

# Agenda



## Policy Development Scrutiny Committee

Date:	Thursday, 13 November 2014 at 6:15pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	Councillor Fabian Craig-Wilson (Chairman) Councillor Leonard Davies (Vice-Chairman)  Councillors Ben Aitken, Frank Andrews, Susan Ashton, David Chedd, Maxine Chew, John Davies, David Donaldson, Charlie Duffy, Karen Henshaw JP, Edward Nash, Elizabeth Oades, Richard Redcliffe, Elaine Silverwood, Vivienne M Willder.

**Public Platform** To hear representations from members of the public.

Item		Page
1	<b>Declarations of Interest:</b> Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	<b>Confirmation of Minutes:</b> To confirm the minutes of the previous meetings held on 9 October 2014, as a correct record as attached.	3 - 6
3	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 23(c).	1
4	<b>Review of the Housing Allocation Scheme</b>	7 - 30
5	<b>General Fund Budget Monitoring Report 2014/15 – Position as at Quarter Ended 30<sup>th</sup> September 2014</b>	31 - 43
6	<b>Review of Council Tax Discounts and Premium 2015/16</b>	44 - 49
7	<b>Council Tax Reduction Scheme 2015/16 Including Grants to Town and Parish Councils</b>	50 - 65
8	<b>Overview and Scrutiny Work Plans - Update</b>	66 - 69

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The code of conduct for members can be found in the council's constitution at  
[www.fylde.gov.uk/council-and-democracy/constitution](http://www.fylde.gov.uk/council-and-democracy/constitution)

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# Policy Development Scrutiny Committee

<b>Date:</b>	Thursday, 9 October 2014
<b>Venue:</b>	Town Hall, St Annes
<b>Committee members:</b>	Councillor Fabian Craig-Wilson (Chairman) Councillor Len Davies (Vice Chairman)  Councillors Frank Andrews, Susan Ashton, David Chedd, Maxine Chew, John Davies, David Donaldson, Charlie Duffy, Angela Jacques, Barbara Nash, Elizabeth Oades, Richard Redcliffe, Elaine Silverwood, Vivienne Willder
<b>Officers:</b>	Tracy Morrison, Paul Walker, Mark Evans, Kirstine Riding and Paul Walker

## 1. Declarations of interest

Members were reminded of their responsibilities for declaring interests as required by the Council's Code of Conduct for Members. There were no declarations on this occasion.

## 2. Confirmation of minutes

RESOLVED: To approve the minutes of the Policy Development Scrutiny Committee meeting held on 10 September 2014 as a correct record for signature by the Chairman. It was noted that the Chairman also signed the amended minutes from the meeting held on 6 June 2014.

## 3. Substitute members

The following substitutions were reported under Council procedure rule 23(c):

Councillor Angela Jacques for Councillor Ben Aitken

Councillor Barbara Nash for Councillor Ed Nash.

## 4. Empty Residential Properties

Mrs Kirstine Riding (Senior Housing Officer) and Ms Tracy Morrison (Director of Resources) presented an update regarding the number of empty residential properties in the borough and the effect new Council tax premiums had on the reduction of the numbers.

Mrs Riding explained that a position statement had last been brought to Committee in November 2013. With effect from 1 April 2014 changes to Council Tax levies for empty residential properties had commenced. The first of the changes was to residential properties empty longer than six months. Mrs Riding explained that for empty properties, the first six months Council Tax was

charged at 50%, after six months was raised to the full 100% charge. For properties empty over two years the levy increased by 50% to a 150% premium.

Mrs Riding reported that in April 2013 there were 701 empty residential properties across the borough, by October 2013 this had dropped to 586. With the introduction of the new levies, this had fallen to 488 in October 2014.

Mrs Riding further advised that it was uncertain if this level of reduction would continue and cautioned that the number may plateau in the future. She advised that of the 488 properties currently empty, there were an estimated 132 which had been empty for over two years, and as such would be subject to the new premium.

Finally she reported that the housing team was responsive to complaints regarding empty properties, of which there had been very few in the current financial year.

Following questions from Committee regarding the Council's proactive approach, Ms Morrison reported that the Revenue and Benefits team was working proactively to identify the long term empty properties. The team's work was to ensure that the Council had details of the owners and landlords. She advised that every empty property brought back into use contributed to the New Homes Bonus calculation.

In response to questions from Committee, Mr Evans (Head of Planning and Regeneration) confirmed that those properties brought back into use reduced the number of new homes required for the 5 year housing supply and the required housing numbers in the Local Plan.

Following a discussion it was RESOLVED

1. To note the current position with regard to long term empty properties in the borough
2. To receive a further position statement in April 2015, following a full year of the new premiums and levies.

##### 5. Planning Appeals

Mr Mark Evans (Head of Planning and Regeneration) and Mr Paul Walker (Director of Development Services) presented an overview of the appeals procedure, the different forms of appeal and statistics for the period 1 August 2012 to 31 July 2014.

Mr Evans advised that 30% of refusals were determined by appeal. He advised that the residential developments outside of settlements were the most challenging to the Council, with 75% of appeals for such developments being lost.

He further advised that appeals conducted by way of written representation were not only cheaper for the Council, but also more likely to have a favourable outcome.

Mr Evans advised that in terms of minimising the staff time and cost involved with appeals, the Planning team advocated pre-application discussions with applicants, were willing to adapt the Council's position dependent on current guidance, offered robust reasons for refusal and provided a strong defence of appeals.

Members of the Committee enquired whether there was a pattern to the types of applications that went to appeal or if there was a correlation between appeals and decisions made by the Planning Committee.

Mr Evans advised against any such examination or comparison of appeals, stating that as many planning decisions were finely balanced with a weighing of differing considerations, comparisons were inherently difficult, statistically producing an unclear or unbalanced picture. He stated that some officer recommendations had been supported by the Planning Committee and the Council had

lost on appeal and had costs awarded against them, as the Planning Inspector had weighted those considerations differently to officers.

Members asked if there was enough support in place for members to allow for officers to assist even against an officer recommendation. Mr Evans advised that the Planning Code of Conduct had recently been amended to allow for a brief adjournment for members to seek advice from officers when proposing a refusal. He stated that this was helpful, but cautioned that bounded by professional code, officers could only advise. He added that he would like to involve members in preparation for appeals, especially to help with amendments to refusals.

Members expressed concern that members of the Planning Committee did not routinely conduct site visits for major or high profile applications. Other members commented that involving members, especially ward members, at an earlier stage, i.e. before applications reached Committee, may reduce refusals at Committee.

Mr Evans advised that all members currently received information regarding applications in their ward. He further advised that members were welcome to discuss their concerns, but officers had to be mindful of national planning guidance regarding the involvement of councillors in pre-application matters.

Councillor Duffy expressed his disquiet about the method of bringing the report to Committee. He stated that the reference to the Scrutiny Management Board (in the report) was incorrect, as this body did not exist, had no constitutional standing and it was for the Committee to determine what it should scrutinise.

Councillor Duffy advised Committee that, in his view, neither of the Council's Scrutiny Committees were being conducted in accordance with their remits stipulated in the Council's constitution. He specifically mentioned that the Committees did not regularly review a work plan, indeed, had never reviewed a work plan. Councillor Duffy also advised that whilst the Committees reported their work to Cabinet, the Constitution stated that such reports should go to full Council and as such they were not working in accordance with their terms of reference.

The Chairman thanked Councillor Duffy for his comments, and stated that she understood he had raised these concerns with the Council's Monitoring Officer and the Head of Governance and had received a response.

It was noted that Councillor Duffy wished to merely share his disquiet with the Committee, which was why he had approached officers prior to the meeting with his concerns.

After a lengthy discussion it was RESOLVED:

1. To note the contents of the report
2. To recommend that:
  - a. Officers would arrange site visits for the Planning Committee when considering major applications, and if possible the relevant ward councillors were included for those visits;
  - b. Officers would review the current notifications to members regarding applications within their ward, to ensure the notifications were timely and the option for discussing the application with officers was explicit.
  - c. Officers would explore arranging an annual development tour, which would view developments to assess which had worked well and those that had worked less well, with a view to improve decision making by both officers and the Planning Committee.
3. That current custom and practice of defending planning appeals was maintained

4. That the success rate in defending planning appeals continued to be monitored, with a similar monitoring report to be brought to the appropriate committee in 12 months.

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# REPORT



REPORT OF	MEETING	DATE
RESOURCES	POLICY DEVELOPMENT SCRUTINY COMMITTEE	13 NOVEMBER 2014

## REVIEW OF THE HOUSING ALLOCATION SCHEME

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

Although the Council does not own or manage any social housing stock all local authorities are required to have an allocation scheme. The allocation scheme comprises of two documents firstly a Fylde Area Lettings Plan that sets out how to make best use of the stock, taking into account we are not a stock holding authority and are reliant on our Registered Providers. Secondly a Fylde Coast Consistent Assessment Policy that sets out how applicants will be placed in different priority bands when they apply to join the housing register. These policies are delivered by the Housing Providers through the MyHomeChoice scheme.

Policy Development Scrutiny Committee requested a review of the MyHomeChoice lettings scheme in 2014. No specific detail was provided as to what the review should include therefore this report aims to provide a summary of the outcomes of the allocations scheme for the last 12 months, addresses questions previously raised, and proposed policy amendments.

### RECOMMENDATIONS

1. That the Committee note the summary of activity over the last 12 months.
2. That the Committee note the proposed Area Lettings Plan for consultation.
3. To request that the results of the consultation are reported to the next committee meeting

### CABINET PORTFOLIO

This item falls within the following cabinet portfolio(s):

Social Wellbeing	-	Councillor Cheryl Little
Planning and Development	-	Councillor Dr Trevor Fiddler

## **SUMMARY OF PREVIOUS DECISIONS**

### Minutes of Cabinet 16th February 2011

1. The new Allocation scheme for the borough is adopted
2. The Partnership Agreement is entered into as soon as a final draft has been agreed by the Council's legal officer
3. The SCL system is procured as outlined in this report
4. The set-up and running costs of the new CBL system are agreed as outlined in the report

### Minutes of the Policy Development Scrutiny Committee 10<sup>th</sup> January 2013

1. To note the review of the allocation policy and to welcome the report of the consultation responses to a future meeting.
2. To recommend that the Council approves the draft Fylde Coast Tenancy Strategy
3. To note the new power in the Localism Act 2011 that enables Local Authorities to discharge their homelessness duty using the private rented sector.

### Minutes of Policy Development Scrutiny Committee 23<sup>rd</sup> May 2013

1. The consultation results be noted
2. To recommend that Cabinet adopt the draft Housing Allocation Policy
3. To recommend that Cabinet approve the Fylde Coast Tenancy Strategy.

### Minutes of Cabinet 26<sup>th</sup> June 2013

1. Approve and adopt the final draft Housing Allocation Policy
2. Approve and adopt the final draft Fylde Coast Tenancy Strategy.

## **Background**

1. MyHomeChoice went live in May 2012 after a successful implementation period. The Localism Act 2011 set out revised guidance for local authorities regarding Social housing allocations and the Consistent Assessment Policy (Social Housing allocation policy) was amended and approved by Fylde Borough Council Cabinet in June 2013. The approved changes were implemented December 2013.
2. Members of the scrutiny committee may wish to familiarise themselves with the MyHomeChoice system by logging onto the MyHomeChoice website at <https://www.myhomechoicefyldecoast.co.uk/Data/ASPPages/1/30.aspx> Looking at the menu on the left hand side of the web page the third option is 'property shop demo'. Clicking on this will take you to a demo on how to use the site. This provides a quick and comprehensive demonstration on how the system works once an applicant is registered and on the register. The local authority has two key documents which form the basis of MyHomeChoice – these are the Consistent Assessment Policy and Fylde Area Lettings Plan. The consistent assessment policy details who is eligible to join the social housing register, how applications are assessed, how the scheme operates and how properties are allocated. The Fylde Area Lettings Plan sits alongside the Consistent assessment policy and details the supply and demand issues impacting on social housing in the borough of Fylde. Using this information, the Area Lettings Plan sets out how to make best use of the social housing stock available. Both policies are delivered by the Housing Providers (Housing Associations) in the Borough, the largest provider being Progress



Group (Formerly New Fylde Housing). The issues and matters for consultation in the Area Letting Plan are outlined below:

### **Area Lettings Plan 2015/16**

3. Detailed in **Appendix one** is an update to the 2011/12 plan. A number of priority areas were set to be monitored as these reflected the challenges highlighted in the Fylde Coast Housing Strategy.
4. A revised Area Lettings Plan for 2015/16 is detailed in **Appendix two**. It is proposed to consult on the document with the Housing Association partners of MyHomeChoice during November and December. A final draft of the plan will be presented to this Committee in February 2015. Specific areas for consultation in the Plan are: (i) strategic issues to be monitored, (ii) specific issues Partners wish to raise and include in the plan, (iii) content of the annual monitoring report, (iv) a broader review of area specific lettings policies which could include future S106 agreements.

### **Consistent Assessment Policy**

Matters relating to the Consistent Assessment policy are outlined below:

5. **Exceptional Circumstances**  
One issue dealt with by the MyHomeChoice Steering group has been an Ombudsman investigation dealt with by Blackpool Council which concentrated on access to the register and regard for exceptional circumstances. The Ombudsman ruled that the allocation policy ought to be clearer on dealing with exceptional circumstances, this must be clear as it is required by law. This has now been rectified, and will mean that where a person does not meet the local connection criteria but there are exceptional circumstances the Local authority (Fylde, Wyre and Blackpool Councils as appropriate) will need to have regard for these and consider whether to accept the applicant on the register.
6. **Renewal of applications**  
Abitas the software provider made the necessary changes to the system following the approval of the revised Consistent Assessment Policy and the revised MyHomeChoice system went live on the 2<sup>nd</sup> December 2013. From this date all new applications were assessed using the revised policy. A summary of the renewal process is detailed in **Appendix 3**.
7. **Owner Occupiers**  
At a previous scrutiny committee meeting there was discussion regarding affordable housing in general and questioned whether the register included a large number of owner occupiers who were not in need of affordable housing but had an aspirational need to have a social rented property. It was asked that officers look into this situation. Waiting list figures for owner occupiers were generated on the 29<sup>th</sup> September 2014. Of the 865 applicants on the waiting list 121 are owner occupiers. **Appendix 4** details a summary of these 121 households. The analysis details that all owner occupiers have a genuine reason for accessing MyHomeChoice.

