies, which were thought to have more resources or opportunities at their disposal to raise money.

In recognition of the proposed changes in the organisation and focus of Neighbourhood Forums, the task group decided to rename the forums “Neighbourhood Locality Funds”. This change in name provided an opportunity to relaunch the funds using the Council’s communications team and particularly to ensure that all the relevant forms and information were readily available on the Council’s website.

### Guidelines

- 1. The Head of Democracy and Governance to review guidelines to clarify:**
  - how often recipients can receive funding (normally not more than once a year, however the type of project, rather than the organisation, should be the guide)**
  - proportionality criteria**
  - declaration of members’ interests.**

Although the majority of councillors found the guidelines for expenditure clear and understandable, the survey of members' views raised some questions about how the funds were used and the current guidelines which explained this process.

In regard to how the funds were used, councillors questioned the number of times an organisation was able to receive funding, even where this was for different activities. The task group suggested that there should be some clarification of the rules, and that this should normally be not more than once a year. However, in recognition that some organisations, e.g., residents associations, undertook a range of activities for different groups within their local communities, it was suggested that the type of project, rather than the organisation itself, should be the determiner.

Two further queries were raised about the clarity of the Neighbourhood Forum guidelines.

The first concerned the rules on how the proportionality of a funding application was assessed. The task group considered that funds should benefit a large section of the local community, rather than a small number of individuals.

The second concerned the extent of councillors' interests which needed to be on an application, e.g., should an interest be declared if a councillor lived close to a proposed project, or if they or a family member made use of proposed groups or facilities which might be recipients of funding.

The task group proposed that the guidelines on these points should be clarified by the Head of Democracy and Governance.

## **Process**

- 1. Officers to investigate the feasibility of allocating money to individual wards to spend by a given date, e.g., mid-December. After this point, any remaining funds should be pooled so that all wards can bid for the available funds. At the end of the year, any remaining money in this pool should be allocated to the chairman's chosen charities.**
- 2. Officers to look into the feasibility of requiring recipients to apply for funds directly, preferably using online forms.**

In the survey, councillors were asked if they supported the idea of a different form of administration for the Neighbourhood Forum budgets. The majority of respondents agreed to a change of the current arrangements, with particular support for placing any unspent budgets into a single pot at a specified date – at which stage all wards could bid for the available funds.

The task group proposed that officers should investigate the feasibility of this arrangement. This, together with the proposal that at the end of the year any remaining money in this pool should be allocated to the chairman's chosen charities, would ensure that unspent funds were not lost to local groups in future years.

In a further change to how the funds were administered, the task group proposed that officers should investigate whether it would be possible for groups to apply directly for funding, preferably using online application forms.

It was suggested that this would establish a clearer point of contact for the funds and improve monitoring and value for money assessments.

### **Value for money**

- 1. Encourage wards to minimise their administration costs for meetings in order to seek the most cost effective means, particularly in regard to advertising the meetings.**
- 2. Require recipients to complete a feedback questionnaire on their completed projects. Any funds not used for the specific purpose granted should be returned to Watford Borough Council.**

The task group considered that it was essential to ensure value for money in the use of the council's Neighbourhood Forum funds.

Members of the task group noted that local meetings were increasingly uncommon, with the majority of wards focussing solely on promoting activities for the benefit of their local communities.

Where held, meetings were generally well attended, however the task group emphasised the need for greater proportionality in the costs associated with their organisation. In particular, the task group questioned the cost of advertising the meetings and encouraged ward councillors to seek more cost effective means. This might include the wider use of social media, as well as appropriate Council communications.

Although in the survey councillors declared that they maintained contact with the recipients of funds in their wards, the task group proposed that there should be a more formal process of receiving feedback using a questionnaire. This should be completed and submitted online. It was suggested that the information captured could be included in the annual scrutiny review of Neighbourhood Forum expenditure.

## **Bibliography/background papers**

Papers circulated to [19 July 2016](#) meeting:

- Protocol for Neighbourhood Forums
- Neighbourhood Forum 2016-17 Community Engagement Fund Guidelines for expenditure

Papers circulated to [7 September 2016](#) meeting:

- Review of spend: Individual ward spend analysis (2011/12 – 2015/16)
- Review of spend: Total annual expenditure in all wards (2011/12 – 2015/16)
- Review of spend: Average project value in all wards (2011/12 – 2015/16)
- Individual ward expenditure (2011/12 – 2015/16)
- Comparisons with other local authorities' funding schemes

Papers circulated to [27 September 2016](#) meeting:

- Survey of members' views report

**Suggestions for topics to be scrutinised – evaluation table**

A Member, Officer or member of the public suggesting a topic for scrutiny must complete Section1 as fully as possible. Completed tables will be presented to Overview & Scrutiny for consideration.

