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Chief Executive

CABINET AGENDA

Date: Wednesday 15th November 2017

Time: 7.00pm

Venue: Council Chamber

This meeting will be webcast live on the internet.

Membership:

Councillor Riley	Chairman - Leader of the Council
Councillor Stanley	Finance, Policy and Resources
Councillor Dick	Health & Wellbeing
Councillor Mrs Egan	Housing and Council Homes
Councillor Howard	Street Scene, Waste, Floods and Water Management
Councillor Isaacs	Neighbourhoods & Safer Communities
Councillor MacLean	Customer Engagement and Commercialism
Councillor Skipp	Environment & Leisure
Councillor Smith	Regeneration & Business Liaison

Cabinet Enquiries:	John Riley Ext 2417/Ann Horgan ext. 2413
Reference:	5/2017/2018
Publication Date:	Tuesday 7th November 2017

AGENDA
PART I
(Business to be taken in public)

- 1. Apologies**
- 2. Members' Interests**
- 3. Minutes**
To approve the Minutes of the meeting held on 17th October 2017.
- 4. Forward Plan**
To review the Forward Plan.
- 5. Public Health and Wellbeing**
- 6. Environment**
- 6(a) Community Halls Update**
(Report of the Cabinet Member for Environment and Leisure)
- 7. Transforming Our Community**
- 7(a) Land at Thorney Bay Caravan Park: Alignment of Roscommon Way Phase 3**
(Report of the Leader of the Council)
- 8. Efficient and Effective Customer Focused Services**
- 8(a) Local Council Tax Support (LCTS) Scheme for 2018/19**
(Report of the Cabinet Member for Finance, Policy and Resources)
- 8(b) 100% Business Rates Retention (BRR) Scheme - Essex Pilot Bid**
(Report of the Cabinet Member for Finance, Policy and Resources)
- 8(c) Financial Update Report**
(Report of the Cabinet Member for Finance, Policy and Resources)
- 8(d) Corporate Scorecard Quarter 2 2017/18**
(Report of the Cabinet Member for Finance, Policy and Resources)
- 9. Matters to be referred from /to Policy & Scrutiny Committees**
- 10. Matters to be referred from /to the Standing Committees**

PART II

(Business to be taken in private)

(Item to be considered with the press and public excluded from the meeting)

There were no items known at time of publication of the agenda.

**INFORMAL
CABINET SESSION**

All Councillors are welcome to take part in this informal question time session with Cabinet at the end of the meeting. The session will be time limited and will conclude not later than 9pm.



CABINET

17TH OCTOBER 2017

PRESENT:

Councillor Riley Chairman	Leader of the Council
Councillor Stanley	Finance, Policy and Resources
Councillor Dick	Health and Wellbeing
Councillor Mrs Egan	Housing and Council Homes
Councillor Howard	Street Scene, Waste, Floods and Water Management
Councillor Isaacs	Neighbourhoods and Safer Communities
Councillor MacLean	Customer Engagement and Commercialism
Councillor Skipp	Environment & Leisure
Councillor Smith	Regeneration & Business Liaison

ALSO PRESENT:

Councillors: Acott, Bayley, Blackwell, Campagna, Cole, Hart, Palmer, Mrs Sach, Sharp, Walter, Mrs G.Watson and N Watson.

35. MEMBERS' INTERESTS:

Cllr Smith declared a non-pecuniary interest arising from discussion under agenda item 6(a) Minute 38 given the proximity of his business to the Charfleets Industrial Estate.

36. MINUTES:

The Minutes of the Cabinet meeting held on 20.9.2017 were approved and signed by the Chairman as a correct record.

37. FORWARD PLAN:

To comply with regulations under the Localism Act 2011, the Leader of the Council presented a revised Forward Plan to the meeting which outlined key decisions likely to be taken within the next quarter 2017. The Plan was reviewed each month.

Cabinet noted that the Financial Update report would be presented in November.

Resolved – To note and approve the Forward Plan as amended.