## Conclusion

8. All activity over the last 12 months has been summarised in the report. Consultation on the Area Lettings Plan will begin later in November and will involve all partners of MyHomeChoice. A draft final plan will be presented to the Committee in February 2015.

IMPLICATIONS	
Finance	There are no financial implications arising directly from this report.
Legal	None
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

REPORT AUTHOR	TEL	DATE	DOC ID
Lucy Wright	01253 658682	27 <sup>th</sup> October 2014	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Minutes of Meetings		<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

## Attached documents

Appendix 1. Update to the 2011/12 Area Lettings Plan

Appendix 2. Proposed Area Lettings Plan 2015/16

Appendix 3. Summary of the renewal process following the implementation of the revised Consistent Assessment Policy

Appendix 4. Analysis of owner occupiers on the waiting list.

## Appendix 1.

### Review of the Area Lettings Plan 2011/12

The priorities detailed in the plan for 2011/12 have been reviewed and are detailed below.

#### **Low demand for sheltered housing**

Sheltered housing in Fylde will be open to all applicants with a connection to the Fylde Coast excluding those properties in the ownership of New Fylde Housing where an open policy applies. The area lettings plan will monitor the effectiveness of this approach by including an indicator in the Fylde Annual monitoring report

- During 2012-13 there were 273 people on the list with a sheltered need.
- During 2013-14 the number of people with a sheltered need remained at 273 as at 31<sup>st</sup> March 2014. However this did fluctuate within the year.

The local connection criteria changed from 2<sup>nd</sup> December 2013. Therefore applicants are only able to join the waiting list with the correct local connection.

#### **Access to social housing for young people under the age of 25 years**

Concern was highlighted in the Fylde Strategy Action Plan that young people were not able to access social housing. The area lettings plan will monitor the number of lets to those aged below 25 years during 2011/12 via the Fylde Annual monitoring report. A decision will be made if targets need to be set in future years with an aim of improving access to social housing for this age group.

- June 2012 – 31<sup>st</sup> March 2013 (as at 31<sup>st</sup> March 2013) there were 247 main applicants on the waiting list aged under 25 years.
- Of these 7 applicants were aged 16-18 years and 240 applicants were aged 19-25 years.
- During this year a total of 16 properties were let to applicants aged under 25 years.
- 2013-2014 (as at 31.03.2014) there were 175 main applicants on the waiting list under 25 years.
- Of these 3 applicants were aged 16-18 years and 172 applicants were aged 19-25 years.
- During this year a total of 16 properties were let to applicants aged under 25 years.

#### **Deprivation on large social housing estates.**

The area lettings plan will monitor the number of lets, number of bids and household makeup of successful bidders on the Kilnhouse and Lower Lane Estates. The results will determine what action needs to be taken in future years.

2012-2013 there were 2 lets on Lower Lane and 7 lets on Kilnhouse Estate

Source MyHomeChoice Standard Reports Bid Analysis report ID 341

LOWER LANE FRECKLETON	
Property	Number of bids
A	10 bids
B	6 bids

KILNHOUSE ST ANNES	
Property	Number of bids
A	12
B	6
C	19
D	6
E	15
F	7

2013-2014 there were 18 lets on Lower Lane and 16 lets on Kilnhouse Estate

#### LOWER LANE FRECKLETON

These properties were all a mixture of 2 and 3 bed units.

Source MyHomeChoice Standard Reports Bid Analysis report ID 341

Property	Number of bids	Property	Number of bids
A	10	J	39
B	24	K	17
C	4	L	6
D	20	M	12
E	25	N	10
F	18	O	23
G	40	P	46
H	21	Q	35
I	67	R	13

#### KILNHOUSE LANE ST ANNES

These properties are a mixture of 1, 2 and 3 bed. A total of 7 1bed properties were available to bid for, these properties received more bids than the 2 and 3 bed properties. On average there were 47 bids per 1 bed property.

Source MyHomeChoice Standard Reports Bid Analysis report ID 341

Property	Number of bids	Property	Number of bids
A	23	J	35
B	123	K	4
C	10	L	31
D	72	M	7
E	4	N	7
F	24	O	5
G	8	P	4
H	21		
I	3		

There seems to be no issues highlighted in letting properties on Lower Lane however as a number of these were 2 bed units they would have been popular with applicants that need to downsize due to benefit changes around spare rooms.

### **Accommodation for single people at or below retirement age**

The area lettings plan will monitor the number of lets and bids placed for each relevant void by age of applicant.

2012-2013

- A total of 146 properties were let
- Of these 7 flats were for people with a one bed need and 5 flats were for single people but with an age restriction for people over the age of 55 years
- There were 57 active applicants with a 1 bed need aged up to 60 years on the waiting list.

2013-2014

- A total of 232 properties were let
- Of these 26 flats were for people with a 1 bed need. This is an increase on 2012/13 and this does include 5 new build properties.
- There were 148 active applicants with a 1 bed need aged up to 60 years on the waiting list.

### **Improve access to social housing for those households not in immediate housing need but in need of affordable housing.**

These are likely to be households who are economically active and living in the private rented sector. It is likely that such households are reliant on housing benefit and struggling to pay a top up towards the rent.

2012-2013

11 properties let to Band E

2013-2014

41 properties let to Band E

### **Annual Monitoring report**

The Area Lettings Plan also details an annual monitoring report – data for 2013/14 is detailed below.

#### **Section 1 Demand and Supply data**

##### **Table 1.1**

Supply profile information

- Supply profile – includes new build units

##### **Table 1.2**

Sub regional CBL housing register data

- Detail from the housing register – how many people in each band
- Property requirements for those on housing register

#### **Section 2 Allocations data**

##### **Table 2.1**

Allocations across bands/reasonable preference groups

- Bidding activity
- Number of lets completed and which band allocated to

- Number of lets completed and what property type allocated
- Reasons for re-housing
- Average waiting time by property type, band and number of lets

**Table 2.2**

Allocations according to each of the local priorities: This has been detailed at the beginning of this appendices.

Table 1.1 Supply information as at 31<sup>st</sup> March 2014

	Places for People	Regenda	Muir	Great Places HG	Progress	Manchester Methodist	LSA War Memorial	Accent	Manchester Jewish HA
Ballam					3				
Clifton					57				
Elswick					19				
Freckleton	35			2	168 GN 50 S				
Greenhalgh					3				
Kirkham	13 GN 8 S	13		11	193 GN 72 S				
Little Eccleston					6				
Newton					18				
Peel					0				
Salwick					8				
Singleton					3				
Staining				8	62				
Warton	40 GN 4 S	1		11	122				
Weeton					35				
Wesham		3	24	14	118 GN 36 S				26
Westby			3						
Wharles									
Wrea Green				3	10				
Asndell					74 GN 8 S				
St Annes	24 GN 14 S	5		35	494 GN 199 S	25	112 S		
Lytham	5 GN 2 S			15	113 GN 72 S				

Planned new build for 2014/15

St Davids Road North St Annes	32 units
Whitehills	12 units
St Michaels Close	4 units
Goe Lane Freckleton	7 units

Table 1.2

Table shows the number of applicants on the register as at 23/04/2014 after a number of applications were closed on the 22<sup>nd</sup> April 2014 following the implementation of the policy changes.

	As at March 2014	As of 23/04/2014
Number of households in Band A – NFH only	7	5
Number of households in Band B – NFH only	110	56
Number of households in Band C – NFH only	3	0
Number of households in Band D – NFH only	145	85
Number of households in Band E – NFH only	199	112
Number of households in Band F – NFH only	663	363
<b>Total Number of people registered - NFH only</b>	<b>1134</b>	<b>621</b>
Number of households eligible for 1 bed property	686	381
Number of households eligible for 2 bed property	291	153
Number of households eligible for 3 bed property	117	66
Number of households eligible for 4+ bed property	33	21
<b>Total Number of people registered – NFH only</b>	<b>1127</b>	<b>621</b>
Number of minority ethnic groups registered with NPHA (Active, Under Review Active)	25	9
Number of people registered - Blackpool		1704
Number of people registered - Wyre		541
<b>Number of people registered - All Partners</b>	<b>5796</b>	<b>2867</b>

Table 2.1

Allocations across bands/reasonable preference groups

- Bidding activity
- Number of lets completed and which band allocated to
- Number of lets completed and what property type allocated
- Reasons for re-housing
- Average waiting time by property type, band and number of lets



The last two points – advice is required on how to extract this information from the MHC system.

### Bidding Activity

Number of applicants bidding 2013/14

Month	Number of applicants bidding
April	64
May	78
June	99
July	80
August	65
September	138
October	83
November	79
December	50
January	64
February	46
March	97

Number of bids placed each quarter by Band 2013/14

To note applicants can place more than one bid

	Q1	Q2	Q3	Q4
A	2	23	8	30
B	74	116	113	131
C	1	13	0	0
D	206	363	198	188
E	128	166	197	277
F	1085	1471	973	707

Total number of lets 2013/14

Month	Total number of Lets
April	7
May	9
June	17
July	27
August	25
September	22
October	22
November	16
December	19
January	16
February	22
March	30
TOTAL	232

Number of lets each quarter by band 2013/14

	Q1	Q2	Q3	Q4
A		2	1	1
B		15	7	12
C		1	0	0
D		19	16	16
E		10	7	16
F		27	26	23

Number of lets by property type 2013/14

Bedsit/Studio (studio)	3
1 Bed Bedsit/Studio	1
<b>Flat</b>	
Flat (Studio)	1
1 Bed Flat	62
2 Bed Flat	41
3 Bed Flat	1
1 Bed Multi-storey	0
2 Bed Multi-storey	0
3 Bed Multi-storey	0
<b>Bungalow</b>	
1 Bed Bungalow	12
2 Bed Bungalow	0

3 Bed Bungalow	0
4 Bed Bungalow	0
5 Bed Bungalow	0
<b>House</b>	
1 Bed House	0
2 Bed House	44
3 Bed House	60
4 Bed House	7
5 Bed House	0
6 Bed House	0
<b>Maisonette</b>	
1 Bed Maisonette	0
2 Bed Maisonette	0
3 Bed Maisonette	0

Appendix 2.



**Fylde Borough Council**  
**DRAFT Area Lettings Plan**  
**2015-16**  
**Consultation document**

## **Fylde Area Lettings Plan**

Each local authority has a statutory responsibility to make best use of its scarce housing resources and ensure that, as far as possible, priority for re-housing is based on a combination of re-housing needs and waiting time. It does this by setting out how social housing will be allocated to people in need within its area in an Allocation Scheme. The Allocation Scheme for Fylde comprises two elements – a Consistent Assessment Policy and a borough-specific Area Lettings Plan.

The role of the Consistent Assessment Policy is to set out how applicants for social housing are assessed when they register their requirements for a home, and to provide consistent procedures for the operation of the MyHomeChoice Fylde Choice system across the three local authority areas.

This Area Lettings Plan maps out the supply and demand issues impacting on social housing specifically in the borough of Fylde. Using this information, the Area Lettings Plan sets out priorities and vision of how social housing is let in the borough over the next 12 months. The RSL partners will work to achieve the priorities in the plan when letting their stock. The appropriate mechanisms will be set up within the choice based lettings IT system to ensure the plan can be monitored and reviewed each year. The plan is a strategic tool that enables lettings by housing providers to be linked to wider strategic issues and ensures best use is made of their stock available. This ensures that Fylde Borough Council is carrying out its duty as a non stock holding strategic housing authority and is making best use of the scarce social housing stock.

While the needs of applicants will be assessed in a consistent way across the Fylde Coast, each local authority has its own Area Lettings Plan to reflect different demand and supply issues and local priorities. Fylde BC will consult with partner housing associations on the detail of the lettings plan when it is developed each year. As lettings are made by housing associations because they own and manage the social housing stock, the local authority is reliant on them for delivery of the priorities set out in the Area Lettings Plan. The MyHomeChoice Fylde Coast system provides comprehensive data on lettings that is monitored to understand the extent to which the priorities of the Area Lettings Plan are being implemented, and to review the Plan on an area basis.

The existing plan was developed as part of the implementation of MyHomeChoice. The priorities have been reviewed and will change to reflect future lettings in particular an increase in new build properties.

### **Strategic Priorities**

The Fylde Coast Housing Strategy 2009 sets out the overall challenges and priorities for providing Fylde Coast residents with a great place to live – both in terms of individual homes that meet households' needs at a price that they can afford, and in providing attractive residential neighbourhood environments where people can lead fulfilling and productive lives. There are three objectives that particularly need to be taken into account in framing Area Lettings Plans:

- provide more of the affordable homes that are in the highest demand
- reduce concentrations of deprivation on large social housing estates by improving the neighbourhood environments, re-developing unpopular housing stock, and diversifying tenures
- provide new opportunities for people at risk of homelessness, and those without work, to make a positive contribution to the local community

Social rented housing plays a small but important role within the whole housing market. Along with private rented housing subsidised through Housing Benefit, it provides homes that are affordable to people on low incomes, and is therefore critical in meeting a fundamental need for a significant proportion of the local population. Social rented homes particularly offer strong security of tenure, low rents that people can afford without further assistance if they are in low paid work, accommodation fitted out to Decent Homes standards, and reliable standards of management and repair. The Fylde Coast Housing Strategy sets out the need for the provision of additional social rented properties because the existing stock of socially rented homes cannot meet the high demand.

