

NOTICE OF MEETING

Meeting: CABINET

Date and Time: WEDNESDAY, 7 NOVEMBER 2018, AT 10.00 AM*

Place: COUNCIL CHAMBER, APPLETREE COURT,
LYNDHURST

Telephone enquiries to: Lyndhurst (023) 8028 5000
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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 3 October 2018 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. CIVIL ON STREET PARKING ENFORCEMENT AND TRANSPORTATION - AGENCY AGREEMENTS (Pages 1 - 6)

To consider whether to accept the County Council's proposals for agency agreements with respect to on-street parking enforcement and traffic management.

5. STRATEGIC FIRE SAFETY REVIEW (Pages 7 - 18)

To consider an updated Strategy and to approve additional resources in respect of the Strategy for housing.

6. COUNCIL TAX REDUCTION SCHEME 2019/20 (Pages 19 - 26)

To consider the Council Tax Reduction Scheme for 2019/10.

7. COUNCIL TAX DISCOUNTS AND EXEMPTIONS, VOLUNTARY PAYMENT AND RELATED POLICIES (Pages 27 - 48)

To consider the recommendations of the Council Tax Reduction Task and Finish Group on various Council Tax exemptions and discounts, and also a proposal concerning voluntary Council Tax payments.

8. MEDIUM TERM FINANCIAL PLAN 2018 ONWARDS (Pages 49 - 56)

To consider the Medium Term Financial Plan.

To:

Councillors

Mrs D E Andrews
J E Binns
Mrs J L Cleary
M R Harris

Councillors

E J Heron (Vice-Chairman)
J D Heron
Mrs A J Hoare
B Rickman (Chairman)

CABINET – 7 NOVEMBER 2018

PORTFOLIO: PLANNING AND
INFRASTRUCTURE

CIVIL ON STREET PARKING ENFORCEMENT AND TRAFFIC MANAGEMENT - AGENCY AGREEMENTS

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform the Cabinet of proposed changes to two of the agency agreements with Hampshire County Council relating to Civil “On Street” Parking Enforcement and Transportation.
- 1.2 As part of the County Council’s savings targets discussions have been ongoing with officers from Borough and District Councils in Hampshire for a revised method of working which will allow the County Council to achieve savings on these two specific service areas. The County Council has titled this review as the “Modernisation of the On-Street Parking Service. This report identifies the proposals from the County Council and a recommended course of action in respect of New Forest District Council.

2. BACKGROUND

- 2.1 The agency agreement for On-Street Parking Enforcement was signed in 2002. The Council agreed to take on the function of managing on street parking enforcement from Hampshire Police as did all other District and Borough Councils in Hampshire with the exception of Gosport. As part of this agreement the District Council would be responsible for the enforcement of all on-street parking regulations within the New Forest District Council boundary, including residents’ parking schemes.
- 2.2 The agency agreement allows either of the parties to give 24 months’ notice to terminate the agreement. In March 2018 the County Council notified the District Council of its intention to terminate the current agreement on the 31st March 2020.
- 2.3 It was proposed that Officers from both organisations would work together and come up with a revised agency agreement and in August 2018 Hampshire Officers provided New Forest District Council Officers with the details of a draft agency agreement.
- 2.4 This was followed up by a letter from Stuart Jarvis, Director of Planning, Transport and Environment at HCC on 3rd October 2018 which summarised the key proposals.
- 2.5 The agreement identified that the new relationship would be based on the following for on-street parking:
 - 2.5.1 That there would be a requirement for the District Council to operate the on-street civil parking enforcement in the most efficient way to ensure full cost recovery is achieved (**Including the County Council’s associated costs**). These County Council associated costs include County Officer time spent on on-street parking as well as costs incurred by the County Council’s term maintenance contractor on signing and lining.

- 2.5.2 Where surplus income is achieved from the enforcement service this will be shared equally between the District and County Council.
- 2.5.3 The District Councils must produce an Annual Parking report with the financial figures for on-street parking agreed by the County Council prior to publication
- 2.5.4 The on-street parking account must show true operational costs of running the service fairly apportioned on a pro-rata basis in relation to the off-street service. The County Council will produce a template to help ensure that costs are apportioned using a common methodology. Where costs for the on-street operation appear excessively high the County Council reserves the right to undertake an audit certification of the financial returns relating to the service.
- 2.5.5 The District Council must be willing to work in partnership with the County Council to deliver pilot on-street electric charging points and targeted areas of **“Paid for On-Street Parking”**. **Currently there are no areas of paid for parking on street in the District.**
- 2.5.6 The County Council will have overall responsibility for on-street “Paid for” chargeable parking in those areas without such measures in place as of January 2018, this includes receiving 100% of any income collected from “Paid for Parking”.
- 2.5.7 District Councils that have established on-street chargeable parking as of 1st January 2018 will be required to share surplus income equally with the County Council. This will enable the County Council to recover its associated costs.
- 2.5.8 Due to the link between the introduction of new parking controls and their enforcement, Districts who deliver on-street enforcement will also be required to have a Traffic Management Agreement with the County Council. Districts will not be allowed to have just the Traffic Management Agreement.
- 2.5.9 Districts must conform to policies and standards for operation of the service as laid down by the County Council including the Operational Policy for Residential Parking Schemes.
- 2.5.10 District Councils must produce a 5-year parking strategy to include on-street provision. The on-street section of this document must be agreed with the County Council prior to publication.
- 2.6 As identified in 2.5.9 above Districts will be required to comply with an Operational Policy for Residential Parking Schemes. As the District has 21 residents’ parking schemes on the highway the key elements of this revised policy are:
 - 2.6.1 The District Council must operate residential parking schemes on a full recovery basis. The on-street parking account must not be used to subsidise the operational costs of residential parking schemes.
 - 2.6.2 Schemes must be self-financing with income from permits covering the full cost of scheme operation including permit administration, scheme management, IT costs, enhanced enforcement time and the ongoing costs associated with the ongoing maintenance of signs and lines.
 - 2.6.3 It is proposed that a minimum first permit charge of £50 (currently New Forest Permits are £25 to £31) should apply. Permit charging in smaller zones may

need to be higher to cover operating costs. (All of New Forest's residential permits would fall into that category). Permit charges must be subject to inflation and annual charging reviews. However, where a District Council decides to keep permit charges below a level where full costs are recovered they will be required to credit the on-street parking account with a payment equal to the lost income.

- 2.6.4 Charges for a second permit must be set at a level that will help ensure that schemes are not oversubscribed with excessive permits issued in relation to the available parking in that area.
 - 2.6.5 Charges for subsequent permits (subject to local policy and where sufficient kerb space exists) must also be charged at a level that will discourage an excessive proportion of the available on-street parking being taken by individual properties.
 - 2.6.6 Charges for visitor and trade permits also need to be set at a level to recover costs and manage demand.
 - 2.6.7 Where current annual residential parking permits are charged some way below the proposed £50 minimum charge, there may be potential for the increase to be applied over a two year period. Any such agreement would need to be agreed in advance with the County Council.
 - 2.6.8 Some Districts do not charge residents who were living in areas before residential parking schemes were first introduced. Given the ongoing revenue costs associated with the operation of schemes of this type the Districts must ensure all residents within residential parking areas who request a permit be required to pay for them.
- 2.7 The County Council has confirmed that the current agency agreement in relation to the traffic management function will also cease in March 2020. In 2.5.8 above it is clear that the district councils will not be able to undertake this traffic management agency from 2020 unless it also reaches agreement to undertake the on-street parking enforcement agency, which does make sense as both these functions are closely linked. The key elements of this service are;
- 2.7.1 That district councils would be able to set the cost of processing utility Temporary Traffic Regulation Orders (TTRO's) in line with the new County Council charge of £1300 + advertising costs.
 - 2.7.2 The County Council now charges £120 for Access Protection Markings and would support the districts in making the same charge.
 - 2.7.3 The County Council charge £5,000 + works and advertising costs for processing developer TRO's and would support the districts charging the same.
 - 2.7.4 There are opportunities to increase the costs for tourist signing, local amenity signs and to offer parking controls to those parishes and local communities that are prepared to fund this work.
 - 2.7.5 In 2016 Hampshire County Council reduced the budget allocated to the District Council's traffic management function to £39,670. The service has struggled to keep up with the demand following the reduction in funding and

this has resulted in more correspondence with the District Council as fewer schemes are being progressed.

3. FINANCIAL IMPLICATIONS

- 3.1 The current proposal clearly puts the liability for making the on-street parking service and residential parking schemes break even with the District Council. Furthermore, it is unclear what costs the County Council will apportion to this service for officer time and contractor payments for lining and signing.
- 3.2 The District Council currently manages the on-street parking service in the New Forest District and does not receive any payment from the County Council. As no payment is received the District Council subsidises this service at a cost of £100,000 per annum.
- 3.3 The District Council receives £39,670 from the County Council with regards to the traffic management function, which has been severely reduced over the past 5 years. Currently staff are unable to keep up with the demand from local Members and residents with regards to implementing new schemes.

4. STAFFING IMPLICATIONS

- 4.1 As the Parking Enforcement Service operates across both on- and off- street parking areas it is difficult to apportion actual allocations to individual members of staff. If the District Council does not continue with on-street enforcement it is anticipated that there will be a reduction in funding for 5.3 staff. At the time of writing it is anticipated that TUPE will not apply and that the District Council will have to pay any costs in relation to redundancy payments.
- 4.2 The current staffing allocation for the Transportation Service on the HCC agency work is 1.6 FTE's. It is the District Council's opinion that TUPE applies to these posts. Therefore staff will be entitled to transfer to Hampshire County Council on the 1st April 2020 if there is no agreement for the District Council to undertake this function.

5. CRIME & DISORDER IMPLICATIONS

- 5.1 It is important that whoever undertakes these two important functions that standards do not drop and regular inspections and reviews and revisions of traffic regulation orders are undertaken to ensure that the traffic flows smoothly throughout the District.

6. EQUALITY & DIVERSITY IMPLICATIONS

- 6.1 None

7. PORTFOLIO HOLDER'S COMMENTS

- 7.1 I regret the County Council's decision to terminate the current on-street parking enforcement agency agreement in 2020, as I believe that this Council has provided an excellent and efficient service since 2002. While I am keen that we work closely with the County Council and share the delivery of

services where possible, I agree with the analysis set out within this report that in this instance the proposed new agency agreement represents an unacceptable financial risk to this Council, and therefore fully support the recommendation.

8. CONCLUSIONS

- 8.1 Unfortunately there is a real concern that the proposals on the table from the County Council for the On-Street Parking Enforcement and the Residential Parking Schemes will put the financial liability on the District Council with elements of recharge from the County Council being outside the control of the District Council.
- 8.2 It is also clear that the Traffic Management agency can only be entered into if the District Council agrees the On-Street Enforcement agency agreement
- 8.3 It is disappointing that these proposals from the County Council will lead to a two tier parking enforcement arrangement for the towns and villages of the New Forest.

9. RECOMMENDED:

- 9.1 That the Cabinet instructs the Executive Head of Operations to write formally to the County Council to reject the current proposed terms for the agency agreements for On Street Parking Enforcement and Traffic Management on the grounds that the District Council is not prepared to take the financial risks identified on a function that it does not have a statutory duty to provide.

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Background Papers:

None

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CABINET – 7 NOVEMBER 2018

PORTFOLIO - LEADER AND
CORPORATE AFFAIRS

STRATEGIC FIRE SAFETY REVIEW

1. INTRODUCTION

- 1.1 The Council discharges a diverse range of statutory functions and controls a number of different buildings, all of which require consideration from a fire safety perspective to ensure that those visiting, working or living in such buildings are adequately protected from the risk of fire.
- 1.2 This report concentrates on the Council's strategic approach to fire safety and explains how the Council will implement detailed fire safety policies covering all areas of responsibility, to include public facilities (including offices and leisure centres), depots and council housing stock.
- 1.3 Whilst the Council has an existing fire safety policy and procedures in place, it is opportune to review these to ensure that the Council's approach to fire safety is robust. Nationally this issue has come into greater focus as the recommendations following the Grenfell Tower fire tragedy come forward.