38. UPDATE ON FLOOD ALLEVIATION MEASURES PROPOSED AND/OR TAKING PLACE IN THE BOROUGH

The Cabinet considered a report providing an update in respect of the surface water flood alleviation schemes (SWAS) that Essex Highways in conjunction with Anglian Water were progressing on Canvey Island. The five schemes are located at Monico corner; Ouida Road, Hannett Road and Canvey Sea front – Western Esplanade and Furtherwick Road.

Cabinet were also informed of progress of the flood alleviation scheme at West Wood being undertaken by ECC in its capacity as the Lead Local Flood Authority and the works being undertaken by the Environment Agency at South Benfleet.

Resolved:

To note the report.

39. PLANNING POLICY UPDATE

The Cabinet considered a report providing an update on a number of important planning policy matters on which announcements had been made, publications issued and/or work which had recently been concluded or is underway.

The report also advised of progress being made in relation to the intention set out in the Local Development Scheme to work with neighbouring authorities on a Joint Strategic Planning Framework.

Resolved:

Having regard to all those matters raised within this report:

1. To note the progress that is being made on Joint Planning matters as detailed in the Table at Appendix 1, including the preparation of shared evidence base work.
2. To note the new pieces of evidence base work being undertaken to support plan-making at an Essex wide level, as detailed in the Table at Appendix 1, to address key strategic and cross boundary matters.
3. To respond to the consultation on *Planning for the right homes in the right places: consultation proposals*, raising those issues identified in sections 4 and 5 of this report relating to the standard methodology and planning fees, but also highlighting support for the proposed 'statement of common ground'.
4. To respond to the consultation on the London Draft Housing Strategy, welcoming the Mayor's approach,

but highlighting the risks that any failure to deliver may have for authorities in the wider South East.

(Responses to consultations referred to above to be prepared following consultation with the Leader of the Council, Cabinet Member for Regeneration and Business Liaison and Chairman of the Development Control Committee.)

40. UPDATE ON REGENERATION MATTERS

The Cabinet considered a report informing of progress with current active regeneration initiatives. These included progress of the Hadleigh Town Centre Gateway Site; egress from Morrisons onto A13 London Road Hadleigh; work on the Master plan for the seafront at Canvey Island; feasibility work on the Paddocks site and the award of Intereg funding to progress the initiative to develop markets on Canvey Island and Hadleigh.

Resolved:

1. To note the progress underway on these initiatives.
2. To approve the draw-down of £25,000 from reserves in 2017/18 to carry out and complete master planning work for the Canvey Seafront area.
3. To approve the draw-down of a further £8,500 from reserves in 2017/18 to continue the feasibility work for the Paddocks site.
4. To approve the participation of the Council in the “GoTrade” project with funding from the “Interreg” programme.

41. UPDATE: CUSTOMER ENGAGEMENT & COMMERCIALISM

The Cabinet considered a report providing an overview of the work currently in progress or planned within the scope of Customer Engagement and Commercialism.

Resolved:

To note the report and support the various initiatives.

42. TREASURY MANAGEMENT MID – YEAR REPORT

The Cabinet considered a report presenting the mid-year treasury report which summarised the Council’s treasury management activity for the first

five months of the current financial year. Supporting information was provided within Annexes A and B.

Resolved:

Following scrutiny, to approve the Treasury Management Activity Mid-Year Report for 2017/18

43. DISCRETIONARY RATE RELIEF – BUSINESS RATES – SUPPORTING SMALL BUSINESSES, RELIEF FOR PUBS AND LOCAL DISCRETIONARY FUND

The Cabinet considered a report setting changes to the Council's Discretionary Rate Relief Policy which had been required to be revised as a result of announcements made in the Spring 2017 Budget.

Resolved:

1. To note and approve the proposed revised Policy for the granting of Discretionary Rate Relief Policy – Annex A
2. To delegate decisions on individual applications to the Revenues Manager or other senior officer within Revenue Services

44. MATTERS TO BE REFERRED FROM/TO POLICY SCRUTINY COMMITTEES:

Following the Council Meeting held on 27.9.2017 Cabinet endorsed the suggestion that the Environment Policy and Scrutiny Committee consider and report to Cabinet with recommendations on the outcome of the officers' investigations into the criteria and feasibility for applying for a Blue Flag Beach Award for Thorney Bay Beach and Concord Beach for 2018.

