

NOTICE OF MEETING

Meeting: CABINET

Date and Time: WEDNESDAY, 4 OCTOBER 2017, AT 10.00 AM*

Place: COUNCIL CHAMBER, APPLETREE COURT,
LYNDHURST

Telephone enquiries to: Lyndhurst (023) 8028 5000
023 8028 5588 - ask for Jan Debnam
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PUBLIC PARTICIPATION:

***Members of the public may speak in accordance with the Council's public participation scheme:**

- (a) immediately before the meeting starts, on items within the Cabinet's terms of reference which are not on the public agenda; and/or**
 - (b) on individual items on the public agenda, when the Chairman calls that item.**
- Speeches may not exceed three minutes. Anyone wishing to speak should contact the name and number shown above.**

Bob Jackson
Chief Executive

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This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 6 September 2017 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To note any issues raised during the public participation period.

4. MEDIUM TERM FINANCIAL PLAN (Pages 1 - 22)

To consider the developing Medium Term Financial Plan and the Council's business model.

5. NATIONAL NON-DOMESTIC RATES POLICIES (Pages 23 - 60)

To consider proposed rate relief scheme policies for public houses, and for supporting small businesses.

6. COUNCIL TAX REDUCTION SCHEME EXCEPTIONAL HARDSHIP PAYMENTS POLICY (Pages 61 - 68)

To consider and adopt a policy to guide the exercise of the Council's discretion to reduce or remit Council Tax for those who could be considered to be suffering financial hardship.

7. DRAFT HOUSING STRATEGY (Pages 69 - 96)

To note the content of the draft Strategy and to approve the related timetable and consultation process.

To:

Councillors

Mrs S V Beeton
J E Binns
Mrs J L Cleary

Councillors

E J Heron (Vice-Chairman)
J D Heron
B Rickman (Chairman)

MEDIUM TERM FINANCIAL PLAN 2017 ONWARDS AND THE COUNCIL'S BUSINESS MODEL

1. Purpose of Report

- 1.1 To consider the development of the Medium Term Financial Plan for 2017 onwards and to consider the factors that will influence its delivery and that of the annual budget strategy 2018/19.
- 1.2 To consider the development of the Council's Business model, to enable us to respond to changes in Government funding and ensure that the Council's strategic objectives are aligned to resources available.

2. Background and National Context

- 2.1 Towards the end of the calendar year, the Chancellor of the Exchequer will present the Autumn statement. No further details are available at this stage on what he is likely to announce. Considering that the Queen's Speech, which followed the election in June, failed to mention local government finance reform in any shape or form, some clarity on the future of Local Government finance within this statement would be most welcome.
- 2.2 The Government has announced that the Fair Funding Review will continue. Significant changes in the distribution of funding are inevitable, although they are likely to be heavily damped. The funding formulae have not been fundamentally reviewed since 2005 (there were some changes in 2013-14). So, even updating the formulae for changes in demography and more-recent spending patterns will generate huge changes. These are the most important factors in the development of a new funding formulae:
 - **Change in demography.** The last population updates were in the 2013-14 settlement (and are based on the mid-2011 population). Changes in population have been significant for some authorities, particularly for over-65s and adult social care clients groups.
 - **Increased focus on adult social care (and children's services).** Adult and children's social care is now a much larger proportion of total local government spending than it was in 2013-14. The combined share of these two services has increased from 37% to 41% of Total Service Expenditure.
 - **Effects of past reviews not implemented.** There are still large damping allocations within the existing authority funding allocations – which effectively means that changes in previous settlements have not been fully implemented. A decision will have to be made by ministers about the extent to which these historic damping allocations are preserved.
 - **Desire to move towards more-simple funding.** This has consistently been called for from both within local government and, at times, by ministers. It is difficult to achieve, or at least results in distribution patterns that are not always acceptable.
 - **Political choices about funding.** Ultimately political choices will determine allocations, irrespective of the other technical or demographic concerns. Changes in distribution will reflect ministers' preferences, although even here there will be limits to the changes in distribution that can be made.

2.3 The 2018 pay claim as summarised by the Local Government Association includes:

- 5% increase on all pay points
- deletion of all pay points below £8.50 / hour
- an increase in pay bill of £559m

Members will be kept up to date as the pay claim develops, through the Employee Engagement Panel.

2.4 Analysis from the Institute of Fiscal Studies (IFS) shows that seven years of austerity has only managed to bring the public finances back to where they were in 2007/08, a year before the severe recession in 2008/09. The budget deficit has shrunk largely because of a reduction in spending, and (to a lesser extent) the increase in taxation. In fact, *“the budget is still in deficit by 2 to 3 per cent of GDP – as it was on the eve of the crisis – and net debt is more than double its pre-crisis share of GDP and not yet falling. As a result, the public finances are much more sensitive to interest rate and inflation surprises than they were.”* In its commentary on the Government’s fiscal policy, the IFS said: *“the Government says it remains committed to balancing the budget by 2025. Our March forecast showed it on course to reduce the deficit to 0.7 per cent of GDP by 2021-22, but predicated on plans for a further significant cut in real public services spending per person.”*

3. Funding for Local Government

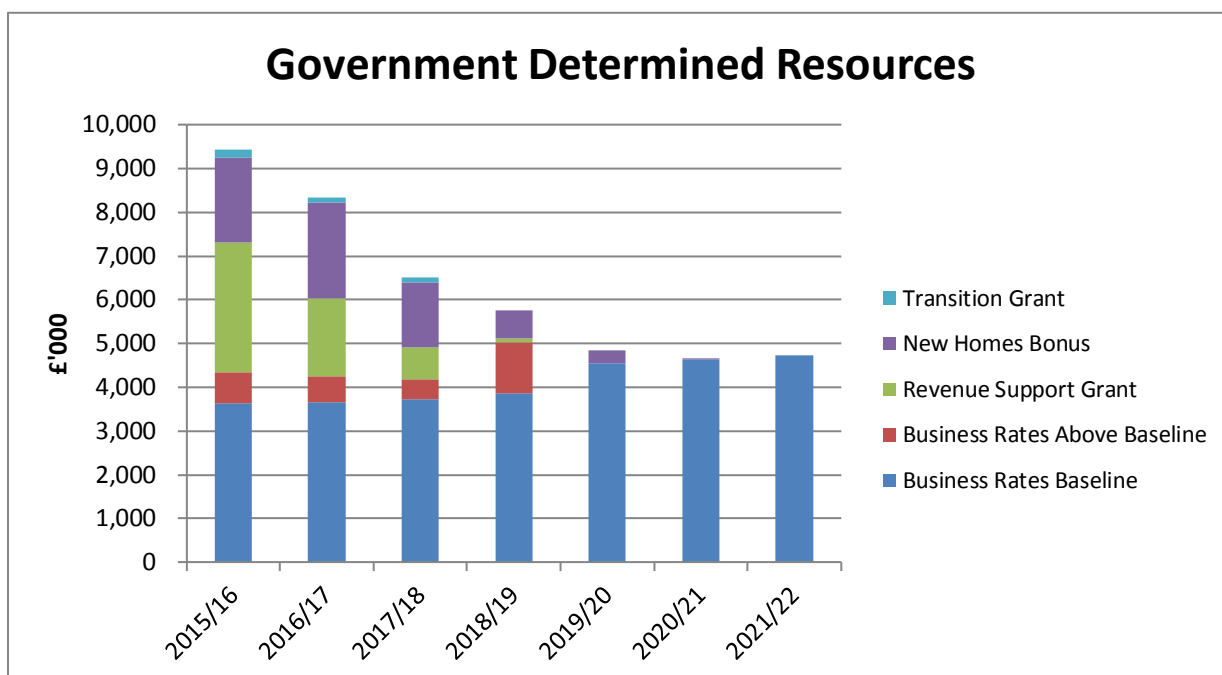
3.1 Critically for local government there is an additional variable, which is the share of public spending that is allocated to the sector. It is well known that the sector has absorbed a very large share of the cuts in spending since 2010. The FT reported prominently that funding to local government has fallen by 77% since 2010.

3.2 There are some indications that this might change and that local government might get a better deal. There is a noted trend amongst political commentators that cuts in local government funding have had unacceptable effects on some public services (social care, Grenfell Tower). *“The decision to load so many cuts on to local government was politically— not economically— driven. It has contributed to the social-care crisis and degraded some of the services most relied on by voters.”* Worries over the potential failure of social care and its direct impact on the NHS as well as those needing social care help are clearly of very great concern to ministers.

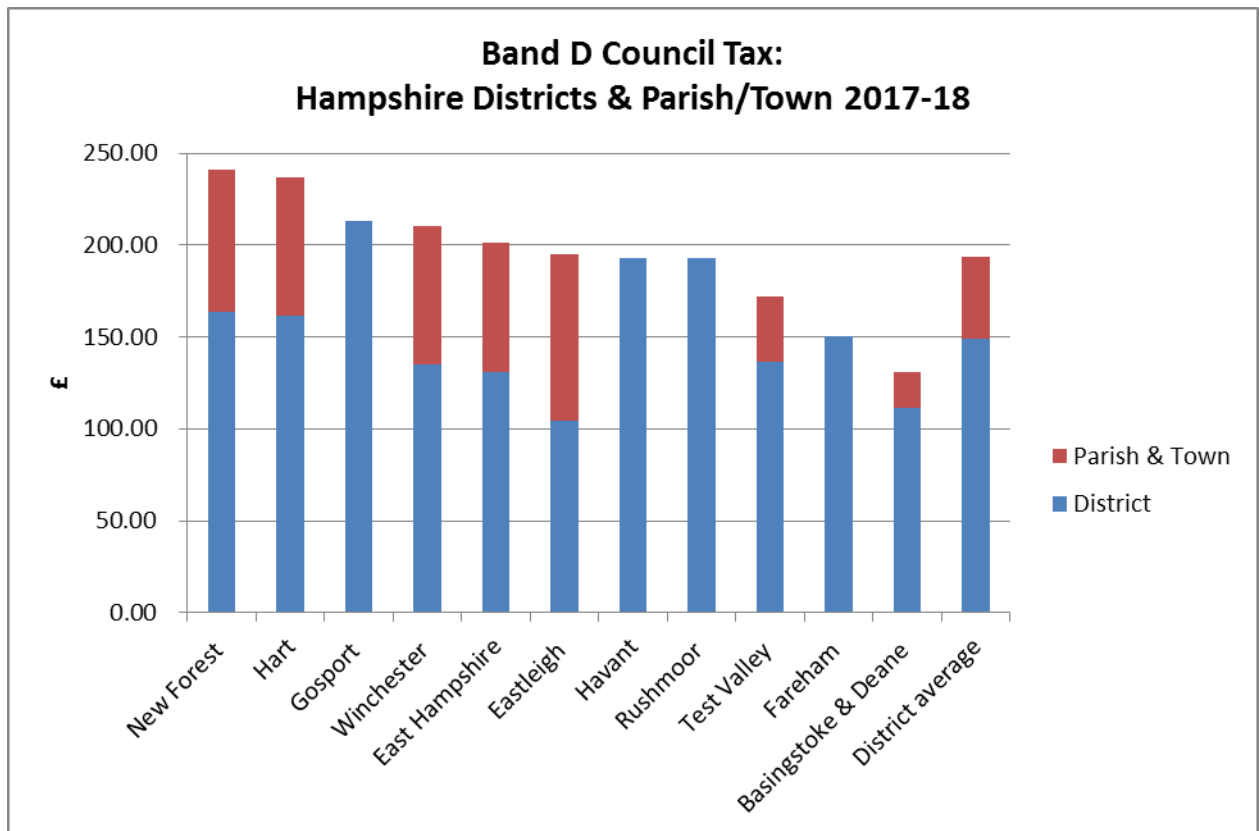
4. Funding Assumptions over the Medium Term

4.1 The anticipated reduction in Government Determined Funding and notable change in the makeup of funding over the Medium Term period (to 2022) amounts to £1.776m (27% reduction from 2017/18 / 50% reduction from 2015/16):

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Business Rates Baseline	3,628	3,658	3,733	3,853	4,553	4,644	4,737
Business Rates Above Baseline	722	600	456	1,175	0	0	0
Revenue Support Grant	2,964	1,765	723	92	0	0	0
New Homes Bonus	1,935	2,204	1,490	633	288	14	0
Transition Grant	195	111	111	0	0	0	0
Total Government Determined Resources	9,444	8,338	6,513	5,753	4,841	4,658	4,737
Cumulative Reduction from 2017/18				-760	-1,672	-1,855	-1,776



- 4.2 There is still a level of uncertainty around these funding assumptions in light of the national context, fair funding review and uncertainty around business rate retention.
- 4.3 If Council tax increases over the Medium Term period are assumed at £5 per band D property per annum, this generates additional revenue almost equivalent to the reduction in government determined resources. This aligns to the Government's ethos of 'local taxes paying for local services', but undoubtedly, £5 annual increases over a sustained period will have an impact on New Forest residents. The following graph confirms the current District and Parish/Town Council precepts across Hampshire;



5. Budget Assumptions over the Medium Term

5.1 Increases in costs due to Pay & Price increases over the period to 2022 are estimated to amount to £2.905m. The assumptions include:

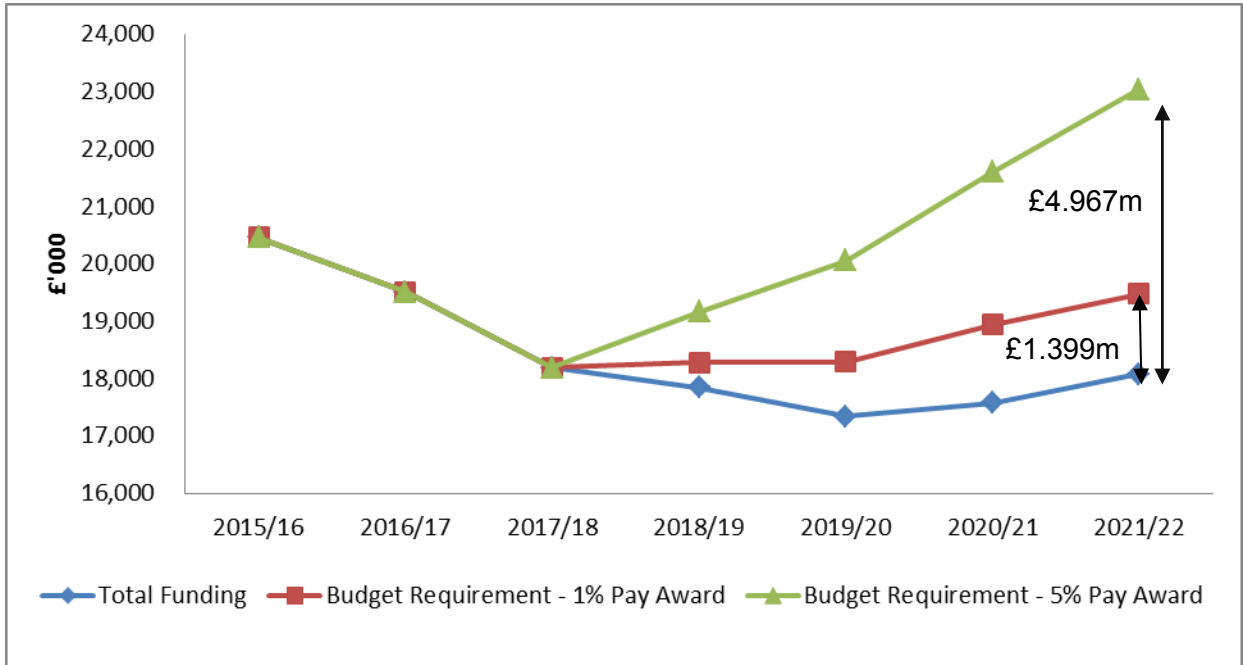
- 1% Pay award for all employees (1% equivalent to £220k)
- Contractual increments
- Pension increase cost (1% PA to 2020/21)
- Implementation of £8.00 minimum pay point
- Fuel and energy cost increases

5.2 The Budget Stabilisation Strategy issued each of the Council's Service Managers with a 3 year savings target equivalent to their proportion of the increase in costs over the period 2017/18 – 2019/20. Other savings and improved income are also expected to materialise over the period, resulting in total forecast savings of £1.795m. The assumptions making up this total include:

- Budget Stabilisation Strategy (Year 1 saved £1.579m, years 2 and 3; £710k)
- Delivery Plan Reviews (£200k)
- A reduction in Asset Maintenance and Equipment Replacement Resources (£380k)
- Improvement in Interest Earnings (£200k)
- Ongoing Savings from Previously approved reviews / projects (£305k)

5.3 New Budget Requirements for 2018/19 total £175k and include additional resource requirements to fulfil strategy implementation and a reduction in Land Searches income.