<b>Section 1 – Scrutiny Suggestion</b>		A Review of the Neighbourhood Forums including funding criteria
<b>Proposer: Councillor/Officer/Member of public</b> Carol Chen/Mayor Thornhill		
<p><b>Topic recommended for scrutiny:</b></p> <p><i>Please include as much detail as is available about the specific such as;</i></p> <ul style="list-style-type: none"> <li>• <i>areas which should be <u>included</u> in the review.</i></li> <li>• <i>areas which should be <u>excluded</u> from the review.</i></li> <li>• <i>Whether the focus should be on past performance, future policy or both.</i></li> </ul>	<p><i>Give details</i></p> <p>To review the operation of Neighbourhood Forums particularly the use of Neighbourhood Forum budgets.</p> <p>A review of the Neighbourhood Forum Community Engagement Budget criteria.</p> <p>Focus on historic spend and uses of the funding for the future.</p>	
<b>Why have you recommended this topic for scrutiny?</b>	The Mayor would like the Funding Guidance to be reviewed.	

<p><b>What are the specific outcomes you wish to see from the review?</b></p> <p><i>Examples might include:</i></p> <ul style="list-style-type: none"> <li>• <i>To identify what is being done and what the potential barriers are;</i></li> <li>• <i>To review relevant performance indicators;</i></li> <li>• <i>To compare our policies with those of a similar authority;</i></li> <li>• <i>To assess the environmental/social impacts;</i></li> <li>• <i>To Benchmark current service provision;</i></li> <li>• <i>To find out community perceptions and experience;</i></li> <li>• <i>To identify the gap between provision and need</i></li> </ul>	<p style="text-align: center;"><i>Give details</i></p> <p>A clear understanding by all members of what they can and what they cannot use the budgets for.</p>
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<p><b>How do you think evidence might be obtained?</b></p> <p><i>Examples might include</i></p> <ul style="list-style-type: none"> <li><i>Questionnaires/Surveys</i></li> <li><i>Site visits</i></li> <li><i>Interviewing witnesses</i></li> <li><i>Research</i></li> <li><i>Performance data</i></li> <li><i>Public hearings</i></li> <li><i>Comparisons with other local authorities</i></li> </ul>	<p style="text-align: right;"><i>Give details</i></p> <p>Past examples.</p> <p>Other councils (HCC) schemes and their criteria.</p> <p>Views from members including cabinet.</p>
<p><b>Does the proposed item meet the following criteria?</b></p>	
<p>It must affect a group or community of people</p>	<p style="text-align: right;"><i>Give details</i></p> <p>The Neighbourhood Forums are designed to be a focus for each ward</p>
<p>It must relate to a service, event or issue in which the council has a significant stake</p>	<p style="text-align: right;"><i>Give details</i></p> <p>Each Ward has a budget of £2500 to spend annually</p>

<p>It must not have been a topic of scrutiny within the last 12 months</p> <p><i>There will be exceptions to this arising from notified changing circumstances. Scrutiny will also maintain an interest in the progress of recommendations and issues arising from past reports.</i></p>	<p>Not reviewed in the last 12 months.</p>
<p>It must not be an issue, such as planning or licensing, which is dealt with by another council committee</p>	<p>Again is an appropriate area for scrutiny</p>



<p><b>Does the topic meet the council's priorities?</b></p>	<ol style="list-style-type: none"> <li>1. Making Watford a better place to live in</li> <li>2. To provide the lead for Watford's sustainable economic growth</li> <li>3. Promoting an active, cohesive and well informed Town</li> <li>4. To operate the Council efficiently and effectively</li> </ol> <p style="text-align: center;"><i>Please confirm which ones</i></p> <p>1,3 and 4</p>
<p><b>Are you aware of any limitations of time, other constraints or risks which need to be taken into account?</b></p> <p><i>Factors to consider are:</i></p> <ul style="list-style-type: none"> <li>• <i>forthcoming milestones, demands on the relevant service area and member availability:</i></li> <li>• <i>imminent policy changes either locally, regionally or nationally within the area under review.</i></li> </ul>	<p style="text-align: center;">Include details</p> <p>I would suggest it is started if agreed in the next municipal year.</p>
<p><b>Does the topic involve a Council partner or other outside body?</b></p>	<p>No</p>

<p>Are there likely to be any Equality implications which will need to be considered?</p> <p><i>Protected characteristics under the Equality Act 2010 are:</i></p> <ul style="list-style-type: none"> <li>• <i>Age</i></li> <li>• <i>Disability</i></li> <li>• <i>Gender reassignment</i></li> <li>• <i>Pregnancy or maternity</i></li> <li>• <i>Race</i></li> <li>• <i>Religion or belief</i></li> <li>• <i>Sex</i></li> <li>• <i>Sexual orientation</i></li> <li>• <i>Marriage or civil partnership (only in respect of the requirement to have due regard to the need to eliminate discrimination)</i></li> </ul>	<p style="text-align: center;"><i>Give details</i></p> <p>No. But will depend on any suggested new criteria</p>
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<p><b>Sign off</b>  <i>(It is expected that any Councillor proposing a topic agreed by Overview and Scrutiny Committee will participate in the Task Group)</i></p>	
<p><b>Councillor/Officer C. Chen</b></p>	<p><b>Date</b>  <b>17.2.16</b></p>

**Neighbourhood Forum Task Group**

**Tuesday 19 July 2016**

**Agreed Actions**

Present: Councillor Cavinder (Chair)  
Councillors Hastrick, Joynes Mills and Martins

Also Present: Head of Democracy and Governance  
Committee and Scrutiny Officer  
Committee and Scrutiny Support Officer (IM)

**1. Election of Chair**

Councillor Cavinder was elected Chair.