2. BACKGROUND

- 2.1 In 2006 the Regulatory Reform (Fire Safety) Order 2005 (known as the Fire Safety Order) was introduced after reforming all previous fire safety legislation relating to fire safety. It brought the common parts of blocks of flats within scope of mainstream fire safety legislation for the first time and applies to England and Wales. It covers 'general fire precautions' and other fire safety duties that are needed to protect any 'relevant person' on or in the immediate vicinity of premises who may be at risk from fire. Responsibility for complying with the Fire Safety Order rests with the 'Responsible Person' (normally the owner of the building) who has the responsibility for fire safety matters on site.
- 2.2 In addition to the Fire Safety Order, the Housing Act 2004 introduced the housing health and safety rating system (HHSRS). The HHSRS is a risk based evaluation tool used to assess potential risks and hazards to the health and safety of occupants from deficiencies identified in residential properties in England and Wales. The assessment method focuses on 29 categories of hazard, including the threat of uncontrolled fire and smoke and tackling these making housing healthier and safer to live in.
- 2.3 The Council has fire safety responsibilities for all buildings under its control. These responsibilities apply to the following:
 - all facilities, including offices and depots;
 - leisure centres;
 - council housing stock.

- 2.4 In addition to ensuring its buildings and occupants are safe, the Council also has duties under the Housing Act 2004 relating to the enforcement of standards in residential accommodation in the private rented sector. The standards are designed to ensure that accommodation is safe, in reasonable repair, with at least a minimum level of facilities and not overcrowded.
- 2.5 As the statutory fire and rescue authority, Hampshire Fire and Rescue also has duties and responsibilities delegated to it by central government to undertake visits to premises to check fire risk assessments and ensure fire prevention measures are appropriate and issue formal fire safety notices where fire safety measures are inadequate.
- 2.6 The Grenfell Tower fire of 2017 was the deadliest structural fire in the United Kingdom since the 1998 Piper Alpha disaster and the worst UK residential fire since the Second World War. The independent review of Building Regulations and Fire Safety that followed the tragedy, led by Dame Judith Hackett, 'Building a Safer Future' was published in May 2018. The report describes how the regulatory system covering high-rise and complex buildings was not fit for purpose with key issues underpinning the current system failure including:
- Ignorance of fire safety requirements;
 - Indifference;
 - Lack of clarity on roles and responsibilities;
 - Inadequate regulatory oversight and enforcement tools.
- 2.7 The level and likelihood that a fire could start and cause harm is based on key risk factors in consideration of the building type, its intended use, persons at risk and the activities undertaken on the premises. The likelihood of fire is strongly influenced by social and lifestyle factors and it is these, more than any others, that result in a disproportionate number of fires (and fire deaths) occurring in housing.
- 2.8 Whilst this Council does not have buildings of a type associated with the Grenfell Tower disaster (as it does not have any building or dwellings over 10 storeys), senior officers have considered it prudent to review its approach to fire safety to see if improvements can be made.

3. STRATEGIC APPROACH

- 3.1 The Council has a varied property portfolio and needs to take steps to ensure that its approach to fire safety and risk management is fit for purpose, robust, resilient and proportionate to risk.
- 3.2 This report concentrates on the Council's strategic approach to fire safety and proposes a new overarching Fire Safety Strategy for the Council recognising that there are a number of different functions/responsibilities that the Council has when it comes to fire safety. The proposed Fire Safety Strategy is attached as Appendix 1.

3.3 The overarching Fire Safety Strategy sets out the scope, aims and objectives to achieve and maintain full compliance with the Council's duties under the Regulatory Reform (Fire Safety) Order 2005 and the Housing Act 2004. It is based upon the following principles:

- Identification of property asset and enforcement risk strands;
- Identification of 'responsible persons' ensuring clarity on those roles accountable for the implementation, enforcement, management, monitoring and compliance relating to fire safety;
- Fit for purpose fire safety and arrangement policies for each identified risk strand;
- Adoption of good partnership working with Hampshire Fire and Rescue Service through Strategic Fire Management Steering Group;
- Fire prevention, removing or reducing hazards and risks and precautions to ensure that people are adequately protected, if a fire were still to occur;
- Adequate and competent resources to enable the effective discharging of duties;
- Allocation of resources proportionate to risk;
- Ensuring front line staff receive appropriate instruction and training;
- Being proactive in providing information to Council housing tenants and building users about fire safety, including setting out what their responsibilities are.

4. HOUSING STOCK

4.1.1 Within the overarching Fire Safety Strategy the Council's housing stock has been assessed as the highest risk strand due to sleeping accommodation, the likelihood of fire and the consequential risk to residents.

4.2 The Fire Safety Order includes the common parts of housing blocks and specialist housing but not resident's private accommodation. However the vast majority of fires occur within residents' own accommodation and consequently, the majority of deaths and serious injuries to residents from fire result from fires that start within the persons' own accommodation (and often the room in which the fire starts).

4.3 Residents who reside in the Council's specialist extra care housing schemes range from active older people to those who require additional supported care. In some cases these residents can be indistinguishable from our residents residing in general needs housing. For these residents a person-centred approach will be necessary to identify additional risk factors arising from aspects of resident vulnerability, taking account of lifestyle, mental capacity to make decisions, physical agility, potential for carelessness, hoarding or lack of awareness increasing the likelihood of a fire occurring.

4.4 The Council recognises that in addition to those vulnerable residents who reside in the Council's specialist extra care housing, it is likely that other vulnerable residents may be residing in the Council's wider general needs housing stock.

4.5 Since new management has been in place within the Housing Service, a thorough review of fire safety procedures has commenced. The following steps are currently being worked upon and will form part of a detailed Fire Safety Policy specific to Housing (Landlord Services):-

- Housing Landlord Services to review fire risk assessment schedules based on the level of risk and likelihood that a fire could start and cause harm to those residing in Council owned housing stock;
- Extending fire risk assessments beyond the common parts required by the Fire Safety Order in some building types to include a frequency schedule of the accommodation itself;
- Introduce 5 yearly stock condition surveys from 1st April 2019 which will also focus on fire safety within all dwellings;
- Appoint a suitably qualified and experience Fire Safety Officer to be responsible for the day to day delivery of fire precautions and compliance across all Council owned housing stock, whilst working collaboratively with Housing Maintenance and Estate Management staff providing advice, support and guidance.

4.6 It is proposed to take the draft Landlord Services specific policy to the Housing Overview and Scrutiny Panel on 21 November 2018 and thereafter signed off by the Portfolio Holder for Housing.

5.0 OTHER COUNCIL SERVICES

5.1 As per section 2.1.3 of the overarching Fire Safety Strategy, it is proposed that other Services covering all of the Council's buildings including depots, leisure centres and offices will also have new detailed Fire Safety Policies specific to the risks identified for such buildings.

5.2 Whilst the Council's current approach to fire safety covers many of these aspects, it is prudent to have up to date detailed policies and procedures so that the Council's approach to fire safety is up to date, well documented, actioned and understood by staff.

5.3 It is proposed that these policies are in place by 31st March 2019

6. FINANCIAL IMPLICATIONS

6.1 This strategy will require extra resources of approximately £60,000, mainly in the Housing area, to ensure there are adequate resources within Housing to deal with the improvements identified within this report.

7. CRIME AND DISORDER, EQUALITY AND DIVERISTY AND ENVIRONMENTAL

7.1 None arising directly from this report.

8. PORTFOLIO HOLDERS' COMMENTS

8.1 I am pleased that our officers have continued to review our current policies on fire safety to fulfil our statutory functions. It is important that our residents, staff and visitors to our various properties continue to feel safe. I therefore support this Strategy and the continuing work both internally within our service areas and externally through our developing partnership with the Fire and Rescue service.

9.0 CONCLUSION

- 9.1 The overarching Strategic Fire Safety Policy at Appendix 1 sets out the Council's corporate approach to fire safety. As stated above, detailed policies for all Council buildings will be prepared and signed off by the relevant Portfolio Holders.
- 9.2 The outcomes of adopting this strategic approach will be:-
- Corporate recognition of the importance of fire safety;
 - Clear accountability for ensuring the effectiveness of discharging duties;
 - Tailored fire safety arrangements for property risk strands taking account of – building types, intended use, persons at risk and activities undertaken;
 - Fire safety culture embedment at strategic, operational service delivery and occupancy level;
 - Council resource being effectively directed and managed proportionate to risk;
 - Strengthening the partnership working between the Council and Hampshire Fire and Rescue on fire prevention and management and supporting fire training and education.

9. RECOMMENDATION

- 9.1 That the strategic approach to Fire Safety, as set out in this report, be endorsed: and
- 9.2 That the additional resource of £60,000 required within Housing, as set out in this report, be approved.

For further information contact:

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Background Papers:

None

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Corporate Fire Safety Strategy 2018

SECTION 1: INTRODUCTION

1.1 New Forest District Council acknowledges and accepts its responsibilities under this current fire legislation and will proceed with due diligence to address these by the provision of suitable, sufficient and risk appropriate fire precautions and management systems to enable the safe evacuation of employees and others from Council buildings and to minimise fire damage should a fire occur.