5.4 The summary position, taking into account all funding, Council Tax and budget assumptions as highlighted in this report, result in a £441k deficit for 2018/19, a cumulative deficit for 2019/20 of £948k, increasing to a cumulative £1.399m deficit in 2021/22. This position changes quite significantly depending on the pay award assumption used:



Cumulative Deficit based on:	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
1% Pay Award	-441	-948	-1,357	-1,399
2% Pay Award	-661	-1,390	-2,023	-2,291
3% Pay Award	-881	-1,832	-2,689	-3,183
4% Pay Award	-1,101	-2,274	-3,355	-4,075
5% Pay Award	-1,321	-2,716	-4,021	-4,967

5.5 The anticipated financial position (based on 1% pay award) as outlined above in sections 4 and 5 is summarised as **Appendix 1**.

6. Options for Delivering Financial Savings – The Council’s Business Model

6.1 The direction of travel for local government funding is one of potential greater risk, but at the same time greater opportunity. Funding will be based more on the strength of the local economy and so the Council has a vital role to play in protecting and growing the businesses that operate out of the District. The July MTFP set 5 key action points, to instigate the development of a new business model and ensure the Council is in a strong position to deal with the scale of the financial challenge over the Medium Term.

6.2 The developing business model, as outlined in more detail below, puts a greater focus on the services we provide being aligned to the Corporate Plan, a wider consideration on the best operational delivery model, maximisation of income and a move towards more efficient methods of customer interaction.

1. ALIGNING RESOURCES TO THE COUNCIL'S CORPORATE PLAN AND ESSENTIAL SERVICES

The Council's vision for 2016-2020 was set out in the Corporate Plan, adopted by the Council in February 2016.

The Senior Management Review and Budget Stabilisation Strategy have been successful in streamlining the authority and cutting out wastage in the back office and in service delivery.

The Council's budget at present includes a mix of services that can be best described as statutory, essential, and discretionary. An alignment of the Council's budget to the Corporate Plan would no doubt result in a smaller scope of operation at a lower cost. Ultimately, the Council cannot expect to continue to deliver the same services, the same way, for even less money.

A detailed zero-based budget has not been conducted at NFDC for over 10 years, so an exercise such as this will ensure that budgets are only held and assigned to areas where they are needed.

Indicative minimum financial outcome; £500k

2. INCREASED PARTNERING AND COLLABORATION WITH OTHERS TO TRANSFORM SERVICE DELIVERY

There is now a need for more radical transformation of how we operate and what we do (or don't do) across the public sector.

New Forest has always had a very traditional approach to in-house service delivery, resulting in a large organisation, with senior management spread very thinly across such a vast array of services.

Sharing services has to shift the way of thinking towards working differently with a number of partners across a range of sectors.

Indicative minimum financial outcome; £500k

3. MORE BUSINESS LIKE APPROACH, WITH TARGETED ADDITIONAL INCOME

The need for thinking more like a business and acting more commercially has a significant part to play in delivering a sustainable Medium Term Plan.

The Commercial Property Investment Strategy approved in February 2017 demonstrates the Council's willingness to move forward. This strategy targeted income of £650k but good quality acquisitions aren't made overnight. Officers are currently working with a Task & Finish Group evaluating the possible benefits of setting up a Residential Housing Company, which will enable NFDC to act as a landlord and generate an important financial return on the investment.

Through the Treasury Management function, the Council has invested in further high yield investments by increasing its investments in the pooled property fund asset class, and by investing in pooled multi-asset funds.

Indicative minimum financial outcome; £650k

4. AIMING TO MAXIMISE INCOME FROM LOCAL GOVERNMENT FINANCE REFORM

There are a lot of unknowns with regards to the future of the local government finance at this moment in time, but when clarity is provided, there may be scope for the Council to improve its income by actively targeting our efforts in the right areas, i.e. in Business Rate growth, or in the delivery of new homes within the District.

The Local Plan and Strategy for Business will be essential in driving this area.

Indicative financial outcome; £Nil

5. ENCOURAGING SMARTER WORKING AND TRANSFORMING OUR APPROACH TO SERVICE DELIVERY

The Council needs to commit to the delivery of more efficient public access arrangements to its services. We need to ensure that our residents and service users become self-service orientated, and that our ICT and corporate message is on track with this direction of travel.

It takes a significant amount of collaborative work with partners to enable communities to do more for themselves, generating less demand on public services.

With an ageing population, and broadband connectivity issues within the District, there will always be some customers who require face-to-face or verbal interaction, so we need to ensure that these channels of more traditional communication also remain available. However, rather than face-to-face and verbal interaction being the norm, we will try to shift towards a self-service ethos, with these traditional approaches taking a back seat.

Indicative financial outcome; £Nil

- 6.3 To move towards the business model, specifically with action points 2 and 5 in mind, the Council is going to need to focus on the services that naturally lend their operation to alternative delivery models, and subsequently engage with specialists to provide independent evaluation expertise, reporting directly to EMT. A review of resources, predominately in the delivery of the ICT strategy may also identify necessary additional budget requirements. A provisional sum of up to £250k may be required, with this budgeted sum requiring Council approval, ahead of the traditional budget setting timeframe.

7. Draft Resource Plans

- 7.1 Each Portfolio Holder has set out a draft Resource Plan which identifies the aims, performance levels and challenges which are likely to be faced in the future. These are attached as **Appendices 2-7**.
- 7.2 The Budget Task & Finish Group will review these plans and feedback their comments and observations to Cabinet.

8. Asset Maintenance and Replacement

- 8.1 The 2017/18 budget for Asset Maintenance and Replacement includes £2.38m within the revenue funded budgets, and a contribution of £836k from reserves (£749k GF and £87k HRA). The proposed make-up of the 2018/19 budget includes £2.3m for the Asset Maintenance and Replacement Programme from revenue, and £750k from reserves, in support of the year 2 'ICT Protect and Maintain Service Delivery' programme, established as part of the 2017/18 budget setting (more on this in 8.3).

	2018/19 £'000
Offices, Depots & Outlying Buildings (inc. Public Toilets)	450
Health & Leisure	500
ICT	200
Vehicles & Plant	1,050
Non-Core Project Fund (for services to bid against)	200
Proportion allocated to HRA	-100
TOTAL	2,300

- 8.2 Officers are currently putting together a programme within the parameters as set out above, to be reviewed by the Executive Management Team and the Corporate Overview and Scrutiny Panel. A summary of the programme will be included in the next MTFP, with the intention of gaining approval for works to start on specifications and tendering. This will improve the likelihood of the programme being delivered in the correct financial year enabling the Council to plan its funding requirements and delivery programme more accurately.
- 8.3 The 2018/19 financial year will be year 2 of the ICT strategy and 'Protect and Maintain Frontline Service Delivery' budgeted programme. The 2017/18 budget setting process identified the need to spend a significant sum on the Council's ICT suite, including upgrades of key systems, updating of hosting arrangements and improvements in connectivity and remote working.

9. Crime and Disorder / Equality and Diversity / Environmental Implications

- 9.1 There are no direct implications as a result of this report.

10. Corporate Overview and Scrutiny Panel Comments

- 10.1 The Panel made a number of points concerning the current financial position and future outlook:
- The Panel emphasised that the budget shortfall could be met not only from savings, but also by focussing on generating extra income.
 - The Panel underlined the importance of capital investment to improve revenue income. An example was given where Hampshire County Council had invested in automatic number plate recognition technology at some HCC car parks, which would improve parking income.

- Examples were given where another authority had generated income from renting out surplus office space following staff reductions there.
- Some members urged caution when considering outsourcing services, as experience in some councils had shown that external providers did not always bring the financial and service benefits envisaged.

11. Portfolio Holder Comments

11.1 This report shows the difficulties of monitoring services whilst balancing budgets and that there is no single action to address these challenges.

12. Recommended

Cabinet are asked to recommend to Council that the actions and development of plans for options to support the Medium Term Financial Plan, as set out in the report, be supported, including a budgeted sum of up to £250k to be made available to drive forward the operational business model, designed to achieve the required savings.

For Further Information Please Contact:

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Background Papers:

July MTFP

APPENDIX 1

MEDIUM TERM FINANCIAL PLAN 2017-2022

	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's
FUNDING					
Business Rates Baseline	3,733	3,853	4,553	4,644	4,737
Business Rates Above Baseline	456	1,175	0	0	0
Revenue Support Grant	723	92			
New Homes Bonus	1,490	633	288	14	
Transition Grant	111				
Total Government Determined Resources	6,513	5,753	4,841	4,658	4,737
Council Tax					
Base from Previous Year		11,675	11,732	11,790	11,848
Base Line Adjustment		57	58	58	58
Total Council Tax	11,675	11,732	11,790	11,848	11,906
TOTAL FUNDING	18,188	17,485	16,631	16,506	16,643
Cumulative Reduction		703	1,557	1,682	842
%age reduction		4%	9%	9%	5%
Pay & Price Increases					
Pay Award (1%)		220	222	224	226
Increments		160	162	164	166
Pension Contributions		260	260	210	50
Pay & Reward Review - £8 min		181			
Prices (Utilities, Fuel & Maint.)		100	100	100	100
		921	744	698	542
Ongoing Savings Analysis					
Budget Stabilisation Strategy		-480	-230		
Delivery Plan Reviews		-100	-100		
Asset / Equipment Resources		-80	-300		
Interest Earnings		-150	-50		
Tourism Review		-18	-25	-25	
Income from Development projects		-27	-30	-30	
Development Control Income		-150			
		-1,005	-735	-55	0
New Budget Requirements					
Strategy Implementation Resources		100			
Land Searches Income		75			
		175	0	0	0
TOTAL BUDGET REQUIREMENT		18,279	18,288	18,931	19,473
Total Funding Available (as above)		17,485	16,631	16,506	16,643
Estimated Cumulative Surplus / Shortfall (-)		-794	-1,657	-2,425	-2,830
£5 PA Council Increase		353	709	1,068	1,431
Estimated Cumulative Surplus / Shortfall (-)		-441	-948	-1,357	-1,399
Reserves Supporting the MTFP					
General Fund Balance		3,000	3,000	3,000	3,000

Resource Plan by Portfolio

Environment Oct 2017

Priorities of the Portfolio

- Service outcomes for the community
- Protecting the local character of the place
- Living within our means
- Working with others to achieve more

Performance

The cost of this Portfolio, the Council's largest, accounts for 44%, equating to £72.20, of the £163.36 annual Band D Council Tax. The Portfolio contains large services that are predominantly expenditure orientated, for example waste and transport (@ £34.77 is the single largest service). The budgeted cost for 17/18 in comparison to 16/17 reduced by £150k.

The most public service is refuse collection, and annually 489kg is collected from each of approximately 80,000 households. Recycling tonnages has increased slightly to 30.80% (from 30% in 2015/16), although this continues to be a challenge. It is likely that the continued waste reduction and recycling promotions has had a positive effect in this regard with over 70 events and the "Your Cans Count" campaign encouraging households to increase the amount they recycle.

The participation in the kerbside glass collection is also slowly increasing with the quantity of glass collected from the kerbside now at 3,247 tonnes versus 1,642 tonnes at bring sites. It is expected that this amount will increase further with the implementation of the text messaging service which was introduced earlier in the year. The income per tonne for dry mixed recyclables and glass has also increased to £51 and £17 respectively.

Garden waste collection continues to be a popular service with opportunities for income generation. Work needs to be undertaken to increase uptake and improve processes to deliver efficiencies.

Delivery of the Milford on Sea beach hut replacement project and improvements to the coastal frontage has now been completed. This has enabled all huts to be allocated, and income to be generated through the licence fees for the first time since 2014. Furthermore, the service is continuing to deliver the 5-year Southeast regional coastal monitoring programme, approved in 2016, and delivery of the annual coastal maintenance programme is continuing.

The cemetery's service is on target to break even and a new cemetery build will take place in 2017 with planning approval in order to help meet local demand.

The refurbishment programme of public conveniences has continued, with those at New Milton and Bath Road in Lymington being completed during Summer 2017.

All high risk food businesses have been inspected with 96% achieving a rating of 3 or above, 5 being the

highest and work is being undertaken to improve operational efficiency.

The Totton air quality management area (AQMA) was revoked in July 2016 when the objective was successfully met. However, the UK Air Quality Action Plan 2017 has identified a small stretch of the A35 bordering Southampton predicted to exceed the limit value for nitrogen dioxide in 2020. This requires NFDC to work with Southampton CC to identify additional actions to improve air quality.

Challenges

The Council once again had to identify significant savings in setting the 2017/18 budget to help mitigate a £1.8m reduction in government determined funding in comparison to 2016/17. A further reduction in funding of £1.7m is expected in just 2 years to 2019/20, whilst cost increases over the same period based on a 1% pay award are forecast at another £1.7m. The Council's future plans must address this major financial challenge and ensure the Council's strategic objectives are aligned to resources available.

The highest risk identified for the Portfolio is the continued ability to protect the natural beauty of the coastline and safeguarding local residents. The portfolio will continue to review and update a coastal maintenance programme, identifying priority projects, whilst working with elected members to identify alternative sources of funding.

In response to an increase in reported fly tipping incidents (990 during the year) further work to promote awareness will need to be undertaken with partners to reduce this problem moving forward.

Other Portfolio challenges include the acquisition and planning permission for additional cemeteries land in order to satisfy the mandatory requirement to provide burial space and the future direction of Food Standards Agency regulations.

Recruitment and retention of frontline staff, for both waste and transport is an ongoing concern. With the introduction of the Certificate in Professional Competence (CPC) for LGV drivers and a shortage of these particular drivers in the UK there is significant pressure to recruit and retain drivers. It is therefore essential that we train our existing staff to drive LG Vehicles to aid with this shortage.

Corporate Requirements

- Undertake reviews and key activities as identified in the corporate plan (delivery plan) to improve services for our customers and meet the budget shortfall, including an increased focus on collaborative working.

Key Activities

- Increase recycling rates through the incentive schemes and recycling campaigns
- Review of waste and transportation service in response to the findings from the countywide review and explore opportunities for in cab technology
- Review of garden waste scheme to increase uptake and improve processes to deliver operational savings
- Secure funding for the Hurst Spit recharge project and commence project development
- Work with partners such as HCC on Flytipping strategy, and NPA and Forestry Commission on the litter campaign

- Identify land and obtain planning permission for additional cemetery space in the district and implement software to help manage open spaces
- Enhance remote working for environmental health officers through mobile technology and improved processes

Supporting Information

In support of this plan the following documents are available:

- 1) The Portfolio's Performance Scorecard
- 2) Summary of Net Portfolio Spend

Finance & Efficiency Oct 2017

Priorities of the Portfolio

- Service outcomes for the community
- Living within our means
- Working with others to achieve more

Performance

The Portfolio, including General Purposes and Licensing, is the Council's second largest in net expenditure, accounting for £42.08 (25.8%) of the £163.36 annual Band D Council Tax. The cost of the Portfolio reduced in 17/18 in comparison to 16/17 by £216k. The largest spend areas in the Portfolio relate to the Pension increase act, Corporate Management, Council Tax Collection and Members' Expenses.

The Council once again had to identify significant savings in setting the 2017/18 budget to help mitigate a £1.8m reduction in government determined funding in comparison to 2016/17. A further reduction in funding of £1.7m is expected in just 2 years to 2019/20, whilst cost increases over the same period based on a 1% pay award are forecast at another £1.7m. The Council's future plans must address this major financial challenge and ensure the Council's strategic objectives are aligned to resources available.

The Council is responsible for collecting over £100 million in Council Tax and £65 million in non-domestic rates. In year collection rates for council tax were 99.10% at year-end, and non-domestic rates stood at 98.80% at year-end. The council also administers Housing Benefit of over £40 million and processes new claims (15 days) and changes in circumstances (4 days) above the county and national average. We helped 468 payments with Discretionary Housing Payments, and issued 92 food bank vouchers. Through our Digital Champion project we helped 150 people get online.

The Council continues to review its asset holdings. Work is well advanced to bring the vacant site (Unit 8) at Hardley Industrial Estate back into occupation which will secure new employment opportunities for the area.

The maintenance of our housing assets through the building works team is under review to ensure the ongoing efficiency and effectiveness of this high value and high impact service area.

ICT's key priority is to protect and maintain front line services. This includes ensuring increased resilience and fixes on known issues are delivered, with anticipated technology problems mitigated.

The customer service review continues to identify opportunities to improve efficiency, and work is underway to capture and prioritise further business improvement activity.