**2. Apologies for Absence**

There were no apologies for absence.

**3. Disclosures of Interest**

There were no disclosures of interest.

**4. Scope and Background Papers**

The Committee and Scrutiny Officer explained that the task group had been proposed by the Head of Democracy and Governance in conjunction with the Mayor. She advised that the task group had been agreed by Overview and Scrutiny Committee in March and the membership was approved at its June meeting.

Providing some context to the review, the Head of Democracy and Governance outlined the change from Area Committees to Neighbourhood Forums in 2008. This had been in recognition of the changing nature of members' engagement in their local communities, specifically the reduction in the number of residents' meetings and the desire to provide more practical assistance for small projects.

An annual Community Engagement budget of £5,000 per ward had been established, to be divided between meeting and project activities according to individual ward requirements. This amount had been reduced to £2,500 in 2011 following a review of actual expenditure levels.

The Head of Democracy and Governance suggested that there were a number of important issues which should be reviewed by the task group:

- funding criteria and guidance
- operation of the Neighbourhood Forums, particularly the uses to which funds were put and the bodies receiving those funds
- historic overview of actual spend
- future uses for the funding
- ensuring value of money.

## 5. Next Steps

There followed a wide ranging debate about the issues members of the task group would like to draw into the review. These included establishing:

- the purpose of the funds
- whether the current funding levels were sufficient
- how the funds were advertised and whether current practices optimised local engagement
- changing the application process, specifically requiring recipient bodies to apply for funding to ward councillors.

In addition, the Committee and Scrutiny Officer suggested that the task group might consider alternative ways of organising the budget allocation e.g., moving to a single pot of money, or merging individual budgets into a single pot of money after an agreed period of time during the municipal year.

Task group members considered that the views of other councillors should also be sought through the use of a survey. Recognising that there were a number of new councillors, it was proposed that the survey should have both a retrospective and prospective focus to encourage fresh thinking.

The task group agreed that this should be a swift review.

It was proposed that any recommendations should be considered at Overview and Scrutiny Committee on 24 November, to enable the report to be on Cabinet's agenda on 5 December.

It was agreed that the following actions should be taken:

- officers to undertake a historic review of previous spend. This should date from the decrease in ward funds from £5,000 to £2,500 in 2011
- officers to review other funding schemes. Councillors Hastrick and Joynes agreed to assist by providing an overview of their experiences with Hertfordshire County Council funding. They would also speak to other “twin hatted” county councillors to see if they had similar schemes in their wards
- officers to undertake a survey of members’ views on the application for, and use of, Community Engagement budgets. This should be an on-line survey with hard copies available to members on request. Members of the task group agreed that it would be important for them to encourage survey returns from their colleagues.

A draft survey would be sent to task group members on 12 August seeking comments by 19 August. The survey would go live after the August Bank Holiday.

Members should contact the Committee and Scrutiny Support Officer with any additional ideas.

#### 6. **Date of Next Meeting**

Wednesday 7 September at 6pm.

Any further meeting dates would be agreed on 7 September.

Chair  
Neighbourhood Forum Task Group

The meeting started at 6.00 p.m.  
and concluded at 6.45 p.m.



**Neighbourhood Forum Task Group**

**Wednesday 7 September 2016**

**Agreed Actions**

Present: Councillor Cavinder (Chair)  
Councillors Hastrick, Joynes Mills and Martins

Also Present: Head of Democracy and Governance  
Committee and Scrutiny Support Officer (IM)

**7. Apologies for absence**

There were no apologies for absence.

**8. Disclosures of interest**

There were no disclosures of interest.

**9. Minutes of the previous meeting**

The notes and agreed actions of the meeting held on the 19 July 2016 were submitted and signed.

**10. Historic review of previous spend**

On behalf of the task group, the Chair thanked the Committee and Scrutiny Support Officer for the research which had been undertaken since the last meeting to inform the task group's work.

Looking at the historic review of previous spend, task group members made the following observations:

- wards pursued a variety of projects, which broadly reflected the differing composition and demographics of each ward
- it would be helpful to include an explanatory cover sheet to the graphs to outline what had been included in each of the categories
- the costs of organising forum meetings differed widely between the two wards which continued to hold regular meetings (Central and Nascot). Although these meetings required non-political advertising

to promote them i.e., not through party newsletters, there was scope to explore more cost-effective methods, including the use of social media.

## 11. **Review of other funding schemes**

The review of other funding schemes was welcomed by the task group. During discussions on the review, the following points were raised:

- there was a wide range of funding criteria
- several local authorities had discontinued their locality funds or changed their focus in recent years
- Hertfordshire County Council's locality budget had been reduced from £10,000 to £5,000 in the current financial year in order to fund a highway locality budget. It was unclear what would happen in subsequent years.