1.2 The aims and objectives of this strategy are to:

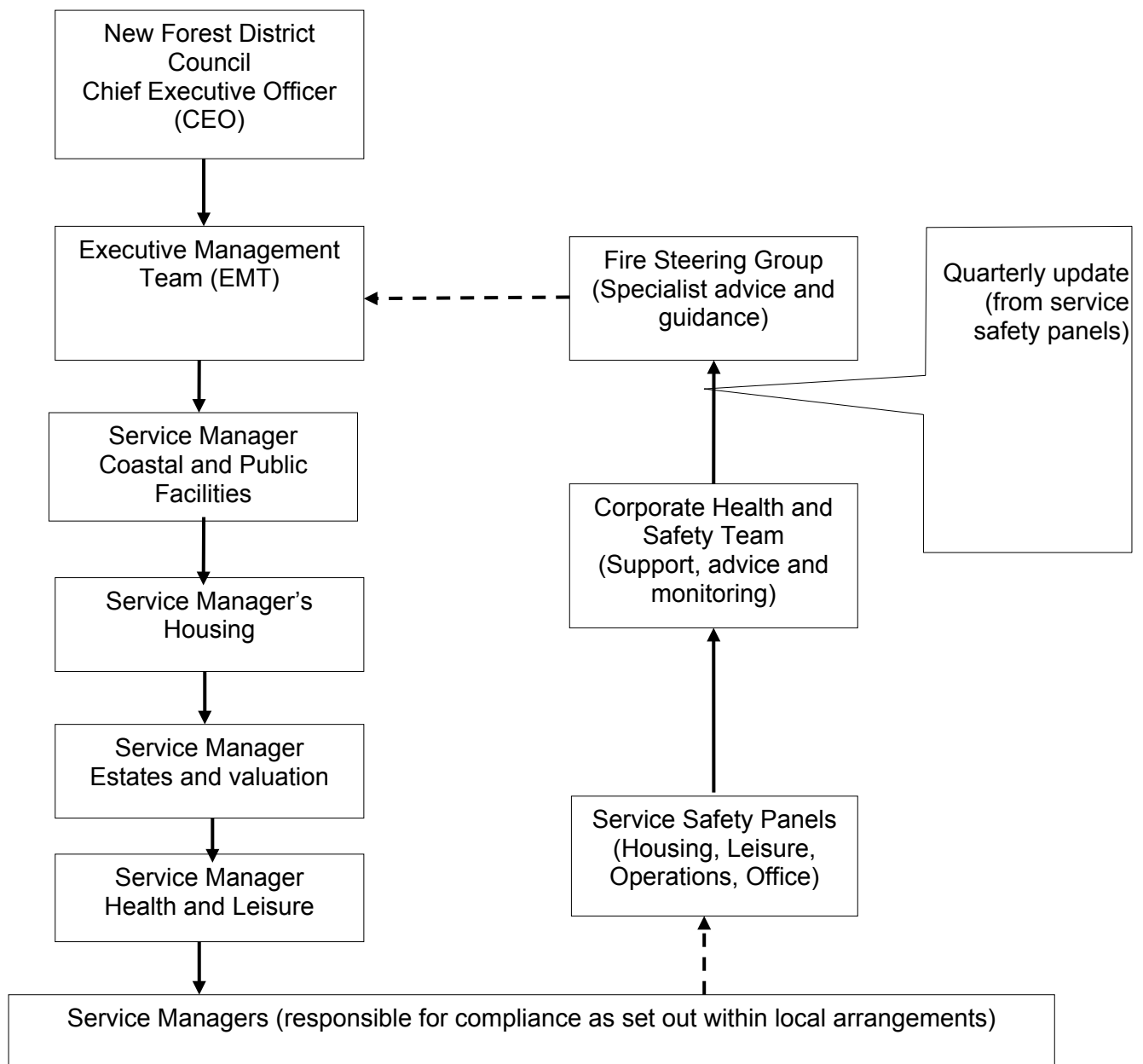
- Ensure suitable resources are in place to prevent the cause and spread of fire and if/when they occur to minimise their impact within communal areas and individual properties
- Place primary importance on the life, safety and welfare of New Forest residents, employees and persons working and visiting NFDC owned or leased properties.
- To have in place effective planning, organisation, control, monitoring and review of the preventative and protective measures.
- Protect the councils assets from the spread of fire and interruption of business and
- Fulfil our legislative duties as landlord and 'responsible person'.
- Fulfil our requirements as the enforcing agency with regards to private sector housing.

1.3 This strategy and the following fire safety plans will consider the following legislation.

- In 2006 the Regulatory Reform (Fire Safety) Order 2005 (known as Fire Safety Order) was introduced, reforming all previous fire safety legislation relating to fire safety. It requires a "responsible person" to be identified to ensure that 'suitable and sufficient' fire risk assessments are carried out and also brought the common parts of blocks of flats within the scope of mainstream fire safety legislation.
- The Housing Act 2004 introduced the housing health and safety rating system (HHSRS), a risk based evaluation tool used to assess potential risks and hazards to the health and safety of occupants from deficiencies identified in residential properties. The assessment method focuses on 29 categories of hazard, including the threat of uncontrolled fire and smoke.
- Local Housing Authorities as landlords also need to comply with other statutory requirements which include; The Gas Safety (installation and use) Regulations 1998, the Electrical Equipment (Safety) Regulations 1994 and the Furniture and Furnishings Act 1988 which if not complied with could give rise to an increased risk of fire.

1.4 Arrangements

Arrangements within specific services set out individual policies, implementation plans and procedures that must be followed and detail clear roles and responsibilities. Those with specific emergency evacuation plans must ensure they are made available to all 'relevant persons'. Where necessary, the method of communication must take in to account any specific individual needs. Below is a flow chart of those specific services and policies.



SECTION 2: ROLES AND RESPONSIBILITIES

2.1 Duties and responsibilities

Responsibility for complying with the Order rests with the 'responsible person'.

In a workplace, the 'responsible person' is the employer and any other person who may have control of any part of the premises, e.g. the occupier or owner. In the case of NFDC the employer is represented by the Chief Executive together with the Executive Heads who collectively form the 'Executive Management Team' or 'EMT'.

Therefore, for the purposes of the Regulatory Reform (Fire Safety) Order 2005 and the general duties conferred by the Health & Safety at Work etc. Act 1974 in relation to the protection of life from fire, the 'responsible person' shall be the Chief Executive together with the Executive Heads i.e. EMT.

2.1.1 Executive Management Team (EMT)

The Executive Management Team (EMT) are collectively and individually responsible for ensuring that the requirements of the Health and Safety at Work etc Act 1974 and its supporting regulations and approved codes of practice are applied and implemented and to nominate one or more persons to act on their behalf to discharge their responsibilities.

The Chief Executive, together with the Executive Heads, discharges their responsibilities as the 'responsible persons' to Service Managers for managing all aspects of fire compliance including preparation, maintenance and publication of the necessary records for all NFDC premises ensuring the safety of occupants within the premises they operate.

The Chief Executive, together with the Executive Heads, have nominated Service Managers to make provision for the safe evacuation of any employee with a disability or reduced mobility and to ensure that all of their employees have an awareness of fire safety.

2.1.2 Service Manager – Coastal and Public Facilities

The Service Manager of Coastal and Public Facilities is the 'responsible person' for managing and overseeing all contractual aspects of fire compliance for all NFDC premises. This includes reporting to safety panels and fire steering group on a quarterly basis on the authority's position.

2.1.3 Service Managers – Housing Maintenance; Housing Estates Management, Leisure; Coastal and Public Facilities; Estates and Valuation

These Specific Service Managers have been appointed as the 'responsible persons' for each building occupied by employees, members of public, Lease Holders or residents affected by their service undertaking. Where Council offices are in shared occupation the Service Manager of Coastal and Public Facilities has been appointed to manage that building.

The main responsibilities of the 'responsible persons' as defined by the RRFSA 2005 are outlined below:

- Producing an individual policy for their service area.
- Commissioning of the fire risk assessment for each premises and ensuring any resulting actions are addressed
- Appointing competent persons to assist with the implementation of preventative and protective measures
- Ensuring appropriate arrangements are in place for the effective planning, organisation, control, monitoring and review of the preventative and protective measures in place for each premises, to include fire evacuation drills/exercises at least once every year if required (this must be recorded)
- Ensuring all relevant information regarding fire risks, preventative and protective measures and emergency procedures have been communicated to all employees/residents
- Ensuring all premises, and any facilities or equipment provided in relation to fire safety within them, are properly maintained
- Ensuring that appropriate equipment for detecting fire, raising the alarm and fighting fire is provided and maintained and there are forward plans for replacement
- Ensuring the monitoring of all emergency routes and exits to ensure they:
 - Are kept clear at all times
 - Lead directly to a place of safety

- Are adequate for the use and size of premises and also the max number of persons who may be present at any one time
- Have doors that open in the direction of escape with no sliding or revolving doors
- Have doors that are capable of being easily and immediately opened by any person in an emergency
- Are indicated by appropriate signage
- Are provided with adequate emergency lighting
-
- Ensuring that adequate fire safety training to include, where necessary, use of firefighting equipment
- Establishing appropriate procedures to be followed in the event of serious or imminent danger including competent people to implement evacuation procedures if required (incident officers and fire wardens)
- Eliminating or reducing risk from dangerous substances and ensuring that additional emergency measures are in place for dangerous substances
- Ensuring the online fire log is kept up to date for all premises and available for inspection
- Ensure service specific arrangements on fire safety are published and available to Managers and employees within their department
- Appointment of incident Officers
- Appointment of Fire Wardens
- Routine Fire Inspections
- Responsible persons are responsible for determining the appropriate system category for each Council building and, in the case of a cat L2 system, specifying the rooms or areas that need protection, over and above those protected in a cat L3 system, and the type of detector to be installed.
- Testing of the fire alarm systems will be undertaken and recorded by the responsible person or their designated officers. The Responsible person will ensure that the annual and six monthly testing, routine inspections and maintenance are carried out by an approved external contractor.
- The Responsible Person shall ensure that Fire evacuation drills or exercises will be carried out at all Council premises at least once every year to ensure the continued integrity of the agreed emergency procedures.

2.1.3 Service Managers including those identified in 2.1.2

Have a responsibility to:

- Ensure all employees under their direct control are aware of the action required of them should they discover a fire or upon hearing the fire alarm
- Ensure all employees under their direct control are aware of the preventative and protective measures in place for fire
- Ensure that a Personal Emergency Evacuation Plan (PEEP) is completed by an employee's line manager when it is known that the employee has a disability or reduced mobility that would affect their safe evacuation from the premises in the event of an emergency. This could include short-term injuries e.g. a person with a broken leg, a pregnant employee or any impairment that might affect a person's ability to safely evacuate the premises.

2.1.4 All other employees

Must:

- Cooperate with this policy and subsequent arrangements to ensure that the premises remain safe from fire and its effects, and must not do anything to place themselves or others at risk
- Read and understand the procedures and emergency arrangements within their place of work
- Ensure they complete the online fire safety awareness e-learning module on induction and every 2 years thereafter
- Promptly report any incidents, defects, unsafe conditions, or unsafe acts to their line manager
- Not misuse or interfere with the fire equipment that is provided for their safety

2.1.5 Corporate Health and Safety Unit

Will:

- Provide independent advice and support to Service Managers, Line Managers/Supervisors in relation to this policy and its applications and associated arrangements
- Provide advice and support where necessary to employees with the operation of this policy and their arrangements
- Investigate any accidents/incidents relating to fire safety
- Undertake fire risk audits as required to ensure the Authority is carrying out its duties
- Report to the Chief Exec and EMT on outstanding fire safety actions from fire steering group and fire risk audits

2.1.6 Hampshire Fire and Rescue Service

A partnership agreement exists between Hampshire Fire and Rescue Service and New Forest District Council designed to ensure that both party's available resources are used to maximum effect. The desired outcome is effective risk reduction in the Council's premises and service delivery. The agreement is not intended to create a legally binding relationship.

HFRS Will:

- Provide specialist advice and guidance to assist the Council to comply with its obligations under fire safety legislation
- Provide assistance steering the Council to assess fire risk proportionately across the organisation in accordance with available resources

CABINET - 7 NOVEMBER 2018

**PORTFOLIO: FINANCE,
CORPORATE AFFAIRS AND
IMPROVEMENT**

COUNCIL TAX REDUCTION SCHEME 2019/20

1. INTRODUCTION

- 1.1 Members will recall that local authorities are responsible for setting their own local Council Tax Reduction Scheme for those of working age on low income. The Government stipulated that there must be no change to the level of help that pensioners receive and there are no plans to localise the scheme for this group. There are also no plans to include Council Tax Reduction within Universal Credit.
- 1.2 The Council Tax Reduction Scheme must be formally made by the Council no later than 11 March in any year, to take effect from 1 April 2019. The Government has constructed rules for a 'default scheme' which will have to be operated by any council that does not make a local scheme. This replicates the former rules for council tax benefit. It is contained in schedule 1 of The Council Tax (Default Schemes) (England) Regulations 2012.
- 1.3 Our Council Tax Reduction Scheme fulfils the prescribed requirements for localised schemes.
- 1.4 Approximately 8,500 claimants are receiving Council Tax Reduction. Of these 2,600 are working age (900 are working), 1,600 are vulnerable and 4,300 are of pensionable age.
- 1.5 The current Council Tax Reduction Scheme costs approximately £8.55 million. This is split between:

Working Age employed	£ 611,000
Working Age other	£1,555,000
Vulnerable	£1,746,000
Pensioner	£4,638,000

The cost is shared between New Forest District Council, Hampshire County Council, Hampshire Police and Hampshire Fire and Rescue.