Challenges

Any future plan must address the major funding challenge and this remains the highest risk for the portfolio.

Other challenges include the management and delivery of several welfare reforms and the impact on collection and administration. This includes Universal Credit, the Benefits Cap and our Council Tax Reduction Scheme. Maintaining current service delivery with reduced funding and resources will be a challenge.

In addition, the impact of business rates growth, where opportunities are particularly limited in the New Forest, will need to be monitored.

Corporate Requirements

- Undertake reviews and key activities as identified in the corporate plan (delivery plan) to improve services for our customers and meet the budget shortfall, including an increased focus on collaborative working.

Key Activities

- Delivery of required savings to meet funding shortfall through the council's efficiency plan and medium term financial plan
- Delivery of the procurement and implementation phase of the customer services review in response to customers' increasing expectations for digital delivery, and to reduce demand and enhance the customer experience through process redesign. This includes website redevelopment
- Develop and undertake programme of business improvement activities including business process reengineering across the organisation
- Continue the digital services review to ensure the right technology is available to support corporate and service objectives underpinned by a new ICT strategy. Complete the restructure of ICT by creating a culture of Continual Improvement, initially through workflow and knowledge management.
- Continue the building works review to ensure the existing model of delivery maximises outcomes for the council and customers, including optimising revenue potential and ensuring efficiency and effectiveness of the service
- Continue to prepare for the implementation of Universal Credit and deliver the Benefits Cap and related welfare reforms to Housing Benefit, including working with those affected and partner organisations
- Delivery of the 2017 Business Rate revaluation and transitional relief scheme and implementing discretionary policies

Supporting Information

In support of this plan the following documents are available:

- 1) The Portfolio's Performance Scorecard

2) Summary of Net Portfolio Spend

Health & Leisure – Oct 2017

Priorities of the Portfolio

- Service outcomes for the community
- Living within our means
- Working with others to achieve more

Performance

The largest element of the Portfolio is the Council's Leisure Centres, which at £17.77 of £163.36 annual band D Council tax, is the second largest Council Service. A particular challenge to the leisure centres is the ability to mitigate annual employee pay increases, especially as it has the largest headcount, at over 120 FTE's. The rest of the Portfolio includes smaller services, namely the net income from Dibden Golf centre, and the annual grants to various Community groups, reviewed annual by the Council's Community Overview Panel.

The Health & Leisure centres continue to perform well. In terms of participation, visits to the centres continue to increase with approximately 7,600 members, an increase of over 500 from 2015/16 and 1.65 million total visits each year. The customer satisfaction rate is 97%. The district also performs well in the Sport England Active Lives survey and teen Active membership has increased by 32.3%.

The project for the development of the gym and spin studio at Ringwood is progressing well and will bring Ringwood up to the standards of our other centres, enabling the portfolio to increase business and income in a very competitive market. This has led to an 8.7% increase in demand for memberships over the 12 months to May 2017. Income has grown by 3.1% from 2015/16 to 2016/17, and Net Operating Cost has decreased from £739,930 to £419,317 during the same period.

During the last 12 months, the Health and Leisure Service has completed a management restructure which is now bedded in, and has also reviewed gym instructors in order to reduce costs and make the role more relevant to the business. In addition, a service review is underway to challenge existing delivery arrangements, and to maximize outcomes for the Council and for customers.

Across the portfolio, work has been underway to improve customer service and ease of access to information and services. In 2017, an improved app was released, which costs less and has improved functionality over the previous app. In an average week, over 14,000 bookings or transactions will be made through the app, and over a 14 day period the app received almost 42,000 hits. Combined with the existing website, this has resulted in a 20% reduction of booking phone calls compared to the same period last year.

The Public Health Partnership is strong in the district and the Portfolio plays a pivotal role in promoting physical activity. Our Active Lives GP referral scheme saw 718 patients in 2016/17, an increase of 25.7% from 2015/16.

Challenges

The Council once again had to identify significant savings in setting the 2017/18 budget to help mitigate a £1.8m reduction in government determined funding in comparison to 2016/17. A further reduction in funding of £1.7m is expected in just 2 years to 2019/20, whilst cost increases over the same period based on a 1% pay award are forecast at another £1.7m. The Council's future plans must address this major financial challenge and ensure the Council's strategic objectives are aligned to resources available.

The highest risk identified for the portfolio is in supporting the cost of 5 health and leisure centres whilst meeting the health and wellbeing needs of our communities. It will be key to fundamentally review and challenge our existing delivery model to maximise outcomes for both our customers and the council in the longer term.

Leisure also exists in a broader market, and therefore the service has to be operated in a business-like manner and be able to compete in a competitive and fast-moving market in order to maintain and grow market share. Using ICT effectively and recruiting and retaining a skilled workforce will continue to be part of the challenge.

There is likely to be increased demand for leisure facilities over the next decade and investment, building capacity and business development will be a challenge given funding reductions.

An increasingly elderly population at risk of falls and social isolation, a need to tackle physical inactivity and areas of low household income and child poverty all present challenges for the portfolio in achieving its aims.

There are also challenges around implementation of the national living wage and changes to pay bands which will financially impact this portfolio more than most.

Corporate Requirements

- Undertake reviews and key activities as identified in the corporate plan (delivery plan) to improve services for our customers and meet the budget shortfall, including an increased focus on collaborative working.

Key Activities

- Fundamental review and challenge of existing health & leisure arrangements to maximise

outcomes for the council and the customer in the longer term

- Refurbishment and redevelopment of Ringwood health and leisure
- Establishing a health and wellness 'brand' for the service
- Pilot scheme in conjunction with CCGs to increase Physical activity in people with diabetes, pre-diabetes and hypertension

Supporting Information

In support of this plan the following documents are available:

- 1) The Portfolio's Performance Scorecard
- 2) Summary of Net Portfolio Spend

Housing & Communities Oct 2017

Priorities of the Portfolio

- More homes for local people
- Service outcomes for the community
- Living within our means
- Working with others to achieve more

Performance

The cost of this Portfolio is £17.11 (10.5%) of the £163.36 annual Band D Council Tax. The two largest services within the Portfolio are Homeless Assistance and the provision of CCTV.

The number of applicants on the Homesearch register continues to be reviewed and has reduced from 3883 to 3307 during the year. The number of households in temporary accommodation has increased to 401 at the end of the year and 128 households were placed into Bed and Breakfast.

Introductory and fixed term tenancies continue to be used. This should ensure greater flexibility in managing our tenancies and housing need. We dealt with 244 cases of anti-social behavior.

The implementation of our acquisition and development programme continues to progress. We have reached our initial target of acquiring 100 properties and achieved a total of 154 across the district at the end of 2016/17. Right to buy sales continue to be high, with sales of 31 during 2016/17. The number of properties under the private sector leasing scheme continues to be above the 100 target.

200 grants/loans were provided for disabled households to maintain their independence and remain in their own homes.

98.7% of our housing & garage rents were collected during the year. This has been achieved despite the ongoing changes to welfare reform. Garage rents income has increased due to improved processes resulting in a reduction in vacancies, void times and the waiting list. Opportunities are also being developed to support tenants with self-service functionality via the website.

Close to 99% of our council-owned housing stock continues to meet the decent home standard, which ensures our properties meet a statutory minimum standard of repair.

Appletree Careline introduced a wristband service in October 2016 which has been taken up by over 600 customers up to August 2017 and the CCTV service continues to be highly valued by the Police and our partners. Proposals are being made to relocate the control room to further support and enhance service delivery.

The taxi driver knowledge test has been revised to include a compulsory safeguarding element, and to update the geographical knowledge section. This test is compulsory for all new applicants for a driver's licence, to ensure the Licensing Authority is satisfied they are fit

and proper persons to hold such a licence. NFDC has led on designing the safeguarding training as an e-learning package and in future will be rolling it out to existing drivers and operators. The training and been presented to the Hampshire Safeguarding Children's Board to support and encourage the take-up of the package by other Local Authorities across Hampshire.

Challenges

The Council once again had to identify significant savings in setting the 2017/18 budget to help mitigate a £1.8m reduction in government determined funding in comparison to 2016/17. A further reduction in funding of £1.7m is expected in just 2 years to 2019/20, whilst cost increases over the same period based on a 1% pay award are forecast at another £1.7m. The Council's future plans must address this major financial challenge and ensure the Council's strategic objectives are aligned to resources available.

The most significant risk of the portfolio is the ability to maintain a supply of affordable homes to help meet the needs of the district's residents. Opportunities to develop new affordable homes on Council owned land are limited and through the development of its Housing Strategy the Council will explore ways in which it can further assist in addressing local housing needs. Links between the work on the Housing Strategy and the Local Plan Review will aim to secure an increase in the availability of affordable housing in the district, particularly as part of the new housing site allocations which will be made in the Local Plan. The Council will continue with a programme to improve and maintain its own housing through the remodelling of existing stock, stock acquisition and a new build programme. Partnership working with others, such as registered providers and the National Park Authority, is key to delivering additional affordable homes in the district.

Tackling homelessness and reducing the numbers of those in bed & breakfast continue to be significant challenges. The implementation of the Homelessness Reduction Act will have an impact on workloads and resources. This is alongside the acquisition and development of new build council properties and maintaining a private sector leasing portfolio with the continuous change in the local housing market and benefit levels.

Other challenges include the implementation of new housing legislation e.g. extended HMO licensing and sales of high value assets, especially with reductions in rents (1% each year until 19/20), as well as welfare reforms which will impact on rent collection. Funding for our own council housing stock as well as grant reduction impacting across the service will require managing.

Welfare issues of 'supporting people' and 'better care' will need to be kept under review as will the need to respond to the 'community trigger' for nuisance complaints and the effect this will have on the portfolio.

Corporate Requirements

- Undertake reviews and key activities as identified in the corporate plan (delivery plan) to improve services for our customers and meet the budget shortfall, including an increased focus on collaborative working.

Key Activities

- Seek to maximise opportunities for the delivery of affordable housing for local people through the planning process, with inclusion of appropriate policies in the local plan review 2016-2036
- Implement self-service functionality for tenants within the housing ICT systems
- Continue with the re-modelling of former sheltered housing schemes to increase housing capacity and undertake on-going refurbishments to the retained older persons' schemes
- Continue with the new programme of upgrading our communal lounges and associated areas
- Maintain a supply of private sector leasing properties and bring in line with the management of our own housing stock.
- Complete major works programme to ensure decent home levels are maintained within our council housing stock
- Implement the new financial assistance policy for disabled facility grants/loans and repair grants/loans

- Review Houses of Multiple Occupation (HMO) licensing requirements and prepare new policy
- Review of service charges to reflect changes to provision and investment
- Business development and growth of the community alarms service through dedicated resources.
- Pursue the relocation of the CCTV team to provide an improved working environment for Operators and a layout to enable efficient and effective performance. Control room changes will future proof the system and allow for any future expansion. The small scale of NFDC's camera network allows for additional monitoring of other CCTV systems without employing additional Operators.
- To implement the Homeless Reduction Act and review the impact on resources
- Review the allocations policy to consider increasing demand, welfare reforms, suitability and resources along with a review of the process for dealing with rent arrears, homelessness and those in temporary accommodation.

Supporting Information

In support of this plan the following documents are available:

- 1) The Portfolio's Performance Scorecard
- 2) Summary of Net Portfolio Spend

Leader's Portfolio Oct 2017

Priorities of the Portfolio

- Helping local business grow
- Service outcomes for the community
- Living within our means
- Working with others to achieve more

Performance

The cost of this Portfolio is £3.45 (2.1%) of the £163.36 annual Band D Council Tax. The majority of the spend within the Portfolio relates to the Council's support to businesses, via the Economic Development Service.

Last year the Council was engaged in many discussions dealing with Devolution and Local Government Reorganisation. It was anticipated that the General Election of June 2017 would provide more clarity, however, to date, little has been heard from the government in this regard. There have been no formal discussions with any other organisation so far in 2017 on this issue.

In 2017/2018 a new economic development team was set up to provide a broader level of support to business in the New Forest. The work of the new team will be driven by a Business Strategy of which a draft was agreed by Cabinet in August and is now being consulted on and developed with partners.

The relationship with the New Forest Business Partnership has continued to grow and once more the Awards Ceremony in November and the Business Exhibition in May both successfully showed off the diversity of New Forest businesses.

In April 2017 the council also supported the creation of Go New Forest to help better support the Tourism business sector with the promotion of the New Forest as a major destination.

The Council is working closely with Hampshire County Council and large businesses in Totton and the Waterside to identify opportunities for economic growth that benefit the New Forest. This work is closely aligned with the development of the district's Local Plan which will set out areas for development over the next 20 years.

Links and working with the two Local Enterprise Partnerships continues and in May the Portfolio Holder chaired a meeting of the Solent LEP in Hythe.

The new apprenticeship levy was introduced in May 2017 and the council is committed to utilising the levy payments both for new apprenticeship recruits as well as apprenticeship training for existing employees. Following a robust advertising campaign, it is envisaged that 8 new apprentices will start by October 2017.

To ensure we continue to learn from others, and challenge what we do and how we do it, we are commissioning an LGA peer review in October 2017,

Challenges

The Council once again had to identify significant savings in setting the 2017/18 budget to help mitigate a £1.8m reduction in government determined funding in comparison to 2016/17. A further reduction in funding of £1.7m is expected in just 2 years to 2019/20, whilst cost increases over the same period based on a 1% pay award are forecast at another £1.7m. The Council's future plans must address this major financial challenge and ensure the Council's strategic objectives are aligned to resources available.

The highest risk identified for the Portfolio is that economic conditions limit growth and employment in the district and local businesses fail to prosper. Attempts will be made to mitigate against this risk by reviewing the best way to support local businesses in the future and continuing to work with relevant Local Enterprise Partnerships (LEPs) to the benefit of businesses in the District. This will be reinforced by the continuing support for enhanced broadband coverage in the New Forest.

The outlook for local government and many in the public sector over at least the medium term is of continued financial constraint. For the public sector, this has now been in operation for a long period. As a result, we are seeing a number of issues arising in recruiting and retaining in-house staff resources. This is across a range of service areas as pay has not been keeping pace with the local cost of living, and the public sector is seen as less attractive to those entering the employment market. Given that the Council largely provides the majority of services with an in house workforce this is something which we must address.

In addition to the above, in today's environment, it is becoming increasingly important to offer resilience to the community when difficult situation arise, such as recent incidents in the UK and other parts of Europe. It will be key for us to increase our resilience and preparedness.

Corporate Requirements

- Undertake reviews and key activities as identified in the corporate plan (delivery plan) to improve services for our customers and meet the budget shortfall, including an increased focus on collaborative working.

Key Activities

- LGA Peer Review in October 2017
- Review with partners, including the New Forest Business Partnership, the best way to support local businesses in the future together with pursuing its engagement with LEPs
- Support enhanced Broadband coverage in the New Forest

- Involvement in a multi-agency exercise in 2018 to test our emergency responses and resilience during an incident
- The development of an Organisational Strategy which identifies what the council will look like in the future is key as it will influence many of the key decisions we have to take moving forward.

Supporting Information

In support of this plan the following documents are available:

- 1) The Portfolio's Performance Scorecard
- 2) Summary of Net Portfolio Spend

Planning & Transportation Oct 2017

Priorities of the Portfolio

- Protecting the local character of the place
- Living within our means
- Working with others to achieve more

Performance

The cost of this portfolio is £7.56 (4.6%) of the £163.36 annual Band D council tax, including planning development control. The budgeted costs from 2016/17 to 2017/18 reduced by £397k. Further opportunities to reduce net expenditure within this Portfolio may emerge over the coming years.

The Portfolio is on target to submit part 1 of the Local Plan by the middle of 2018.

The development management function of dealing with planning applications and giving people advice on development matters has continued to achieve its main timescale and financial targets, the percentage of appeals allowed is low and income targets are forecast to be met. Application numbers continue to be high with 1,135 received in the first eight months of the year.

The viability of the existing arrangements for Building Control need to be reviewed further, following the assessment of alternatives such as multi-authority joint service provision or a joint (arm's length) local authority trading company, to determine the future delivery of this service. Opportunities to improve processes, to restructure the Team to deal with current workloads, and merge administrative functions and management arrangements with the Development Management team are also being pursued.

The Transportation team continues to meet its targets for delivering small scale traffic management schemes, making various types of traffic order and deploying traffic speed warning devices.

The installation of 73 new pay and display machines took place in December 2016, with 13 of these accepting card payments, which are providing residents and visitors with more options. In addition, better data is being received due to remote monitoring, and this will support the upcoming Enforcement Review which will look at identifying opportunities for joining up activities of visible officers.