Despite efforts to provide more new homes, a shortage of social rented homes, and especially houses suitable for larger families and homes in rural areas, will continue for the foreseeable future. This means that difficult decisions have to be made to prioritise who gets access to a limited resource. It also means that we need to be using existing social rented homes to their full potential, and it may be appropriate to use the allocations scheme to help people who want to move out of social rented homes that are larger than they need (“under-occupying”) to smaller homes.

### **What are the current issues and actions in Fylde?**

Fylde’s more detailed issues and priorities for action from the Fylde Action Plan include:

- The shortage of available social rented accommodation compared with demand is especially high in Fylde. We need to carefully manage expectations and offer alternative options.
- Making better use of social rented accommodation that is under-occupied
- Younger people are not being attracted to Fylde, nor persuaded to stay; the high cost of housing is driving them out of the area.
- Sustainability of rural communities / services
- Large and growing population of older people - making effective use of properties suitable for people with mobility problems / close to support services
- Establish a plan for changing the balance of specialist support for older people – may become appropriate to widen access to properties currently designated as sheltered if support is increasingly provided wherever people live rather than focused on designated accommodation.
- Agree and deliver plans for meeting the housing needs of people requiring long term care, including people with learning disabilities and physical disabilities -

- We need to provide opportunities for people in specialist supported accommodation to move on to general needs properties when they no longer need specialist support.

### **Annual Lettings Plan 2015-2016**

In Fylde, priority will be given to applicants who have a local connection to the borough of Fylde, either through current residence or work. This will be achieved through the following mechanism.

When deciding eligibility applicants must be able to show they have a local connection. Applicants have a local connection if they can demonstrate one of the following:-

- Local residency – they have lived in local authority of Fylde consecutively for the last three years
- Permanent employment in the area of Fylde
- Close family association – has a parent, adult child, adult brother or sister who is living in the area of Fylde and has done for the last 5 years
- Applicants who are serving in the Armed Forces and who are either employed or are resident in the area of Fylde
- Former armed forces personnel who had a previous residence in the area of Fylde as a result of a former posting in the area of Fylde within the last 5 years
- Homeless applicants where there is a statutory duty to provide housing by Fylde Borough Council.

For priority when bidding, there are 3 levels of priority:

1. Connection to the local authority
2. Connection to the Fylde Coast
3. No connection to either of the above (Armed forces only)

This means that - for example - in Fylde properties will be offered to those with a Fylde connection first and then will only be made available to people from the other two authorities if no one with a qualifying Fylde connection, as outlined above has bid for the property. The property will then only be made available to people outside Fylde Coast area if no one from the three local authority areas has bid.

This means that generally properties will be allocated as follows:

- Band A – Local connection (e.g. Fylde)
- Band B – Local connection (e.g. Fylde)
- Band C – Local connection (e.g. Fylde)
- Band D – Local connection (e.g. Fylde)
- Band E – Local connection (e.g. Fylde)
- Band F – Local connection (e.g. Fylde)
- Band A – Partner connection (e.g. Blackpool and Wyre)

Band B – Partner connection (e.g. Blackpool and Wyre)

Band C – Partner connection (e.g. Blackpool and Wyre)

Band D – Partner connection (e.g. Blackpool and Wyre)

Band E – Partner connection (e.g. Blackpool and Wyre)

Band F – Partner connection (e.g. Blackpool and Wyre)

### **Area Lettings Plans 2015-2016 - Priorities**

The proposed annual lettings plan 2015-16 consists of a number of issues to monitor using statistics generated from the waiting list. These are detailed below. The plan also details schemes with specific lettings criteria.

Following on from the 2011/12 plan the indicators listed below will continue to be monitored on an annual basis

- Number of lettings to the reasonable preference groups A-E and the number of lettings to applicants in Band F
- The number of lettings to applicants aged under 25 years.
- Number of lettings completed and the number of bids placed for properties on the Kilnhouse Estate and Lower Lane Estate.
- Number of lets and bids placed for properties by age and household type concentrating on single households below retirement age.

As part of the consultation Partners will be asked what information will need to be monitored with regard to sheltered housing and if information regarding numbers on the waiting list and the number of applicants bidding should be monitored.

Partners will be asked to detail any other issues which need further action or that will need to be monitored as part of the 2015/16 plan.

The consultation process will also consider a broader review of area specific lettings policies and future S106 agreements. Issues around transparency and customer understanding will need to be considered.

### **Scheme / Area specific lettings restrictions**

In some parts of the borough, or for some specialist housing stock, there is a need to have further restrictions on who can live there. These restrictions will be made clear to people on the waiting list when these properties are advertised.

Broadly, there are two types of restrictions:

a). Where priority is given to applicants from particular localities, rather than to people from the whole of the borough (or wider Fylde Coast). This is especially the case in rural areas where affordable housing has been built on the understanding that priority will be given to people from the immediate local area. In some cases, these restrictions are legally



enforceable through Section 106 Agreements signed when the homes were given planning approval. The areas of Fylde that have such restrictions are:

Willowfieds Wesham	S106 local connection to Kirkham or Wesham required	NFH
Crossing Gates Wesham	S106 local connection to Kirkham or Wesham required	Muir
Clifton Drive North St Annes	S106 first preference to people with a connection to Lytham or ST Annes	Great Places Housing Group
Mythop Road Weeton	S106 local connection to Parish of Weeton-with-Preese required	NFH
Lytham Quays Lytham	S106 local connection to Lytham or St Annes (current residence, employment, give/receive care)	Great Places Housing Group
Rock Works St Annes	S106 local connection to Fylde	Great Places Housing Group
The Close Kirkham	S106 local connection to Parish of Medlar with Wesham or Kirkham	NFH
Wrea Green	S106 local connection to Ribby-with-Wrea Parish	Great Places
Orders Lane	S106 local connection to the Parish of Medlar with Wesham or Kirkham and age restriction 40 years+ or disabled.	NFH
Yew Tree Gardens Whitehills Westby	S106 local connection to Westby, Staining, Weeton, Wrea Green, Warton, Lytham St Annes. After 6 weeks can be offered to a Fylde connection	Muir
Harbour Lance Warton	S106 local connection to Freckleton or Warton. After 6 months can be offered to a Fylde connection	NFH

There are properties located in Little Eccleston, Elswick, Greenhalgh, Singleton, Weeton, Clifton, Newton, Staining, Wrea Green, Salwick and Singleton all have a rural lettings policy

in place. These properties require a local connection to the parish which includes current residence in the parish, family residing in the parish, the need to give or receive care in the parish, or other long standing connection.

b). Where eligibility for certain types of housing is restricted by age, type of household, or health conditions. The social housing in Fylde that has these types of restriction is:

Saltcotes Place	Local Lettings Plan	NFH
Sandringham Court	Age Restriction	NFH
Ansdell	Age Restriction	NFH
Heyhouses flats	Age Restriction	NFH

Within the current stock there are a number of ground floor properties and adapted properties. Priority for these properties will be given to people with a specific ground floor need and or a need for an adapted property.

## **Appendix 1 Annual Monitoring report**

The following details the proposed data to include in the annual monitoring report. Partners will be asked to comment on this list of data requirements.

### **Section 1 Demand and Supply data**

#### **Table 1.1**

Supply profile information

- Supply profile – includes new build units

#### **Table 1.2**

Sub regional CBL housing register data

- Detail from the housing register – how many people in each band
- Property requirements for those on housing register

### **Section 2 Allocations data**

#### **Table 2.1**

Allocations across bands/reasonable preference groups

- Bidding activity
- Number of lets completed and which band allocated to
- Number of lets completed and what property type allocated
- Reasons for re-housing
- Average waiting time by property type, band and number of lets

#### **Table 2.2**

Allocations according to each of the local priorities:

- Number of lettings to the reasonable preference groups A-E and the number of lettings to applicants in Band F
- The number of lettings to applicants aged under 25 years.
- Number of lettings completed and the number of bids placed for properties on the Kilnhouse Estate and Lower Lane Estate.
- Number of lets and bids placed for properties by age and household type concentrating on single households.

### Appendix 3

#### Summary of the renewal process following the implementation of the revised Consistent Assessment Policy.

Under the old policy there were 1,000 applicants across the Fylde Coast who did not have a 6 month local connection. These applicants were contacted the week commencing 2<sup>nd</sup> December 2013 and were advised that they had been removed from the register. If they could show that they have a local connection then their application was re-instated.

All other existing live applicants who had a local connection also received a letter the week commencing 2<sup>nd</sup> December 2013. This letter asked all existing applicants to show they had a local connection under the new policy. Applicants had until mid-January to confirm a local connection, those who did not respond were contacted again.

As at 31<sup>st</sup> March 2014 the waiting list in Fylde was 1134. On the 22<sup>nd</sup> April 2014, 513 applications were closed in Fylde leaving a waiting list of 621 applicants. There was concern that a number of vulnerable applicants had failed to respond the letters requesting applicants to demonstrate a local connection. A joint marketing campaign with New Fylde Housing is taking place in order to capture vulnerable people who would benefit from being on the waiting list. This has involved the following activity

- a. 3000 leaflets printed
- b. Leaflets distributed to all the caravan parks in Fylde Borough Council
- c. All solicitors were asked to display a small number of leaflets in their offices
- d. Leaflets were distributed to key lettings agents including Bright Move, Marcus Fowler, and PDM Lettings.
- e. Libraries and Children's centres were also asked to display leaflets
- f. A list of key agencies were asked to display leaflets
- g. A launch event was held at New Fylde Housing on 12<sup>th</sup> June aimed at showing key agencies how the scheme worked and how applications were assessed.
- h. Over the coming months all key employers will be contacted to advertise Myhomechoice
- i. MyHomeChoice leaflets will hopefully be included in the HB renewal letters to be sent out next year.

The table below details waiting list figures since the changes were implemented.

	As at 23/04/2014	As at 30/06/2014	As at 30/09/2014
Band A Applicants	5	5	9
Band B Applicants	56	88	108
Band C Applicants	0	1	1
Band D Applicants	85	107	121
Band E Applicants	112	148	168
Band F Applicants	363	415	458
TOTAL	621	764	865

## Appendix 4

### Analysis of owner occupiers on the waiting list.

Waiting list figures for owner occupiers were generated on the 29<sup>th</sup> September 2014. Of the 865 applicants on the waiting list 121 are owner occupiers.

	As at 29/09/2014 Number of owner occupiers
Band A Applicants	0
Band B Applicants	3
Band C Applicants	1
Band D Applicants	16
Band E Applicants	12
Band F Applicants	89
TOTAL	121

Those applicants in Bands A-D are in housing need as bands A-D are reasonable preference categories and determine housing need. All 12 applications for those in Band E have been read, all of these applicants are working and in mortgage arrears and are facing possible repossession. Therefore there is a legitimate need for them to be on the waiting list.

All 89 applications for those in Band F have been read. The tables below detail the age of applicants and the reasons why these owner occupiers are on the waiting list. All the reasons identified would suggest that there is a need for alternative housing including affordable housing; in the majority of cases a need for specialist accommodation.

Age of applicants	As at 29/09/2014 Number of applicants
Under 50 years	7
51-65 years	16
66-75 years	33
76+ years	33
TOTAL	89

Reason for being on the waiting list	As at 29/09/2014 Number of applicants
Property in poor condition can't manage	4
Property too large need sheltered	7
Need supported accommodation	7
Property unsuitable due to ill health / disability need sheltered	30
Relationship breakdown can't afford the property	3
Can't afford the mortgage	13
Need sheltered due to age	21
Park home expires	1
Death of spouse need to sell and need sheltered	3
TOTAL	89

The majority of these applicants need sheltered housing. It is important that when people reach a certain age and are no longer able to manage their current home that they do have a choice regarding their accommodation needs. It should be noted that 30 of these applicants need sheltered due to health reasons or a disability.

It should be noted that where an applicant for sheltered has over £16,000 in savings they would not be entitled to housing benefit or Lancashire supporting people funding. Therefore they would be expected to cover the rent and support charges (charges for care and warden) themselves.

The Lancashire County Council Strategy for an ageing population details five outcomes. Outcome 4 is older people should feel safe and secure and supported. The aims for this outcome are that:

- j. Older people and carers will receive suitable support
- k. Older people will feel safe at home and in the community
- l. Older people will have suitable and decent accommodation

As the population ages there will be an increase in older people aged over 75 years who need support and appropriate accommodation. This will include owner occupiers who would like a choice of accommodation and to remain independent. Many will not see residential care as the appropriate option. Not all owner occupiers can remain in their own homes therefore a suitable alternative is required, for many this will be sheltered accommodation provided by a housing association. The waiting list figures show that sheltered is required, and for many it is required for a specific reason e.g. illness or disability.

# REPORT



REPORT OF	MEETING	DATE
FINANCE TEAM	POLICY DEVELOPMENT SCRUTINY COMMITTEE	13 NOVEMBER 2014

## GENERAL FUND BUDGET MONITORING REPORT 2014/15 - POSITION AS AT QUARTER ENDED 30TH SEPTEMBER 2014

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

The purpose of this report is to provide an update of the Council's General Fund (GF) Revenue Budget as at 30th September 2014. The report sets out significant variances from the profiled latest budget and details the actions taken to address these.

### RECOMMENDATIONS

The Committee is asked to note the updated position and the comments outlined in the report.

### CABINET PORTFOLIO

This item falls within the following cabinet portfolio(s):

Finance and Resources - Councillor Karen Buckley

### SUMMARY OF PREVIOUS DECISIONS

1. Council approved the Revenue Budget for 2014.15 at its meeting of 3rd March 2014
2. Cabinet approved the 2013.14 financial outturn at its meeting of 25th June 2014

### REPORT

#### 1. Revenue Budget Monitoring

- 1.1 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant issues arising from these monthly reports are summarised in quarterly reports to the Portfolio Holder for Finance and Resources and subsequently to this Committee. This report therefore details the findings and issues emerging from budget monitoring carried out during the first two quarters of 2014/15 to 30th September 2014.