- 1.6 When the Council Tax Reduction Scheme was introduced, approximately 90% of the cost was reimbursed by the government within the formula grant process. The balance of the cost was shared by the council and the Precepting bodies as part of the tax base collection. Changes to the amount of Council Tax Reduction awarded now affects the tax base of each organisation and is no longer identified within the overall formula grant allocation.

2. REVIEW PROCESS

- 2.1 The Task & Finish Group met to review the current scheme and propose changes effective from 1 April 2019.
- 2.2 The recommendations of the Task & Finish Group are to be considered by the Corporate Overview Panel, the Cabinet and full Council.

3. THE CURRENT LOCAL COUNCIL TAX REDUCTION SCHEME

- 3.1 The council's Council Tax Reduction Scheme protects the vulnerable. A person is vulnerable if they (or a partner) are in receipt of Disability Living Allowance, Personal Independence Payments or Severe Disablement Allowance.
- 3.2 The council's Council Tax Reduction Scheme for 2018/19 requires all working age claimants (except the vulnerable) to pay a minimum of 10% council tax.
- 3.3 The council's Council Tax Reduction Scheme also includes:
 - A. Council tax reductions are capped at band D (so that claimants living in higher banded properties receive any reduction based on band D). This currently affects 84 claimants.
 - B. A savings limit of £6,000, so that claimants on low income with more than £6,000 in savings are not entitled to any reduction.
 - C. The council's Council Tax Reduction Scheme incentivises work by disregarding £25.00 a week of earnings across all claimant groups. The government disregards in Housing Benefit are £25.00 for a lone parent, £20.00 for a disabled claimant, £10.00 for a couple and £5.00 for a single claimant.
 - D. The maximum period for backdating a claim is 4 weeks (previously 6 months).
 - E. To limit the number of dependent children within the calculation for Council Tax Reduction to a maximum of 2 for new claims and entitlements (some exemptions apply).
 - F. To use the gross Universal Credit payment as income in the calculation of Council Tax Reduction

4. MATTERS CONSIDERED BY TASK & FINISH GROUP

- 4.1 Collecting council tax from those on low income is difficult, with significantly more work for officers. Administration has also increased, notably in recovery and working with those affected. In 2018/19 council tax bills increased, meaning council tax payers having to pay more. This is likely to continue in the forthcoming years. It is not anticipated that wages will increase at the same rate, which affects roughly one-third of working age claimants.

The collection rate for those in receipt of Council Tax Reduction, who are not a pensioner or vulnerable, has increased from 81.42% to 83.27% and overall collection rate for those in receipt of Council Tax Reduction increased from 88.67% to 91.12% (see Appendix 2).

- 4.2 Many of the claimants have also been affected by other welfare reform changes, including the spare room subsidy, the benefit cap, as well as an increase in the cost of living. Many working age state benefits are being frozen for the next 2 years, including the Local Housing Allowance despite

rents increasing, and there are further welfare reforms, including the continued roll-out of Universal Credit.

5. DISCUSSION ON COUNCIL TAX REDUCITON SCHEME FOR 2019/20

- 5.1 The group considered options relating to various aspects of the current scheme. This included:
- A. No changes to the scheme. This would not affect claimants as their support would not reduce. A declining caseload may result in reduced costs (see Appendix 1).
 - B. The minimum contribution – This is currently 10% (except the vulnerable). Officers advised that collection rate is 83.27% and that those paying the 10% have become accustomed to this level of payment. Any increase could cause financial hardship and officers consider there is a “tipping point” where an increase in minimum contributions will result in less council tax being paid and increased administration. Officers do not know where this tipping point is. In considering 4.1 and 4.2 the Group considered that the minimum contribution should remain at 10%
 - C. Child Care Costs – The Group discussed whether child care costs should be disregarded using the same amounts as Universal Credit which is 85% of existing amounts. This would only apply to new claims, due to system constraints, who would be worse off than existing claims. Many new Council Tax Reduction claims will have an existing Housing Benefit claim, therefore if the child care disregard was to change there would have to be two separate calculations which increases administration. The Group agreed to keep existing disregard amounts and to review this once Universal Credit is fully rolled-out.
 - D. Earnings disregards – To incentivise work £25.00 per week is disregarded from earnings. The Group considered that the £25.00 per week should remain.
 - E. Minimum change – The Group discussed a de minimis rule for small changes to entitlement. Due to income fluctuations, entitlement to Council Tax Reduction may change, even by as little as 10p per week. Approximately, 30% of changes to entitlement are under £1.00 per week. This requires a new calculation, the printing and issuing of a decision notice, changes to council tax instalments and a revised council tax notice. The Group considered a threshold of £1.00 whereby any change in weekly entitlement, both positive and negative, will not affect entitlement.
 - F. Backdating period – The Group reviewed the backdating period of 1 month and considered the one month period should remain.
- 5.2 Therefore, after considering these options, the Group decided to consult on option A and E.

6. CONSULTATION

- 6.1 The council has a duty to consult on any changes to the scheme, even if it is proposed that no changes are made. The Council undertook a consultation exercise over a 6 week period, from 30 July 2018 to 9 September 2018. The

consultation was advertised on the council's website, Facebook page, Twitter and on correspondence sent to recipients of a Council Tax Reduction. The major preceptors and Citizens Advice were also contacted.

- 6.2 The council only received 8 responses. Due to the minimal responses it is not possible to draw any real conclusions. However, most responses supported the recommendations.

7. FINANCIAL IMPLICATIONS

- 7.1 The financial implications of each of the options were discussed.

Option A may incur minimal, or less costs as caseload reduces. Savings to New Forest District Council will be even smaller as the council retains approximately 11% of the total council tax collected.

Option E savings will generate some savings, estimated to be circa £10,000, due to reduced administration, printing and posting.

Therefore, the overall impact of these changes will be minimal.

8. PORTFOLIO HOLDER COMMENTS

- 8.1 Having reviewed the scheme there would appear little evidence that any fundamental change is required however we continue to align savings and income caps/limits with other benefits to ensure a level of consistency. When reviewing the scheme, we are very mindful that it impacts on some of the lowest income families within our district.

9. CORPORATE OVERVIEW AND SCRUTINY PANEL'S COMMENTS

- 9.1 The Panel supported the recommendation below.

10. RECOMMENDATIONS:

- (a) That, in so far as it is empowered to do so by law, the Cabinet agrees that the Local Council Tax Reduction Scheme with effect from 1 April 2019 be amended as set out in Option E in paragraph 5.1 above to introduce a de minimis rule to disregard changes of less than £1 per week ; and
- (b) That it be a recommendation to Council that, in so far as it is empowered to do so by law, the Council agrees that the Local Council Tax Reduction Scheme with effect from 1 April 2019 be amended as set out in Option E in paragraph 5.1 above to introduce a de minimis rule to disregard changes of less than £1 per week.

Background Information:

Minutes of Task & Finish Group
Caseload graph
Collection statistics
Recovery notices comparison

Further Information:

Members of Task & Finish Group: Cllrs Alan Penson, Miss A Sevier, DN Tungate, Mrs CV Ward

Portfolio Holder: Cllr Jeremy Heron

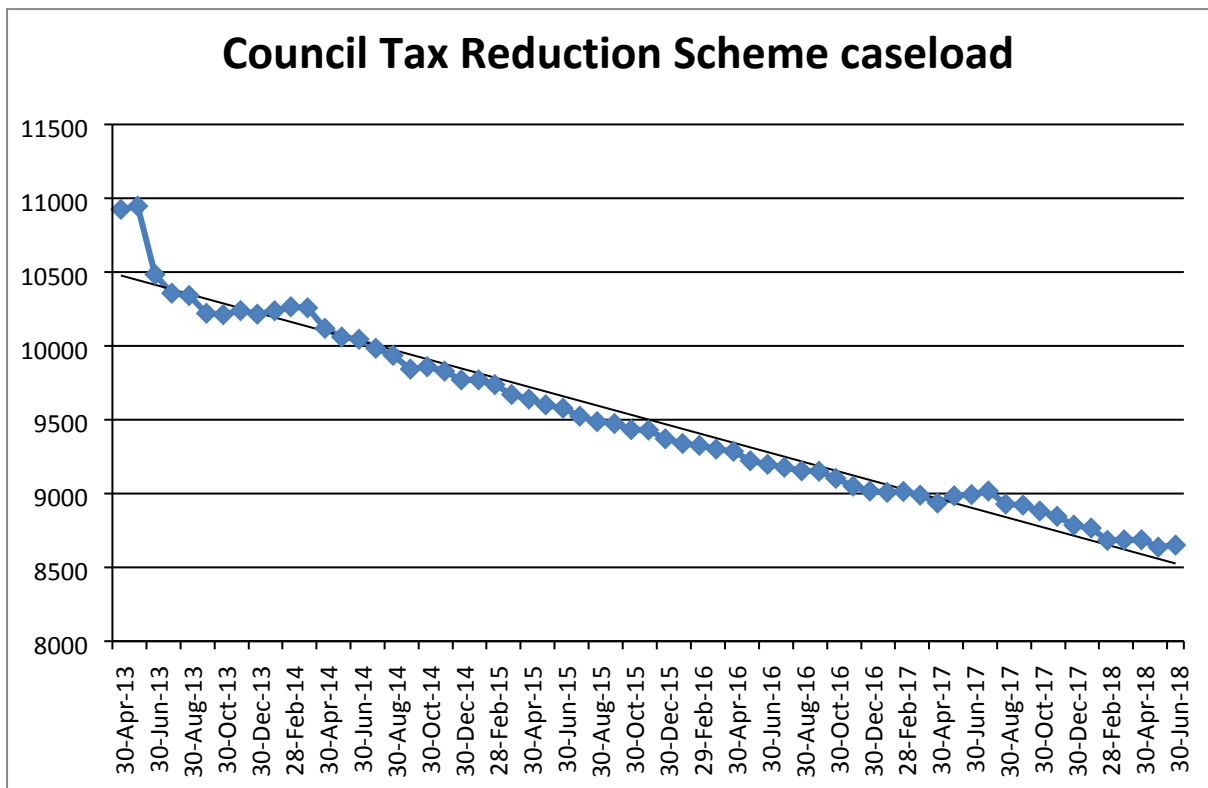
Lead Officer:

Ryan Stevens Service Manager – Revenues and Benefits

ryan.stevens@nfdc.gov.uk

Appendix 1

Council Tax Reduction Scheme caseload



Appendix 2 – Collection statistics

POSITION STATEMENT AS AT 31.3.18

	Nett Amount Due	Total Amount Paid	Outstanding Balance	Collection %
ALL DEBT	£ 114,222,565.18	112,841,976	£ 1,380,589.58	98.79%
REDUCTION SCHEMES				
WORKING AGE EMPLOYED	£ 655,399.00	£ 556,583.01	£ 98,815.99	84.92%
WORKING AGE OTHER	£ 441,574.45	£ 356,823.97	£ 84,750.48	80.81%
WORKING AGE CLAIMANT - MAXIMUM REDUCTION CAPPED AT 90%	£ 1,096,973.45	£ 913,406.98	£ 183,566.47	83.27%

POSITION STATEMENT AS AT 31.3.17

	Nett Amount Due	Total Amount Paid	Outstanding Balance	Collection %
ALL DEBT	£ 108,557,130.06	£ 107,368,450.00	£ 1,188,679.00	98.91%
REDUCTION SCHEMES				
WORKING AGE EMPLOYED	£ 615,602.03	£ 521,129.00	£ 94,472.00	84.65%
WORKING AGE OTHER	£ 420,582.91	£ 322,499.00	£ 98,083.00	76.68%
WORKING AGE CLAIMANT - MAXIMUM REDUCTION CAPPED AT 90%	£ 1,036,184.94	£ 843,628.00	£ 192,556.00	81.42%

Appendix 3 – Council Tax Recovery Notices

2013/14	Taxpayers in receipt of CTR	Taxpayers not in receipt of CTR
Reminder	6,805	12,729
Summons	1,289	3,572

2014/15	CTR	Non-CTR
Reminder	6,871	12,727
Summons	1,344	3,828

2015/16	CTR	Non-CTR
Reminder	5,607	13,117
Summons	1,103	3,477

2016/17	CTR	Non-CTR
Reminder	5,485	13,250
Summons	1,082	3,321

2017/18	CTR	Non-CTR
Reminder	5,175	13,141
Summons	888	3,360

COUNCIL TAX DISCOUNTS AND EXEMPTIONS, VOLUNTARY PAYMENT AND RELATED POLICIES

1. INTRODUCTION

- 1.1 The purpose of this report is to consider the recommendations of the Council Tax Reduction Task and Finish Group on various Council Tax exemptions and discounts, and also a proposal concerning voluntary Council Tax payments.
- 1.2 The Task and Finish Group were asked to consider a Voluntary Payment from all council tax payers in the highest valuation band, Band H.
- 1.3 The Group also undertook a review of discretionary council tax discounts and the introduction of a premium (which were last considered in December 2013) and policies concerning business rate reliefs and debt collection and recovery.
- 1.4 The recommendations of the Task & Finish Group have been considered by the Corporate Overview Panel. The Panel's recommendations are dealt with in this report.
- 1.5 The effective date of any change would be 1 April 2019.