Challenges

The Council once again had to identify significant savings in setting the 2017/18 budget to help mitigate a £1.8m reduction in government determined funding in comparison to 2016/17. A further reduction in funding of £1.7m is expected in just 2 years to 2019/20, whilst cost increases over the same period based on a 1% pay award are forecast at another £1.7m. The Council's future plans must address this major financial challenge and ensure the Council's strategic objectives are aligned to resources available.

The most significant risk continues to be the Planning Policy Framework 2012 (NPPF) and its requirement for 'objectively assessed needs' for housing to be met, together with changes to the way in which the OAN is calculated which will require a significant increase in house building in the District. It is challenging to meet these external pressures, which fail to recognise and protect the special and unique character of the New Forest. There are likely to be changes to the NPPF before the end of 2017 which may well impact on the emerging Local Plan

In addition it has been recognised by Officers that the way open space is provided and managed needs a fundamental review and additional emphasis on monitoring development on site will be required.

Continuing changes to NPPF and other guidance and legislation introduced by the Government have resource implications for Local Planning Authorities, make it difficult to plan resource needs effectively. Additionally the Portfolio will need to respond to the changes in the provision of land charges.

In general the workload of the Planning Service will increase significantly in connection with the need to deliver much higher levels of growth within the area and in particular major growth areas. The Planning Service is currently resourced to deal with much smaller levels of development and there will be additional demand for pre-application work, applications and appeals. Most of this will be funded by additional fee income although any significant rise in the number of major appeals would need to be monitored.

The ability to recruit and retain a sufficient number of suitably qualified and experienced staff to carry out a range of complex functions remains a concern.

The council's funding for the Traffic Management Agency from Hampshire County Council will reduce from £99,182 in 2016/17 to £59,511 in 2017/18 and £39,674 in 2018/19, which will mean additional sources of funding and a reduction in costs will need to be sought.

Corporate Requirements

- Undertake reviews and key activities as identified in the corporate plan (delivery plan) to improve services for our customers and meet the budget shortfall, including an increased focus on collaborative working.

Key Activities

- Submission of the Local Plan (Part 1- Planning Strategy) for public examination by mid 2018
- Continue to consider and implement new sources of funding to offset the financial implications of the reduced traffic management agency payment from Hampshire County Council.

- Fundamental review of how the Building Control service operates by the end March 2018, and implementation of actions resulting from the above by September 2018
- Integration of Development Management and Building Control administrative and management teams
- Responding to changes in provision of land charges and the associated transfer of land charges data to land registry
- Developing enhanced processes and procurement of appropriate resources to deal with Open Space

and the active monitoring of major sites during construction

Supporting Information

In support of this plan the following documents are available:

- 1) The Portfolio's Performance Scorecard
- 2) Summary of Net Portfolio Spend

CABINET – 4 OCTOBER 2017

NATIONAL NON-DOMESTIC RATES POLICIES

1. INTRODUCTION

- 1.1 At the spring budget the Government announced three rate relief schemes to support business following the revaluation which takes effect from April 2017. The Department for Communities and Local Government (DCLG) sent guidance on how the schemes should operate, this is attached as Appendix A.

2. BACKGROUND

- 2.1 The three rate reliefs introduced by the Government are:

- 2.1.1 Support for Pubs
- 2.1.2 Support for Small Businesses
- 2.1.3 Discretionary Relief scheme

- 2.2 The Support for Pubs is a relief providing £1,000 business rates discount for occupied public houses with a rateable value of less than £100,000. We have identified 120 public houses who meet the qualifying criteria as set out by DCLG. The Government expects all billing authorities to grant the relief to all qualifying ratepayers.
- 2.3 The Support for Small Businesses is a rate relief to support businesses who have lost some or all of their small business or rural rate relief as a result of the revaluation and face an increase in their business rates. The relief available will ensure that the annual increase in bills for eligible ratepayers is limited to £600. We have identified 50 ratepayers who are eligible, as per the criteria set out by DCLG, and the Government expects billing authorities to grant the relief to qualifying ratepayers.
- 2.4 The Government have provided funding over 4 years to support businesses for a locally administered Discretionary Rate Relief scheme. DCLG have provided guidance, however, it is for billing authorities to decide their own scheme. A Task and Finish Group will consider the guidance and make recommendations to Cabinet.

3. DELEGATIONS

- 3.1 It is proposed that the Council's National Non-domestic rates relief policies for Pubs and Supporting Small Businesses be administered by the Revenues Manager and appeal decisions made by the Service Manager.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications in granting the reliefs as both the Pubs Rate Relief scheme and Supporting Small Business Rate Relief scheme are fully funded by the Government.

4.2 There will be an impact on administration but this will be absorbed into existing workloads and resources.

5. PORTFOLIO HOLDER COMMENTS

5.1 I support this proposed policy, which is in line with Government guidance.

6. RECOMMENDATIONS

6.1 That the Pub Relief and Supporting Small Businesses policies be adopted.

6.2 That the Revenues Manager and Service Manager be given delegated authority to make decisions on the above the policies.

For further information contact:

Ryan Stevens
Service Manager – Housing and Community
023 8028 5588
ryan.stevens@nfdc.gov.uk

Martin Cole
Revenues Manager
02380 285588
Martin.cole@nfdc.gov.uk

Background Papers:

Pubs Rate Relief Policy
Supporting Small Business Rate Relief Policy
Business Rates Information Letter from DCLG



Department for
Communities and
Local Government

Non-Domestic Rates Team
LGF BRS
SE Quarter - 2nd Floor
Fry Building
2 Marsham Street
London SW1P 4DF

20 June 2017

Email: ndr@communities.gov.uk

Chief Finance Officers of English Billing Authorities

FOR THE ATTENTION OF THE BUSINESS RATES SECTION

Dear Chief Finance Officer

Business Rates Information Letter (4/2017): Spring Budget Update

This is the fourth business rates information letter to be issued by the Department for Communities and Local Government this year. Previous letters are available on the internet at:

<https://www.gov.uk/government/collections/business-rates-information-letters>

or for archived letters:

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>.

- **Supporting Small Businesses**
- **New Discretionary Relief Scheme**
- **New Business Rate Relief Scheme for Pubs**

Supporting Small Businesses

At the Spring Budget, the Chancellor announced that a scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief. Initial terms for this scheme were published with the BRIL (2/2017) on 9 March 2017.

The transitional relief scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who are losing some or all of their small business or rural rate relief may be facing very large percentage increases in bills from 1 April 2017.

On the 16 May a letter was sent to Chief Finance Officers, it included as an annex final guidance on the scheme to authorities about the operation and delivery of this policy for more complex cases. It includes full technical guidance to identify all eligible ratepayers for the duration of the scheme. For completeness, this guidance is attached at **Annex A**.

Local authorities are expected to have begun implementing this scheme for simple cases with the initial terms published on 9 March 2017, with a full rollout to all cases with the attached final terms.

Discretionary Relief Scheme

At the Spring Budget, the Government announced the establishment of a £300m discretionary fund over four years from 2017/18 to support businesses in their area. The £300m will cover the four years from 2017/18:

- £175m in 2017/18
- £85m in 2018/19
- £35m in 2019/20
- £5m in 2020/21

DCLG published a consultation of the design of the scheme and draft allocations to billing authorities on 9 March. Allocations were confirmed on 21 April in accordance with those draft allocations published as part of the consultation. On the 28 April the accompanying Grant Determination was also circulated to Chief Finance Officers. The allocations can be found at:

<https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme>

The Government is grateful for all responses to the consultation, which ran until 7 April. Billing authorities have already begun developing their own discretionary schemes to deliver targeted support to the most hard-pressed ratepayers. For avoidance of doubt, the design and administration of schemes is for authorities to decide and does not necessarily need to follow the distribution methodology used in the consultation to determine allocations.

Support for Pubs

At the Spring Budget, the Government also announced a new relief scheme for pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1000 discount on their bill. The relief will have effect for 2017/18.

DCLG has worked with key industry stakeholders to determine the operation of the relief scheme for pubs. Many authorities have already begun the work to identify eligible pubs in their area and final guidance on the design and delivery of the scheme is attached at **Annex B**.

Administration of New Reliefs

Billing authorities are expected to deliver the scheme through the use of their discretionary relief powers under section 47 of the Local Government Finance Act 1988, as amended. Billing authorities will be compensated through a Section 31 grant for the cost to the authority of granting the relief – up to a maximum amount based on the authority's allocation of the £300m fund. The grants will be made quarterly in arrears for the duration of the scheme.

We expect billing authorities to have communicated with ratepayers on the confirmed terms of the new schemes for relief covered by the BRIL (2/2017) and this BRIL (4/2017), including anticipated timescale for rebilling where necessary.

New Burdens

DCLG recognises that implementing these schemes places additional burdens on billing authorities. In accordance with the New Burdens doctrine, the Department has conducted an assessment of the expected reasonable additional costs of new software and staffing/administration around rebilling affected ratepayers.

Full details of this funding will be published shortly so we encourage local authorities to continue to progress with this in mind.

Progress Review

We are conducting a short, progress update survey for local authorities to update us on their work to date. We would be grateful for responses from local authorities by Friday 30 June 2017. The survey can be found at: www.surveymonkey.co.uk/r/DCLG_Budget_2017

In addition to this, the Department will undertake a wider data collection exercise to review the implementation of the schemes once underway. The Department will continue to liaise with local government stakeholders as to the form this will take and will confirm with local authorities in due course.

Supporting Small Businesses: Annex A

About this Guidance

1. This guidance is intended to support local authorities in administering the scheme of relief for properties losing some or all of their Small Businesses Rate Relief or Rural Rate Relief as a result of the 2017 Revaluation – known as “Supporting Small Business” relief. This Guidance applies to England only.
2. This guidance sets out the criteria which central government will use to determine funding relief for properties eligible for Supporting Small Businesses relief. The Guidance does not replace existing legislation on any other relief.
3. Enquiries on this measure should be addressed to:
ndr@communities.gsi.gov.uk

Introduction

4. For 2016/17, eligible ratepayers¹ with a rateable value less than or equal to £6,000 are entitled to 100% small business rate relief. Those with a rateable value of between £6,000 and £12,000 enjoy tapered relief from 100% to 0%. Following the measures in the 2016 Budget, we are increasing these thresholds from 1 April 2017 to £12,000 for the 100% relief and £15,000 for the tapered relief. This ensures that most ratepayers currently entitled to small business rate relief will pay less or nothing following the revaluation. However, some ratepayers that are facing large increases in their rateable value will lose some or all of their small business rate relief.
5. For 2016/17 the sole post office, general store, pub or petrol station in rural settlements are (subject to rateable value thresholds) entitled to 50% rate relief. This is increasing to 100% relief from 1 April 2017. However, some ratepayers currently eligible for rural rate relief may lose that entitlement if their rateable value increases above the threshold due to the revaluation.
6. The transitional relief scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who are losing some or all of their small business or rural rate relief may be facing large percentage increases in bills from 1 April 2017.
7. In the Spring Budget the Chancellor announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the revaluation. This document provides guidance to authorities about the operation and delivery of this policy.

¹ Businesses with more than one property are only eligible for small business rate relief if their additional property or properties all have rateable values of under £2,600, and the total rateable value of all their properties are below £18,000 (£25,500 in London).

How will the relief be provided?

8. The government is not changing the legislation around transitional relief². Instead the government will, in line with the eligibility criteria for the Supporting Small Businesses scheme, reimburse billing authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, as amended³, to grant relief. Central government will fully reimburse local authorities for the local share of the Supporting Small Businesses relief (using a grant under section 31 of the Local Government Act 2003). In view of the fact that such expenditure will be reimbursed, the government expects billing authorities to grant Supporting Small Businesses relief to all qualifying ratepayers.
9. Central government will reimburse billing authorities and those major precepting authorities within the rates retention system for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this guidance. DCLG will also undertake a New Burdens assessment of the IT and administrative costs in local government associated with the Supporting Small Businesses scheme.

² The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265

³ Section 47 was amended by the Localism Act 2011

Who is eligible for the relief and how much relief will be available?

10. This section describes in principle the Supporting Small Business Scheme. Local authorities should use the detailed guidance at section 2 to determine eligibility and calculate bills. The Supporting Small Businesses relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.
11. To support these ratepayers, the Supporting Small Businesses relief will ensure that the increase per year in the bills⁴ of these ratepayers is limited to the greater of:
 - a. a percentage increase p.a. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. Unlike the transitional relief scheme, for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief , or
 - b. a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.
12. In the first year of the scheme, this means all ratepayers losing some or all of their small business rate relief or rural rate relief will see the increase in their bill capped at £600. The cash minimum increase is £600 per year thereafter. This means that ratepayers who are currently paying nothing under small business rate relief and are losing all of their entitlement to relief (i.e. moving from £6,000 rateable value or less to more than £15,000) would under this scheme be paying £3,000 in year 5.
13. Those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the Supporting Small Businesses relief scheme.
14. Ratepayers remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme⁵. A change of ratepayers will not affect eligibility for the Supporting Small Businesses relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

⁴ Prior to the Business Rates Supplement (2p for properties in London with a rateable value of more than £70,000) and City of London multiplier (which is 0.5p higher for all properties in London). The level of these supplements are unchanged at the revaluation but changes in the amounts paid through the supplements are outside the transitional relief scheme and the Supporting Small Businesses scheme.

⁵ This will be the bill in the main transitional relief scheme.

15. There is no 2nd property test for eligibility for the Supporting Small Businesses relief scheme. However, those ratepayers who during 2016/17 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month period of grace before their relief ended can continue on the scheme for the remainder of their 12 month period of grace.
16. Guidance on eligibility and the value of the Supporting Small Businesses relief is at Section 2.

Recalculations of relief

17. As with all reliefs, the amount of relief awarded under the Supporting Small Businesses relief scheme should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.
18. The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059)⁶ require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.
19. Therefore, when making an award for Supporting Small Businesses relief, local authorities should ensure in the conditions of the award that the relief can be recalculated in the event of a change to the rating list for the property concerned (retrospective or otherwise). This is so that the relief can be recalculated if the rateable value changes.

⁶ The Non-Domestic Rating (Discretionary Relief) Regulations 1989 No. 1059.

State Aid

20. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the Supporting Small Businesses relief scheme will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)⁷.
21. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a rolling three year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid (Article 1), the relevant definition of undertaking (Article 2(2)⁸) and the requirement to convert the aid into Euros⁹. They should ensure each business has not exceeded its threshold through all sources of state funding¹⁰.
22. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation). Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance¹¹.

⁷ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

⁸ The 'New SME Definition user guide and model declaration' provides further guidance:

http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf

⁹ http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm

¹⁰ Article 3(2) of the De Minimis Regulation

¹¹ Detailed State Aid guidance can also be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15277/National_State_Aid_Law_Requirements.pdf

Other Reliefs

23. Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief. And, for the avoidance of doubt, small business rate relief or rural rate relief should not be applied to further reduce the bill found under Supporting Small Business relief (to avoid the double counting of relief – see the detailed rules in section 2). For example,
- a ratepayer eligible for Small Business Rate Relief whose rateable value has increased from £3,000 (paying £0 in 2016/17) to £14,000 would be paying the following in 2017/18 before Supporting Small Businesses relief:
 - Bill before reliefs: £6,524,
 - Bill after transitional relief: £1,555
 - Bill after Small Business Rate Relief (@1/3) £1.037.
 - After Supporting Small Business Relief the bill for 2017/18 would be reduced to £600. No further Small Business Rate Relief should be applied to the £600 bill.
24. The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate should not further reduce the bill found under the Supporting Small Business scheme.
25. All other discretionary reliefs, including those funded by section 31 grants, should be considered after the application of Supporting Small Businesses relief. Following discussions with local government stakeholders and their software providers, the expectation is that Supporting Small Businesses relief will be shown on the bill as an adjustment to the chargeable amount after any transitional relief – i.e. it will appear as a deduction.

Compensation Arrangements

26. Central government will reimburse billing authorities and those major precepting authorities for the actual cost to them under the rates retention scheme of the Supporting Small Businesses relief. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in a one off estimate for 2017/18. Central government will then provide payments to local authorities for their share of the cost of the estimated relief for 2017/18. The final cost to local authorities will be calculated and reconciled following the NNDR3 for 2017/18.
27. Guidance for local authorities on how to calculate the value of the section 31 grant will be included in the guidance notes for completing the National Non-Domestic Returns (NNDRs). However, in line with the New Burden's principle, section 31 compensation will be calculated having regard to the additional costs on local government of awarding the relief (before any other section 47 reliefs). Therefore, the section 31 grant for Supporting Small Businesses should be calculated by:
 - a. taking the chargeable amount which would have applied for the hereditament after the transitional arrangements and other mandatory reliefs but before discretionary reliefs,

and deducting
 - b. the chargeable amount found under the Supporting Small Business scheme before other discretionary reliefs.
28. The same principle will apply for calculation Transitional Protection Payments (TPPs) for the purposes of non-domestic rating income in the rates retention scheme. TPPs on NNDR1s and NNDR3s will be calculating ignoring the Supporting Small Businesses scheme.