## 12. **Survey of members' views**

The Committee and Scrutiny Support Officer reported that a link to the survey had been sent to all councillors on 31 August. Subsequent to this, the Mayor had sent an email to encourage responses from as many councillors as possible.

To date seven responses had been received.

The survey closed on Monday 12 September.

In order to boost the response rate, the task group agreed the following steps:

- the chair would send a reminder to all members
- task group members would speak to their colleagues, particularly those in their wards
- Councillors Mills and Joynes would raise awareness of the survey deadline at their forthcoming group meeting.

## 13. **Next steps**

The task group agreed that no additional research was required. However, the results of the survey of members' views were needed before recommendations could be considered. Once the survey had been closed,



the Committee and Scrutiny Support Officer would analyse the responses for the task group, drawing out the main themes and conclusions.

Agreeing recommendations from these themes and conclusions would be the main activity of the task group at its next meeting.

At this stage, the task group was interested to explore several areas:

- introducing an application form for applicants – it was suggested that this might assist value for money considerations by providing a single point of contact for feedback and updates. Hertfordshire County Council’s application provided a useful example
- restricting the number of repeat submissions from organisations. However, it was acknowledged that careful consideration would need to be given to overarching organisations such as residents associations
- operating alternative arrangements for the funds, specifically establishing a cut-off date at which point remaining funds could be pooled, or removed to an alternative funding body such as Watford Borough Council’s Small Grants Fund.

#### 14. **Date of Next Meeting**

Tuesday 27 September at 10.30 am.

The need for any further meeting dates would be agreed on 27 September.

Chair  
Neighbourhood Forum Task Group

The meeting started at 6.00 p.m.  
and concluded at 6.45 p.m.



**Neighbourhood Forum Task Group**

**Tuesday 27 September 2016**

**Agreed Actions**

Present: Councillor Cavinder (Chair)  
Councillors Hastrick, Joynes Mills and Martins

Also Present: Committee and Scrutiny Support Officer (IM)

**15. Apologies for absence**

There were no apologies for absence.

**16. Disclosures of interest**

There were no disclosures of interest.

**17. Minutes**

The notes and agreed actions of the meeting held on the 7 September 2016 were submitted and signed.

**18. Survey of councillors' views – analysis of results**

The chair invited comments from task group members on the survey conclusions.

During discussions, the following themes were identified:

- there was wide-ranging support for the continuation of Neighbourhood Forum funds
- expenditure on projects covered by other budgets e.g., highways projects otherwise covered by Hertfordshire County Council, was exceptional and limited to only a few projects per year. It should not therefore be excluded in the guidelines
- there was support for a new process of pooling any remaining ward budgets to a single pot after a specified period e.g., mid-December, at which point all wards could apply for the money. Two further suggestions were made on this point:

- the Task Group could continue to play a role, helping to assess applications to this single funding pot
- any money left over after this process – which was anticipated to be very limited – could be given to the chairman’s chosen charities for the relevant year
- Neighbourhood Forum budgets should not be merged with Watford Borough Council’s Small Grants Fund
- it was important that officers continued to be involved in the assessment and approval of projects, irrespective of their size or value
- there should be a change in the application process with applicants applying directly for funds, preferably using online forms.

#### 19. **Task Group recommendations**

The task group agreed that it now had sufficient information to draw together its conclusions for Overview and Scrutiny Committee and Cabinet.

It was agreed to identify the main headings, with the feasibility of the recommendations to be investigated by the committee and scrutiny support officer outside the meeting.

The task group proposed that:

- forum funds should continue and the amount increased to £3,000 per ward
- funding should be focused on local organisations, groups and charities
- guidelines should be reviewed to clarify:
  - how often recipients could receive funding (normally not more than once a year, however the type of project, rather than the organisation, should be the guide)
  - proportionality criteria
  - declaration of members’ interests
- money allocated to individual wards should be spent by a given date. After this point, any remaining funds should be pooled so that all

wards could bid for the available funds. At the end of the year, any remaining money in this pool should be allocated to the chairman's chosen charities

- recipients should apply for funds directly, preferably using online forms
- recipients should complete a feedback questionnaire on their completed projects
- wards should be encouraged to minimise their administration costs for forum meetings in order to seek the most cost effective means, particularly in regard to advertising
- the name "Neighbourhood Forums" should be changed to "Neighbourhood Locality Funds"
- funds should be relaunched with all forms and information available on the Council's website.

## 20. **Next steps**

The full recommendations would be agreed by correspondence. This would include discussions between the committee and scrutiny support officer and other council officers to agree the feasibility and practicability of the recommendations.

It was not thought necessary to agree a further meeting of the task group.

The task group wished to note their appreciation to the chair.

Chair  
Neighbourhood Forum Task Group

The meeting started at 10.30 a.m  
and concluded at 11.40 a.m.