2. THE CURRENT COUNCIL TAX DISCOUNTS

- 2.1 The Task and Finish Group met to review the current discretionary discounts to council tax payers who meet specified criteria. These are summarised as follows:

Discount/ Premium	Conditions	Discretion available	Current discount or premium applied by NFDC	Quantity
Prescribed Class B	Property is unoccupied and furnished (commonly known as a second home)	Discount of up to 50%	0%	1,500
Prescribed Class C	Property is unoccupied and substantially unfurnished	Discount between 0% and 100% for up to 6 months. Both amount and duration are discretionary.	100% for 1 month from date property first becomes unoccupied and unfurnished	4,002 (17/18)
Prescribed Class D	Property is unoccupied and substantially unfurnished and requires major repair works to render it habitable.	Discount between 0% and 100% for 12 months. Only the amount is discretionary, not the duration.	50%	528 (17/18)
Empty Homes Premium	Unoccupied and substantially unfurnished for 2 years or more	Currently 50%. From April 2019, this discretion will rise to 100%	0%	158

3. DISCUSSION ON DISCOUNTS AND EXEMPTIONS BY TASK & FINISH GROUP

3.1 The Group discussed the above discounts.

- A. **Prescribed Class B (Second Home).** This discount applies to properties which are unoccupied and furnished, commonly known as second homes. Local authorities have discretion to set a discount of up to 50%. From 2013 members decided not to award a discount and to charge the full council tax.

The Group recommend no change.

- B. **Prescribed Class C.** This discount applies to properties which are unoccupied and substantially unfurnished. Local authorities have discretion to set a discount of between 0 and 100% for any period up to 6 months. The discount applies from the date the property first becomes unoccupied and substantially unfurnished. After the discount ends, the full council tax is payable.

The current discount is 100% for 1 month. The reasoning for the discount is to allow sufficient time for changes in occupation or minor works to be undertaken. Members considered that this should encourage prompt turnover of properties and reduce “voids”. It also avoids billing landlords for small sums between lets.

The Group recommend no change.

- C. **Prescribed Class D.** This discount applies to properties which are unoccupied and unfurnished and where major repair works or structural alterations are required or under way, often referred to as “uninhabitable”.

Local authorities have discretion to set a discount of between 0 and 100% for a maximum period of 12 months. There is no discretion on the duration, only on the amount of discount. After 12 months the discount ends, the full council tax is payable. To reflect that the property cannot be occupied, the current discount in this District is 50% for 12 months.

The Group recommend no change.

- D. **Empty Homes Premium.** Since April 2013 local authorities have the discretion to charge a premium of 50% on top of the applicable council tax where a property has been unoccupied and substantially unfurnished for two years or more.

The government have stated that they “want to address the issue of empty properties. It can’t be right to leave a property empty when so many are desperate for a place to live”. Two years is considered sufficient time for home owners to sell, rent or complete any major renovations that might be required. The premium seeks to incentivise owners to bring their properties back into use. Under the Council Tax (Empty Dwellings) Bill 2018, from April 2019 local authorities will have the discretion to charge a 100% “council tax premium on empty properties”, thereby doubling the council tax on a property. The government is proposing additional changes, which have yet to be legislated, to enable local authorities to charge further premium of:

- 200% from April 2020 where the property has been empty for more than 5 years

- 300% from April 2021 where the property has been empty for more than 10 years

There are certain exemptions in place for homes that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of the main property. While not an exemption, guidance states that consideration should be given for properties which are genuinely for sale or available to rent, and that owners should not be penalised in cases of hardship. These decisions will be made on a case by case basis.

All councils in Hampshire, with the exception of Gosport, Winchester and NFDC, charge the 50% premium, and these councils are reviewing their policies this year. The Group discussed a staggered approach, e.g. 50% from 1 April 2019 and 100% from 1 April 2020. This will be reviewed by a Task and Finish Group in 2019.

The potential additional total income could be £250,000, of which £27,500 would come to NFDC). However, taxpayers affected could avoid the premium by furnishing the property so that the premium did not apply.

The Group supported the government's thinking and recommend a 50% premium from 1 April 2019. If accepted, this will be reviewed in 2019 with a view to increasing the premium to 100% from 1 April 2020. If the proposal is approved, all taxpayers who will be liable to pay the premium will be advised in writing as soon as practically possible.

- E. **Care Leavers.** Care Leavers are adults who have spent time in foster or residential care, or in other arrangements outside their immediate or extended family before the age of 18. They are a particularly vulnerable group. From a report from The Children's Society, care leavers, when moving into independent accommodation, begin to manage their finances for the first time. Local Authorities have been encouraged to exempt care leavers from paying council tax up to the age of 21. This includes the Government's "Keep on caring" strategy. The Council has no accurate information on how many council tax payers this would affect as there is no need for them to disclose this information. We are aware of four care leavers under the age of 21 receiving Housing Benefit. All are renting a room in a property so are not liable for council tax.

Exemptions are permitted under S13A Local Government Finance Act 1992.

Some councils have introduced the exemption, but with variances, for example up to the age of 21, up to the age of 25 or up to 21 with discretion up to the age of 25 depending on their circumstances. However, this may lead to appeals and disputes as judgments would have to be made.

The Group was of the view that this exemption would have little or no impact and had the potential to open up further discussions on what other classes of cohorts deserved their own class of exemption.

The Group noted that if a care leaver's circumstances are such that paying council tax is difficult there is the Council Tax Reduction Scheme to support those on a low income. The Exceptional Hardship

Scheme is also available to provide further additional support if appropriate.

The Group recommend that a local exemption class for care leavers is not introduced.

4. DISCUSSION ON NATIONAL NON-DOMESTIC RATE RELIEF POLICY

- 4.1 The Group discussed the National Non-Domestic Rate Relief Policy (Appendix 1). This brings together the Council's existing rate relief policies into a single policy document and confirms the review procedures.
- 4.2 The Group support the policy and recommend its approval.

5. FAIR COLLECTION AND DEBT RECOVERY POLICY

- 5.1 The Group discussed a Fair Collection and Debt Recovery Policy for the Revenues and Benefits Service (Appendix 2).
- 5.2 Local Authorities are encouraged to approve a policy on how collection and debt recovery is administered. Nationally, Local Authorities have been criticised on how they deal with debts, in particular council tax. The recommended policy ensures the council's approach to debt collection is transparent.
- 5.3 Introducing a collection and debt recovery policy will enable the council to sign up to the Citizens' Advice Council Tax protocol.
- 5.4 The Group support the policy and recommend its approval.

6. VOLUNTARY PAYMENT

- 6.1 The Group discussed the following proposal of Cllr D Harrison which was made at the Council meeting on 26 February 2018 and which was referred to the Task & Finish Group for consideration:

This authority, when sending out council tax bills, includes an invitation to residents living in Band H properties to pay a voluntary additional sum of £100, £250 or £500 which the Council will use to support programmes that maintain and improve public services, especially those that have most impact on the poorest, most vulnerable members of our community".

- 6.2 There are currently 607 residents living in Band H properties, 68 of whom receive single person discount.
- 6.3 The Group noted an existing scheme by Westminster Council which, from April 2018, has operated the scheme through a Charity Trust to utilise Gift Aid. Westminster Council has 15,600 Band H properties and has the lowest council tax in the country despite being a very affluent area. Following public consultation, 50% of those consulted supported the scheme.
- 6.4 To date, approximately 2% of those in a Band H property have made a voluntary payment and £400,000 has been received. If the Council introduced its own scheme and had a similar take-up from Band H taxpayers, the response would equate to approximately 12 donations amounting to a maximum of £6,000.

- 6.5 The Group considered the cost of printing, posting and administration and also the potential impact this could have on existing charitable donations. It was felt those who made a voluntary payment might do so instead of giving to other charities. When considering these factors and the likely level of potential income, the Group decided to recommend that this proposal be not supported.

7. PORTFOLIO HOLDER'S COMMENTS

- 7.1 Broadly there is little requirement to amend the scheme from the one currently in place and which serves the community well. Within that wider statement we have looked to introduce a 50% Empty Home Premium not in the expectation that it will generate any significant income but to highlight this Council's commitment to bringing much needed properties back into use.
- 7.2 The proposal to bring in a policy on Care Leavers was another area that has generated discussion and whilst the principle of delivering support to vulnerable groups within our society was very much supported it was considered that this was already, and better, addressed through our Exceptional Hardship Scheme.

8. CORPORATE OVERVIEW AND SCRUTINY PANEL'S COMMENT'S

- 8.1 The Panel supports the recommendations and policies below.

9. RECOMMENDATIONS

- 9.1 That, insofar as it is entitled to do so by law, the discretionary discounts to and premiums on Council tax be as set out in options A to E as set out in paragraph 3 be approved.
- 9.2 To review, by Task and Finish Group, the Empty Homes Premium in 2019.
- 9.3 That, insofar as it is entitled to do so by law, the recommended changes to the Local Non-Domestic Rate Relief Policy, and the Fair Collection and Debt Recovery Policy, attached as Appendix 2 to this report, be approved.
- 9.4 That the proposal by Cllr D Harrison, in respect of voluntary additional Council Tax payments, as referred to in Section 6 of this report, be not supported, for the reasons stated.

And that it be a recommendation to Council that

- 9.5 That, insofar as it is entitled to do so by law, the discretionary discounts to and premiums on Council tax be as set out in options A to E as set out in paragraph 3 be approved.
- 9.6 That, insofar as it is entitled to do so by law, the recommended changes to the Local Non-Domestic Rate Relief Policy, and the Fair Collection and Debt Recovery Policy, attached as Appendix 2 to this report, be approved.

Background Information:

Minutes of Task & Finish Group

Further Information:

Members of Task & Finish Group: Cllrs Alan Penson (Chair), Miss A Sevier, D N Tungate,
Mrs C Ward

Lead Officer: Ryan Stevens, Service Manager – Revenues and Benefits
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New Forest District Council

Revenues and Benefits Service Rate Relief Policy

Contents

1. Introduction
2. Policy Aims
3. Rural Rate Relief
4. Registered Charities
5. Registered Community Amateur Sports Clubs
6. Sports Clubs and Not For Profit Organisations
7. Small Business Rate Relief
8. Hardship Rate Relief
9. Partly unoccupied properties
10. Applications
11. Awards
12. Notification and appeals
13. Financial implications
14. Review

1. Introduction

The Council recognises the importance of supporting local businesses and organisations to promote the provision of economic growth and local facilities. Councils have the power to grant rate relief to organisations that meet certain criteria and this policy applies to applications for rate relief for National Non-Domestic Rates (Business Rates). Rate Relief can be mandatory, discretionary or both, and is granted in accordance with the Local Government Finance Act 1988 and 2012.