- 1.2 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.
- 1.3 Council approved the 2014/15 budget at its meeting on 3rd March 2014. Subsequently on 25th June 2014 Cabinet approved the Council's outturn position for 2013/14. The impact of those approvals, including savings and growth options approved at Council and slippage from 2013/14 approved at Cabinet, are now reflected in the Council's financial ledger and therefore this report monitors expenditure and income against the updated approved budgets.
- 1.4 Appendix A shows details of significant variances highlighted by budget monitoring undertaken during the year to 30th September 2014.

## **2. Budget Rightsizing Exercise**

- 2.1 In 2012 the Council's Management Team committed to carrying out an annual budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. A budget rightsizing exercise in respect of the current financial year has recently been completed. This has resulted in a number of amendments to revenue budgets for 2014/15 and subsequent years, the details of which are encapsulated within the Financial Forecast Update report to be presented to Cabinet on 26th November 2014 and Council on 1st December 2014.
- 2.2 This exercise in reviewing outturn and in-year variances and adjusting current and future budgets accordingly has now become an integral part of the annual budget review process.

## **3. Budget Areas Highlighted for Further Attention**

There are a number of budget areas to bring to the Committee's attention on this mid-year General Fund Budget Monitoring report:

- i. Employee Costs  
The budget forecast which was approved by Budget Council in March 2014 assumed reduced payroll costs as a result of 'turnover savings' (delays in the recruitment to vacant posts) of £75,000 per annum from 2014/15 onwards. Actual savings achieved in relation to direct employee costs at quarter two are already approaching this target. These savings may not recur to this extent for the remainder of the year. The employee costs budget for 2014/15 has been reviewed and updated as part of the right-sizing exercise on service budgets, resulting in a reduction in the level of employee costs in the updated financial forecast.
- ii. Crematorium Income  
Income from cremations has been significantly higher than the budgeted level. The increase in respect of the current year is due largely to the delayed re-opening of crematorium facilities in neighbouring areas. However this is offset by a reduction in the level of income received as a result of the introduction of the 'CAMEO' scheme from January 2013. The CAMEO scheme results in a payment through a central pool to those authorities (including Fylde) who have undertaken modernisation works at their facilities to reduce emissions in



line with government directives. This is funded by payments into the central pool from those authorities which have not carried out the modernisation works. However during this first year of operation receipts into the pool have been less than was forecast resulting in a reduction in the level of receipts to those eligible authorities (including Fylde). As the scheme becomes embedded the collection of payments into the pool may improve and appropriate enforcement action may be introduced, but that is not certain at this stage.

Consequently as part of the budget right-sizing exercise the financial forecast has been updated to reflect the reduction in the forecast level of income from the CAMEO Scheme both for 2014/15 and for future years as well as for the additional cremation income generated in the current year at the Crematorium.

iii. Planning Application Fee Income

The level of planning application fee income is dependent on the number and nature of applications received. A series of large applications have been received in the current financial year that have resulted in a higher level of fee income being received than was forecast. This additional income has been reflected in the revised financial forecast.

iv. Sale of Sand (Sand-winning)

Income from the sale of sand has been significantly higher than the forecast amount and consequently this income budget has been increased as part of the budget right-sizing exercise to reflect the current level of income. The increase may be a consequence of greater levels of activity in the construction industry, and the consequential demand for sand as a building material, possibly reflecting an upturn in the house-building market.

v. LCC – Landfill Levy/Tipping Charges

At the point in time at which the fees and charge levels for the following year in respect of trade waste are determined the actual level of waste tonnage that will be collected is extremely difficult to predict and assumptions are based on the number of customers and tonnages collected for the previous year. For the current year there has been a 25% increase in commercial waste tonnages collected for the first quarter of 2014/15 compared to the same period last year, largely attributable to an increase in grey sack customers. This increase in waste tonnage results in a consequential additional landfill levy charge that is payable to LCC. This equates to an additional charge of approximately £37k per annum if the experience of the first quarter were to be repeated throughout the remainder of 2014/15.

As part of the calculation of fees and charge levels for 2015/16 it will be necessary to take account of the increase in tonnage levels that has been experienced for this year together with the increased landfill charges from LCC and to adjust fee levels accordingly to ensure that such costs are covered by corresponding income to the appropriate level. For the current year the budget for landfill levy/tipping charges has been increased as part of the budget right-sizing exercise.

vi. IT Reserve-funded expenditure

As a consequence of the restructure of the IT Section during the course of 2014/15 not all of the planned projects to be funded from the IT reserve are now expected to be completed by 31st March 2015. It is forecast that £60k of this resource will now not be required until 2015/16. Accordingly this budget has been re-profiled as part of the budget right-sizing exercise.

- vii. Planning Appeal Costs  
During the first two quarters of 2014/15 there have been minimal actual planning appeal costs which have been settled. This has created the budget variance currently shown. Costs are expected to be incurred later in the year in relation to appeals already lodged. This budget has remained at the approved level within the updated financial forecast to ensure sufficient resource is in place to meet these anticipated costs.
- viii. Council Tax and Housing Benefits  
There are currently a number of significant variances on the various control accounts in respect of Council Tax and Housing Benefits, particularly Rent Allowance expenditure. However, as the majority of these are directly reimbursed from central government grant a large variance at year end is not currently anticipated and the variances have therefore been excluded from Appendix A. The position will be kept under review throughout the remainder of the year and a MTFS adjustment may follow.

#### **4. Budget information - points to note**

The following notes are for information, rather than variances identified by budget monitoring:

- i. Localisation of Business Rates  
The current year is only the second year of the operation of the localised business rate scheme. These new arrangements can have a significant effect on councils, as any changes to the Business Rates yield now directly impact on council funding levels, with both the risks and potential rewards of Business Rate growth being shared between Central Government, Precepting Authorities and Billing Authorities.

Such losses and gains are subject to separate 'Safety Net' and 'Levy' arrangements to reduce the potential volatility of local authority funding under the new system, effectively limiting the gain or loss in any one year.

However any single change, such as has occurred locally with the announcement of the cessation of commercial operations at Blackpool Airport (actually located largely within the borough of Fylde), can have a significant and sudden impact of the finances of the Authority that is affected.

Monitoring arrangements to provide an early identification of in-year trends in respect of business rate income have been developed but will contain an element of uncertainty as certain events triggered by a change in business circumstances are, by nature, unpredictable.

- ii. New Homes Bonus  
New Homes Bonus represents an increasingly important element of the Council's overall funding as other forms of funding (e.g. Revenue Support Grant) are forecast to reduce in future years.

The budget forecast for 2013/14 included an assumed level of New Homes Bonus (NHB) for future years. This calculation was based upon an estimated growth in total property numbers and incorporated the grant calculations as they have been in operation since the inception of the NHB scheme in 2011. The announcement in July 2013 of a consultation on proposals to 'top-slice' individual councils' allocations of NHB from 2015/16 onwards (at either a 19% or a 35% level in order to provide funding at a national level for the Local

Enterprise Partnerships) was completely unanticipated and would have had a serious detrimental effect upon the Council's financial position. Fortunately as part of the 2013 Autumn Statement, delivered on 5th December 2013, it was announced that this proposal was being withdrawn for local authorities outside London.

This experience served to illustrate the inherent risk in the dependence on centrally-controlled funding such as the New Homes Bonus. The reliance upon New Homes Bonus to support ongoing revenue expenditure of the Council is one of the most significant financial risks facing the Council.

iii. Government Grant Support (Revenue Support Grant - RSG)

The Government has made it clear that it continues to be committed to a national deficit reduction programme with the aim of significantly accelerating the reduction in the structural deficit of the country, with the main burden of deficit reduction being borne by reduced spending rather than increased taxes.

The Government have provided provisional RSG allocations in respect of 2015/16 but have given no indication of the level of grant receivable thereafter. Future year's forecasts are based upon annual reductions of 31% per annum from 2016/17 onwards in line with the trajectory of grant reductions over the last few years. If future years grant reductions are greater than this assumed level this may have a significant impact upon the forecast.

iv. Waste Recycling Cost Sharing Arrangements (Lancashire County Council)

Lancashire County Council is the Waste Disposal Authority (WDA) for Lancashire and Fylde Borough Council is a Waste Collection Authority (WCA) as defined by the Environmental Protection Act 1990 (EPA). Section 52(1) of the Act places a duty on WDAs to pay waste disposal credits to a WCA in its area when the WCA diverts waste from the household waste stream for recycling - the value of credit being the savings per tonne in disposal costs. The Clean Neighbourhoods and Environment Act 2005 introduced flexibility to this requirement by allowing authorities to develop joint working arrangements, tailored to their area, to work toward the goals of the National Waste Management Strategy. Additionally, central Government expects local authorities to consider whether a better, more appropriate, cost-sharing model can be developed for their area in order to aid in the achievement of Landfill Allowance Trading Scheme obligations and local plans for recycling and composting. To this end the Lancashire Waste Strategy (LWS) was adopted by WCA's in Lancashire in 2001. The Lancashire Waste Strategy was updated in April 2013 to move away from the previous Property Based Payment Mechanism (which provided a discretionary index-linked payment from LCC to participating districts for each domestic property covered by a three stream collection service i.e. green waste, dry recycling and residual (grey bin) waste) to a fixed level of support paid annually.

These arrangements with LCC run to March 2018. The value to FBC of income from LCC under the updated agreement are summarised below:

	<b>Total Income to FBC from LCC under the Cost Sharing Agreement £000</b>
2014/15	791
2015/16	777

2016/17	764
2017/18	750

On 27th January 2014, FBC were informed (along with other participating Districts) that LCC's Cabinet Member for Public Protection and Waste had adopted a 'Policy for Making Recycling Payments (Recycling Credits) to Waste Collection Authorities'. **The policy indicates that the existing payment arrangements will cease with effect from 2018/19.** The decision had been taken having carried out a detailed review of LCC's obligations and having considered the requirement for the County Council to reduce it's spend by £300m over the next four years.

This therefore represents a significant risk to FBC's financial position beyond the life of this forecast with the potential loss of up to £750k per annum from 2018/19 onwards. Officers are working with LCC and colleagues in other authorities affected which are by this decision to fully understand the implications and options available. The resultant financial implications to Fylde Council of this development and any new arrangements will be reflected in the future updates to the financial forecast as they become clearer.

v. Planning Appeal and Judicial Review Costs

The 2013/14 financial forecast included a sum of £50k in respect of planning appeal costs, reducing to £25k per annum thereafter. In previous years costs have exceeded this level. During 2013/14 a significant cost claim against the Council was finalised which exceeded the budgetary provision and the Council, at its January 2014 meeting, was required to approve an unfunded budget increase in the sum of £116k to provide for these costs.

Consequently the 2014/15 budget was increased to provide a sufficient level of resource for this purpose, resulting in a budget of £125k for 2014/15, £100k for 2015/16 and to £75k per annum thereafter.

Additionally, the possibility of further legal costs being incurred as part of the enforcement notice on the illegal Travellers site at Hardhorn is uncertain and any potential cost is very difficult to estimate because it is subject to whether further legal challenges are made.

This budgetary provision will be kept under review in order that the Council is able to respond to any appeals which may occur. If future years planning appeal costs are in excess of these revised budget amounts further amendments to the financial forecast may become necessary.

vi. Reduction in Housing Benefit Administration Grant

The Council previously received a combined Housing and Council Tax Administration grant. For 2013/14 the value of this grant was approximately £426k payable by the DWP. For 2014/15 the grant comprised a separate grant from the DWP in respect of Housing Benefit Administration Subsidy in the sum of £311k, and a further grant from DCLG in respect of Council Tax Support Administration Subsidy in the sum of £82k – a total combined sum of £393k, which equates to a reduction of £33k from the 2013/14 grant level. Of this, a reduction in the grant of £20k had already been assumed in the budgets for 2014/15 and subsequent years.

It is expected that these grants may reduce further in the future as the wider Welfare Reform Agenda changes take effect and workloads change accordingly. A degree of grant reduction is reflected in the latest financial forecast but the actual level of reduction may be greater. As grant notifications are received in respect of future years it may be necessary to update the forecast accordingly.

vii. Grounds Maintenance – External Contracts

Throughout the future life of the forecast a number of grounds maintenance contracts with external parties will come to an end or will be due for renewal/re-tender. At the same time other opportunities will arise for additional contract work and these will be actively pursued as appropriate. Income from contracts supports the work of the Parks and Leisure Service teams by way of a contribution to management costs and corporate overheads. Officers will endeavour to seek extensions to contracts as they become due for renewal/expiry and will continue to seek suitable alternative new work. Should this not be possible there may be an adverse impact on the forecast.

viii. Universal Credit

The Government has commenced the consolidation of a number of the current welfare benefit allowances into a revised Universal Credit Scheme. One of these is Housing Benefit which is currently administered by the Council. The intention is that the new Universal Credit Scheme will be provided on-line and will be administered by Department of Work and Pensions. A small number of the less complex welfare benefit claims within Fylde borough will transfer to Universal Credit from November 2014. The timing and financial implications of the roll-out of the full-scale changeover remain uncertain.

ix. Changes in Council Tax and Capping Regulations

The current forecast assumes increases in the level of the average annual Fylde band D council tax charge of 2.0% per annum from 2015/16 onwards.

The Localism Act 2011 replaced the previous power of the Secretary of State to cap council tax increases with a system of mandatory referendums triggered by “excessive” increases. Any local authority (including police and fire authorities) setting an increase above a ceiling set by the Secretary of State and approved by the House of Commons will trigger a referendum of all registered electors in their area. The Government believe this will make local authorities much more transparent and much more accountable to local people. If Councils want to increase Council Tax beyond the specified level in any given year, they will have to make the case to the local electorate and receive approval via a referendum. The impact on the Council will depend on the ceiling set by the Secretary of State compared to any future proposed Council Tax rises.