Section 2: Detailed guidance for operation of the Supporting Small Businesses (SSB) scheme

Day 1 Eligibility for the Scheme

29. For 1 April 2017, the supporting small businesses (SSB) relief scheme applies to hereditaments for which¹²:
- a. the chargeable amount for 31 March 2017 is calculated in accordance with section 43(4B) or (6B),
 - b. in relation to 43(4B) the value of E for 31 March 2017 is greater than 1,
 - c. the chargeable amount for 1 April 2017 is found in accordance with section 43(4), 43(4B), 43(6A) or where regulations 12(3), 12(7) or 12(9) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265 applies, and
 - d. the chargeable amount for 1 April 2017 is more than (£600/365) higher than the chargeable amount for 31 March 2017.
30. Where for 31 March 2017 the chargeable amount has been found under section 47, then eligibility for SSB should be determined as if section 47 did not apply.
31. Where the hereditament is shown in a local list for the area of a special authority (i.e. the City of London), then eligibility for SSB should be determined as if the special authority's small business non-domestic rating multiplier was 48.4p for 2016/17 and 46.6p for 2017/18.

Continued eligibility for the scheme after 1 April 2017

32. After 1 April 2017, the Supporting Small Businesses (SSB) scheme will cease to apply where:
- a. the chargeable amount for a day found under the SSB scheme is the same as or more than the chargeable amount found in the absence of the SSB scheme. This ensures that where, for example, the minimum increase in the chargeable amount in the SSB scheme would take the bill above the level it would otherwise have been then the hereditament will drop out of the SSB scheme. It also ensures that where, for example, with effect from after 1/4/17, the hereditament becomes eligible for 100% Small Business Rate Relief then they also fall out of the SSB scheme,
 - b. the chargeable amount for a day would otherwise fall to be found by section 43(5) or where paragraph 12(5) or sub-paragraphs 2(4), 3(4), 4(4), 5(4) of Schedule 2 of the Non-Domestic Rating (Chargeable

¹² unless otherwise stated, references are to the Local Government Finance Act 1988

Amounts) (England) Regulations 2016 No. 1265 applies (charities or registered community amateur sports clubs), or

c. the hereditament for a day is unoccupied.

33. Furthermore, where the ratepayer during 2016/17 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month period of grace before their relief ended (and therefore was still entitled to small business rate relief on 31 March 2017), then eligibility for the SSB scheme will cease at the end of that 12 months period of grace.

34. Hereditaments which cease to be entitled to Supporting Small Businesses for a day cannot return to eligibility if their circumstances change from a later day. For example, if a property falls unoccupied it will not then be eligible for Supporting Small Businesses relief if it subsequently becomes occupied again.

Chargeable Amount under the Supporting Small Businesses Scheme

35. Where the Supporting Small Businesses scheme applies then DCLG will fund local authorities to apply a chargeable amount under section 47 of the 1988 Act for the period 1 April 2017 to 31 March 2022 found in accordance with the rules in [Part 1 to Part 3 of] the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265 subject to the following changes:

a. BL for 2017/18 is the chargeable amount for 31 March 2017 x 365 (on the assumption that section 47 did not apply for 31 March 2017 and on the assumption in the City of London that the special authority's small business non-domestic rating multiplier was 48.4p for 2016/17). This ensures the starting base liability for hereditaments eligible for SSB include the SBRR or rural rate relief for 31 March,

b. Where a certificate has been issued under regulations 17 or 18 then BL for 2017/18 should be found in line with a) above but on the assumption that the rateable value in the rating list was the rateable values as certified,

c. References to "(BL x AF)" are to "(BL x AF) or (BL + 600) whichever is the greater". This ensures the bill increase is the greater or £600 or the increase under the caps in the transitional relief scheme,

d. AF is found in accordance with regulation 10(6) irrespective of the rateable value of the hereditament for 1 April 2017. This ensures only the cap on increases for small properties is applied in the SSB scheme irrespective of the actual rateable value of the hereditament,

- e. regulation 12(6)(b) is omitted. This ensures SBRR is not also applied to the capped bill in the SSB scheme. This avoids double counting of relief as illustrated at paragraph 23 above,
 - f. the reference to “2” in regulation 12(8) is “1”. This ensures rural rate relief is not also applied to the capped bill in the SSB scheme. This avoids double counting of relief,
 - g. “U” is taken to have a value of 0 throughout. This ensures that any hereditament whose rateable value is £51,000 or more does not have to pay the 1.3p supplement whilst eligible for SSB relief,
 - h. for a year (the year concerned) other than 2017/18, BL is $(BL \times AF)$ or $(BL + 600)$ from the year immediately the year concerned whichever is the greater.
36. No change is made to the meaning of NCA. However, as discussed above, eligibility for Supporting Small Businesses relief ceases when the chargeable amount for a day found under the Supporting Small Businesses scheme is the same as or more than the chargeable amount found outside the scheme.
37. Regulation 6 (special authorities) will apply as normal under the Supporting Small Businesses scheme. This ensures ratepayers in the City of London continue to pay any additional amount attributable to the City multiplier.
38. For the avoidance of doubt, the rules for changes in rateable value with effect from after 1 April 2017 (regulation 13) will continue to apply as normal subject to the amendments in paragraph 35 above. This ensures that, for example, later increases in rateable value are paid in full in the normal way¹³.

Splits and mergers

39. The SSB scheme will apply to hereditaments:

- a. coming into existence because of the circumstances described in paragraph 1 of Schedule 2 of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265,
- b. where one of the hereditaments from which the new hereditament was formed in whole or in part was for the day immediately before the creation day eligible for the SSB scheme, and
- c. the circumstances described at paragraph 32 above do not apply for the creation day in respect of the hereditament.

40. After the creation day, the SSB scheme will cease to apply in the circumstances described in paragraph 32 above.

41. The number of hereditaments eligible for SSB which then split or merge is likely to be very small and devising rules in particular for mergers with

¹³ based on the small business non-domestic multiplier. This is because U is taken to have a value of 0 throughout.

properties outside of the SSB scheme would be complex. Therefore, in discussions with local authority stakeholders, DCLG has concluded it would be disproportionate to devise detailed rules to prescribe the chargeable amounts in the various circumstances which could arise from a split or a merger.

42. Instead, for hereditaments meeting the criteria in paragraph 39 and 40 above, DCLG will fund local authorities to apply a chargeable amount under section 47 of the 1988 Act found in accordance with the following principle:
 - a. that the protection offered by the SSB scheme (that the bill will not rise by the greater of £600 p.a. or the transitional relief caps) will continue to apply in principle to that part of the newly created hereditament which was immediately before the creation day in the SSB scheme, and
 - b. that increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of the SSB scheme.
43. For simple splits of hereditaments previously eligible for SSB, authorities may wish to simply apportion the chargeable amount in the SSB scheme for the hereditament before the split in line with the change in rateable value from the split (i.e. in line with the principle in Schedule 2 of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265).
44. For mergers and reorganisations, authorities will have to estimate the degree to which, in line with the principle of the SSB scheme, that part of the hereditament which was formerly eligible for SSB should continue to receive support under the SSB scheme. DCLG does not expect authorities to seek any formal apportionments of the rateable value for this purpose.

Support for Pubs Guidance: Annex B

1. About this guidance

- 1.1 This guidance is intended to support local authorities in administering the “Pubs Relief Scheme” announced in the Budget on 8 March 2017. This guidance applies to England only.
- 1.2 This guidance sets out the detailed criteria, which local Government will use to provide funding relief for pubs. This guidance does not replace existing legislation or any other relief.
- 1.3 Enquiries on this measure should be addressed to:
ndr@communities.gsi.gov.uk

2. Introduction

- 2.1 The Government recognises the important role that pubs play in urban and rural communities across the country. At Spring Budget 2017, the Chancellor announced a £1,000 business rate discount for public houses with a rateable value of up to £100,000 for one year from 1 April 2017. This was part of a wider £435m package to support businesses – including pubs - facing significant increases in rate bills following the business rates revaluation. This included £110m of support for small businesses losing small business rates relief (SBRR) or rural rate relief (RRR) and providing local authorities with funding to support £300 million of discretionary relief.
- 2.2 This document provides guidance on the pubs relief scheme. It sets out how the scheme should operate and the eligibility criteria that should apply.
- 2.3 The Government expects local billing authorities to use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 to grant relief to all qualifying ratepayers. We will reimburse local authorities using grants under section 31 of the Local Government Act 2003, provided they have acted in accordance with guidance. No new legislation will be required to deliver the scheme. Sections below explain how the scheme will operate, the level of funding available, and the means of compensation.
- 2.4 The guidance will be of interest to local authorities, operators of pubs and similar businesses, and their representative bodies.

3. Eligibility criteria - which properties should benefit

- 3.1 This section describes in principle the Pubs Relief Scheme. Local authorities should use this section to determine eligibility for the relief. The scheme will be available to eligible occupied properties with a rateable value of less than £100,000. The majority of pubs are independently owned or managed and will not be part of chains. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to meeting State Aid requirements (see section 5 of this guidance).
- 3.2 There is no definitive description of a traditional pub or public house in law which could be readily used by local authorities to determine eligibility. The objective has been to adopt an approach that makes the design and eligibility of the scheme easy to implement by local authorities in a clear and consistent way, is widely accepted by the industry and which is consistent with the Government's policy intention as set out in this section.
- 3.3 The Government's policy intention is that eligible pubs should:
- be open to the general public
 - allow free entry other than when occasional entertainment is provided
 - allow drinking without requiring food to be consumed
 - permit drinks to be purchased at a bar.

For these purposes, it should exclude:

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses
- boarding houses
- sporting venues
- music venues
- festival sites
- theatres
- museums
- exhibition halls
- cinemas

- concert halls
- casinos

- 3.4 The proposed exclusions in the list at para 3.3 is not intended to be exhaustive and it will be for the local authority to determine those cases where eligibility is unclear. We believe that billing authorities will already have a good understanding of the licensed premises in their areas and will be able to readily form a view on eligibility in the majority of cases. We expect local authorities to design the implementation of the scheme with regard to their business rates base and existing collection practices.
- 3.5 Where eligibility is unclear authorities should also consider broader factors in their considerations – i.e., in meeting the stated intent of policy that it demonstrates the characteristics that would lead it to be classified as a pub, for example being owned and operated by a brewery. Additionally, local authorities may also wish to consider other methods of classification, such as the planning system and the use classes order to help them decide whether a property is a pub or not. However, permission for a particular use class will not necessarily mean that the property meets the definition of a pub.

4. How much relief will be available?

- 4.1 The total amount of Government-funded relief available for 2017/18 under this scheme is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more. Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
- 4.2 In addition to the pub scheme set out in this guidance, the Chancellor announced in the Spring Budget that £110 million will be available to assist ratepayers losing small business rates relief or rural rate relief as a result of revaluation. On top of this, the Government is also making available a separate £300 million discretionary relief fund over the next four years to enable local authorities to help individual businesses that are facing increased rates bills. Both of these schemes may also be available to pubs.

5. Compensation arrangements

- 5.1 Government will reimburse billing authorities and those major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the adopted criteria for pubs relief. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in a one off estimate for 2017/18. The Government will then provide payments to local authorities for their share (under the rates retention scheme) of the cost of the estimated relief for 2017/18. The final cost to local authorities will be calculated and reconciled following the NNDR3 for 2017/18.

State Aid

- 5.2 State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the support for ratepayers will be State Aid compliant where it is provided in accordance with the *de minimis* regulations (EC 1407/2013)¹⁴.
- 5.3 The *de minimis* regulations allow an undertaking to receive up to €200,000 of 'de minimis' aid over a rolling three year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving *de minimis* aid (Article 1), the relevant definition of undertaking (Article 2(2)¹⁵) and the requirement to convert the aid into Euros¹⁶.
- 5.4 It is necessary for the local authority to establish that the awarding of aid will not result in the undertaking having received more than €200,000 of *de minimis* aid. Note that the threshold only relates to aid provided under the *de minimis* regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the *de minimis* calculation). Where local authorities have further questions about the *de minimis* regulations or other aspects of State Aid law, they should seek advice from their legal department in the first instance¹⁷.

¹⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

¹⁵ The 'New SME Definition user guide and model declaration' provides further guidance: http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf

¹⁶ http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm

¹⁷ Detailed State Aid guidance can also be found at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15277/National_State_Aid_Law_Requirements.pdf

- 5.5 Pubs are within the scope of State Aid law as companies within the hospitality sector can and do set up business in other Member States as they trade on a market. Linked enterprises are considered as one single undertaking for the application of the *de minimis* rule, therefore can receive €200,000 *de minimis* aid (including that outside of business rates relief) over three years.

Discretionary Relief in Enterprise Zones?

- 5.6 Where an eligible property is also eligible for Enterprise Zone relief, then Enterprise Zone relief should be granted and this will be funded under the rates retention scheme by a deduction from the central share. Local authorities should not provide pub relief to properties which would otherwise qualify for Enterprise Zone Government funded relief.

Other Discretionary Reliefs reimbursed by s.31 grants

- 5.7 Similarly, if a property is eligible for relief under other schemes for which s.31 grant is payable – for example, “new empty property” relief, or the Supporting Small Business Scheme– authorities should first award relief under those schemes and claim s.31 grant funding in the normal way. Only having awarded relief under those schemes, should they then award additional relief in accordance with the Pubs Relief Scheme.
- 5.8 DCLG does not prescribe whether Scheme 2 (Discretionary Relief) is calculated before or after Scheme 3 (Support for Pubs). However, DCLG understands that authorities and software companies will follow the practice of taking the Discretionary Relief before the Pubs Relief.

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NEW FOREST DISTRICT COUNCIL
NATIONAL NON-DOMESTIC RATES
PUBS RATE RELIEF POLICY

NATIONAL NON-DOMESTIC RATES PUBS RATE RELIEF POLICY

Introduction

In the Spring Budget 2017, the Chancellor announced that a new scheme of relief providing a £1,000 business rate discount for public houses with a rateable value of less than £100,000. This was part of a wider package of business rate support following the general revaluation.

This document provides guidance concerning the operation and delivery of the policy.

Legislation

The Government is not changing the legislation. Instead the Government will, in line with the eligibility criteria for the Pubs Rate Relief Scheme, reimburse billing authorities that use their discretionary relief powers, under Section 47 of the Local Government Finance Act 1988, as amended, to grant relief.

Central government will fully reimburse local authorities for the local share of the Pubs Rate Relief Scheme (using a grant under section 31 of the Local Government Act 2003).

In view of the fact that such expenditure will be reimbursed, the Government expects billing authorities to grant Pub Rate Relief to all qualifying ratepayers.

Who is eligible for the relief?

The Pubs Rate Relief Scheme will be available to eligible *occupied* properties with a rateable value of less than £100,000. Where pubs are part of a chain, relief will be available for each eligible property in the chain; subject to meeting State Aid requirements (see details below).

There is no definitive description of a traditional pub or public house in law which could be readily used to determine eligibility. The Government's objective has been to adopt an approach that makes the design and eligibility of the scheme easy to implement in a clear and consistent way, is widely accepted by the industry and which is consistent with the Government's policy intention.

The Government's policy intention is that eligible pubs should:-

1. be open to the general public
2. allow free entry other than when occasional entertainment is provided
3. allow drinking without requiring food to be consumed
4. permit drinks to be purchased at a bar.

For these purposes, it should exclude:

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses
- boarding houses
- sporting venues
- music venues
- festival sites
- theatres
- museums
- exhibition halls
- cinemas
- concert halls
- casinos

This list is not exhaustive and decisions will be made on the particular circumstances of the premises in line with the 4 specific elements shown above and the stated intent of the Government's policy that it demonstrates the characteristics that would lead it to be classified as a pub, for example being owned and operated by a brewery.

How much relief will be available?

The amount of relief available for 2017/18 under this scheme is up to £1,000 for each eligible property. There is no relief available for properties with a rateable value of £100,000 or more.

Award Period

The Government have indicated that the scheme only applies to the 2017/18 financial year, providing support for a maximum of 12 months. The Government may of course decide to extend the scope of the scheme at a later date.