## Overview and Scrutiny Committee

24 November 2016

Present: Councillor Hastrick (Chair)  
Councillors Fahmy, Joynes, Asif Khan (for minute numbers 49 to 60),  
Martins, Rindl, Shah (for minute numbers 45 to 52), Walford and  
Williams

Also present: Councillor Taylor, Portfolio Holder for Corporate Services (for minute  
numbers 48 to 60)  
Councillor Barks, Chair of the Leisure Management Contract Task  
Group (for minute numbers 45 to 51)  
Councillor Cavinder, Chair of the Neighbourhood Forum Task Group  
(for minute numbers 45 to 53)

Officer: Corporate Leisure and Community Client Section Head (for minute  
numbers 45 to 51)  
Contract Monitoring Officer (for minute numbers 45 to 51)  
Partnerships and Performance Section Head (for minute numbers 45  
to 52)  
Committee and Scrutiny Officer

### 53. Neighbourhood Forum Task Group – Final report

The scrutiny committee received a report of the Committee and Scrutiny Officer including the final report of the Neighbourhood Forum Task Group.

Councillor Cavinder, the Chair of the task group, explained the task group's remit and how it had undertaken its work. During the review officers had been tasked with providing information about historic spend since 2011, how other local authorities carried out similar schemes and to develop a survey which was circulated to all councillors. He outlined each of the recommendations agreed by the task group and the reasons for those suggestions.

Councillor Joynes said that she had also been on the task group. She asked whether councillors would be able to help people to complete an online application.

Councillor Cavinder said that it had not been the intention for councillors to divorce themselves from the neighbourhood forum process.

The Committee and Scrutiny Officer highlighted that the recommendation proposed that officers looked into the feasibility of this recommendation. There

would still be a need for agreement from at least two ward councillors to any potential application.

Following a comment from Councillor Williams about expenditure on local projects, Councillor Cavinder replied that the task group had had long discussions about this recommendation and it was felt that expenditure on the planting of new trees in the local community should be able to continue.

The Chair said that she had also been on the task group. She had spoken to local residents about neighbourhood forums. She was of the opinion that the funds should be spent on local projects and not given to larger organisations. These larger charities, although worthy causes, were able to access funds from a number of other sources which were not open to smaller groups and therefore should not be given locality funding.

Councillor Cavinder stated that this had been part of the reason for the suggestion of pooling funding at a certain point during the year. This suggestion would ensure that the funds were spent and not lost.

Councillor Khan commented that he was unsure about this suggestion. A number of wards spent their funds later in the financial year, but they were spent.

Councillor Cavinder responded that if projects were known about in advance but were due to take place later, those funds could be set aside and not added to the central pot.

Councillor Khan responded that there were occasions that projects were known about late in the year and could not be anticipated.

Councillor Martins suggested that the proposed date of mid-December may be too early. This would need to be considered further.

Councillor Rindl said that she welcomed this recommendation. Her ward was reasonably affluent and often the funds were not completely spent. She would be happy for other wards to use the remaining available funds. She suggested that it might be made a voluntary arrangement.

Councillor Cavinder confirmed that if agreed officers would still need to look at the feasibility of the recommendation. He reminded the scrutiny committee that the task group had comprised councillors from both groups on the council.

The Committee and Scrutiny Officer informed the scrutiny committee that the report would be presented to Cabinet at its meeting on 5 December 2016. Cabinet's response to the recommendations would be reported to the scrutiny committee in January 2017.



RESOLVED –

1. that the final report and recommendations of the Neighbourhood Forum Task Group be forwarded to Cabinet.

Action: Committee and Scrutiny Officer



## PART A

<b>Report to:</b>	Cabinet
<b>Date of meeting:</b>	5 <sup>th</sup> December 2016
<b>Report of:</b>	Planning Policy Section Head
<b>Title:</b>	Community Infrastructure Levy (CIL) Annual Report 1 April 2015 – 31 March 2016

### 1.0 **Summary**

1.1 As a Community Infrastructure Levy (CIL) charging and collecting authority, Watford Borough Council is required under Regulation 62 of the Community Infrastructure Regulations 2010 (as amended) to prepare a report detailing CIL receipts and expenditure to be published on the Council's website by 31 December each year, with information from the previous financial year.

1.2 This report covers the period from 1 April 2015 to 31 March 2016 and is in two parts. The first part discusses the income and future spending areas of Watford's CIL including;

- The Council's commitment to the Metropolitan Line Extension,
- The Neighbourhood Planning component, and
- The allowance for administration costs.

The second part in Appendix 1 contains the Regulation 62 Report for publication.

### 2.0 **Recommendations**

2.1 That Cabinet endorse the Regulation 62 (Community Infrastructure Regulations 2010 (as amended) CIL Annual Report 2015-2016 contained in Appendix 1 and agree for it to be published on the Council's website.

2.2 That future Regulation 62 (Community Infrastructure Regulations 2010 (as amended) CIL Annual reports be delegated for approval by the Deputy Managing Director in consultation with the Portfolio Holder for Regeneration and Development.

2.3 That Cabinet endorses transfer of £8,013 towards the administrative costs of operating the CIL regime into the Regeneration and Development budget and that the Council retains the remaining sum of £152,262 to be set aside towards the Metropolitan Line Extension.