There is a possibility that future years capping regulations will restrict the increase in Council Tax that is permissible without the need for a local referendum to a level that is lower than the assumed 2% level. Should this be the case there is a risk that the increase in income from Council Tax as shown in the forecast in future years may not be achievable.

**5. Risk Assessment**

This item is for information only and makes no recommendations. The budget areas of more significant concern and potential financial risk are addressed in the report.

## 6. Conclusions

- 6.1 The Council continues to operate within an environment where tight financial control is essential. Quarterly monitoring reports are an integral part of the Council's financial monitoring framework and the Committee will receive further updates on a quarterly basis to highlight budget areas requiring further attention.
- 6.2 We are now at the half-way point in 2014/15 and here are a number of budget variances which have emerged which may or may not have a financial impact on the Council's Financial Forecast. Many of these have been addressed as part of the budget right-sizing exercise whilst others are a consequence of revised income assumptions or are forecast changes of a specific nature. These are also reflected in the latest Financial Forecast Update.
- 6.3 The key issues detailed in this report along with the financial risks facing the Council, as set out in the Five Year Financial Strategy Update Report to Council in March 2014 still remain. Instructions issued by Management Team that budget holders are to refrain from non-essential expenditure remain in place. This will help to contribute towards generating additional revenue balances to help prepare the Council for the uncertain financial times ahead.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report
Legal	None
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None





REPORT AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue (Chief Finance Officer)	01253 658566	November 2014	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
MTFS Council Report	03/03/2014	Minutes of Council Meeting 03/03/2014
Cabinet	25/06/2014	Minutes of Cabinet Meeting 25/06/2014





### Attached documents





Appendix A – 2014/15 year to date budget variances

**PERIOD 6 - "HOT SPOTS"**




<b>KEY:</b>		Potentially ADVERSE variance impacting on General Fund resources - requires close monitoring and may be reported in the MTFS
		Potentially FAVOURABLE variance impacting on General Fund resources - requires close monitoring and may be reported in the MTFS
		Variance currently showing but expected to be on target at year end, requires action e.g. re-profiling of budget or virement required
		Variance currently showing but expected to be on target at year end

0






Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	Fav (F) / Adv (A)	Budget Holder	Alert	Budget Holder Comments
<b>CHIEF EXECUTIVE</b>									
All areas across the Council	Employee costs including pension, NI, and overtime, plus agency costs	7,854,171	4,003,716	3,933,203	-70,513	F	Corporate		See paragraph 3i of the report for full details.
Human Resources	Blackpool BC HR Services	169,500	70,345	39,403	-30,942	F	Allan Oldfield		This variance is due in part to the time-lag in the receipt of invoices and in part to ongoing savings on the contract price for these services. The budget has been reduced accordingly as part of the budget right-sizing exercise.
Fylde Waste Schemes	Replacement Waste Containers	40,000	20,000	13,416	-6,584	F	Kathy Winstanley		The cost of delivering these elements of the service has reduced and consequently the budgets have been adjusted as part of the budget right-sizing exercise. Additional income from chargeable wheeled bins will exceed the annual income budget. The income budget has therefore been increased as part of the right-sizing exercise.
	Printing	25,250	13,626	2,336	-11,290	F			
	Other Sales	-20,000	-10,004	-21,510	-11,506	F			
Trade Waste Service	LCC-Landfill Levy/Tipping Chgs	150,000	75,000	52,012	-22,988	F	Kathy Winstanley		For the current year there has been a 25% increase in commercial waste tonnages collected for the first quarter of 2014/15 compared to the same period last year, largely attributable to an increase in grey sack customers. This increase in waste tonnage results in a consequential additional landfill levy charge that is payable to LCC. This equates to an additional charge of approximately £37k per annum if the experience of the first quarter were to be repeated throughout the remainder of 2014/15. For the current year the budget for landfill levy/tipping charges has been increased as part of the budget right-sizing exercise. See paragraph 3v of the report for full details.

Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	Fav (F) / Adv (A)	Budget Holder	Alert	Budget Holder Comments
Fleet	Fuel	337,266	168,725	161,963	-6,762	F	Kathy Winstanley		This budget is underspent across a range of vehicles as a result of the number of new and hire vehicles the Council now operates, the removal of the need to go on landfill sites, and improved driving practices. Many of the new vehicles are now coming out of warranty and the reduced expenditure requirements for this activity currently being experienced will not continue over the whole life of the vehicles. Adjustments to the fleet budgets have been made as part of the budget right-sizing exercise to ensure that each vehicle has the correct level of budget provision.
	Tyres - renewal	36,044	18,150	24,704	6,554	A			
	Agrippa Signage	11,005	5,545	0	-5,545	F			
	Hire of Transport	334,645	150,814	113,165	-37,649	F			
<b>RESOURCES DIRECTORATE</b>									
External Audit Fees	External Audit Fees	78,000	39,016	-10,800	-49,816	F	Paul O'Donoghue		This variance is due in part to the time-lag in the receipt of invoices and in part to ongoing savings on the contract price for these services. The budget has been reduced accordingly as part of the budget right-sizing exercise.
Legal Services Team	Books & Periodicals	20,000	5,000	11,853	6,853	A	Ian Curtis		Although currently expenditure is in excess of the profiled budget the latest estimate of the full-year cost of this service indicates that the total budget will not be required. Accordingly, the budget has been reduced as part of the budget right-sizing exercise.
Computer Services	Purchase of Computer Equipment	50,149	25,084	3,071	-22,013	F	Any Cain		For the majority of these budgets expenditure is expected to be in line with the budget at year-end. Computer licence costs have been analysed and appropriate budget amendments have been made where necessary. With respect to the reserve funded expenditure as a consequence of the restructure of the IT Section during the course of 2014/15 not all of the planned projects to be funded from the reserve are now expected to be completed by 31st March 2015. It is forecast that £60k of this resource will now not be required until 2015/16. Accordingly this budget has been re-profiled as part of the budget right-sizing exercise.
	Computer - Program Licence Chgs	65,213	32,620	84,258	51,638	A			
	Computer - Reserve Funded Exp.	55,000	27,508	0	-27,508	F			
	Computer Mtce - Contract	7,821	3,912	16,614	12,702	A			
	Computer - Development Costs	20,597	0	23,502	23,502	A			
	Computer - Other Expenditure	52,733	26,375	16,116	-10,259	F			



Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	Fav (F) / Adv (A)	Budget Holder	Alert	Budget Holder Comments
Comm Safety - Delivery Costs	Other Miscellaneous Grants	0	0	-38,151	-38,151	F	Bryan Ward		Community Safety funding is now significantly diminished due to no external grants being received any longer, other than smaller amounts of funding, for example, from the Police and Crime Commissioner. As a result the Community Safety Partnership uses the legacy funding that was passed to it by the former Local Strategic Partnership, sparingly. A small amount of funding has recently been granted to support some partnership projects over the course of the forthcoming months. However, the intention is to utilise resources sparingly and when such usage is most effective, possibly retaining resources into 2015/16 and beyond.
Community Safety Initiatives	Community Safety Initiatives	68,143	34,086	7,760	-26,326	F			
	Other Reimbursements	-68,143	-34,086	-58,195	-24,109	F			
Local Strategic Partnership	LSP Initiatives	38,625	19,321	7,013	-12,308	F	Tracy Morrison/Jo Collins		The former LSP allocated funding to allow the Community Projects Fund, which gives community grants for amounts from £500 to £2,000, to carry on in future years. It also allocated further discretionary funding for smaller grants of up to £500. Bidding rounds for 2014/15 are now underway for the main fund and some discretionary funding has been allocated. It is anticipated that not all the funding will be utilised in 2014/15. This will be the subject of a separate report to scrutiny in due course which will give a summary of funding awarded thus far, and will address the question of future years bidding rounds. This budget also includes a sum of £20k LSP funding towards Hope Street pavilion refurbishment which is included in the 2014/15 capital programme.
	Other Reimbursements	-38,625	-19,321	-80,782	-61,461	F			
Housing Standards	Disabled Facilities Grant Fees	-29,000	-8,700	-21,239	-12,539	F	John Cottam		Income is in excess of the budget due to additional in-year agency fee income as a consequence of the slippage of a proportion of the work from 2013/14 into 2014/15. The income budget has been increased accordingly as part of the budget right-sizing exercise.

Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	Fav (F) / Adv (A)	Budget Holder	Alert	Budget Holder Comments
<b>DEVELOPMENT SERVICES DIRECTORATE</b>									
Crematorium	Cremation Income / Cameo Scheme	-812,200	-375,670	-407,728	-32,058	F	Darren Bell	★	This budget has been increased as part of the budget right-sizing exercise to reflect the current and predicted future levels of income. This is due in part to the delayed re-opening of crematorium facilities in neighbouring areas and to changes in the anticipated income levels resulting from the introduction of the 'CAMEO' scheme. See paragraph 3ii of the report for full details.
Development Management	Consultants Fees	30,000	15,006	784	-14,222	F	Mark Evans	★	Expenditure on consultants during the year is expected to be lower than anticipated. Consequently this budget has been reduced as part of the budget right-sizing exercise.
	Planning Application Fees	-475,000	-360,241	-470,545	-110,304	F		★	A series of large applications have been received in the current financial year that have resulted in a higher level of fee income being received than was forecast. Income will continue to be closely monitored and updated income estimates will be reflected in the next update of the financial forecast.
Planning Appeals	Planning Appeal Hearing Costs	170,000	81,276	1,100	-80,176	F		●	During the first two quarters of 2014/15 there have been minimal actual planning appeal costs which have been settled. This has created the budget variance currently shown. Costs are expected to be incurred later in the year in relation to appeals already lodged.
Local Plan	Publicity and Consln SHLAA	10,000	5,002	0	-5,002	F		●	There has been no requirement for additional consultation work due to delays in producing the Strategic Housing Market Assessment. It is expected that expenditure will be incurred in this regard during the remainder of the financial year.

Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	Fav (F) / Adv (A)	Budget Holder	Alert	Budget Holder Comments
Coast Protection	Other General Repairs and Mtce	54,900	27,450	19,300	-8,150	F	Andrew Dickson		These works are programmed for February / March 2015. It is anticipated that expenditure for the year will be in line with the approved budget.
Coast & Countryside	Sale of Sand (sandwinning)	-75,000	-31,125	-77,792	-46,667	F			Income from the sale of sand for the year-to-date has been significantly higher than the forecast amount and consequently this income budget has been increased as part of the budget right-sizing exercise to reflect the current level of income. See paragraph 3iv of the report for full details.
St.Annes Square (Maintenance)	Rep & Mtce of Captial Schemes	13,000	6,500	1,219	-5,281	F			A scheme of works relating to St Annes Square is to be prepared, the cost of which will result in the budget for the year being fully-spent.
Car Parks	Car Park Receipts	-479,652	-294,989	-326,064	-31,075	F			Car Parks Income for the year has been significantly higher than the forecast amount, probably as a result of the pleasant weather experienced throughout much of the summer period. This income budget has been increased accordingly for the year as part of the budget right-sizing exercise.
Lytham Station Car Park	Business Permits	-1,000	-502	-7,092	-6,590	F			Income from the sale of business parking permits at Lytham Station Car Park have been significantly higher than anticipated. The income budgets for the current year and for future years have been increased as part of the budget right-sizing exercise to reflect this.

# REPORT



REPORT OF	MEETING	DATE
RESOURCES DIRECTORATE	POLICY DEVELOPMENT SCRUTINY COMMITTEE	13 NOVEMBER 2014

## REVIEW OF COUNCIL TAX DISCOUNTS AND PREMIUM 2015/16

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

With effect from 1st April 2013, the Government introduced legislation allowing local authorities the discretion to determine discounts for both second homes and empty properties. One of the government's main intentions in localising these decisions was to enable authorities to encourage empty homes to be brought back into use. An additional premium can also be charged to the owners of properties left empty for over two years.

In January 2013 the Council considered the subject and introduced a regime of discounts to take effect from 1st April 2013, agreeing to re-visit the issue for 2014/15. Subsequently at its meeting in January 2014 the Council considered the further options available and agreed further changes to the regime of Council Tax discounts and premium charges, effective from 1st April 2014.

This report provides an opportunity to review the current regime of Council Tax discounts and the Council Tax Premium and to consider any further amendments. This report will subsequently be considered by Cabinet at the meeting of 26th November 2014 and by Council on 1st December 2014.

### RECOMMENDATIONS

Scrutiny Committee are requested to consider this report and provide recommendations to Cabinet and Council as appropriate with regard to any proposed changes to the current Council Tax discounts and premium regime.

### CABINET PORTFOLIO

This item falls within the following cabinet portfolio(s):

Finance and Resources - Councillor Karen Buckley

## **SUMMARY OF PREVIOUS DECISIONS**

Having previously been considered by Cabinet at its meeting of 16th January 2013, Council resolved at its meeting of 28th January 2013 that with effect from 1st April 2013:

1. In respect of unfurnished vacant dwellings where major repairs or structural alterations are required, underway, or recently completed (previously class A exemptions) to approve a new discount at 100% for a period of up to 12 months;
2. In respect of vacant dwellings which are empty and substantially unfurnished (previously class C exemptions) to approve a new discount at 100% for a period of six months;
3. In respect of long-term empty properties (class C exempt properties after the expiration of the current 6 month exemption period) to approve no discount; and
4. In respect of second homes to approve retention of the existing discount of 10%.