This policy specifies the factors that will be considered when deciding whether to award a relief. All applications will be decided on its merits and we will treat all customers fairly and equally.

2. Policy Aims

Public funds are not unlimited and a proportion of the costs of the rate relief granted is borne by local council tax payers. In making decisions, the Council must be satisfied that awarding a rate relief will benefit the community.

This policy aims to ensure consistent and transparent decision making.

The Council will treat all ratepayers equally, will consider all applications on their individual merits, and will seek through administering this policy to meet corporate objectives and support local businesses and organisations.

3. Rural Rate Relief

Mandatory Rate Relief

50% rate relief shall be awarded where the ratepayer occupies the only general store or post office within a rural settlement and the rateable value is less than £8,500. It also applies to the occupier of a pub or petrol station with a rateable value of £12,500 or less in a rural settlement if it is the only pub or petrol station in the settlement.

A rural settlement is defined as a rural area with a population of below 3,000 and the list is published on the Council's website.

Discretionary Rate Relief

The government had intended to legislate for 100% mandatory rate relief but instead opted to provide a fully funded Discretionary rate relief scheme for any ratepayer who meets the mandatory rate relief criteria. Therefore, 50% discretionary rate relief will be awarded in all cases where the occupier is entitled to the 50% mandatory rate relief.

In addition, 100% discretionary rate relief can also be awarded where the ratepayer occupies a property within a rural settlement with a rateable value of less than £16,500 and where the council considers the property provides a clear benefit to the local community.

Reviews

All mandatory and discretionary rate relief awards will be reviewed every 5 years.

4. Registered Charities

Mandatory Rate Relief

80% rate relief shall be awarded where:

- (a) the ratepayer of a property is a registered charity and
- (b) the property is wholly or mainly used for charitable purposes

Reviews

All mandatory rate relief awards will be reviewed every 5 years

Discretionary Rate Relief

20% discretionary rate relief can be awarded where the ratepayer is entitled to the mandatory rate relief where the property is used to provide a service or benefit to the community, is open to all the community, is able to demonstrate financial hardship and is not a charity shop used for the sale of donated items.

Reviews

Discretionary Rate Relief awards will be subject to the following review periods:

- (a) Every 5 years where the annual value of the discretionary rate relief award is £1,500 or less
- (b) Every 3 years where the annual value of the discretionary rate relief award is between £1,500 and £4,000
- (c) Every 2 years where the annual value of the discretionary rate relief award is more than £4,000

5. Registered Community Amateur Sports Clubs

Mandatory Rate Relief

80% rate relief shall be awarded where the ratepayer is registered with HMRC as a Community Amateur Sports Club.

Discretionary Rate Relief

The council has decided not to make any discretionary awards.

Reviews

Any mandatory rate reliefs will be reviewed every 5 years.

6. Sports Clubs and Not For Profit Organisations

The council has the discretion to award discretionary rate relief of up to 100% of the business rates on properties occupied by a sports club and not-for-profit-organisations. Applications will be treated on their own merits and in consideration of the interests of local taxpayers.

To be eligible for consideration, the property must be:

- (a) Wholly or mainly used for the purposes of recreation and all or part of it is occupied for the purpose of a club, society, or other organisation not established or conducted for profit; or
- (b) Is occupied for the purposes of one or more institutions or other organisations, none of whom are established or conducted for profit and each of whose main objectives are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts.

The organisation should be able to demonstrate a financial need for rate relief. The government has provided some guidance when considering an application.

Access and membership

- (a) Is membership open to all sections of the community? There may be legitimate restrictions placed on membership, e.g. where the capacity of the club is limited. Organisations will not be considered if the membership rate is high and therefore excludes the general community.
- (b) Does the organisation actively encourage membership from across the community? Examples could be young people, older age groups, persons with disabilities, ethnic minorities etc.? Organisations which do not encourage such membership may not be successful.
- (c) Are the facilities made available to the community, other than just members? The wider use of facilities should be encouraged and promoted.
- (d) Is the organisation affiliated to local or national organisations, e.g. local sports or arts councils, national representative bodies? i.e. are they actively involved in local/national development of their interests

Provision of facilities

- (a) Does the organisation provide training or education to its members, or schemes to develop skills?
- (b) Have the facilities available been provided by self-help or grant aid? An organisation that uses or has used self-help or grant aid for construction, maintenance or provision of facilities may be considered favourably.
- (c) Does the organisation have a bar? Having a bar should not in itself be a reason for not granting relief. The Council will look at the main purpose of the organisation, for example bringing people together with similar interests. In sports clubs for example the balance between playing and non-playing members might provide a useful guide as to whether the main purpose of the club is sporting or social activities.
- (d) Does the organisation provide facilities which indirectly relieve the Council of the need to do so, or enhance and supplement those which it does provide? The Council will not refuse to grant rate relief on the grounds that an organisation is in competition with the Council itself, but will look at the broader context of the needs of the community as a whole. A new need, not being provided by the Council but identified as a priority for action, might be particularly deserving of support.

Reviews

Discretionary Rate Relief awards will be subject to the following review periods:

- (a) Every 5 years where the annual value of the discretionary rate relief award is £1,500 or less

- (b) Every 3 years where the annual value of the discretionary rate relief award is between £1,500 and £4,000
- (c) Every 2 years where the annual value of the discretionary rate relief is more than £4,000

7. Small Business Rate Relief

Small business rate relief shall be awarded based on the following criteria:

- (a) There is mandatory rate relief of 100% where the ratepayer occupies a property with a rateable value of £12,000 or less, or if more than one property is occupied and the additional properties have a rateable value of less than £2,900 and the combined rateable value of all the properties is not more than £20,000,
- (b) Rate relief is awarded on a sliding scale where the ratepayer occupies one main non-domestic property with a rateable value of between £12,000 and £15,000, or if the ratepayer occupies more than one non-domestic property, each additional property has a rateable value of less than £2,900 and the total rateable value of all properties is less than £20,000.

Where a demand notice is issued to a ratepayer and the property has a rateable value that potentially meets the above criteria an application form will be sent with the notice.

Reviews

All awards will be reviewed every 5 years

8. Hardship Rate Relief

The Council will consider applications for hardship rate relief of up to 100% of the business rates due by taking into consideration the following:

- (a) the ratepayer would sustain hardship if the authority did not do so; and
- (b) it is reasonable for the authority to do so, having regard to the interests of persons subject to its council tax.

The intention is to support businesses in the short term, with awards usually being for a maximum period of 6 months, to allow the business to recover or manage a decline. Government guidelines advise that the awarding of rate relief should only be in exceptional circumstances. The test of hardship is not necessarily confined to financial hardship; all relevant factors affecting the ability of a business to meet its liabilities will be taken into consideration. It is the ratepayer's responsibility to demonstrate hardship and to supply supporting evidence.

The council is open and transparent and as such, any hardship award must fulfil the test as to whether council taxpayers would consider the award to be reasonable and in their best interests.

Any award will be an exception and when making a decision, we will consider the following:

- (a) Whether the business provides a service to the community
- (b) Whether the service provided is obtainable elsewhere within a reasonable distance
- (c) Whether there is a genuine prospect of the business going out of business without an award

- (d) The number of persons employed by the business
- (e) Whether there is a genuine prospect of the business continuing in the long term after an award
- (f) The latest figures available for net profit/loss, and the cost of business rates as a percentage of total business expenses and gross profit.
- (g) If the hardship is not just the result of economic or market factors, nor due to excessive drawings or outgoings.
- (h) What steps the ratepayer has taken to alleviate the hardship
- (i) Details of why the business is experiencing hardship
- (j) How long the business has been trading. An award of Hardship rate relief will not be made for the purpose of enabling a new business to become established except where the viability of the business is threatened by events that could not reasonably have been foreseen when establishing the business
- (k) If the property is unoccupied, awards will only be made in exceptional circumstances and where there are clear benefits to council tax payers
- (l) The ratepayers history of business success or failure

9. Partly unoccupied properties

Where part of a property is unoccupied for a short time the council has discretion to reduce the rates on a property by awarding up to 100% rate relief in respect of the unoccupied part of the property. The council will ask the Valuation Office Agency to apportion the rateable value between the occupied and unoccupied parts of the property.

In deciding whether to award a rate relief the following factors will be considered:

- (a) The reasons for the part occupation
- (b) The expected duration of any part occupation
- (c) Previous awards to the same organisation

The rate relief can apply for a maximum of 6 months for industrial properties and a maximum of 3 months for non-industrial properties.

10. Applications

An application must be made in the format prescribed by the council and include any supporting evidence the council considers necessary. This could include audited accounts and recent bank statements.

Where requested information and evidence is not supplied the Council will not make an award.

11. Awards

Any award shall generally only apply to the year in which an application is made. Any reliefs awarded will be applied directly to the business rates account. Any overpaid relief will be recovered. Reliefs will cease where:

- (a) The applicant ceases to be liable for business rates,
- (b) The property for which relief is granted becomes empty,
- (c) The use of the property changes
- (d) The aims or objectives of the organisation changes

Requests for backdating an award will only be considered in exceptional circumstances and subject to the following legislative restrictions:

- (a) If the application is received by 30 September, the award can be backdated to 1 April of the previous financial year
- (b) If the application is received after 30 September, the award can only be backdated to 1 April of the current financial year

12. Notification and appeals

The Council will notify ratepayers within one month of making their application and providing all the supporting information.

Where an award is made notification will be sent to confirm the amount and duration of the award and the ratepayers revised liability. The ratepayer will be required to notify the council of any changes in their circumstances that could affect the award.

Where the decision is not to make an award reasons will be provided in the notification

A decision will be made by the Revenues Manager. There are no formal rights of appeal. However, should the ratepayer disagree they can request a reconsideration to the Service Manager Revenues and Benefits within one month of the decision, clearly stating the reasons why they disagree with the decision. The ratepayer will be notified of the decision within one month of receipt of the reconsideration request.

Ratepayers should continue to pay any amounts due whilst the application is awaiting a decision, unless the Council has agreed with the ratepayer that payments are suspended.

13. Financial implications

The implications of awarding a Discretionary Rate Relief are that the cost to the Council is 20% of the award.

14. Review

The council will review this policy every 5 years or earlier if legislation changes.



**Revenues and Benefits Service
Fair Collection and Debt Recovery
Policy**

1. Introduction

The Council has a legal duty to recover all sums due to the Council. A collection and debt recovery policy ensures that collection methods are fair to everyone, especially those on low incomes. This Policy covers the collection of Council Tax, Business Rates, Sundry Income, Housing Benefit and Council Tax Reduction overpayments and has been written after taking the views of Citizens Advice New Forest whose assistance with providing debt advice is invaluable.

It is recognised that people do not pay their debts for a variety of reasons.

The council will ensure that no individual is discriminated against on the grounds of sex, race, disability, age, sexual orientation or other personal attributes.

Some people, because of living in or on the margins of poverty, will have difficulty in paying. The Council will use its best endeavours to help such people and to minimise the impact of debt on them. Some people may deliberately set out to delay or not make payments and all methods of enforcement will be used to secure payment in these cases.

Some people may be able to pay but do not pay because of an oversight or personal difficulties and not because of a deliberate decision to avoid or delay payment. The Council will seek to help such people develop a culture of payment by encouraging them to get in contact and discuss any difficulties.