**Contact Officer:** For further information on this report please contact: Semeta Bloomfield CIL Officer Telephone extension: 8291, [semeta.bloomfield@watford.gov.uk](mailto:semeta.bloomfield@watford.gov.uk)

**Report approved by:** Ian Dunsford, Planning Policy Section Head

### 3.0 **Background**

3.1 Watford Council introduced a Community Infrastructure Levy (CIL) on 1 April 2015. CIL Regulation 62 requires the publication of an annual report to show the amounts that have been collected and spent. In January 2016 it was agreed that Cabinet would oversee the use of CIL funds. Appendix 1 covers the first year from 1 April 2015-31 March 2016.

### 3.2 **Income**

CIL receipts during our first year amounted to £160,275. Such a modest figure is common among most charging authorities first year's income as CIL is only paid once the development has commenced and in the case of larger schemes can be paid in instalments.

3.3 We originally anticipated that £207,000 would be raised in the first year but since then the Government have relaxed the vacancy test and made more types of development exempt from paying CIL. It is worth noting that collections for the current year (2016-2017) have already exceeded the forecast.

### 3.4 **Neighbourhood Funding**

During this reporting year out of the £160,275 collected a neighbourhood component of £24,041 was raised. Under the CIL Regulations the Council is required to pass a 'meaningful proportion' of the CIL receipts received in a particular area to that area. This is known as 'Neighbourhood Funding'. The meaningful proportion is defined as 15% in areas where there is no Neighbourhood Plan or 25% in areas with a Neighbourhood Plan. Watford currently has no neighbourhood plans. There is no definition of neighbourhood in the CIL guidance. Potentially it could be based on a ward basis, but given the size of Watford, it would probably be sufficient to treat the whole borough as a single neighbourhood for the sake of CIL allocations.

### 3.5 **Administration**

The CIL Regulations allow councils to retain up to 5% of total CIL receipts in a given year to cover the costs of administration. During this reporting year £8,013 will be retained to help cover staff resources.

### 3.6 **Infrastructure Spending**

During this reporting year there has been no infrastructure expenditure as CIL receipts have been modest. Watford has made a commitment to use £5.85 million of CIL funds and other developer contributions to support the delivery of the Metropolitan Line

Extension. The first £1.15m is to be transferred to TfL in the financial year 2020/21.

3.7 At this stage it is proposed to retain £152,262 (This excludes the administration allowance of £8,013 but includes the neighbourhood fund of £24,041 and the remaining infrastructure pot of £128,221) and to set this money aside for the Watford Metropolitan Line Extension contribution as this would bring significant benefits to Watford residents and businesses.

### 3.8 **Actions**

At this stage, as only limited amounts have been collected, it is first recommended that only the administration fee of £8,013 is used to help cover part of the cost of the CIL Officer and Exacom CIL management system.

3.9 Second it is proposed that the combined Neighbourhood fund and remaining CIL receipt of a total of £152,262 is banked to enable the funds to accumulate to meet the Council's commitment to the Metropolitan Line Extension.

3.10 Third that the Regulation 62 Report contained in Appendix 1 is published on the Council's Website

3.11 Finally that future Regulation 62 reports can be published following approval of the Deputy Managing Director in consultation with the Portfolio Holder for Regeneration and Development.

### 3.12 **Conclusion**

The CIL Annual Monitoring report sets out that receipts from development in Watford, in common with other authorities, were low in the first full year. During the current financial year CIL income has steadily increased and it is anticipated that next year's income will be significantly higher. It is proposed to set aside £152,262 towards Watford's Metropolitan Line Extension commitment and to allocate £8,013 towards the administration cost.

## 4.0 **Implications**

### 4.1 **Financial**

4.1.1 The Shared Director of Finance comments that whilst CIL income has been modest for the first year, this is likely to grow as more developments commence. This will make an important contribution to supporting the delivery of new infrastructure and will support the Council's commitment to the Metropolitan Line Extension. The retention of 5% of CIL receipts will help to cover the implementation cost of CIL.

### 4.2 **Legal Issues (Monitoring Officer)**

4.2.1 The Head of Democracy and Governance comments that the Community

Infrastructure Regulations 2010 (as amended) require the production of an annual report detailing income and spending of CIL monies. This report would meet this requirement.

#### 4.3 Equalities

There are no direct equalities impacts arising from this report.

#### 4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
Further changes to CIL Regulations could reduce CIL income	2	3	6
Economic downturn could adversely affect new development being progressed	1	3	3
Loss of the CIL collecting officer would undermine collection rate	1	3	3

#### Appendix:

Appendix 1 Watford Borough Council Regulation 62 Monitoring Summary  
1 April 2015 – 31 March 2016

#### Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- Community Infrastructure Levy Regulations 2010 (as amended)
- Community Infrastructure Levy Governance Cabinet Report - 18 January 2016

#### File Reference

*SP1.2.2.2 Cabinet Reports*



**WATFORD  
BOROUGH  
COUNCIL**

# Community Infrastructure Levy

Regulation 62  
Monitoring Report 2015/16



## Background

The Community Infrastructure Levy (CIL) is a mechanism to allow local planning authorities to seek to raise funds from new development, in the form of a levy, in order to contribute to the cost of infrastructure projects that are, or will be, needed to support new development.