Subsequently, following consideration by Cabinet at its meeting of 15th January 2014, Council resolved at its meeting of 27th January 2014 that with effect from 1st April 2014:

1. In respect of unfurnished vacant dwellings where major repairs or structural alterations are required, underway, or recently completed (previously class A exemptions) to continue to apply the current 100% discount for up to 12 months;
2. In respect of vacant dwellings which are empty and substantially unfurnished (previously class C exemptions) to continue to apply the current discount at 100% for a period of six months;
3. In respect of properties that have remained empty for more than 2 years to introduce a premium and charge 150% of council tax;
4. In respect of Second Homes that the current 10% discount should no longer apply from April 2014; and
5. To approve that the Revenues Shared Service will contact those property-owners who will become liable for the Council Tax premium as a consequence of their property having been unoccupied for in excess of two years to advise them of this decision prior to the dispatch of Council Tax bills.

## **REPORT**

### **1.0 Background**

- 1.1 Section 12 of the Local Government Finance Act (LGFA) 2012 (which amended s.11A of the LGFA 1992) allows billing authorities to have discretionary powers to amend the discounts to council tax applicable for both second homes and long term empty properties. The Act also allows for a premium to be charged in cases where an owner has left a property unoccupied and unfurnished for over two years.

### **2.0 Current Position and Options from April 2015**

#### **2.1 Discount for dwellings undergoing major repairs**

##### **Current Position - 100% Discount for 12 Months**

This is granted in respect of dwellings where the property is unoccupied and unfurnished, which needs or is undergoing major repairs or structural alterations. The maximum period for this discount is 12 months.

### **Options from April 2015**

The Council can continue to allow a 100% discount for these properties or may set any lower percentage. The discount that is set will apply for a maximum of 12 months and the percentage discount cannot be varied during that time. Following the discount period the Council has previously decided that a full charge should apply.

The Government have suggested that a partial discount rather than a full 100% discount may encourage owners to bring these properties back into use more quickly than would otherwise be the case. However a degree of collection difficulty is inevitable if owners were to face an immediate charge instead of a 12 month 100% discount.

It is not anticipated that any change to the current position would have a material effect upon the number of long-term empty properties.

## **2.2 Discount for properties which are vacant**

### **Current Position - 100% Discount for up to 6 months**

Dwellings which become empty and unfurnished receive a 100% discount for up to 6 months. If the property remains empty beyond the 6 month period no further discount is given. (Where properties remain empty for a further 18 months a premium of 50% is applied – see below).

### **Options from April 2015**

Billing authorities have been given discretion to set an appropriate level of discount of between 0% and 100% and the power to vary the period to which each percentage charge applies. It is commonly accepted that some period of full discount should be given. However, short periods of liability of under 6 weeks ought not to entitle the council tax payer to a further discount under this class if the property is subsequently vacated. It is proposed to amend the current policy to include this provision with effect from 1st April 2015.

It is not anticipated that any change to the current position would have a material effect upon the number of long-term empty properties.

## **2.3 Empty Homes Premium on Properties Remaining Empty for in Excess of 2 Years**

### **Current Position – 50% premium is currently charged**

Dwellings which have remained empty and unfurnished for over 2 years are charged 150% of the normal Council Tax charge.

### **Options from April 2015**

This additional charge is discretionary and the Council could determine that the premium should no longer be applied. However the premium provides a strong incentive to owners to bring the property back into use. For the current year the number of long-term empty properties has reduced from 581 in October 2013 (the point when the annual tax base is established) to 514 at the 31st July 2014 – a reduction of 67 properties (11.5%)

There remains a number of national exemptions in respect of certain classes of empty properties such that the premium does not apply in these cases. Full details are set out in section 3.0 of this report.

A further consideration in support of continuing to apply the premium charge links to the Council's Empty Property Strategy, which aims at reducing the number of empty properties in the borough. After two years of remaining empty, properties may start to deteriorate and impact negatively on neighbourhoods. The return to use of long term empty properties contributes to the New Homes Bonus received by the Council and helps improve current stock and increase overall supply.

Property owners are provided with advance notification that their property is approaching the date when the premium charge will commence – some three to four months prior to that date. This provides an opportunity for property owners to take appropriate action to avoid the premium charge where such a course of action is available to them eg. The letting of a vacant property.

The current premium charge would appear to be having the intended effect and it could be reasonably implied that any reduction or removal of the charge would have the effect of increasing the number of long-term empty properties.

## **2.4 Second Home Discount**

### **Current Position – No discount**

For Fylde Borough Council there is no discount in respect of for these properties.

### **Options from April 2015**

A property is classed as a second home if it is furnished but no-one lives there as their sole or main residence. Council tax legislation allows the billing authority to award a discount on these properties of between 0% and 50%. Fylde Council could re-introduce a second homes discount within this range.

The removal of the Second Home discount has met with very little response amongst property owners who have been affected by this change. There would appear to be no compelling reason to suggest that a reversion to the previous discount position is required.

## **3.0 Continuing Exemptions**

- 3.1 For certain types of properties there are exemptions under current legislation which apply nationally and which therefore exclude properties from the impact of locally determined changes to discounts and premiums. Examples of such exemptions include properties in probate, unoccupied dwellings which were previously the sole or main residence of a person who has moved into a hospital or care home, and unoccupied dwellings where the owner or tenant has moved in order to provide personal care to another person. Appendix A sets out the exemptions for the various categories of properties which would exclude them from the changes to discounts and the premium charge that is currently under consideration. The exemption in respect of properties in probate runs for a 6 month period following probate, and all other exemptions listed in Appendix A run for an indefinite period whilst the exemption applies.

## **4.0 Conclusions**

- 4.1 Members are requested to consider the regime of Council Tax discounts and the premium charge currently in operation and the further options available in respect of 2015/16. Members are further invited to make recommendations for consideration by Cabinet and full Council as appropriate.

IMPLICATIONS	
Finance	Detailed financial implications are set out in the body of the report and the Appendices.
Legal	Section 12 of the Local Government Finance Act 2012 (which amended s.11A of the LGFA 1992) allows a billing authority to make a determination that any discount under section 11(2)(a) shall not apply or shall be such percentage (which may be 100%) as it may specify. In practice, this allows billing authorities to set a discount on unoccupied and unfurnished dwellings. Section 12 of the Local Government Finance Act 2012 also inserted a new section 11B into the LGFA 1992 allowing billing authorities, in relation to a dwelling that has been unoccupied and substantially unfurnished for more than two years, to charge up to 150% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable. A billing authority which makes such a determination is required to publish a notice of it in at least one newspaper circulating in its area and do so before the end of the period of 21 days beginning with the date of the determination. Although, failure to comply with this condition shall not affect the validity of the determination.
Community Safety	None
Human Rights and Equalities	Any changes to the level of discount will be subject to an Equality Analysis.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

REPORT AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	October 2014	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Report to Council - Council Tax Discount Changes 2013/14	28th January 2013	www.fylde.gov.uk
Report to Council - Council Tax Discount Changes 2014/15	27th January 2014	www.fylde.gov.uk

#### Attached documents

Appendix A – Analysis of property classes which will remain exempt from Council tax charges



### Council Tax Exemption Categories - September 2014

Note: Locally determined discounts or premia do not apply for the following classes of properties where national exemptions take precedence

Exemption Class	Property Type
B	Unoccupied dwellings owned by a charity (up to six months).
D	A dwelling left unoccupied by people who are in prison.
E	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
F	Dwellings left empty by deceased persons (from notification of death up to six months following probate, after which full liability for council tax applies).
G	An unoccupied dwelling where the occupation is prohibited by law.
H	Unoccupied clergy dwellings.
I	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into another residence to receive personal care (but which is not a hospital or care home).
J	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved in order to provide personal care to another person
K	An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
L	An unoccupied dwelling which has been taken into possession by a mortgage lender.
M	A hall of residence provided predominantly for the accommodation of students.
N	A dwelling which is occupied only by students, the foreign spouses of students, or school and college leavers.
O	Armed forces' accommodation.
P	A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
Q	An unoccupied dwelling where the person who would otherwise be liable is a trustee in bankruptcy.
R	Empty caravan pitches and boat moorings.

# REPORT



REPORT OF	MEETING	DATE
RESOURCES DIRECTORATE	POLICY DEVELOPMENT SCRUTINY COMMITTEE	13 NOVEMBER 2014

## COUNCIL TAX REDUCTION SCHEME 2015/16 INCLUDING GRANTS TO TOWN AND PARISH COUNCILS

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

From April 2013 the local Council Tax Reduction Scheme (CTRS) replaced the previous national scheme of Council Tax Benefit. The purpose of the scheme is to define the entitlement to support that reduces the level of Council Tax that is payable by low income households.

The scheme that operates within Fylde borough for 2014/15 was approved by this Council in January 2014 for 2014/15 only.

This report provides the background to the change from Council Tax Benefit to CTRS for 2013/14; the approval of the CTRS for 2014/15; describes the experience to date of the operation of the local CTRS; and sets out the proposals in respect of the scheme for 2015/16. At the meeting in December 2014 Council Members will be requested to agree the details of a CTRS for 2015/16.

The Councils Revenue Budget and Financial forecast for 2015/16 onwards has been prepared on the assumption that the CTRS will be fully self-funding as it is for 2014/15. That is, that the net cost of the scheme to Fylde Borough Council will be met by applying reduced levels of support to claimants. The Council decision in December 2014 will be in respect of the scheme for 2015/16 only.

The report also addresses the question of the payment of grants to Town and Parish Councils to compensate them for reduced Council Tax income as a result of the introduction of a local CTRS and outlines the options available to the Council in this regard. At the meeting in December 2014 Council Members will be requested to determine the issue of the payment of grants to Town and Parish Councils for 2015/16.

The Councils Revenue Budget and Financial forecast for 2015/16 onwards currently assume that grants to Town and Parish Councils in relation to the introduction of CTRS will be made for 2015/16 onwards in the sum of £72k per annum (the value of such grants in respect of 2014/15).

## RECOMMENDATIONS

Policy Development Scrutiny Committee is asked to:

1. Consider the proposal for a Council Tax Reduction Scheme (CTRS) for 2015/16 as set out in section 3 of the report and provide comments as appropriate to Cabinet and Council;
2. Consider the proposal relating to the payment of grants to Town and Parish Councils in relation to changes arising from the introduction of a local scheme as set out in section 5 of the report and provide comments as appropriate to Cabinet and Council;
3. Consider and comment upon the proposed distribution methodology should Council subsequently agree to the payment of grants to Town and Parish Councils relating to the introduction of CTRS;
4. Consider and comment upon the proposed continuation of Discretionary Hardship Relief to provide additional support for claimants in exceptional circumstances and the Council's updated Discretionary Discount Policy which details discounts and reliefs in respect of Council Tax and Business Rates.

## CABINET PORTFOLIO

This item falls within the following cabinet portfolio(s):

Finance and Resources - Councillor Karen Buckley

## SUMMARY OF PREVIOUS DECISIONS

The Council at the 27th January 2014 meeting approved the CTRS for 2014/15. The full scheme is available on the Fylde Borough Council website at:

<http://www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax/>

## REPORT

### 1. Background to the CTRS Introduction and the adopted schemes for 2013/14 and 2014/15

1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished after 2012/13, with individual local authorities instead being required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 2013/14.

1.2 Prior to 2013/14 the full cost of Council Tax Benefit was met in full by the Department for Work and Pensions (DWP). The Council processed and awarded benefit entitlement and the DWP reimbursed local authorities for the cost of Council Tax income that was foregone as a consequence of reductions in Council Tax liability (in the form of Council Tax Benefit) that were granted to households. From April 2013 the Government introduced a new grant (via the Department for Communities and Local Government) equal to 90% of the Government's forecast of Council Tax Benefit funding levels had the existing benefit system continued, meaning that the Council's funding to be received from central government in respect of the new scheme was effectively around 10% lower than the anticipated cost of Council Tax Benefits payments. Each Council was required to determine an approach to fund this gap.

- 1.3 Local Council Tax Reduction Schemes must incorporate the national scheme for pension-age claimants. The pensioner scheme ensures that pensioners' support will continue at the previous level (i.e. as they were under the Council Tax Benefit regime) meaning that pension-age claimants will be protected from any reductions in support under CTRS. Because pension-age claimants are protected, a 10% cut in total funding, unless funded by the Council in full or in part, would result in a greater reduction for working-age claimants.
- 1.4 All authorities were therefore presented with a choice to either meet this funding gap from other resources to protect benefit recipients at the previous levels of support or to pass on all or a proportion of the funding shortfall in the form of reduced levels of support to working-age claimants.
- 1.5 For 2013/14 only the Government introduced a transitional grant that was aimed at cushioning the level of any reduction in support that was passed on to working-age claimants for the first year of operation of local Council Tax Reduction Schemes, subject to the adopted CTRS scheme meeting certain criteria. The main component for eligibility for transitional grant was the adoption of a CTRS whereby claimants under the previous Council Tax Benefit arrangements would experience a maximum reduction in their level of support of 8.5% under the new scheme.
- 1.6 The Council in January 2013 approved a scheme for 2013/14 which was supported in part by the Transitional Grant and in part by Council funds with working age recipients experiencing a maximum reduction in their level of support of 8.5%. The scheme also incorporated the national CTR scheme for pensioners (which protects claimants of pensionable age from any reductions in support) and incorporated a Discretionary Hardship Fund (in the sum of £10k being set aside for this purpose) to provide support for claimants in exceptional circumstances who are unable to increase their income from other means.
- 1.7 For 2014/15 and subsequent years there is no offer of Transitional Grant. Council in January 2014 approved a scheme for 2014/15 which aimed to have a neutral financial impact on this Council and the major preceptors. For working-age claimants there would be a means tested assessment to establish entitlement and a maximum percentage reduction in the level of support at the end of that assessment of 22.7%. The 2014/15 CTRS included the national scheme for pension-age claimants for whom there is no reduction in the level of support.