45. MATTERS TO BE REFERRED FROM /TO THE STATUTORY COMMITTEES:

There were no matters.

Chairman



Castle Point Borough Council

Forward Plan

NOVEMBER 2017

CASTLE POINT BOROUGH COUNCIL

FORWARD PLAN

NOVEMBER 2017

This document gives details of the key decisions that are likely to be taken. A key decision is defined as a decision which is likely:-

- (a) Subject of course to compliance with the financial regulations, to result in the local authority incurring expenditure which is, or the savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates subject to a threshold of £100,000; or
- (b) To be significant in terms of its effects on communities living or working in an area comprising two or more Wards in the area of the local authority.

The Forward Plan is a working document which is updated continually.

Date	<u>Item</u>	Council Priority	Decision by Council/ Cabinet	Lead Member(s)	Lead Officer(s)
November 2017	<u>Financial Update</u>	Efficient and Effective Customer Focussed Services	Cabinet	Finance, Policy & Resources	Head of Resources
November 2017	<u>Halls Review – Update</u>	Transforming Our Community	Cabinet	Environment & Leisure	Head of Environment
November 2017	<u>Local Council Tax Support Scheme 2018/19</u> Consideration of response to consultation on options and arrangements	Efficient and Effective Customer Focussed Services	Cabinet /Council	Finance, Policy and Resources	Revenues& Benefits Transformation Manager Head of Resources
January 2018	<u>Planning Policy/Regen Update</u>	Transforming Our Community	Cabinet	Regeneration & Business Liaison	Local Plan & Regeneration Advisor
January 2018	<u>Flooding Update</u>	Environment	Cabinet	Street Scene, Waste, Floods and Water Management	Head of Environment

February 2018	<u>Treasury Management Report –</u>	Efficient and Effective Customer Focussed Services	Cabinet	Finance, Policy & Resources	Head of Resources
February 2018	<u>Budget and Policy Framework</u> To make recommendations to Council on the Council tax and budget setting.	All	Cabinet/ Council	Finance, Policy & Resources	Head of Resources
February 2018	<u>Housing Revenue Account Rent Levels 2017/2018 Housing Capital Programme etc</u>	Transforming Our Community Efficient and Effective Customer Focussed Services	Cabinet	Housing and Council Homes / Finance, Policy & Resources	Head of Resources Head of Performance & Service Support & Interim Head of Housing

CABINET

15th November 2017

Subject: Community Halls Update

Cabinet Member: Councillor Skipp - Environment and Leisure

1. Purpose of Report

To provide an update on the Council owned Community Halls.

2. Links to Council Priorities and Objectives

Efficient and Effective Customers Focused Services

3. Recommendation

That Cabinet notes the contents of this report.

4. Background

Former RVS Halls at South Benfleet and Hadleigh

At its meeting in March 2017 Cabinet resolved to proceed with the demolition of the halls previously leased to, and occupied by, the RVS at Benfleet Recreation Ground, Richmond Avenue, South Benfleet and at John H Burrows, Hadleigh.

Prior to the commencement of the demolition works an asbestos survey had to be carried out and the utilities disconnected at both sites. Unfortunately there was a delay in getting the utilities disconnected at the South Benfleet Hall which in turn delayed the commencement of the demolition works as both halls were to be demolished at the same time in order to secure the best price for the works. The contract for the demolition of both the halls has now been awarded to Randall Contracting Ltd. The works commenced on Monday 23rd Oct 2017 and the scheduled completion date for both halls is Friday 22nd December 2017.

With regard to the hall at John H Burrows all the asbestos was removed by 3rd November and demolition of the building is scheduled to start week commencing 6th November 2017.