Watford Borough Council's charging schedule was approved by full council in November 2014 and came into effect on the 1 April 2015. Watford Council is both a CIL charging and CIL collecting authority.

The CIL is intended to be used to help provide infrastructure to support the development of an area rather than making an individual planning application acceptable in planning terms (which is the purpose of Section 106 Agreements). CIL does not fully replace Section 106 Agreements.

Regulation 123 of the CIL Regulations (as amended) restricts the use of planning obligations for infrastructure that will be funded in whole or in part by CIL. This is to ensure there is no duplication between CIL and planning obligation secured through Section 106 agreements in funding the same infrastructure projects.

Whilst the majority of CIL receipts will be used to support the delivery of Strategic infrastructure, the CIL regulations 2010(as amended) requires a 'meaningful proportion' to be passed to the local town or parish council, where receipts have been received from development in their area. The proportion is set at 15% of receipts with a maximum cap of £100 per council tax dwelling during the financial year. Where a Neighbourhood Development Plan is in place the meaningful proportion will rise to 25% with no maximum cap specified.

There are no areas in Watford at present with a Neighbourhood Development Plan in place and Watford does not have any town or parish councils..

An additional 5% of receipts can be used for administrative costs after introduction of CIL in an area. To help the charging authorities with the initial set up costs, the regulations allow for a 'rolling cap' for the period of three years after introduction (ie. 5% applied to the total CIL receipts for the first three years). After this time the cap will be applied annually.

To ensure that the levy is open and transparent, Watford is required to prepare a short report on the levy to be published on our website by 31 December each year, for the previous financial year.



**Table 1 Watford Borough Council Regulation 62 CIL Monitoring Summary 1  
April 2015-31 March 2016**

Description	Amount Collected
Total CIL receipts for the reported year	£160,275.83
Total CIL carried over from previous reported year(s)	£0
Total Expenditure for the reported year	£0
The items of infrastructure to which CIL (including land payments) has been applied	Not Applicable
Amount of CIL expenditure on each item	Not Applicable
Amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part)	Not Applicable
Amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation	£8013.79
Administrative expenses expressed as a percentage	5%
The amount of CIL passed to any local council under regulation 59A or 59B	£0
The amount of CIL passed to Any person under regulation 59(4)	£0
Total Neighbourhood Fund ('meaningful proportion') receipts for the reported year	£24,041.37
Total amount of CIL receipts retained at the end of the reported year	£152,262.04

For further information about Watford Council Community Infrastructure Levy including our guidance note, charging schedule and Regulation 123 list can be obtained from:

[https://www.watford.gov.uk/info/20012/planning\\_and\\_building\\_control/447/community\\_infrastructure\\_levy/2](https://www.watford.gov.uk/info/20012/planning_and_building_control/447/community_infrastructure_levy/2)



## PART A

**Report to:** Cabinet  
**Date of meeting:** 5<sup>th</sup> December 2016  
**Report of:** Head of Democracy and Governance  
**Title:** Ombudsman's Decision

### 1.0 **Summary**

- 1.1 Under the Local Government and Housing Act 1989 the Council's Monitoring Officer is legally obliged to make a report to Cabinet of any finding by the Local Government Ombudsman of maladministration.
- 1.2 On 21 November 2016 the Council received the Ombudsman's final decision in a matter relating to incorrect information on its web site about small business rate relief. The Decision is attached at Appendix 1

### 2.0 **Recommendations**

- 2.1 That the Ombudsman's decision be noted.

**Contact Officer:** For further information on this report please contact: Carol Chen Telephone extension: 8350, [carol.chen@watford.gov.uk](mailto:carol.chen@watford.gov.uk)

**Report approved by:** Managing Director

### 3.0 **Detailed Proposal**

- 3.1 Under s5A of the Local Government Act 1989 the Council's Monitoring Officer is legally obliged to report to cabinet any findings of maladministration by the Local Government Ombudsman.
- 3.2 On 21 November 2016 the Council received the Ombudsman's final decision in relation to a complaint made by a local businessman regarding incorrect information on the councils web site regarding small business rate relief
- 3.3 The full decision is attached at Appendix 1.  
The Council has accepted that the website was wrong, and corrected it as soon as the error was brought to its attention by the complainant. Initially the Council offered the complainant an extra discount but not the amount he would have received based on

the information on the web site. The complainant was not happy with the offer and was referred to the Ombudsman.

- 3.4 The Ombudsman has concluded that as a result of the incorrect information on the web site there has been maladministration by the Council and also that the complainant has suffered an injustice as he based his calculations on the information on the web site.
- 3.5 Following the Ombudsman's investigation the Council has agreed to recalculate the complainant's business rates for the period in question and require him to only pay the sum as advertised on the web site.
- 3.6 As stated in the Ombudsman's decision no other similar complaints have been received in relation to the incorrect information.
- 3.7 The Ombudsman now publishes all decisions so her decision will be available on Local Government Ombudsman web site.
- 3.8 As a result of this case the process for publishing, changing and maintaining revenues and benefits information on the council's website has been reviewed and improved. The Head of Service now has the final signoff and check for the process going forward.