## **2. Key points arising from implementation of the local CTRS to date**

- 2.1 There has been no evidence which has emerged since the inception of the scheme to suggest that it is fundamentally in need of revision. The scheme has embedded well with no formal legal challenge to the principle of the scheme.
- 2.2 Experience to date for 2014/15 indicates that 22.7% maximum reduction in the level of support is the correct level at which the scheme becomes self-funding.
- 2.3 The average additional reduction in Council Tax support per claimant for 2014/15 is approximately £109 (representing the annual amount of additional/new Council Tax payable in 2014/15 as compared to the previous year), but may be higher or lower depending on the property band.
- 2.4 In the period to 30th September 2014 a total of 5 hardship cases have been awarded additional support from the Discretionary Hardship Fund in the total sum of £607 (of the £9.6k that was set aside for this purpose in 2014/15).

2.5 It was initially expected that the introduction of CTRS would impact significantly on collection rates, particularly for 2014/15 given the change in the maximum level of reduction in support from 8.5% for 2013/14 to 22.7% in 2014/15. The in-year collection rate for those residents who now pay Council Tax as a consequence of the introduction of CTRS is 48% to the end of September. This is lower than the overall in-year collection rate for all council tax payers which is 60% for the same period, but is higher than was originally expected when the 2014/15 scheme was introduced.

### **3. Proposed CTRS for 2015/16**

3.1 The Councils Revenue Budget and Financial forecast for 2015/16 onwards currently assume that the CTRS will be fully self-funding. That is, that the net cost of the scheme to Fylde Borough Council will be met by applying reduced levels of support to claimants.

3.2 It is proposed that the key features of the CTRS as currently implemented are retained in respect of 2015/16 and that the 22.7% maximum reduction in the level of support is also retained in the 2015/16 CTRS to deliver a scheme which is self-funding ie. at a projected nil cost to Fylde Council and the major precepting bodies.

3.3 The principles for the 2015/16 scheme will remain that it needs to:

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed 'map' of those affected is required; a detailed Equality Analysis is required
- be transparent, understandable to customers and practical to operate
- be feasible to implement within the constraints of the timescales and available software
- be simple in design avoiding unnecessary complexity
- avoid the costs and risks associated with collecting additional data.

3.4 It is proposed that the scheme for 2015/16 will continue to provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

3.5 A consultation paper was distributed to the Major Preceptors - Lancashire County Council, Lancashire Fire and Rescue Service and the Lancashire Police and Crime Commissioner in August 2014 seeking their views on the proposed scheme for 2015/16. The consultation and a summary of the responses of each are set out in Appendix A to this report.

3.6 Public consultation has taken place and both the outcome of the consultation and the Council's response are shown at Appendices B and C to this report.

The Equality Analysis carried out for the 2013/14 scheme was revisited and updated following the introduction of the scheme. This aims to mitigate the impact on protected groups. As part of their consideration of the CTRS scheme for 2015/16 Members must read the updated Equality Analysis which is available on the Fylde Borough Council website at:

[www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax](http://www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax)

### **4 Hardship Relief**

4.1 The provision of Discretionary Hardship Relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means, is a key element

of the operation of the scheme. Section 76 of the Local Government Act 2003 in respect of Council Tax (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of Council Tax as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.

- 4.2 In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council has adopted a Discretionary Discount Policy under the above powers. Strict criteria is used to determine if any additional relief is appropriate and the level of any such award. Awards are made only in exceptional circumstances to those unable to increase their income. The updated Discretionary Discount Policy for 2015/16 is available on the Fylde Borough Council website at:

<http://www.fylde.gov.uk/resident/council-tax/>

- 4.3 It is proposed that for 2015/16 the Council Tax Reduction Scheme will continue to provide for additional discretionary awards which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- 4.4 The Major Preceptor consultation described at 3.5 above also provided the opportunity to comment on the proposals with regard to Hardship Relief. A summary of the responses on this matter is contained within Appendix A to this report.

## **5 Implications for Town and Parish Councils**

- 5.1 The government's decision to move from a system whereby support for Council Tax was paid directly into a receiving person's Council Tax Account as a benefit, and instead to re-designate the support as a Council Tax discount, has had far-reaching implications. Notably, Town and Parish Councils were not immune from these changes.
- 5.2 This is because a discount reduces the amount of Council Tax payable and therefore impacts upon the Council tax-base calculation by reducing the tax-base to below the level that it would have been had the previous Council Tax Benefit system been retained.
- 5.3 This is significant because if a Town or Parish Council were to precept the same amount **per Band D property** under the new arrangements, and its tax-base had reduced due to the switch from benefit to discounts, it would collect a reduced total level of precept.
- 5.4 For 2013/14 only the Government also identified a separate grant within the total government funding settlement in the sum of £74k to meet the assumed cost of the introduction of the CTRS regime on Town and Parish Councils within the borough. The purpose of this was to support reduced levels of Town and Parish precepts and so avoid the need for significant increases in the parish element of the total Council Tax charge at individual property level. This funding was distributed to Town and Parish councils in proportion to the impact of the CTRS in each locality.
- 5.5 **For 2014/15 there was no notified specific element of funding of the CTRS for Town and Parish Councils within FBC's overall grant settlement. This element, together with the funding for Fylde Borough Council CTRS having been subsumed within the total of central grant funding and as such being no longer separately identifiable.** The Council, in January 2014, agreed to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS impact in 2014/15 in a total sum which reflects the overall central funding

reductions that have been suffered by Fylde Borough Council. Based on the funding settlement and the new homes bonus allocations this equated to a reduction from the previous year's funding level of 3.1%, leaving a sum of approximately £72k to be distributed.

**5.6 Within the provisional funding settlement for 2015/16 there is once again no specific element of funding of the CTRS for Town and Parish Councils.**

There are a number of options in this regard which are summarised below:

**Option 1:** Fylde Borough Council could agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS for 2015/16 at a level equivalent to that for 2014/15 i.e. in a total sum of £72k.

**Option 2:** Fylde Borough Council could agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS impact in a total sum which reflects the overall central funding reductions that have been suffered by Fylde Borough Council. Based on the settlement figures and new homes bonus provisional allocations notified to date, the reduction would equate to 4.4%, leaving a sum of approximately £68.8k to be distributed.

**Option 3:** Fylde Borough Council could determine that due to the uncertainty surrounding central grant funding and the expectation that the current grant reduction trajectory will continue in the future (thus reducing the grant amount available for distribution to Town and Parish Councils still further) the option which provides greatest clarity for future years for Town and Parish Councils is that funding relating to CTRS impacts will be distributed for 2015/16 in the sum of either £72k or £68.8k, but that no such payments will be made at all in any future years. This would allow Parish Councils to determine their own financial environment without having to take regard of the actions of the Borough Council.

**5.7 The explicit intention of this grant was to encourage each Town and Parish Council to avoid the need for significant increases in the parish element of the total Council Tax charge. It may be relevant to note that not all Town and Parish Councils upon receipt of funding for the impact of CTRS introduction since 2013/14 have used this to avoid increases in the level of Council Tax at a Band D property level. Some have indeed used the funding in this way whilst others have not. Appendix D of this report shows an analysis of the Town and Parish Precepts from 2012/13 to 2014/15 together with the amount of grant each received as their share of the CTRS grant passed on by this Council.**

5.8 Additionally of note is the fact that, to date, Parish Councils are not covered by the restriction which limits Council Tax increases to 2% at Band D property level without the prior need for a local referendum to approve this increase. At the time of writing it is not known whether this exemption will also apply in respect of 2015/16. If this exemption continues for 2015/16 Parish Councils will be able to meet any funding shortfall arising from a reduction in CTRS grant from Fylde Borough Council by way of an increase in the precept level (both in total and at a per property level).

5.9 In the written ministerial statement by the then Local Government Minister Brandon Lewis on the provisional local government finance settlement 2014 to 2015 that was issued on 18th December 2013, the subject of Parish Councils and local Council Tax support was addressed in the following paragraph:

‘We have also set out previously that there is some £3.3 billion in the settlement this year for Council Tax support schemes. There is an element within this national pot that is there specifically to reflect reductions in the parish tax base. We have not separately identified the money because it is not ring-fenced and as caseloads change and schemes evolve, the amount that different parishes need will change. It would be wrong to try to manage that centrally. But we have been clear that we expect billing authorities to carry on passing on support to town councils and parishes to help mitigate any reduction in their taxbase due to the local Council Tax support scheme.’

5.10 If Council determine that grants to compensate Parish Councils for the impact of CTRS will be made for 2015/16 it is proposed that the distribution methodology will be similar to that used in previous years i.e. the grant allocation will be in proportion to the changes in the tax-base of each Town and Parish as a consequence of the introduction of the CTRS regime.

## **6. Review of the Scheme**

6.1 A review of the Scheme must be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. The Council will be required to approve the scheme each year.

## **7. Equality Analysis**

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

7.2 The Council has carried out a much more detailed and robust Equality Analysis which is available on the Council’s website as described in paragraph 3.6 The impact of CTRS has been considered on people based on the following:

- Age
- Disability
- Sex and sexual orientation
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief

The analysis also contains a detailed action plan showing how the issues identified will be addressed and the monitoring arrangements that have been put in place.

## **8. Linkages to Wider Welfare Reform**

8.1 The Welfare Reform Act 2012 provides for a major overhaul of the current benefits system. The abolition of Council Tax Benefit was implemented ahead of the commencement of Universal Credit.



8.2 Since its introduction in April 2013 the Council Tax Reduction Scheme has run alongside Housing Benefit. Housing Benefit administration will gradually diminish until 2017. Wider changes to existing benefits during the next few years will mean customers on benefits will have less money available to pay their Council Tax liability.

## 9. Conclusion

9.1 In December 2014 the Council will be is requested to agree a local Council Tax Reduction Scheme for 2015/16 which (as is the case for the scheme currently in operation) will incorporate a reduction in awards to working age claimants (currently at a maximum reduction level of 22.7%).

9.2 The Council will be presented with the proposals for the 2015/16 scheme as described in this report, subject to any required changes in the intervening period as a consequence of new government regulations or announcements. For 2015/16 it is proposed that the percentage reduction made at the end of the assessment for working age claimants shall remain as for 2014/15 at 22.7%, the percentage reduction such that the full costs of the Council Tax Reduction Scheme are recovered from the working-age recipients of support.

9.3 Schedule 6 of the Council Tax Reduction Scheme will detail the percentage reduction in support to working age claimants once the scheme design has been determined by Council and following any final minor adjustments to the calculation of costs for 2015/16. That Schedule forms part of the adopted scheme.

9.4 A review of the Scheme (including the percentage reduction in support detailed within Schedule 6 of the Scheme) should be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. Therefore any decision with regard to changes to the CTRS will be in respect of 2015/16 only.

9.5 The Council will also be requested to consider the issue of the distribution of grants to Town and Parish Councils in relation to changes arising from the introduction of a local scheme. These alternative options are detailed at Section 5 of this report and are in summary:

Either:

- distribute grants to Parish Councils to reflect the impact of the introduction of CTRS at a level which is equivalent to the total sum distributed in respect of 2014/15 in the total sum of £72k – option 1 in Section 5.6 of this report; or

- distribute grants to Parish Councils to reflect the impact of the introduction of CTRS at a level which reflects the reduction in overall central grant funding at an approximate sum of £68.88k – option 2 in Section 5.6 of this report; or

- distribute grants to Parish Councils in the same amount as in 2014/15 (i.e. £72k) or at a reduced amount (ie. £68.8k) for 2015/16 only and thereafter no further grants will be distributed – option 3 in Section 5.6 of this report.

9.6 If Council determine that grants to compensate Parish Councils for the impact of CTRS will be made for 2015/16 it is proposed that the distribution methodology will be similar to that used in respect of 2013/14 and 2014/15.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished after 2012/13, with individual local authorities instead being required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 2013/14 and subsequent years.
Community Safety	None
Human Rights and Equalities	An Equality Analysis has been carried out and is available on the Council's website as detailed in the report.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	The elements of the working age scheme will need to be reviewed annually to avoid increased financial risk to the Council.

REPORT AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	October 2014	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Council Tax reduction Scheme 2013/14	28th January 2013	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Council Tax reduction Scheme 2014/15	27th January 2014	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

#### Attached documents

Appendix A - Consultation and responses from major preceptors

Appendix B - Public Consultation

Appendix C - Results of Public Consultation

Appendix D – Comparison of levels of Town and Parish Councils Funding between 2012/13 and 2014/15

**Preceptor Consultation Letter (sent 12<sup>th</sup> August 2014)**

**Fylde Borough Council - Council Tax Reduction Scheme 2015/16 – Consultation with major preceptors on the design of the local scheme.**

**Summary:**

This paper sets out the proposed Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2015/16.

**Introduction:**

The scheme that currently operates within Fylde borough was approved by this Council in January 2014.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants such that the CTRS is self-funding ie. That the scheme does not result in the loss of Council Tax income to Fylde Council or the major preceptors. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2014/15 the maximum percentage reduction in support in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions.
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The full Scheme is available on the Fylde Borough Council website at

[www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax](http://www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax).

**The proposed 2015/16 Scheme:**

Following consultation with interested parties including the public since the introduction of a local CTRS the clear preference was for the adopted scheme to be one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working age claimants. The adopted local schemes for 2013/14 and 2014/15 have been in accordance with this preference. It is not intended to change this element of the design in respect of 2015/16.

Council Members will be asked to agree a scheme of Council Tax Support in December 2014. The principles for the 2015/16 scheme will remain that it needs to:

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed 'map' of those affected is required; a detailed Equality Analysis is required
- be transparent, understandable to customers and practical to operate

- be feasible to implement within the constraints of the timescales and available software
- be simple in design avoiding unnecessary complexity
- avoid the costs and risks associated with collecting additional data

**It is proposed that the scheme for 2015/16 will:**

- Maintain the current council tax support rules and reduce the level of support by a specified percentage level at the end of the calculation (bottom slice) such that the CTRS is self-funding. Minor technical changes will be required to the scheme in respect of the treatment of Universal Credit. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%.
- Provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- Include the national scheme for pension age claimants for whom there is no reduction in the level of support.