In respect of the hall at South Benfleet, the asbestos removal works are expected to take three weeks due to the quantity of material that needs to be

removed. Randall Demolition Ltd has employed a permanent night time security guard as a security measure due to the quantity and nature of the asbestos being removed and the amount of asbestos plant/machinery required for this job.

The lighting columns at the John H Burrow Recreation Ground which were disconnected during this and previous demolition works have been reinstated.

Former RVS Hall, Canvey

The hall at King George V Recreation Ground, Canvey Island was vacated by the RVS on 30th June 2017. The Council was approached by Essex County Council Youth Service who were interested in its use for youth related activities. The facility has been offered to the Canvey Island Youth Project who will deliver the youth activities in partnership with Essex County Council on a ten year full maintenance and repair lease basis subject to ECC acting as guarantor for the duration of the lease. The lease has been drafted but has yet to be signed by either the Canvey Island Youth Project or Essex County Council. An interim licence has been issued pending agreement/signing of the lease.

Woodside Hall

The staircase/landing carpet has been replaced and the old chairs replaced with the foldable chairs and tables from the former Swans Green Hall. The refreshed premises condition survey undertaken in February 2017 includes the requirement to modernise the kitchen and toilet facilities and to re-sand and varnish the wooden hall floor. These works are scheduled to be completed by March 2018.

The Woodside Hall continues to suffer from vandalism, mainly broken windows, by youths who congregate in the adjacent teen-shelter.

Runnymede Hall

The foyer has been redecorated and new curtains provided to the main hall.

King George V Hall

The wooden floor in the hall has been completely replaced.

Bars Contract

The contract that the Council has with Affinity for the supply of bar services expires in November 2017 and a retendering exercise is underway.

5. Corporate Implications

a) Financial Implications

The total cost of demolition of the RVS Halls at JH Burrows and South Benfleet, including associated costs such as disconnection of utilities, is anticipated to be in the region of **£100k**. **£70k** was originally allocated in the 2017/18 budget.

As part of discussions following the end of the lease for these premises, officers negotiated a full and final settlement figure of **£25k** with the RVS, which will reduce the overall cost to the Council to **£78k**.

In respect of the former RVS occupied hall at King George V Recreation Ground, Canvey Island, officers have negotiated a **£10k** full and final settlement as part of the end of lease discussions. This money will be used to carry out repairs/decoration to the hall to bring it up to a reasonable tenantable standard prior to the new lease agreement coming into effect.

The net operational position for all the Halls is shown below:

Revised Budget 2017/18 (incorporating latest forecast out-turn for the year):

	Runnymede £000s	Woodside £000s	Total £000s
Direct expenditure	90	62	318
Income	(75)	(26)	(213)
Net Direct expenditure	15	36	105
Recharges and capital charges	58	29	171
Net overall expenditure	73	65	276

Some items of expenditure have been apportioned between sites, where there is no specific split per site, based on the proportion of income per site for the year.

The direct expenditure figures include planned preventative maintenance costs of:

- Runnymede £16k
- Woodside £33k

These costs can fluctuate year to year.

b) Legal Implications

Full and final settlement figures have been agreed with the RVS having regard to the lease terms and conditions for the halls they previously occupied.

c) Human Resources and Equality Implications

None associated with this report.

6. Timescale for Implementation and Risk Factors

Demolition of the two former halls has commenced and subject to no unforeseen complications/delays will be completed by 22 December.

Background Papers:

None

Report Author: Trudie Bragg, Head of Environment

CABINET

15th November 2017

Subject: Land at Thorney Bay Caravan Park: Alignment of Roscommon Way Phase 3

Cabinet Member: Councillor Riley - Leader of the Council

1. Purpose of Report

- 1.1 The purpose of this report is to inform the Cabinet of recent new developments at Thorney Bay Caravan Park, and their consequences for the final phase of Roscommon Way.**
- 1.2 It is recommended that the Cabinet authorises the Chief Executive to contact Essex County Council as highways authority to seek its urgent support in protecting the alignment of the final phase of Roscommon Way.**