The need to contact the council is central to the Policy. Where a person makes contact their circumstances will be considered with a view to agreeing a reasonable payment arrangement, minimising recovery action and helping to alleviate hardship. Where people fail to make contact or maintain arrangements, recovery of the debt will continue.

2. Benefits of a debt collection policy

The Policy will:

- a) Help to identify deliberate non-payers or people who delay payment
- b) Enable people who fall into arrears to come to payment arrangements appropriate to their circumstances
- c) Make sure that when we take enforcement action it is appropriate and likely to be effective
- d) Help to reduce the effect of debt on people on low income
- e) Mean that by being approachable individuals will be more willing to contact us when they first face difficulties

3. Aims of the Policy

The aims of the Policy are to:

- a) Take positive action to prevent arrears occurring
- b) To provide a range of payment methods
- c) Take enforcement action against deliberate non-payers
- d) Ensure prompt billing and to remind people quickly if they do not pay
- e) Encourage people to make early contact to avoid the build-up of debt

Where someone falls into arrears, officers will work with them, or their representatives, to agree reasonable payment arrangements which they can maintain.

4. Debt collection principles

The council:

- a) Considers that people have a responsibility to pay
- b) Aims to identify those who can pay but do not or who delay payment
- c) Actively encourages contact at every stage of the recovery process
- d) Aims to help maximise income and/or entitlement to discounts, exemptions, reliefs or benefits
- e) Will provide a service that is sensitive to individuals and their needs and sympathetic to those in hardship
- f) Will utilise all means of recovery available where appropriate

5. Notifications

The Council will provide prompt and clear information about the amount due, when the payments are due, how to make payments, details of discounts, exemptions and support and contact details. In all correspondence, it will be clearly written in plain English, without the use of jargon and where to obtain advice.

6. Making a payment

The Council promotes a payment culture and offers a variety of methods for paying bills and invoices. This includes by:

- Direct debit
- Standing Order – these are arranged by the individual with their bank. They must notify their bank of any changes to the amount due
- Phone – By contacting our office or using our telephone payments system
- On-line – By using the Council's secure payments service at www.nfdc.gov.uk
- Swipe card – These can be used at the post office
- Visiting a local council office
- On-line customer banking
- Cheques

Council Tax – there are three direct debit collection dates available, 1st, 15th and 23rd of the month.

For customers who do not pay by direct debit, the default payment date is the first of the month although we can except an alternate payment date where we specifically agree this with the customer. Bills are sent in March requesting payments over 10 installments, April to January. Taxpayers can request instalments to be spread over 12 months and the Council will promote this where a taxpayer is having difficulty paying or is in arrears.

Business Rates has a direct debit collection date of 1st or 15th of the month.

Housing Benefit overpayments has a direct debit collection date of either 5th or 20th of the month.

Sundry Income has a direct debit collection date of the 1ST of the month.

The Council will publicise this information on our website, www.nfdc.gov.uk Whichever payment method is used, payment must be received by the due date.

7. Getting into arrears

Where an individual gets into arrears with their payment, the Council will:

- a) Expect priority debts, which includes council tax, to be paid before any non-priority debts
- b) Aim to maximise their income and inform them of their potential entitlement to state benefits, discounts, exemptions and reliefs
- c) Advise how they can obtain independent advice and work with third parties, including advice agencies
- d) Undertake basic debt advice which will include reviewing income and expenditure, discussing plans to repay priority debts and referrals to more specialist support, e.g. Citizens Advice New Forest.

The Council will agree a payment plan with the individual that reflects the ability to pay and the level of debt outstanding. This will take into consideration:

- a) The amount of arrears
- b) The period of time taken to pay the arrears
- c) Their payment history
- d) Their financial situation, including reasonable living expenses

Where a payment arrangement is agreed, the Council will notify the person of this. Where payments are made as agreed, no further recovery steps will be taken. Where an individual does not provide information or give details of their income and expenditure the Council may refuse the arrangement and pursue alternative means to recover the debt.

Where the council receives a payment which does not match an instalment, the sum paid will be used to reduce the oldest debt.

8. Council Tax and Business Rates Recovery Process

In accordance with legislation, where payments have not been made, the Council will seek recovery through the following:

Reminder Notice

A Reminder Notice is issued where an instalment is due and has not been paid. The notice will request the amount overdue to be paid within 7 days. If payment is not received within a further 7 days the full remaining balance of the years council tax or business rates will become due.

At this stage, where the customer contacts the council, council staff will be able to offer a number of alternatives:

- Re-profile the instalments to spread the payments
- Check entitlement to any discount, exemptions or reliefs

- Special arrangements, e.g. weekly payment or double payment to be made on the next instalment
- Check for Council Tax Reduction entitlement

Second Reminder

Where payments are brought up to date following the issue of a Reminder Notice, but then a further payment becomes overdue a second reminder is issued. If payment is not received within a further 7 days the full remaining balance of the years council tax will become due.

If the taxpayer is in receipt of Council Tax Reduction, they will always receive two reminder notices before further recovery proceedings.

Final Notice – Council Tax

A Final Notice is issued where payment becomes due after issuing a reminder or second reminder and the right to instalments is lost and the full remaining balance for the year becomes due within 7 days.

The Council will be able to offer the alternatives above to assist the taxpayer.

Complaint

Where the amount is still due the council will make a complaint to the magistrate's courts requesting the issue of a liability order. Before making the complaint the council will check to ensure the summons is properly served.

Once the complaint is made to the court the magistrates will issue a summons to attend a liability order hearing. This summons is issued advising that the right to pay by instalments is lost and the full balance outstanding should be paid immediately. The summons advises that failure to pay the sum due or contact the council will result in a liability order being granted by the magistrates.

Where a summons and liability order is issued and granted a cost of £70.00 is added to the account.

Liability Order

Once a liability order is granted by the magistrates the council will send the taxpayer a liability order notice along with a request for financial information.

Where the taxpayer has contacted the council, the council will:

- Agree a payment plan, aiming to pay the balance due within the financial year to avoid starting the next financial year in arrears
- Encourage payment by direct debit
- Monitor payment arrangements to ensure compliance

Where the taxpayers does not contact the council, make a payment, or defaults on an agreed payment plan, the council will consider the most appropriate recovery method. For Council Tax this includes:

- Attachment to state benefits , such as Jobseekers Allowance/Universal Cred/Income Support or Pension Credit

- Attachment to earnings

The amount deducted is determined by legislation.

Where the debtor does not contact the council and the above methods of recovery are not available, the debt will be passed to an Enforcement Agent. This will incur additional costs. Enforcement Agents operate within a legal framework with a regulated fee structure. They will agree payment arrangements appropriate to the circumstances. Where the Enforcement Agent becomes aware that the debtor is vulnerable they will contact the council to seek further advice.

In exceptional circumstances and only with the council's permission, the Enforcement Agent can take possession of goods if payments are not made.

The council will only recall a debt from a Collection Agency in exceptional circumstances, where it is in the best interests of all parties.

If the above options fail the Council will consider alternative recovery methods. This includes:

- Applying for a Charging Order on the property
- Applying for a bankruptcy or insolvency order
- Applying for a committal to prison – but only where all recovery methods have been considered, and the council considers that the debtor is wilfully refusing or has shown culpable neglect to pay and the debtor has failed to contact the council

9. Housing Benefit overpayments

An overpayment of benefit is any amount which has been paid but to which there was no entitlement. In accordance with regulations, the Council is responsible for recovering all overpayments of benefit and must:

- Establish any underlying entitlement
- Establish the cause of the overpayment
- Identify the period and amount of the overpayment
- Decide if the overpayment is recoverable
- Consider whether or not we will recover the overpayment
- Decide who to recover the overpayment from
- Notify any "person affected"
- Classify and record overpayments so we can make the correct rate of recovery

Where there is ongoing entitlement to Housing Benefit, any overpayment will be deducted from this amount, subject to specified amounts. The council will not reduce a person's weekly payable benefit to below 50 pence. If the amount being deducted is causing hardship the claimant can request a revised repayment arrangement based on their financial circumstances. The council will usually request completion of an income and expenditure form.

Where there is an overpayment and no ongoing entitlement to Housing Benefit the council will send an invoice. Where a claimant contacts the council we will agree a payment arrangement, taking into consideration their financial circumstances. Where the claimant does not contact the council within 14 days, or keep to the payment arrangement, the council will send a reminder. If there is still no contact within a further 14 days, the council

will send a Final notice. If there is still no contact the council can recover the overpayment by:

- Attachment to the claimants earnings
- Attachment to Social Security benefits
- Requesting another council recover the overpayment from Housing Benefit
- Collection Agency

10. Council Tax Reduction

Council Tax Reduction is paid by way of a credit to the claimants council tax account. Where an amount is paid that the claimant is not entitled to, e.g. failure to notify a change in circumstance, the council will consider if the amount is recoverable. Where the amount is recoverable the amount will be debited from the council tax account. The resulting outstanding council tax will be recovered in the same manner as other sums of council tax.

11. Sundry Income

An invoice will be issued as soon as possible. Payment will be due within 14 days, unless specified otherwise, e.g. monthly direct debits. If payment is not received within 7 days of the amount being due and the customer has not contacted the council, a reminder will be sent.

If the debt remains due the debt will be sent to a Collection Agency. Where the debt still remains due the council can apply to the court and obtain a County Court Judgment. This will incur costs. Once obtained the council may enforce the debt by applying for:

- An attachment of earnings order
- County Court bailiff

12. Arrangements made by advice agencies

Where the council is notified by the debtor that they are seeking advice from a relevant body, the council will consider whether it's appropriate to suspend recovery of the debt.

Where an arrangement is made by a recognised advice agency, an income and expenditure form will be provided. Offers of a payment plan received will be treated in good faith.

13. Write-offs

Where the council has exhausted all recovery methods and there is no genuine prospect of recovering the amount outstanding, the council will write-off the debt.

The council may reverse a write-off and resume recovery in certain circumstances, e.g. if they reclaim Housing Benefit.

14. Credit refunds

When a credit has built up on a council tax account before the credit is refunded the Council will contact other teams within the Council, including Housing, Benefits and Sundry Income to see if there are any outstanding sums owed. If there are outstanding debts the taxpayer must be contacted and agree that the credit can be transferred to the relevant debt to reduce or clear the amount owed. Any monies that remain in credit can then be refunded to the taxpayer.

Where there is more than one debt, the credit will normally be used to reduce or clear the biggest or oldest debt, or where it is in the interest of the taxpayer to avoid further recovery proceedings, for example possession of property.

15. Policy Review

We will review this policy every 5 years.

CABINET – 7 NOVEMBER 2018

PORTFOLIO: FINANCE, CORPORATE
SERVICES & IMPROVEMENT / ALL

MEDIUM TERM FINANCIAL PLAN 2018 ONWARDS

1. Purpose of Report

- 1.1 To consider the development of the Medium Term Financial Plan for 2018 onwards and to consider the factors that will influence its delivery and that of the annual budget strategy to 2022/23.

2. Background

- 2.1 The MTFP update brought to August Cabinet provided a forecast on the financial position of the Council to the year 2022/23. This updated paper now provides a more up-to-date view on that forecast.
- 2.2 In a pro-longed period whereby the Council has seen a significant reduction in government resources, the challenge for the Council's Medium Term Financial Plan is to deliver an appropriate balance of service and budget which is sustainable in the medium term.