**Hardship Fund**

The existence of a Discretionary Hardship Fund to provide support for claimants in exceptional circumstances who are unable to increase their income from other means is a key element of the operation of the scheme.

It is proposed that for 2015/16 the Council Tax Reduction Scheme will provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

**Consultation Questions**

1. Do you agree or disagree that the 2015/16 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25% for 2015/16 (note: the maximum reduction in the level of support under the scheme for 2014/15 is 22.7%).
2. Hardship Fund – Please provide your views on the requirement to operate a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.
3. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

The Council appreciates the potential impact of the final scheme on its own finances and those of other preceptors. However, at the same time it needs to balance this against the impact it will have in respect of low income Council Tax payers of the Borough. The Council recognises that other preceptors may have strong opinions in respect of the final scheme that is adopted. It is important therefore that the opinion of all interested parties is reported and forms part of the consideration by the elected members in making a final decision.

**Responses**

Please provide your responses by e-mail / hard copy at the contact points shown above by **1<sup>st</sup> September 2014**.

Yours sincerely

A handwritten signature in black ink, appearing to read 'PO'Donoghue', written in a cursive style.

Paul O'Donoghue

Chief Financial Officer

## **Summary of Responses from Major Preceptors**

### **A. George Graham, Deputy County Treasurer, Lancashire County Council (26<sup>th</sup> August 2014)**

In respect of your scheme for 2015/16 Lancashire County Council feels that a reduction in the level of support to working age claimants of between 20-25% is the most appropriate approach as it offers protection to the most vulnerable individuals as identified within the existing Council Tax system and offers no additional costs to the billing and precepting authorities.

At a time when resources are extremely limited and will be reduced significantly in 2015/16 and future years it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

Lancashire County Council continues to support the provision of hardship payments to the most vulnerable claimants in exceptional circumstances.

### **B. Steve Freeman, Deputy Chief Finance Officer, The Office of the Police and Crime Commissioner for Lancashire (26<sup>th</sup> August 2014)**

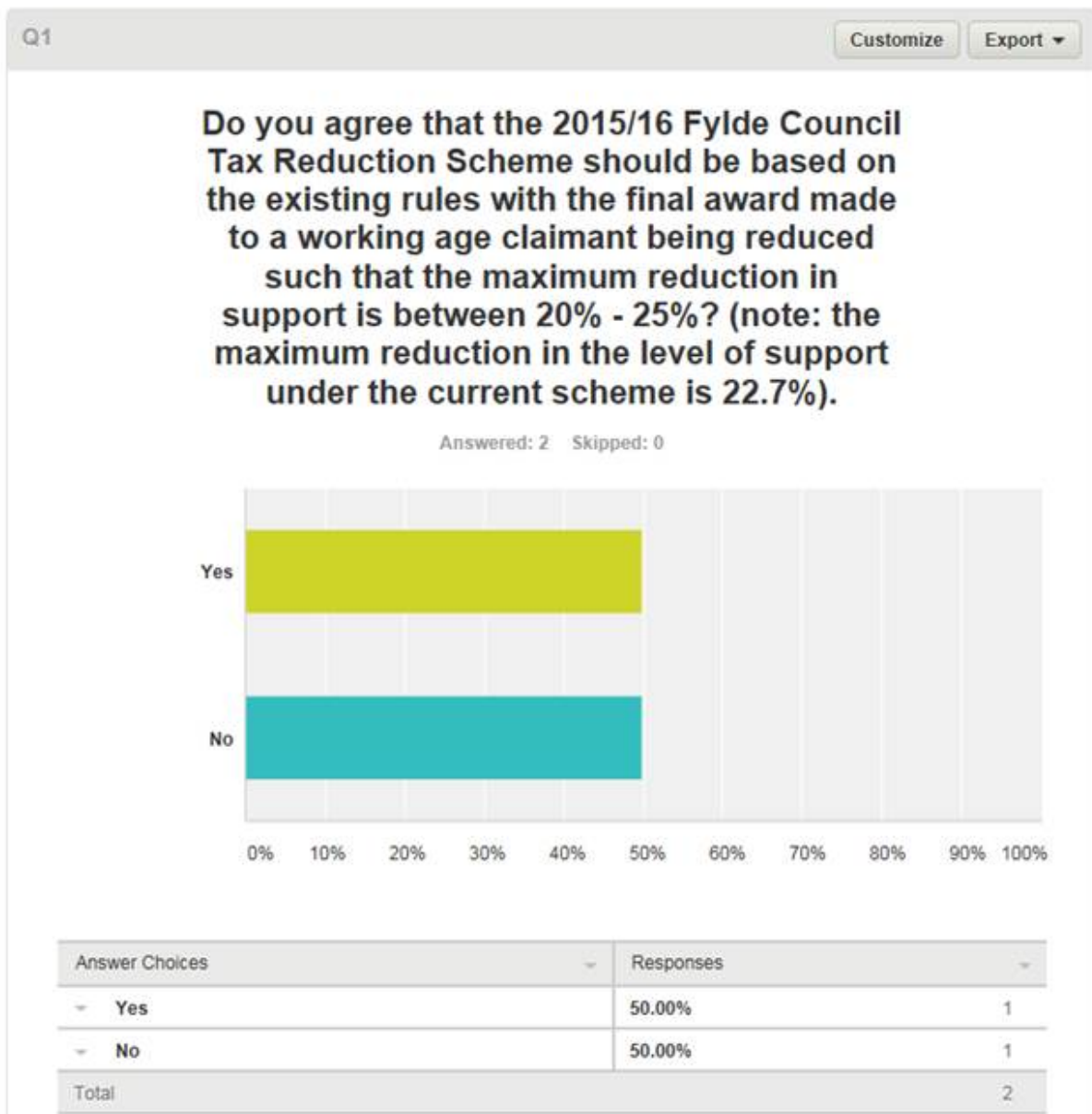
In respect of your scheme for 2015/16 the Commissioner feels that a reduction in the level of support to working age claimants of between 20-25% is the most appropriate approach as it offers protection to the most vulnerable individuals as identified within the existing Council Tax system and offers no additional costs to the billing and precepting authorities.

At a time when resources are extremely limited and will be reduced significantly in 2015/16 and future years it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

The Commissioner continues to support the provision of hardship payments to the most vulnerable claimants in exceptional circumstances.

### **C. Keith Mattinson, Director of Corporate Services, Lancashire Fire & Rescue Service (by e-mail 13<sup>th</sup> August 2014)**

I do not propose submitting a formal response as the scheme is broadly in line with the current one and should have a negligible impact on our finances.



### **Response – Council Tax Reduction Scheme consultation**

Fylde Council sought views on the proposed 2015/16 local Council Tax Reduction Scheme over a 3 week period between 10 September 2014 and 2 October 2014. This is the Council's response to the outcome of the consultation.

Only two responses were received by the Council, one agreed with the proposed scheme and one disagreed.

As part of our duties under Equalities legislation, the Council has considered the impact of Council Tax changes on a range of groups with "protected characteristics" and has produced an Equalities Analysis taking into account comments received.

The Council would like to thank the participants for their time and interests.



## Comparison of levels of Town and Parish Councils Funding between 2012/13 and 2014/15

Town/Parish Council	Town & Parish Precepts £	Town & Parish Precepts £	CTRS Grant paid by Fylde BC to Town & Parish Councils £	Total Town & Parish Precepts & CTRS Grants £	Town & Parish Precepts £	CTRS Grant paid by Fylde BC to Town & Parish Councils £	Total Town & Parish Precepts & CTRS Grants £	Increase in Total Town and Parish Council Funding (precept and CTRS grant) 12/13 to 14/15 £	Increase in Total Town and Parish Council Funding (precept and CTRS grant) 12/13 to 14/15 %
	2012.13	2013.14			2014.15				
Bryning-with-Warton	49,725	70,540	6,447	76,987	83,798	8,571	92,369	42,644	85.8%
Elswick	18,797	21,998	1,291	23,289	24,911	1,065	25,976	7,179	38.2%
Freckleton	96,797	99,600	10,549	110,149	99,600	9,194	108,794	11,997	12.4%
Greenhalgh-with-Thistleton	5,000	4,000	167	4,167	5,000	162	5,162	162	3.2%
Kirkham	165,581	159,252	16,621	175,873	166,452	15,528	181,980	16,399	9.9%
Little Eccleston-with-Larbreck	6,805	6,805	582	7,387	7,013	463	7,476	671	9.9%
Medlar-with-Wesham	49,998	51,500	4,280	55,780	53,022	4,991	58,013	8,015	16.0%
Newton-with-Clifton	49,969	49,969	3,504	53,473	49,969	2,681	52,650	2,681	5.4%
Ribby-with Wrea	48,200	46,613	1,587	48,200	47,254	946	48,200	0	0.0%
Singleton	16,621	16,953	926	17,879	17,123	1,546	18,669	2,048	12.3%
Staining	52,628	56,488	4,945	61,433	58,460	5,356	63,816	11,188	21.3%
St.Annes	150,000	145,277	20,928	166,205	155,652	19,815	175,467	25,467	17.0%
Treales, Roseacre & Wharles	6,636	6,619	130	6,749	6,529	139	6,668	32	0.5%
Weeton-with-Preese	13,800	14,076	1,331	15,407	14,498	618	15,116	1,316	9.5%
Westby-with-Plumpton	8,000	8,000	501	8,501	8,000	631	8,631	631	7.9%
<b>Total</b>	<b>738,557</b>	<b>757,690</b>	<b>73,790</b>	<b>831,480</b>	<b>797,281</b>	<b>71,706</b>	<b>868,987</b>	<b>130,430</b>	<b>17.7%</b>

# REPORT



REPORT OF	MEETING	DATE
RESOURCES DIRECTORATE	COMMUNITY FOCUS SCRUTINY COMMITTEE & POLICY DEVELOPEMNT SCRUTINY COMMITTEE	6 and 13 NOV 2014

## OVERVIEW AND SCRUTINY WORK PLANS – UPDATE

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

To seek the feedback of members about the work programme of the committee.

### RECOMMENDATION

To seek feedback from the committee on the work plan relevant to its work.

### CABINET PORTFOLIO

This item falls within all the relevant cabinet portfolio(s):

Finance and Resources:	Councillor Karen Buckley
Social Wellbeing:	Councillor Cheryl Little
Environment & Partnerships:	Councillor Thomas Threlfall
Planning & Development:	Councillor Dr Trevor Fiddler
Customer & Operational Services:	Councillor Albert Pounder

### SUMMARY OF PREVIOUS DECISIONS

None

### REPORT

The report provides an overview of the draft work plans of both the Community Focus and Policy Development Scrutiny committees up to the end of the life of the committees in April 2015. It asks members to consider any additions and/or amendments they may wish in relation to its own work plan.

Whilst the remit of each committee is defined within the Constitution, there has generally been some flexibility between the two committee to allow for a balance of work.

A full copy of the work plans is attached as an appendix to this report.

<b>IMPLICATIONS</b>			
Finance	None arising from this report		
Legal	None arising from this report		
Community Safety	None arising from this report		
Human Rights and Equalities	None arising from this report		
Sustainability and Environmental Impact	None arising from this report		
Health & Safety and Risk Management	None arising from this report		
<b>REPORT AUTHOR</b>	<b>TEL</b>	<b>DATE</b>	<b>DOC ID</b>
Lyndsey Lacey	01253 658504	2014	CFSC

<b>LIST OF BACKGROUND PAPERS</b>		
<b>Name of document</b>	<b>Date</b>	<b>Where available for inspection</b>
CFSC committee report/ mins		Website

Attached documents

Appendix 1 - Workplans

## Workplans for Committees 2014/2015

Meeting Date	Committee / Title of Report	Origin / Frequency
<b>06-Nov-14</b>	<b>Community Focus, Town Hall, 18:15</b>	
	Age UK - Annual Report	Annual Update
	Fylde High Street Innovation Fund	Progress Report
	Fylde Coast Bathing Waters 2014	Updated Report
	Monitored CCTV Arrangements in Fylde	Updated Report
<b>13-Nov-14</b>	<b>Policy Development, Town Hall, 18:15</b>	
	Overview & Scrutiny Workplan Updates	Member Request
	Review of the Housing Allocation Scheme	Request by Committee in May 2013
	Revenue Monitoring Report Quarter 2	Monitoring Report
	Review of Council Tax Discounts	Annual Report
	Council Tax Reduction Scheme 2015/2016	Annual Report
<b>04-Dec-14</b>	<b>Community Focus, Town Hall, 18:15</b>	
	Overview & Scrutiny Workplan Updates	Member Request
	Health Watch Lancashire	Health Watch request
	Care & Repair update	Update re funding LCC
	Arts Service Review	T & F group
	Planning Improvement Plan	Updated Report
	Community Projects Fund 2013/14	Updated Report
<b>22-Jan-15</b>	<b>Community Focus, Town Hall, 18:15</b>	
	Overview & Scrutiny Workplan Updates	Member Request
	Review on Commissioning strategy for home improvement agency services & implications to future funding	CFSC 11/9/14
	Blackpool Teaching Hospital	CFSC 21/1/14
<b>19-Feb-15</b>	<b>Policy Development, Town Hall, 18:15</b>	
	Overview & Scrutiny Workplan Updates	Member Request

Meeting Date	Committee / Title of Report	Origin / Frequency
	Mid-Year Performance Exception Report 2014/15	6 monthly
	Economic Development Startegy - Review of Action Plan	Updated Report
	MTFS	Regular reporting
	Lancashire Single Homelessness Initiative	New Project
	Homelessness Repossession Prevention	New Report
	Home Energy Conservation Act (HECA)	Annual Report
<b>19-Mar-15</b>	<b>Community Focus, Town Hall, 18:15</b>	
	Overview & Scrutiny Workplan Updates	Member Request