2. Links to Council's priorities and objectives

- 2.1 The matters described in this report are directly linked to the Council's "Transforming our Community" priority – incorporating objectives for putting the right planning framework in place to create a sustainable future.**

3. Recommendations

- 3.1** Having regard to all those matters raised within this report, the Cabinet is recommended:
- To note the recent developments underway at Thorney Bay Caravan Park, and their consequences for the alignment of the final phase of Roscommon Way;
 - To authorise the Chief Executive following consultation with the Leader of the Council, to contact Essex County Council as highways authority to seek its urgent support in establishing a safeguarded route for the alignment of the final phase of Roscommon Way.

4. Background

- 4.1 The construction of a southern distributor road around the west and south of the built up area of Canvey Island has been a long-held aspiration of the Borough Council as local planning authority, and Essex County Council as highways authority.
- 4.2 This route would provide significant relief to traffic congestion in the built up residential areas of Canvey Island, by providing a high quality modern specification carriageway with limited junctions connecting the industrial and seafront areas of Canvey Island with the strategic road network at Waterside Farm roundabout.
- 4.3 Phase 1 of Roscommon Way has been constructed linking Canvey Road to Northwick Road, and Phase 2 has been constructed linking Northwick Road to Haven Road.
- 4.4 The final phase, Phase 3, of the route would link Haven Road to Western Esplanade in the vicinity of Thorney Bay.
- 4.5 Whilst there is no formal published scheme, the alignment of the route has been widely known for some time, running on a broadly east west alignment through land in the control of the Port of London Authority, the Borough Council and Thorney Bay Caravan Park.
- 4.6 The line was shown indicatively on the New Local Plan Proposals Map. It was also referred to in planning applications submitted on behalf of Thorney Bay Caravan Park, the most significant of which was an outline application for the redevelopment of the majority of the site. In this case the Borough Council resolved that planning permission could be granted subject to a Section 106 legal agreement which, amongst other things, committed the owner of the land to keep the area free from development and to make it available for the final phase of Roscommon Way when called upon to do so. The agreement remains ready for signature and the planning application remains undetermined.

5. Recent developments and their implications

- 5.1 The Council has been aware for some time of recent development activity at Thorney Bay Caravan Park. It would appear that new park homes and their bases are being introduced onto the site. The works do not appear to require further planning or licensing approvals, nor do they appear to infringe on the Council's land.
- 5.2 However these works do appear to impact directly on the proposed alignment of the final phase of Roscommon Way. This could create a situation where purchasers acquire homes on land which may then be needed for the completion of Roscommon Way.
- 5.3 It also creates a situation where substantial public investment in the earlier phases of Roscommon Way is at risk because the final phase

cannot be easily carried forward and completed without substantial intervention.

- 5.4 The Borough Council as planning authority is not in a position to safeguard the alignment of the final phase of Roscommon Way.
- 5.5 This situation was raised at the meeting of the Castle Point Regeneration Partnership meeting held on 3.11.2017 at which representatives from Essex County Council the highways authority were present. It was agreed that Castle Point Borough Council should make formal representation to Essex County Council to invite the County Council as highway authority as a matter of urgency to use whatever means are at its disposal to ensure that the final phase of Roscommon Way can be completed without unforeseen hindrance or obstruction.
- 5.6 The Chief Executive is therefore invited to contact Essex Country Council to ask it as a matter of urgency to address this issue as quickly and effectively as possible.

6. Corporate Implications

a. Financial Implications

- 6.1 There are no direct financial implications arising from the recommendations in this report.

b. Legal Implications

- 6.2 There are no direct legal implications arising from the recommendations in this report.

c. Human Resources & Equality Implications

- 6.3 There are no human resource implications arising from the actions described in this report.

d. Timescale for implementation & risk factors

- 6.4 It is recommended that Essex County Council be contacted as a matter of urgency given development activity on site.

7. Conclusions

- 7.1 The long held aspiration for the completion of Roscommon Way is at risk from new development at Thorney Bay Caravan Park and the support of Essex County Council as Highways Authority should be sought in seeking to protect the alignment of the final phase.