Where there is a change of circumstances, such that the eligibility criteria shown above are no longer met e.g. the rateable value increases above the maximum threshold, the decision to award rate relief will be reviewed and where necessary the amount of relief will be recalculated and amended.

Applications for Pubs Rate Relief

The Revenues Team will interrogate our business rate system and work with our Licensing Team to identify potential recipients. The scheme is likely to be publicised within the public house industry/professional press, so we would expect to receive individual enquiries.

We will write to those ratepayers and invite applications for the 2017/18 financial year. The application will include a declaration to be completed by the ratepayer relating to state aid compliance.

State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However this will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)².

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

It is important to establish that the awarding of aid will not result in the undertaking having received more than €200,000 of *de minimis* aid. This is particularly applicable where the ratepayer is a brewery or pub chain. With this in mind the rate relief application will include a declaration to be completed by the ratepayer relating to state aid compliance.

Decision Making

Initial decisions will be made by members of the Business Rate team, in conjunction with the Revenues Manager, in accordance with the eligibility criteria.

Applicants will be notified in writing the outcome of their application and if unsuccessful, will be given the opportunity to appeal the decision.

Appeals

An appeal against a decision not to award rate relief will be considered by the Service Manager (Housing and Community). The outcome of the appeal will be communicated in writing within 28 days of receipt.

Additional Information

The Department for Communities and Local Government have provided information and guidance about the rate relief scheme. This forms part of this policy and is included at **ANNEXE A**.

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NEW FOREST DISTRICT COUNCIL

NATIONAL NON-DOMESTIC RATES

SUPPORTING SMALL BUSINESS
RATE RELIEF POLICY

NATIONAL NON-DOMESTIC RATES SUPPORTING SMALL BUSINESS RATE RELIEF POLICY

Introduction

Prior to 1 April 2017, eligible ratepayers with a rateable value less than or equal to £6,000 were entitled to 100% small business rate relief. Those with a rateable value of between £6,000 and £12,000 received tapered relief from 100% to 0%.

From 1 April 2017, these thresholds were increased to £12,000 for the 100% relief and £15,000 for the tapered relief. This means that most ratepayers entitled to small business rate relief as at 31 March 2017 will pay less or nothing following the revaluation.

However, in a small number of cases, ratepayers who are subject to a significant increase in their rateable value effective from 1 April 2017 as a consequence of the general revaluation have lost some or all of their small business rate relief and even with the introduction of the transitional rate relief scheme face a large increase in their business rate liability.

Similarly, prior to 1 April 2017, the sole post office, general store, pub or petrol station in rural settlements were (subject to rateable value thresholds) entitled to 50% rate relief. This increased to 100% relief from 1 April 2017. However, some ratepayers may lose that entitlement from 1 April 2017 if their rateable value increases above the threshold due to the general revaluation.

In the Spring Budget, the Chancellor announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the revaluation.

This document provides guidance concerning the operation and delivery of the policy.

Legislation

The Government is not changing the legislation around transitional relief. Instead the Government will, in line with the eligibility criteria for the Supporting Small Businesses scheme, reimburse billing authorities that use their discretionary relief powers, under Section 47 of the Local Government Finance Act 1988, as amended, to grant relief.

Central government will fully reimburse local authorities for the local share of the Supporting Small Businesses relief (using a grant under section 31 of the Local Government Act 2003).

In view of the fact that such expenditure will be reimbursed, the Government expects billing authorities to grant Supporting Small Businesses relief to all qualifying ratepayers.

Who is eligible for the relief?

The Supporting Small Businesses relief will help those ratepayers who occupy a business and who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.

A change of ratepayers will not affect eligibility for the Supporting Small Businesses relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club

Those ratepayers who during 2016/17 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month period of grace before their relief ends, can continue on the scheme for the remainder of their 12 month period of grace.

How much relief will be available?

To support these ratepayers, the Supporting Small Businesses relief will ensure that the increase per year in the bills of eligible ratepayers is limited to the greater of:

- a. a percentage increase p.a. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. Unlike the transitional relief scheme, for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief , or
- b. a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.

In the first year of the scheme, this means all ratepayers losing some or all of their small business rate relief or rural rate relief will see the increase in their bill capped at £600. The cash minimum increase is £600 per year thereafter. This means that ratepayers who are currently paying nothing under small business rate relief and are losing all of their entitlement to relief (i.e. moving from £6,000 rateable value or less to more than £15,000) would under this scheme be paying £3,000 in year 5.

Ratepayers will remain eligible for Supporting Small Businesses rate relief for either the full 5 years or until they reach the bill they would have paid without the scheme.

Award Period

Supporting small business rate relief will be awarded for a maximum of 12 months, to the end of the financial year in question.

At the end of each financial year, the account will be reviewed and if appropriate, rate relief will be awarded for a further 12 months.

Where there is a change of circumstances, such that the eligibility criteria are no longer met e.g. the ratepayer vacates the hereditament or there is a change to the rateable value of the hereditament, the decision to award rate relief will be reviewed and where necessary the amount of relief will be recalculated and amended.

Applications for Supporting Small Business Rate Relief

Due to the nature of the relief scheme and eligibility criteria, it's unlikely we will receive unsolicited enquiries from ratepayers. The Council will work with our software supplier, Northgate Public Services to identify potential recipients.

We will award the Supporting Small Business Rate Relief to those ratepayers who are eligible and notify them of the amount of the award and the period of the award.

State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However this will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)².

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

However, given that the relief criteria applies where the ratepayer received / continues to receive small business rate relief (which itself concerns ratepayers who principally occupy 1 property) or rural settlement rate relief where ratepayers occupy small hereditaments, it's highly unlikely that any ratepayers will be subject to state aid restrictions.

Decision Making

Initial decisions will be made by members of the business rate team, in conjunction with the Revenues Manager, in accordance with the eligibility criteria.

Applicants will be notified in writing the outcome of their application and if unsuccessful, will be given the opportunity to appeal the decision.

Appeals

An appeal against a decision not to award rate relief will be considered by the Service Manager (Housing and Community). The outcome of the appeal will be communicated in writing within 28 days of receipt.

Additional Information

The Department for Communities and Local Government have provided information and guidance about the rate relief scheme. This forms part of this policy and is included at **ANNEXE A**.

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CABINET – 4 OCTOBER 2017

PORTFOLIO: FINANCE &
EFFICIENCY

COUNCIL TAX REDUCTION SCHEME EXCEPTIONAL HARDSHIP PAYMENTS POLICY

1.0 INTRODUCTION

- 1.1 Section 13A of the Local Government Finance Act 1992 provides the Council with the discretion to reduce or remit Council Tax for those who could be considered to be suffering financial hardship.
- 1.2 The attached policy at **Appendix A** sets out the Council's approach in making such awards and to promote a transparent and consistent process. The introduction of an Exceptional Hardship Policy helps to mitigate the risk of any adverse impact on people with protected characteristics.

2.0 BACKGROUND

- 2.1 An Exceptional Hardship Payments Policy has been created to assist residents who have applied for and are entitled to Council Tax Reduction, and who are experiencing exceptional financial hardship. This is to provide further assistance where a resident is in receipt of Council Tax Reduction but the level of support does not meet their full council tax liability.
- 2.2 The main features of the policy are as follows:
 - Exceptional Hardship falls within s13(A)(1c) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction Scheme
 - The operation of the policy will be at the discretion of the Council
 - Exceptional Hardship Payments are designed as short term assistance
 - All applicants will be expected to engage with the Council, undertake the full application process and take positive steps to help themselves.
 - Reduce potential write-offs
- 2.3 The award of an Exceptional Hardship Payment is primarily based on consideration of the applicant's ability to pay their Council Tax, with the following factors being considered:
 - The shortfall between the Council Tax Reduction and Council Tax liability
 - The personal circumstances of the household, e.g. age and medical conditions
 - The difficulty preventing the applicant paying their Council Tax
 - Income, expenditure and any savings and capital
 - Other debts outstanding
- 2.4 The policy was fully endorsed at the Council Tax Reduction Scheme Task and Finish Group.

3.0 DELEGATIONS

- 3.1 The Council's Council Tax Reduction Scheme will be administered by the Benefits Manager.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There is no government funding available. A budget of £1,000, in the first instance, will be set aside to fund this Policy. This will be paid for by reduced costs within the Benefits Administration budget. For 2018/19 the officers will consult with precepting authorities to fund this through the collection fund account.
- 4.2 It is anticipated that only a small number of applicants will be awarded an Exceptional Hardship Payment.
- 4.3 There will be no impact on staffing.
- 4.4 The budget will be reviewed annually by the Service Manager in consultation with the Portfolio Holder.

5.0 PORTFOLIO HOLDER'S COMMENTS

- 5.1 It is important that we are in a position to support the most vulnerable within our community and within our limited resources.

6.0 RECOMMENDED:

- 6.1 That the policy attached as Appendix A to this report be approved and adopted.
- 6.2 That the Service Manager (Housing and Community) be authorised to make decisions in accordance with the policy

For further information contact: (Bold)

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Background Papers: (Bold)

Council Tax Reduction Exceptional
Hardship Payments Policy



New Forest District Council

Council Tax Reduction

Exceptional Hardship Payments (EHP)

Policy

April 2017

Contents

1. What are Exceptional Hardship Payment Awards
2. Exceptional Hardship and Equalities
3. Purpose of this policy
4. Exceptional Hardship Payment process
5. Claiming Exception Hardship Payment
6. Awarding Exceptional Hardship Payment
7. Notifying an award of Exceptional Hardship Payment
8. What if the claimant disagrees with a decision
9. Change in circumstances
10. Amount and duration of award
11. Overpayments
12. Fraud
13. Publicity

1. What are Exceptional Hardship Payment awards?

The Exceptional Hardship Payment award (EHP) has been set up by New Forest District Council to help with a shortfall between the Council Tax Liability and payments of Council Tax Reduction (CTR)

Every claimant who is entitled to CTR and who has a shortfall is entitled to make a claim.

The main features of EHP's are:-

- EHP awards will be at the absolute discretion of New Forest District Council
- EHP awards will not be available for any other debt other than outstanding Council Tax
- EHP awards are not a payment of the main CTR
- New Forest District Council decides how the Exceptional Hardship Payment is administered
- CTS must be in payment in the week which an EHP award is made
- The Benefits service may decide that a backdated EHP award is appropriate; which could settle Council Tax Arrears. This would be the only circumstance when the EHP could be used to facilitate payment of council tax arrears.
- EHP awards cannot be made to settle arrears of Council Tax unless due to an award of backdated Exceptional Hardship as set out above.
- Exceptional Hardship payments are designed as a short term help to the claimant only and it is expected that payments will be made for a short term only.

2. Exceptional Hardship Payment and Equalities

The government has been clear that, in developing the Local Council Tax Reduction Scheme, vulnerable groups should be protected.

We recognise the importance of protecting our most vulnerable claimants and the impact changes will have. We have created an EHP to ensure we protect and support those most in need. The EHP is intended to help in cases of extreme hardship only.

Each case will be treated on its own merits and all claimants will be treated fairly and equally in the accessibility to the fund and decisions made with applications.

3. Purpose of this policy

The purpose of this policy is to specify how New Forest District Council will operate the Exceptional Hardship fund, and to indicate some of the factors which will be considered when deciding if an Exceptional Hardship award can be made.

4. Exceptional Hardship Payment process

The Exceptional Hardship payment is a short-term award, whilst the Council Tax payer seeks alternative solutions.

All claimants must be willing to undertake all of the following:

- Make a separate application for assistance
- Provide full details of their income, capital and expenditure
- Assist the New Forest District Council in trying to reduce Council Tax liability by way of any other discount, reliefs and exemptions that can be granted
- Maximise their income through the application for other welfare benefits, and identifying ways in which their overall household expenditure can be reduced
- Accept assistance from either the Council or third parties such as the Citizens Advice Bureau, or similar organisations, to enable them to manage their finances more effectively
- Identify potential changes in payment methods and arrangements to assist the customer

5. Claiming Exceptional Hardship Payment

A claimant, or someone acting on their behalf, must make a claim for an EHP award by submitting an application to the council's Benefit team. The application form can be obtained on-line via the website, telephone or in person at the Council offices. Customers can get assistance with the completion of the form from the Benefits team.

The application must be fully completed and supporting information or evidence provided, as reasonably requested by the council.

In most cases, the person who claims an EHP award will be the person entitled to CTR. However, a claim can be accepted from someone acting on their behalf such as an appointee, if it is considered reasonable.

The council may accept details of income, capital and expenditure not on its own application form.

Where a claimant is not claiming Council Tax Discount to which they may be entitled or a claim for Council Tax Support, or additional financial assistance, they will be advised, and where necessary assisted, in making a claim to maximise their income, before their claim for EHP will be decided.

6. Awarding an Exceptional Hardship Fund Payment

In deciding whether to award an EHP, the council will take into account:

- The shortfall between the CTRS and Council Tax Liability
- Steps taken by the claimant to reduce their Council Tax liability
- The financial and medical circumstances (including ill health and disabilities) of the claimant, his or her partner, any dependants and any other occupants of the customer's home
- Changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable

- Ensure all discounts, exemptions and reductions are granted
- Any savings or capital that might be held by the customer or his or her family
- The income and expenditure of the claimant, his or her partner and any dependants or other occupants of the customer's home. If information being requested is not provided the council may refuse the application.
- The impact on the claimant and the council if the application is refused
- All income may be taken into account, including those which are disregarded for CTS
- If there has been a previous award of EHP
- The length of time they have lived in the property
- Any other special circumstances

Any award of Exceptional Hardship Payment does not guarantee that a further award will be considered.

7. Notifying an award of Exceptional Hardship

On receipt of an application for EHP the council will aim to inform the customer of its decision within one month.

Where the application is successful the council will notify the customer and advise:

- Credit Council Tax Account with award
- A demand notice with the revised balance and instalments due
- The start and end date of the award and the need to re-apply on expiry if appropriate
- The requirement to report any changes in circumstances

It cannot be awarded for the following circumstances:

- For any other reason than to reduce Council Tax Liability
- Where the council considers that there are unnecessary expenses/debts etc. and that the customer has not taken reasonable steps to reduce them
- To reduce any CTRS overpayment
- A shortfall caused by the Department of Work and Pensions sanction or work/interview/training opportunities
- When CTRS is suspended
- Court Costs for non-payment of Council Tax or Administrative Penalties

Where the application is not successful, the council will write to the applicant and explain the reasons for the decision and give the right for a review. However, there are no rights for appeal.

8. What if the claimant disagrees with a decision?

EHP awards are not payments of Council Tax Reduction and are therefore not subject to appeal. However, the council will operate the following approach following a refusal to award an EHP or a decision not to backdate an award of EHP.

- A claimant (or appointee) who disagrees with a decision not to award an EHP can request an explanation of the decision. This must be done by letter, e-mail or phone within one month of the date of the decision. The council will explain its decision to the claimant, either by letter, e-mail, phone or interview.

- Where the claimant still disagrees with the decision the Benefits Manager will review the decision. This must be done in writing. The decision will be reviewed on the evidence available and the manager will make a decision. The applicant will be notified of this decision in writing. Are you not making the original decision?
- If there is still disagreement the claimant is entitled to a further review, provided this is done in writing within one month of the decision of the review. This decision will be made by the Service Manager of Housing and Community and the decision will be final.

9. Change in Circumstances

On awarding EHP any changes in circumstances must be notified to the council straight away. The council may revise the award of EHP or decide to end the award. The council will notify the claimant, in writing, of the decision.

10. Amount and Duration of Award

The duration and the amount of the award are determined at the discretion of New Forest District Council, and will be based on the evidence supplied and the circumstances of the claim.

- The start date will usually be the Monday after the claim for an EHP is received by the council, although in some cases it may be possible to backdate this award, based upon individual circumstances of each case.
- The EHP award will normally be awarded for a minimum of one week.
- The maximum length of the award will not exceed the end of the financial year in which the award is given.
- The award may be ended early if the circumstances of the applicant change which means they are no longer considered to be in exceptional financial hardship.

11. Overpayments

The council will seek to recover any EHP award which has been overpaid as a result of misrepresentation or failure to disclose a material fact, fraudulently or otherwise. This is normally done by sending a revised Council Tax bill.

The council does have discretion not to recover an overpayment of EHP.

12. Fraud

New Forest District Council is committed to combating fraud. Anyone who tries to fraudulently claim a EHP by falsely declaring their circumstances, or providing false information, may have committed an offence and the council will investigate the matter. This may lead to the council issuing a penalty under regulations 11, 12 & 13 of the Council Tax Reduction scheme (Detection of Fraud and Enforcement) Regulations 2013.