3. Autumn Statement / Provisional Local Government Finance Settlement

- 3.1 On 29 October, the Chancellor of the Exchequer presented his autumn budget statement. The autumn budget is now the only opportunity for the Chancellor to announce changes in fiscal policy. The spring statement only contains updates of economic and fiscal forecasts.
- 3.2 This budget statement took place after the report deadline for this paper. The Portfolio Holder will verbally update Cabinet on any significant matters impacting upon this Council at the Cabinet meeting, beyond what was already anticipated as outlined below.
- 3.3 The Prime Minister made 2 key announcements in October that have a direct bearing on the Council's finances;
 - the removal of the HRA borrowing cap for local authorities
 - that times of austerity are over; the provisional finance settlement and subsequent analysis will confirm to what extent the Prime Minister's statement is supported by the OBR and the government's fiscal policy for the coming yearsThese statements undoubtedly would have been headline features of the Chancellors speech, had they not already been announced.
- 3.4 The recently published Hudson review, which was focused predominantly on business rates retention but also considered wider local government finance, has recommended the provisional settlement ought to be made around 5 December and the final settlement by 31 January. The Minister for Housing, Communities and Local Government has duly confirmed the date for the 2019/20 provisional settlement will be 6 December.

- 3.5 The provisional finance settlement will confirm whether the Council will suffer the consequences of negative RSG in 2019/20. Early indications suggest that the treasury will be addressing this with the potential for a favourable outcome to this Council. As a reminder, the August MTFP outlined a negative RSG of £612k (to clarify, a payment that would have to be made from this Council, to the Treasury).

4. Economic Commentary

- 4.1 UK Consumer Price Inflation (CPI) index fell to 2.4% in June, a 12-month low, as the effects of sterling's large depreciation in 2016 began to fade. However CPI ticked back up marginally to 2.5% in July, mostly due to higher energy prices, and up again to 2.7% in August from cultural services, where theatre admission prices rose by more than a year ago, and games, toys and hobbies, where prices for computer games rose this year but fell a year ago. The most recent labour market data for July 2018 showed the unemployment rate at 4%; the lowest since 1975. The three month average annual growth rate for regular pay, i.e. excluding bonuses, was 2.9%. However, real wages (i.e. adjusted for inflation) grew only by 0.4%, a marginal increase unlikely to have had much effect for households.
- 4.2 The rebound in Gross Domestic Product (GDP) growth in Quarter 2 of 2018 to 0.4% confirmed that the weakness in economic growth in Quarter 1 was temporary and largely due to weather-related factors. The Bank of England made no change to monetary policy at its meetings in May and June, however hawkish minutes and a 6-3 vote to maintain rates was followed by a unanimous decision for a rate rise of 0.25% in August, taking the Bank Rate to 0.75%. No further change was made to monetary policy at the Bank of England's meeting in September.

5. Business Rates

- 5.1 The Hampshire Wide Business Rate pilot bid was submitted to the Government at the end of September. The bid demonstrates this Council's willingness to work with the other authorities across Hampshire, further demonstrating the Council's intention to partner and collaborate with others where possible.
- 5.2 The success or otherwise of the bid is expected to be announced alongside the provisional finance settlement. If the bid is successful, the next Medium Term Financial Plan will confirm the financial benefit (potentially over £1.5m) and will propose ways in which the Council can best utilise the forecast additional one-off funding (which in the interim would be credited to the Council's Business Rate Equalisation Reserve).
- 5.3 The retained rates at £1m for 2018/19 shown within this Medium Term Financial plan are consistent with the figure as reported in August. The Council's Business Rate Equalisation Reserve currently contains a balance of £113k as a result of the over performance on the collection fund from 2017/18. A contribution to the reserve is also forecast in 2018/19. Any positive change from the currently allowed £1m for 2018/19 can make a contribution to the budget deficit, or a contribution to the equalisation reserve can be made for use in future years.

6. Hampshire Pension Fund

- 6.1 During 2019/20, the 3 yearly actuarial review will take place on the Hampshire Pension Fund. This review takes into account the performance of the fund and balances the level of contributions payable by the scheme members, in comparison to the forecast liabilities of the fund over the longer term.
- 6.2 As a result of the 31/03/2016 review, the Council's current employee contributions increased from 13.1% in 2016/17 to; 14.1% in 2017/18 and 15.1% in 2018/19, with increases planned to 16.1% in 2019/20 and finally 17.1% in 2020/21.
- 6.3 The fund's investments grew by 4.1% in 2017/18, with the fund valued at £6.6bn as at 31/03/2018. This annual performance, coupled with equally positive performances over the preceding 2 years means that the pattern of growth in contributions as seen over the period 2017/18 – 2020/21 are unlikely to be further increased over the next review period, or at least not to the same extent. This is positive news to the Council as the 1% annual increase in the current employee contribution rate equates to an additional cost of around £140k to the General Fund.

7. Latest Assumptions 2019/20 and to 2022/23

- 7.1 The August Cabinet report outlined a deficit position of £217,000 for 2019/20, as a result of the following summarised changes in comparison to 2018/19;

Table 1	£
Funding Reduction(inc. £612k neg RSG)	1,092,000
Pay and Price Increases	930,000
Savings/Income	-1,545,000
New Requirements / Income Reductions	100,000
Council Tax Yield (£5)	-360,000
AUGUST DEFICIT POSITION	217,000

- 7.2 The Council has taken actions since August to plan for additional income/savings of £372k and allow for new budget requirements of £264k (see Table 2), resulting in a reduced deficit position of £109k. In total, in developing the 2019/20 budget, overall income/savings of £1.872m and increased expenditure requirements of £1.264m have been identified.

Table 2

	£ Requirements	£ Income/Savings	£ TOTAL
AUGUST DEFICIT POSITION			217,000
Council Tax Base		-15,000	-15,000
HLC Operational Review		-200,000	-200,000
Ongoing Savings from 2017/18 Outturn	30,000		30,000
Pest Control Review		-45,000	-45,000
Community Grants Reduction		-42,000	-42,000
NNDR Reduction (Car Parks)		-70,000	-70,000
O365 Subscriptions	150,000		150,000
Land Charges	84,000		84,000
	264,000	-372,000	-108,000
LATEST POSITION 2019/20			109,000

Latest Position post 2019/20

- 7.3 As shown in more detail within appendix 1, the position to 2022/23, taking into account all latest funding and budget assumptions as highlighted in this report, demonstrates a deficit for 2019/20 of £109k, increasing to a cumulative deficit of £812k in 2020/21, to a cumulative £901k in 2021/22, to an ultimate cumulative deficit in 2022/23 of £1.136m.

Table 3	£'000 2019/20	£'000 2020/21	£'000 2021/22	£'000 2022/23
Cumulative Budget Deficit - August	217	871	1,095	1,350
Updates since August	-108	-59	-194	-214
Cumulative Budget Deficit - October	109	812	901	1,136

- 7.4 The Council is planning to bridge this gap predominantly through the savings targeted from the Leisure delivery review (£400k) and the generation of additional commercial and residential property income (£800k). If the timely delivery of these key workstreams is delayed, or their deliverability is put into question, the Council is able to supplement an annual budget through the use of reserves, giving the Council valuable time to develop further plans to eliminate the forecast deficit.

8. Investment in ICT

- 8.1 A report is currently being prepared to be presented to Cabinet in December updating on the Council's progress on the Protect and Maintain Fund (£1.5m). The report will

also cover the financial implications of the key aspects from the ICT strategy 2018-2022 and will outline the anticipated required level of further investment over the medium term period. The financial implications of this emerging report will be included within the next Medium Term Financial Plan.

9. Asset Maintenance and Replacement

- 9.1 The Corporate Overview and Scrutiny Panel will be presented with a report on 22 November 2018 confirming the proposed Asset Maintenance & Replacement (AMR) programme for 2019/20. The parameters for bids were set in the context of a £1.7m fund being made available (a reduction of £300k from 2018/19, albeit the 2018/19 programme included the Toilet Modernisation programme, which is now treated as part of the Capital programme).
- 9.2 In order to meet the fiscal deadlines imposed on these projects, Cabinet are recommended to give their support to the overall AMR budget now, so that subject to Corporate Overview Panel's ratification of the detailed programme within the set financial parameter, officers can commence the up-front work involved in writing up the detailed specifications and preparing tender documents, where applicable, ahead of 1 April 2019.

10. General Fund Reserves

- 10.1 The table below summarises the General Fund reserves, available to support the Council's revenue and capital budgets over the medium term period as at 31/03/2018 and shows the planned use in 2018/19;

	Balances 31/03/2018	Planned Use of Reserves 2018/19
	£'000's	£'000's
General Fund Reserve	3,000	
Capital Programme Reserve	12,409	
Capital Receipts Reserve	1,092	
Earmarked Reserves	2,686	
	19,187	-1,140

- 10.2 The use of reserves includes the support of the Capital and Asset Maintenance and Replacement programmes, and includes the variations reported throughout the year via financial monitoring and major capital receipts received during the year.

11. Housing Revenue Account

- 11.1 The annual review of the Housing Revenue Account business plan will be considered by Cabinet in February, following consultation with tenants. The business plan and detailed budget will have due regard to the emerging Housing Strategy, currently being finalised.

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

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

13. Portfolio Holder Comments

13.1 In the constantly changing environment of local government finance we are making good progress in looking to deliver a prudent and balanced budget that continues to provide the high quality services that our residents are used to.

14. Recommended

14.1 That the Cabinet approve the emerging draft Medium Term Financial Plan to 2022/23 as set out within this report and that this forms the basis of the Council's 2019/20 General fund Budget that will be reported in February 2019.

14.2 That subject to Corporate Overview Panel support for the Asset Maintenance and Replacement Programme for 2019/20, the Cabinet give their approval for initial preparatory works to commence.

For Further Information Please Contact:

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Background Papers:

MTFP – August 2018

MEDIUM TERM FINANCIAL PLAN 2018-2023

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000's	£'000's	£'000's	£'000's	£'000's
FUNDING					
Government Determined Resources	5,812	4,660	4,076	4,142	4,162
Council Tax (Including Property Baseline increase)	12,126	12,201	12,261	12,321	12,381
TOTAL FUNDING	17,938	16,861	16,337	16,463	16,543
Change in Funding from Previous Year	1,077	524	-126	-80	
SPENDING PLANS					
Pay & Price Increases	930	830	690	690	
Ongoing Savings Analysis					
Ongoing Savings from 2017/18 Outturn	-720				
Health & Leisure Centre Operational Review	-500	-118			
Asset / Equipment Resources	-300				
Property (accommodation / Commercial)	-100				
Pest Control Review	-45	-52			
Community grants Panel targeted Reduction in revenue grants / SLA's	-42	-40	-40		
NNDR Reduction in Car Parks	-70	34			
Commercial Property (NMHC)	-40				
Income from Development projects	-30	-30			
Tourism Review	-25	-25			
	-1,872	-231	-40	0	
New Budget Requirements					
Planning & Open Space Resources	100				
Electoral Review of the District		15		-15	
Additional Costs associated with Office 365	150	-75	-75		
Land Charges	84				
	334	-60	-75	-15	
Change in Spending From Previous Year	-608	539	575	675	
ANNUAL BUDGET DEFICIT	469	1,063	449	595	
CUMULATIVE BUDGET DEFICIT	469	1,532	1,981	2,576	
Cumulative Council Tax Increase - Based on £5	-360	-720	-1,080	-1,440	
CUMULATIVE BUDGET DEFICIT AFTER COUNCIL TAX	109	812	901	1,136	

Work In Progress

Leisure Delivery Review		-350	-50	
Commercial / Residential Property	-50	-250	-250	-250
	-50	-600	-300	-250
Cumulative WIP	-50	-650	-950	-1,200
Estimated Cumulative Shortfall / Surplus (-) After WIP	59	162	-49	-64

Reserves Supporting the MTFP

General Fund Balance	3,000	3,000	3,000	3,000
Business Rates Equilisation Reserve	113	113	113	113

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