Background Papers

Report Author: Steve Rogers – Local Plan & Regeneration Adviser

CABINET

15th November 2017

Subject: Local Council Tax Support (LCTS) Scheme for 2018/19

Cabinet Member: Councillor Stanley – Finance, Policy & Resources

1. Purpose of Report

To provide an update to Cabinet in respect of:

- **The results of consultation on proposed changes for the 2018/19 scheme.**
- **Recommended changes to the Local Council Tax Support scheme for 2018/19.**

2. Links to Council's priorities and objectives

This report is linked to the Council's priority of Efficient and Effective Customer Focused Services. Sound and strategic financial management is essential in order to ensure that resources are available to support the Council's priorities and maintain or improve services.

3. Recommendations:

- 1. That Cabinet note the consultation results, Impacts of Scheme Options, and Stage 2 Equality Impact Assessment appended to this report.**
- 2. That Cabinet recommend to Council that there are no changes to the Local Council Tax Support scheme for 2018/19.**

4. Background Information

- 4.1 The Council is required to approve future year's Local Council Tax Support schemes annually before 31st January, regardless of whether there are proposals to change the scheme or not.**
- 4.2 It is also an annual requirement to consult with residents and other interested parties in relation to the scheme and at its meeting in July, Cabinet noted proposed arrangements for consultation for next year's scheme.**

5. Consultation responses

- 5.1 The consultation period ran for 6 weeks, from 14th August 2017 and 24th September 2017.
- 5.2 To increase awareness and encourage participation during the consultation period the following activities were undertaken;
- 5,000 information leaflets were included with all Council Tax and Benefit documentation issued.
 - 6 Tweets were issued.
 - Information was published on the 'Latest News' box on the CPBC website homepage and also on every Council Tax and Benefit webpage.
 - Hard copy forms and envelopes and ballot boxes were made available at each of the four local Libraries and at the Council Offices.
- 5.3 Partners, via the Benefit Information Network group and Local Strategic Partnership group, were also notified and asked to raise awareness amongst their customers.
- 5.4 During the consultation period one ballot box was removed 4 days before the end of the consultation period. Customers were however still able to complete and return hard copy responses via prepaid envelopes which remained on display throughout and the box was reinstated for an additional 1 week as well. This did not therefore fetter the consultation process for those who wished to take part.
- 5.5 The consultation contained questions about;
- Whether the Council should keep the current scheme?
 - Whether the Council should reduce the maximum award percentage cap?
 - Whether the Council should introduce a minimum award amount?
 - Whether the Council should consider three alternative proposals, rather than change the current scheme?
- 5.6 521 people accessed the consultation form; 19 via paper format, 502 via the online format. Of these, 73 people went on to respond to either some or all of the questions. This compares with only 170 people who accessed the consultation last year, of which 66 responded fully.
- 5.7 Essex County Council, Essex Police and Essex Fire have been consulted via the Pan Essex Group which is an officer led working group consisting of representatives from all Essex authorities and pre-cepting organisations.
- 5.8 A detailed summary of the consultation results is set out at Appendix A of this report.