13. Publicity

The council will publicise the scheme and work with all interested parties, including the Council Tax team, Housing, Social Services, Citizens Advice Bureau and Housing Associations.

CABINET – 4 OCTOBER 2017

DRAFT HOUSING STRATEGY 2018-2023

1. INTRODUCTION

- 1.1 The purpose of this report is to seek approval to the overall approach and consultation arrangements for the future housing strategy, and to note the draft strategy documents prior to their submission for consultation.
- 1.2 The draft Housing Strategy is attached as Appendix 1, and a Housing Strategy Delivery Action Plan is attached as Appendix 2. Appendix 3 sets out the consultation arrangements.

2. BACKGROUND

- 2.1 One of the key aims relating to Housing within the Corporate Plan is helping provide housing for local people.
- 2.2 The decision to develop a housing strategy has been made to respond to a number of key issues outlined in this paper. Local Authorities are not required by Government to have a formal strategy, however they are expected to have a strategic approach to housing in their local areas to facilitate a thriving housing market and consider local housing needs.
- 2.3 The Housing Strategy will influence and support the future planning and delivery of housing within the District. It will also provide an opportunity to plan for the impact of the introduction of the Homelessness Reduction Bill, changes to welfare reform and future funding availability.
- 2.4 In February 2017 central government published the Housing White Paper 'Fixing our broken housing market'. It highlighted three main problems: not enough local authorities planning for the homes they need; house building that is simply too slow; and a construction industry that is too reliant on a small number of big players. The housing strategy will respond to some of the issues identified in the White Paper, specifically relating to the delivery of affordable housing in the District.
- 2.5 Delivery of a range of affordable housing choices can be achieved through the inclusion of appropriate policies in the Local Plans for the area. The housing strategy evidence will assist with this process as both the District Council and National Park Authority prepare their Local Plan reviews.
- 2.6 The Council has not had a comprehensive housing strategy for over 10 years although in September 2016 Cabinet approved a document setting out an approach for buying back council properties and increasing the council's housing stock through new development on council owned land.
- 2.7 The new build programme has already delivered 21 homes at North Milton and achieved start on site of a further 35 flats on land at Compton & Sarum House, Calmore. A further 20 new homes planned for at Stocklands, Calmore will be completed in 2019. It will be suggested that the Council's new-build programme continues to be a feature of the housing strategy.

- 2.8 The current strategy also included the Council's intention to purchase housing for social rent on S106 sites. At the time it had been understood that Registered (housing) Providers were no longer interested in providing housing at social rent levels on new developments, however it has since become apparent that partner Registered Providers are still willing and able to provide homes at social rent levels. Where this is the case, there is no need for the Council to purchasing homes for social rent on S106 sites as there would be no overall increase in affordable housing as a result and we would be competing with our partner Registered Providers. It is therefore suggested that the housing strategy directs our housing revenue account resources to achieving net gains in the overall supply of affordable housing across the range of affordable housing providers.

3. THE HOUSING STRATEGY & ACTION PLAN

- 3.1 The strategy will span a 5 year period 2018-2023 and help shape housing policies within the emerging Local Plan for the District including policies to secure housing that people can afford. It will identify a range of activities which the Council will undertake to enhance housing options and the supply of affordable housing for the benefit of local people. It will highlight actions we will take to ensure best use of existing housing stock, and the local approaches needed to respond to the challenges the housing service faces as a result of the welfare reforms which have been brought in by the Government over the last few years.
- 3.2 There have been growing concerns over the past few years about the affordability of some housing options within the District. A study was commissioned by the Council to look into this matter, looking at local incomes and local housing costs. It found that some types of 'affordable housing' remain unaffordable to large sectors of the community and that social and affordable rent accommodation are still very much needed and should continue to form a large part of future affordable housing delivery. In line with the NPPF, low(er) cost home ownership and shared ownership options are also important as they provide a stepping stones between renting and moves into home-ownership. It has been demonstrated through the study that the shared ownership products are accessible for those able to access the lower quartile of market rented homes. Starter homes are still relatively unaffordable, requiring an annual income in excess of £42kp.a.
- 3.3 The strategy will link the work across the housing service – housing options and allocations, housing management, rent collection, housing asset management, housing improvement and economic development.

4. CONCLUSIONS

- 4.1 Households who would not traditionally have sought affordable housing are unable to access market housing and we must ensure that we meet a range of needs and a range of affordability levels that reflects the requirements of our communities.
- 4.2 It is vital that our residents have access to quality housing options and we recognise the importance of having the right mix of housing within the District. We know that housing is expensive across the District and we want to be active in helping to provide different options for our residents and at the same time ensuring we increase the supply and quality of housing that we control.

- 4.3 The housing strategy formulation has provided the context and highlighted the need for a joined up approach. The accompanying Action Plan will provide the platform to influence and carry out the work needed to support the implementation of the Council's housing strategy.
- 4.4 The Council currently employs one officer to undertake all housing strategy and housing development work. The resource the Council has put into these activities has reduced in recent years. Developing the new housing strategy has highlighted a significant number of actions we could undertake to address the housing issues within the district more effectively. However, there will be a limit to what can be achieved with such limited staff resources. Given the priority given to the delivery of housing by central government, and the priority given by this Council to ensuring local people have access to affordable housing, it is suggested that the appointment of an additional permanent post to assist in housing strategy and housing development work be considered by the Council.

5. FINANCIAL IMPLICATIONS

- 5.1 Additional funding would be required for the additional post in the Housing Development and Strategy service area. This may be part funded for a limited period by the Community Housing Fund grant received by the Council earlier this year. (See Cabinet Report May 2017.) It should be noted however that the Council has failed to be able to recruit to the temporary post agreed by Cabinet to be funded from the Community Housing Fund, and to recruit successfully a permanent position needs to be created to attract a suitably qualified and experienced candidate. This will have budget implications.

6. CRIME & DISORDER IMPLICATIONS

- 6.1 There are none.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 The housing strategy sets out objectives of delivering good quality Council housing that is energy efficient and sustainable.

8. EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 The strategy is broad and aims to reach groups which have barriers accessing housing

9. PORTFOLIO HOLDER COMMENTS

- 9.1 I believe the previous strategy aim of buying back council properties when they enter the housing market should remain. I would prefer if the number of 'buy backs' could be flexible but still based on buying homes that are for specific needs.
- 9.2 I am therefore supportive of the draft housing strategy.

10. SCRUTINY PANEL COMMENTS

- 10.1 The Panel have received an outline of the draft strategy, including the timetable and consultation process, and will comment formally when the final strategy is considered.

11. RECOMMENDATIONS

- 11.1 Cabinet are requested to note the content of the draft strategy and to approve the overall approach and consultation arrangements.

For further information contact:

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Background Papers: Housing Strategy,
Housing Strategy Delivery Action Plan



Draft Housing Strategy 2018-2023



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Foreword

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 - b. Appendix 2 – Affordability Study**
 - c. Appendix 3 – Demography Study**

Foreword – to be written by Cllr Cleary/Bob Jackson/Flo Churchill

1. Introduction

Our District covers an area of 300 sq. miles and has a population of around 179,200 people, of which over 24,000 people live in the New Forest National Park. Located on the south coast between the Southampton and Bournemouth/Poole with good connections to London, the district is a desirable and attractive place to live.

The New Forest District, which covers around 205 sq. miles surrounds the New Forest National Park (Fig1). The Council's area also includes part of the Cranbourne Chase and West Wiltshire Downs Area of Outstanding Natural Beauty (26 sq. miles), Green Belt and areas of countryside of national and international importance for Nature Conservation.

Whilst there is high demand in the area for housing, significant environmental constraints limit the extent to which all of that demand can be accommodated. Providing additional housing, and particularly affordable housing for local people, is a particular problem. House prices are generally high and many local people struggle to find housing they can afford to live in within the district.

This strategy addresses housing issues within our area and within the National Park. While the District Council is the housing authority for the whole of the district, within the National Park Area it is the National Park Authority which is the local planning authority. It is therefore essential to the success of this strategy that we work closely and collaboratively with the National Park Authority on housing issues.



(Fig.1)

The housing strategy 2018-2023 has been developed to guide the future planning and delivery of new homes within our District to meet local needs, and guide the management and direction of our housing service. Whilst local authorities are not required by Government to have a formal strategy for this purpose, they are expected to have a strategic approach to housing in their local areas to facilitate a thriving housing market and consider local housing needs.

We remain the biggest provider of housing within our District, managing our own housing stock of 5,044 properties in the social rented sector and are committed to ensuring that it gives continued support to district residents in addressing their housing needs. There are currently (August 2017) in excess of 3,000 people on the Homesearch register.

This housing strategy is influenced by and responds to three significant factors affecting housing services and provision.

Firstly the Housing White Paper published in February 2017, '*Fixing our broken housing market*', recognised the failures of the current system to build enough homes to meet peoples housing needs. It recognised the need to build more homes and to diversify the housing market. As part of a package of measures it suggested that local authorities should be doing more, not only by enabling more homes to be built through their planning policies and the planning process, but also as providers and promoters of housing.

Secondly, both us and the National Park Authority are in the process of reviewing our Local Plans. Changes in national planning policy (in the National Planning Policy Framework) mean that we both need to review our strategic policies and increase the supply of land for new housing to address 'objectively assessed (housing) need'. Both Local Plan reviews will address housing provision over the period 2016 to 2036.

Thirdly, welfare reforms including the benefit caps, 'bedroom tax' and the roll out of Universal Credit, which have been brought in by the Government over the last few years, have had a significant impact on the delivery of housing services.

Relationship with other strategies

The housing strategy is underpinned by our corporate vision:

To secure a better future for the New Forest by;

- *Supporting local businesses to prosper for the benefit of the community*
- *Assisting the well-being of those people who live and work within the district*
- *Protecting the special and unique character of the New Forest*

The Corporate Strategy sets out our priorities as:

- Helping local business grow
- More homes for local people
- Service outcomes for the community
- Protecting the local character of our place
- Living within our means
- Working with others to achieve more

Ensuring local people have access to suitable affordable housing is a key responsibility for us as a provider of housing and as the Local Planning Authority. This high level strategy is the over-arching document that promotes suitable and sustainable housing provision, whatever the tenure.

Access to suitable housing that is affordable is an issue for many people in our district and a key part of this strategy is to consider ways to ensure that a range of housing choices which are affordable to local people are available within the district.

The strategy document sets out the housing challenges within our district and explains how we intend to address issues through themes which respond to the challenges and actions as to what we will do to address these themes. An action delivery plan sets out in more detail how we propose to achieve addressing housing challenges.

The planning system has a key role to play in ensuring the right type of housing is delivered in our District through the Local Plan. . This will identify where new development can take place and influence the type of housing (size, tenure, and affordability) to be provided. This housing strategy has an important role to play in influencing the development of planning policy in both ours and the National Park Authority's Local Plans (2016-2036) and steering those policies to ensure that local housing needs are addressed.

The New Forest National Park Partnership Plan (2015-2020) priorities includes an aim to strengthen the well-being, identity and sustainability of local communities, and recognises that part of achieving this will be through providing affordable housing for local people (Action LC5). This Housing Strategy will support the National Park Authority in achieving its aim of sustaining local communities.

2. The Challenges

Housing Affordability

House prices within our district are high and many households do not have an income sufficient to buy a home on the open market; there is a demonstrated need for affordable housing.

A study was commissioned by us to consider affordability of housing within our District including the National Park. It helped to understand the role that different tenures and types of housing provision play in addressing housing needs.

Affordability has become an issue for a broader section of society and many households are unable to exercise a reasonable degree of choice to meet their housing needs. Households who would not traditionally have sought affordable housing are increasingly unable to afford market housing impacting on individuals, the economy and the environment.

This is an attractive area to live and, due to households from higher value areas who have significant purchasing power as well as second home ownership, house prices have increased making it difficult for local people on lower incomes to purchase or even rent an open market home.

Average District property prices are around £370,000 with an entry level property around £225,000; this would require an annual income of around £42,000 to purchase a home. Private sector rents range from £650 pm for a 1 bed and up to £1,450pm for a 3 bed property requiring an income of around £27,000pa to access the rental market.

Based on 2016 data, the average income of resident population is around £29k per annum and for workplace (employees) is around £27k per annum. This highlights the issue of affordability.

In parts of our District, including the National Park and southern coastal area, property prices are particularly high. The New Forest National Park has the highest average property price of any National Park in the UK, highlighting the challenges around affordability.

Affordability can be particularly challenging for rural residents often committing higher proportions of their income to housing costs. This can impact on the sustainability of rural communities which can become less diverse.

The New Forest is a thriving working forest with many agricultural practices intrinsic to sustaining its heritage. Hampshire Alliance for Rural Affordable Housing which is a strategic body of local authorities, of which New Forest DC is a founding partner, supports the delivery of the rural affordable housing agenda and works with us and the National Park Authority to ensure that rural affordable homes are indeed affordable in perpetuity.

This housing strategy will help inform our Local Plan housing policies on the affordable tenure types that are most in need. The study highlighted that social and affordable rent

products remain the highest needed for those accessing affordable housing and who cannot afford to access the private sector.

Shared ownership and shared equity will continue to be supported to encourage home ownership. Whilst it is possible to access the private rental market with an income of around £27k as well as to access shared ownership, it is felt that this option remains affordable for a proportion of residents.

This housing strategy will monitor emerging housing tenure options as well as effects on affordability in order to react and adapt to changing needs and markets. It will also consider the viability issues relating to delivering affordable housing on developer led sites and work with planning policy on robust viability assessment through the Local Plan review.

Providing homes for an ageing population

New Forest District has an ageing population; around 40% of the population is aged 55 and over; this is expected to increase over the next 20 years. Of that percentage, 9% of the population are aged 75-84 and 4.5% aged 85 and over. This is also set to increase over the next 20 years.

A demography study has been carried out to consider demographic projections for our Local Plan and also consider the impact of projected growth in the older population.

Evidence provided as part of the study and a report carried out by the Housing and Learning Information Network (Housing LIN) highlights an increased need for specialist housing (sheltered/extra-care) as well as registered care. In the district in total around a fifth of the housing being proposed in our Local Plan 2016-2036 will need to address this and of which 45% will be required for affordable housing provision, presenting a significant delivery and funding challenge.

The demography study also suggests a growth in older population with dementia and for an older population with mobility problems. Housing provision for an ageing population and ensuring affordability are key areas for the strategy actions.

There will be a need to ensure that our own housing stock as well as homes provided by developers and partner Registered Providers are suitable and adaptable to needs as well as providing opportunities for older residents to down-size.

New housing legislation and welfare reform

Alongside Welfare Reform the implementation of the Homeless Reduction Act in April 2018 will be a major factor for us to consider and plan for, in particular temporary housing provision to meet potential increased need as well as providing information and resources to assist people to resolve their own housing situation.

Homelessness prevention is a primary statutory function for us in providing prevention advice and a range of temporary housing options to meet those needs.

Welfare reform is impacting on the affordability and availability of homes and the type of homes demanded. Key issues can be summarised as:

Bedroom tax – Housing benefit is reduced for people living in council or housing association properties that have an additional bedroom not being used and for people of working age. This will clearly impact on the affordability of those living in larger homes but will also require the need for smaller homes to accommodate existing residents needing to down-size and for newly forming households with a single occupant and couples.

Local Housing Allowance – This is the way of working out how much housing benefit a resident can get to help pay the rent if they have a private landlord. These levels have been frozen for 4 years and will not rise with the rate of inflation. This will impact on the private rented sector as residents in receipt of housing benefit whose rent is higher than the LHA will need to top-up the rent. This could see an increase in rent arrears in the private sector and implications resulting from this.

Benefit Cap restrictions and Universal Credit – The Benefit Cap is a limit on the total amount of certain benefits someone can get if they are working age. It affects those in receipt of housing benefit or Universal Credit. Entitlement levels impact on a range of households' ability to afford to live in our District.

Single claimants – single applicants aged under 35 (without children) are restricted as to how much housing benefit they are eligible for and will only be eligible for Local Housing Allowance (LHA) rates for shared accommodation.

This will lead to an increased demand for shared accommodation within a house or flat. Future development of affordable 1 bedroom accommodation will need to be considered as these properties will not potentially be affordable for applicants under 35 in receipt of housing benefit or Universal Credit.

Further proposed changes to the housing element of Universal Credit entitlement for 18-21 year olds are likely to further impact on housing options for this age group and result in hidden youth homelessness.

Disabled claimants – The most vulnerable in our area, reliant on disability benefits, have been affected by Welfare Reform including a reduction in Employment and Support Allowance (ESA) with the abolition of the work related element and in most cases are not exempt from the 'bedroom tax' which may affect their ability to meet rental costs for properties not specifically designed for purpose.