#### 4.0 **Implications**

##### 4.1 **Financial**

- 4.1.1 The Shared Director of Finance comments that the difference between the amount originally billed and the revised amount will be written off.

##### 4.2 **Legal Issues (Monitoring Officer)**

- 4.2.1 The Head of Democracy and Governance comments that as stated in the report all findings of maladministration are required to be reported to cabinet by virtue of the Local Government and Housing Act 1989

##### 4.3 **Equalities**

There are no direct equalities impacts arising from this report.

#### 4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
Web site not kept up to date leading to further complaints	2	4	8
<i>Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.</i>			

Appendix 1. Ombudsman's final decision 21 November 2016

#### Background Papers

None

#### File Reference

- None



**Complaint reference:**  
16 009 690

**Complaint against:**  
Watford Borough Council

## **The Ombudsman's final decision**

Summary: The Council is at fault for providing incorrect information about small business rate relief on its website. This fault led to the Council charging Mr B more for business rates than he expected.

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### **The complaint**

1. The complainant, whom I shall refer to as Mr B, complains that the Council provided incorrect information about small business rate relief on its website. Mr B says he budgeted for the rate the Council's website advertised, but was then billed for more. Mr B says he wants to pay the amount originally advertised.

### **The Ombudsman's role and powers**

2. The Ombudsman investigates complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. She must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, she may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1)*)
3. The Ombudsman may investigate matters coming to her attention during an investigation, if she considers that a member of the public who has not complained may have suffered an injustice as a result. (*Local Government Act 1974, section 26D and 34E*)

### **How I considered this complaint**

4. I considered the information provided by Mr B and reviewed national and local guidance. I invited Mr B and the Council to comment on a draft of this decision and have taken account of the comments received.

### **What I found**

#### **Guidance**

5. The government's business rates relief website says a business can get small business rate relief if it only uses one property, and the property's rateable value is less than £12000. (The rateable value of a property is its open market rental value on 1 April 2008, based on an estimate by the Valuation Office Agency. The next revaluation of properties is due in 2017.) The guidance says business rates are not payable on properties with a rateable value of £6000 or less until March 2017. The rate of relief goes down gradually from 100% to 0% for properties with a rateable value between £6001 and £12000.

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### **What happened**

6. Mr B took out a five-year commercial lease on 1 June 2016. Before doing so, he says he looked on the Council's website to find out about its small business rate relief scheme.
7. Shortly after, Mr B received a bill for £2772.67. He queried this and provided a screenshot of the Council's website from 11 July 2016, which said:

"Small businesses with a rateable value of £6000 and below will receive 100% discount, this relief will decrease on a sliding scale of 1% for every £120 up to £11999."
8. Mr B said his business' rateable value was £9800, which should have meant he got a 68.4% discount in business rates, and would need to pay £1200.80. He says he agreed to the lease with this discount in mind.
9. The Council accepted its website was wrong, but told him the relief rate had changed and the decrease in relief was now 2% for every £120 over £6000, not 1%. It said that had now corrected its website. The Council apologised and offered Mr B an extra discount, which would have meant he paid £2625.17 for the year rather than £2772.67.
10. Mr B rejected this offer and said he wanted to pay the amount originally advertised on the Council's website, which is what he had budgeted for.

### **My findings**

11. The Council has admitted fault in this case, and it updated the information on its website after Mr B complained. The information is now correct.
12. Mr B says he budgeted to pay a certain amount, based on the information on the Council's website, and he received a bill for more than double what he had expected. He says if he had received the correct advice from the Council he would have looked into alternative arrangements, such as negotiating a cheaper rent or even looking elsewhere. I see no reason to doubt this and so I consider Mr B to have suffered an injustice. It was reasonable for Mr B to trust the information on the Council's website, as Councils manage small business rate relief.
13. I consider the injustice to Mr B is that he is liable for a higher business rate than the Council led him to believe. I therefore consider the Council should apply the rate of relief that it advertised to Mr B when he first took out the lease. Given that business rates may change in April 2017, and the government could apply a change in relief at any time (but usually from April), this relief should apply from 1 June 2016 to 31 March 2017.

### **Agreed action**

14. The Council has agreed to recalculate Mr B's business rates bill for the period 1 June 2016 to 31 March 2017 and, for this period, will require him to pay business rates equivalent to the sum advertised on its website when Mr B took out his lease.
15. The Council agreed to identify any other businesses in the area that have complained about the difference between the information on the website and the calculation on their bills, and refund them so they have only paid the amount advertised on the website. However, the Council said it had not received any complaints about this issue from other businesses.



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## **Final decision**

16. The Council is at fault for providing incorrect information about small business rate relief on its website. The website has now been updated and the error does not appear to have affected any other businesses. The agreed action – outlined in paragraph 14 above – will remedy Mr B's injustice.

## **Investigator's final decision on behalf of the Ombudsman**



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