Families – Families with more than 2 children will be affected by benefit caps as housing benefit will not be uplifted for more than 2 children; therefore those housed in larger properties to meet their needs will not see an increase in housing benefit to cover the higher rent.

Other key challenges include reductions in rents (1% each year until 2019/20) which will benefit our tenants but will impact on future housing management and delivery. Right to buy sales in the District are also high which impacts on the level of housing stock.

Housing delivery through the Local Plan 2016-2036

We are the local planning authority outside the National Park, and the National Park Authority within the National Park. Both authorities are responsible for preparing the Local Plan for their areas which guide planning decisions on development.

The policies in these Local Plans not only set out where new housing development can take place but can also set policies on the type of housing to be provided, including types of tenure and affordability. As such appropriate Local Plan policies have a key role in delivering significant parts of the housing strategy for our area and ensuring the housing which is delivered addresses local needs.

Although this housing strategy includes a commitment by us to deliver new housing on our own land, most new housing development will be by private development companies. Appropriate planning policies in our Local Plans will be used to ensure housing development provides for new homes in a range of different tenures which are affordable to the spectrum of households needing to access housing in the district.

To address the housing needs of our area, Local Plan policies should seek to secure provision of new social and affordable rented homes, shared ownership/shared equity homes, rent to buy and starter homes, to address the needs of those that cannot afford to buy (or rent) property on the open market.

This housing strategy will need to consider ways of ensuring this is delivered by partnership working with developers, land owners and partner Registered Providers.

Local Plan policies will aim to prescribe the number and proportion of affordable homes provided as well as by tenure, size and mix.

Best use of existing housing stock

Poor housing conditions have a major impact on health and well-being particularly the vulnerable such as older people, people with disabilities and low income households. Maintaining and adapting the condition of housing stock may prevent the need for more costly health and care interventions that often come with a reduced quality of life.

The strategy will consider ways of improving quality of our own stock; the Housing Asset Management team have a schedule of work that will improve and re-provide facilities in existing housing schemes.

There are a number of Council homes within the District which are under-occupied by residents and we will investigate ways to provide tenants that wish to down-size with suitable homes, freeing up much needed family homes.

We will aim to work with private landlords to improve the private rented stock, developing ways of monitoring Houses of Multiple Occupation (HMOs) and how we best use empty properties.

In addition to this we will develop new homes that meet Lifetime Homes and use Modern Methods of Construction to ensure they are energy efficient and cost effective to run. Partner Registered Providers aim to provide quality homes that meet these requirements

and we will work with private developers to ensure that new homes are sustainable, cost effective and energy efficient.

3. Themes

Theme 1 – Maximise delivery of affordable housing through a range of options to meet local housing needs

Our priorities:

1. Contribute to diversifying the housing stock and meeting housing needs by achieving the right tenure, size and mix of affordable housing on new developments
2. Maximise the provision of new affordable homes within the District
3. Build and acquire new Council housing and maximise opportunities on Council owned land
4. Investigate and support provision of alternative tenure options such as starter homes, self-build and community led housing
5. Provide a range of good quality affordable housing options for older people and ageing population

Actions – what we will do

- Develop robust and deliverable affordable housing policies through our and the National Park Authority's Local Plans
- Develop a viability assessment process through the Local Plan review which enables delivery of affordable housing policies
- Work with Registered Providers to ensure homes are affordable by monitoring affordable rents
- Work with Housing Options team on income data to ensure future homes are affordable
- Carry out a Homesearch and resident survey on what tenure options they would like to see
- Develop information and options for those unable to access Homesearch properties

- Through the Local Plan secure affordable housing provision on housing sites of more than ten dwellings outside of the National Park
- Support the National Park planning policies in achieving affordable housing requirements on housing sites within the National Park
- Work in partnership with developers, land owners and Registered Providers to deliver quality affordable homes and cohesive vibrant communities
- Work in partnership with Homes & Communities Agency and Dept. for Communities & Local Govt. to secure grants and funding

- Complete housing development schemes on Council owned land at Compton & Sarum House and Stocklands
- Carry out feasibility on Council owned sites to secure a programme of new build schemes
- Acquire council housing stock through 'buy-back' when properties become available on the open market to meet specific needs in the order of 15 per year

- Allocate 50% of Community Housing Funds for community led housing initiative feasibility work
- Facilitate delivery of 3 community led housing projects
- Develop information, resources and training for community led housing options
- Develop a self-build delivery planning policy
- Work in partnership with providers and lenders to develop starter homes provision
- Work in partnership with specialist providers to secure affordable housing provision for older people

Theme 2 – Address the housing needs of vulnerable and homeless people

Our priorities:

1. Make provision for the Homelessness Reduction Act and improve services in preparation
2. Reduce dependence on bed & breakfast accommodation and investigate alternative temporary accommodation provision
3. Support residents with the impact of welfare reform and implications of Universal Credit
4. Support initiatives to address worklessness, improve skills base and maximise employment opportunities
5. Promote independence and support the creation of accessible homes for people with disabilities or support needs
6. Address the needs of gypsies, travellers and travelling show people

Actions – what we will do:

- Review the impact of the Homelessness Reduction Act on current service provision and implement associated findings including updating policies and procedures
- Improve and increase homelessness prevention support and advice
- Review and update homelessness policy
- Review fixed term tenancy process and procedures

- Assess current hostel provision and investigate alternatives
- Investigate options of purchasing and remodelling properties for temporary accommodation

- Welfare reform and universal credit - Assess the impact on residents and our services
- Partnership working with other housing services, stakeholders and economic development

- Accessible homes - Work in partnership with other housing services and stakeholders to deliver homes that meet specific needs
- Investigate the need to deliver a percentage of homes that are accessible and adaptable and suitable for wheelchair access

- Gypsies, travellers and traveling show people – make provision through appropriate Local Plan policies

Theme 3 – Partnership working to address the housing needs of New Forest residents

Our priorities

1. Work in partnership with developers, land owners and registered providers to inform and support affordable housing delivery.
2. Maintain and improve the Council's own housing stock
3. Deliver rural exception sites to meet the needs of rural communities
4. Consider opportunities for the efficient use of existing housing stock
5. Support initiatives to address worklessness, improve skills base and maximise employment opportunities

Actions – what we will do:

- Support Registered Providers in bidding for Homes & Communities Agency grant and investigate other funding opportunities
- Establish a Registered Provider forum and hold a minimum of 3 meetings per year
- Attend and input into strategic groups which impact on the District boundary: Partnership for Urban South Hampshire (PUSH), Strategic Housing Officer Group (SHOG), Hampshire Alliance for Rural Affordable Housing (HARAH)

Council stock:

- Complete 8 re-modelling schemes of former older persons accommodation
- Continue major works programme on Council stock to maintain Decent Homes standard
- Continue to upgrade work on communal lounges and associated areas
- Fully implement new financial assistance policy for Disabled Facilities Grants/loans and repair grants
- Review Houses of Multiple Occupation licencing requirements and prepare new policy
- Maintain the Private Sector Leasing Scheme at minimum 100 homes

Rural provision:

- Work in partnership with local communities, parish councils and Hampshire Alliance for Rural Affordable Housing (HARAH) and Hampshire Village Homes to deliver affordable housing schemes on rural exception sites
- Investigate viability and affordability of rural housing delivery and develop protocols for future delivery on rural exception sites

Existing housing stock:

- Investigate under-occupation and options for residents to down-size in council housing stock
- Investigate empty homes opportunities, develop a procedure and maximise opportunities to use as temporary housing

4. Implementation

Key elements of the housing strategy will be implemented through the planning process and the policies of our Local Plans for the District and National Park Authority. An action plan (appendix 1) sets out how the housing strategy will be implemented by the Council in partnership working with a range of stakeholders in the public and private sectors.

In addition investment in future housing will be from our Housing Revenue Account (HRA). Other funding opportunities will be sought through Central Government including through funds like the Community Housing Fund and other initiatives including for self-build, infrastructure funding and homelessness prevention.

Inward investment by others will be important including registered providers and Homes England (formerly Homes & Communities Agency), particularly through the Affordable Housing Programme and targeted initiatives. We will work closely with Homes England to secure funding where appropriate and support others in their bids.

5. Monitoring & Review

Some of the actions in this strategy are short term and will be achieved quickly. Others will take many years to realise. It is important to be aware that there are many influences that mean the needs of our communities will change over time. The housing strategy must respond to these changing needs.

Government borrowing and spending is under continual pressure and the welfare system continues to undergo radical change. Emerging government policy around housing clearly sets a long term priority to increase house building through accelerated construction investment.

At a national level, emerging Government policy is trending towards owner occupation. Local housing policies seek to address the requirements and supply to all tenure types and housing sectors. As a Housing Authority, we must capitalise on this and play a role in helping communities shape their future.

This Housing Strategy and Action Plan will be monitored and reviewed so that they are responsive to national and local changes to ensure the housing needs and ambitions of our communities are met.

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Housing Strategy 2018-2023 Action Delivery Plan

Theme 1: Maximise delivery of affordable housing through a range of options to meet local housing needs			
Our priorities	Actions – what we will do	Resource/Partners	Target for completion
1. Contribute to diversifying the housing stock and meeting housing needs by achieving the right tenure, size and mix of affordable housing on new developments	Develop robust and deliverable affordable housing policies through the District and National Park Authority Local Plan 2016-2036	Housing Development & Strategy/Planning Policy/Developers/Registered Providers	Ongoing
	Develop a viability assessment process through the Local Plan review which enables delivery of affordable housing policies	Housing Development & Strategy/Planning Policy	April 2018
	Work with Registered Providers to ensure homes are affordable by monitoring affordable rents	Housing Development & Strategy/Registered Providers	Ongoing
	Work with Housing Options team on income data to ensure future homes are affordable	Housing Development & Strategy/Housing Options	Aug 2018
	Carry out a Homesearch and resident survey on what tenure options they would like to see	Housing Development & Strategy/Housing Options	Sept 2018
	Develop information and options for those unable to access Homesearch properties	Housing Development & Strategy/Housing Options	Sept 2018 and ongoing
2. Maximise the provision of new affordable homes within the district	Through the Local Plan secure affordable housing provision on housing sites of more than ten dwellings outside of the National Park	Housing Development & Strategy/Planning Policy/Developers/Registered Providers	2036
	Support the National Park planning policies in achieving affordable housing requirements on housing sites within the National Park	Housing Development & Strategy/Planning Policy/Developers/Registered Providers	2036

	Work in partnership with developers, land owners and Registered Providers to deliver quality affordable homes and cohesive vibrant communities	Housing Development & Strategy/Planning Policy/Developers/Registered Providers	2023
	Work in partnership with Homes & Communities Agency and Dept. for Communities & Local Govt. to secure grants and funding	Housing Development & Strategy/Registered Providers/HCA	2023
3. Build and acquire new council housing and maximise opportunities on council owned land	Complete housing development schemes on Council owned land at Compton & Sarum and Stocklands	Housing Development & Strategy/Estates & Valuations	March 2023
	Carry out feasibility on Council owned sites to secure a programme of new build schemes		
	Acquire council housing stock through 'buy-back' when properties become available on the open market to meet specific needs in the order of 15 per year		
4. Investigate and support provision of alternative tenure options such as starter homes, self-build and community led housing	Allocate 50% of Community Housing Funds for community led housing initiative feasibility work	Housing Development & Strategy/planning policy	April 2023
	Facilitate delivery of 3 community led housing projects	Housing Development & Strategy	April 2023
	Develop information, resources and training for community led housing options	Housing Development & Strategy	April 2018
	Develop a self-build delivery planning policy	Housing Development & Strategy/planning policy	Sept 2018
	Work in partnership with providers and lenders to develop starter homes provision	Housing Development & Strategy/planning policy	Ongoing
5. Provide a range of good quality affordable housing options for older people and ageing population	Work in partnership with specialist providers to secure affordable housing provision	Housing Development & Strategy	Ongoing

Theme 2: Address the housing needs of vulnerable and homeless people			
Our priorities	Actions – what we will do	Resource/Partners	Target for completion
1. Make provision for the Homelessness Reduction Act and improve services in preparation	Review the impact on current service provision and implement associated findings including updating policies and procedures	Housing Options Team/Local Govt. Assoc.	April 2018
	Improve and increase homelessness prevention support and advice	Housing options team	April 2018
	Review and update homelessness policy	Housing options team	April 2018
	Review fixed term tenancy process and procedures	Housing options team	May 2018
2. Reduce dependence on bed & breakfast accommodation and investigate alternative temporary accommodation provision	Assess current hostel provision and investigate alternatives	Housing Development & Strategy/Housing Options	May 2018
	Investigate options of purchasing and remodelling properties for temporary accommodation	Housing Development & Strategy/Housing Options	Aug 2018
3. Support residents with the impact of Welfare Reform and implications of Universal Credit	Assess the impact on residents and our services	Housing Options/Rents/Housing Benefit	Ongoing
4. Support initiatives to address worklessness, improve skills base and maximise employment opportunities	Partnership working with other housing services, stakeholders and economic development	housing options/stakeholders/housing development & strategy/economic development	Ongoing
5. Promote independence and support the creation of accessible homes for people with disabilities or support needs	Work in partnership with other housing services and stakeholders to deliver homes that meet specific needs	Housing allocations/housing options/Registered Providers/OT	Ongoing
	Investigate the need to deliver a percentage of homes that are accessible and adaptable and suitable for wheelchair access		
6. Address the needs of gypsies, travellers and travelling show people	Develop Local Plan policies	Housing Development & Strategy/Planning	April 2018

Theme 3: Partnership working to address the housing needs of New Forest residents			
Our priorities	Actions – what we will do	Resource/Partners	Target for completion
1. Work in partnership with developers, land owners and registered providers to inform and support affordable housing delivery	Support Registered Providers in bidding for Homes & Communities Agency grant and investigate other funding opportunities	Housing Development & Strategy	2023
	Establish a Registered Provider forum and hold a minimum of 3 meetings per year	Housing Development & Strategy	Dec 2017
	Attend and input into strategic groups which impact on the District boundary: Partnership for Urban South Hampshire (PUSH), Strategic Housing Officer Group (SHOG), Hampshire Alliance for Rural Affordable Housing (HARAH)	Housing Development & Strategy	Ongoing
2. Maintain and improve the Council's own housing stock	Complete 8 re-modelling schemes of former older persons accommodation	Housing Asset Management Team	2019
	Continue major works programme on Council stock to maintain Decent Homes standard	Housing Asset Management Team	2019
	Continue to upgrade work on communal lounges and associated areas	Housing Asset Management Team	2023
	Fully implement new financial assistance policy for Disabled Facilities Grants/loans and repair grants	Housing Grants & Improvement team	Jan 2018
	Review Houses of Multiple Occupation licencing requirements and prepare new policy	Housing Grants & Improvement team	April 2018
	Maintain the Private Sector Leasing Scheme at minimum 100 homes	Housing Asset Management Team/Housing Options	Ongoing
3. Deliver rural exception sites to meet the needs of rural communities	Work in partnership with local communities, parish councils and Hampshire Alliance for	Housing Development & Strategy/HARAH/	Ongoing

	Rural Affordable Housing (HARAH) and Hampshire Village Homes to deliver affordable housing schemes on rural exception sites	Registered Providers	
	Investigate viability and affordability of rural housing delivery and develop protocols for future delivery on rural exception sites	Housing Development & Strategy/HARAH/ NPA	
4. Consider opportunities for the efficient use of existing housing stock	Investigate under-occupation and options/incentives for residents to down-size in council housing stock and new developments	Housing Development & Strategy/Allocations	Sept 2018
	Investigate empty homes opportunities, develop a procedure and maximise opportunities to use as temporary housing	Housing Development/ Housing Grants & Improvements	Sept 2018

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Housing Strategy Timetable

Group	Purpose	Date
Community Overview & Scrutiny Panel	Consider draft strategy for wider consultation	19 th September 2017
Cabinet	Consider draft strategy for wider consultation	4 th October 2017
Tenant involvement group	To receive input and feedback from tenants prior to finalising the housing strategy	6 th October 2017
Consultation period	To receive input and feedback from others prior to finalising the housing strategy	25 th September 2017 – 27 th October 2017
Registered Provider forum consultation	To receive input and feedback from partner Registered Providers prior to finalising the housing strategy	13 th November 2017
Community Overview & Scrutiny Panel	To consider and provide comments to Cabinet on proposed housing strategy	14 th November 2017
Cabinet	Agree the housing strategy for 2018-2023	6 th December 2017

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