6. Proposed Changes to the Local Council Tax Support Scheme for 2018/19

6.1 The following elements are already incorporated into the 2017/18 scheme for Castle Point:

- 1 As directed by central government, all pensioners are treated as protected, meaning that the financial impact of changes falls on working age households only.
- 2 The scheme is means tested, using many of the principles of the previous Council Tax Benefit scheme, which enables specific protections to be applied to vulnerable groups, households with children, and households with disabilities.
- 3 The scheme incentivises work by disregarding £25 per week of earned income.
- 4 Child Benefit is counted in full as income when calculating entitlement.
- 5 Claims for Local Council Tax Support cannot be back dated.
- 6 As far as possible the scheme allows for expected growth in demand and is easy to claim and administer.
- 7 Second Adult Rebate, previously available under Council Tax Benefit, is not part of the scheme for working age claimants.
- 8 The savings limit is £6,000, meaning that claimants with capital exceeding this value are not entitled to Local Council Tax Support.
- 9 Non-Dependant deductions, previously applicable under Council Tax Benefit, are not included in the scheme for working age claimants.
- 10 In conjunction with the Council's 'Local War Pensioner' scheme, income received in respect of War Pensions for disablement or bereavement is fully disregarded when calculating entitlement.
- 11 Support is capped at Council Tax band D and at 70% of Council Tax liability for working age claimants, meaning all working age Council Tax Payers are required to pay a minimum of 30% of their weekly council tax bill and those living in properties banded E to H will be assessed as though they are living in a Band D property.
- 12 Underlying Entitlement, previously awarded when an overpayment occurred under Council Tax Benefit, is not applicable in the scheme for work age claimants.
- 13 The Family Premium, previously awarded under Council Tax Benefit, no longer applies to new working age claims made from 1st April 2017 onwards.
- 14 The period for which a person can be absent from Great Britain and still receive Local Council Tax Support is limited to a maximum of 4 weeks (subject to specific exceptions).

- 15 The Severe Disability Premium, previously awarded under Council Tax Benefit, no longer applies from 1st April 2017 onwards where another person is paid Universal Credit (Carers Element) to look after them.
- 16 From 1st April 2017 the Work Related Activity Component is no longer included when calculating entitlement for new applicants who receive Employment and Support Allowance (ESA) and who fall within the Work Related Activity Group.
- 17 From 6th April 2017 the number of Dependant Child Applicable Amounts used when calculating entitlement is limited to a maximum of two (subject to specific exceptions).

6.2 It is recommended that the scheme for 2018/19 should not be changed.

7. Corporate Implications

a. Financial Implications

Funding

- 7.1 The reduced tax yield arising directly from the council tax support scheme discount was originally compensated for by a government grant. With the exception of the Town Council, each precepting organisation received their equivalent grant directly and it was specifically identified within the overall finance settlement. An amount was paid over from this Council to the Town Council based on an estimate of the amount relating to them. From 2015/16 the grant has not been specified separately and the scale of reductions applied to Revenue Support Grant (RSG) means that local authorities are now required to fund this scheme entirely from their own resources.
- 7.2 Despite significant reductions in government funding and other cost pressures the Council has maintained the scheme at broadly its original level.
- 7.3 The overall impact on the Council Tax Base for each financial year since introduction of the scheme is shown in the table below:

	Outturn £000s	Projected £000s
2013/14	5,798	
2014/15	5,282	
2015/16	4,874	
2016/17	4,804	
2017/18		4,840

- 7.4 The number of discounts awarded under the local scheme has steadily reduced throughout the period since the scheme was launched in April 2013. Caseload will be influenced by changes in the local economy.

Collection

- 7.5 On introduction, the scheme resulted in a number of residents receiving full or partial Council Tax bills for the first time and, as expected, some residents have

had difficulty in making payment. The Council has seen a reduction in the overall council tax collection rate, and an increase in the number of payment arrangements which extend payment into subsequent financial years.

- 7.6 Financial implications over and above the target cost of the scheme, positive or negative, would be shared with the major precepting organisations.

Council Tax Reserve

- 7.7 The Council has preserved an amount of £100k in an earmarked reserve from scheme underspends in previous years.

b. Legal Implications

- 7.8 The Local Government Finance Act 1992 made provision for local authorities to implement a council tax reduction scheme based on financial need criteria. This legislation also placed responsibility on the billing authority before introducing or implementing changes to their scheme to undertake consultation on the various options enabling consultees to express meaningful views on the proposals. These views have been considered by the local authority before making a final decision.

c. Human resources/equality/human rights

- 7.9 A stage 2 Equality Impact Assessment for the proposed changes has been completed. A copy is attached at Appendix C of this report.

d. Timescale for implementation and risk factors

- 7.10 The local scheme needs to be finalised by 31st January 2018. The new scheme must be operational from 1st April 2018

Key project milestones are as follows:

Milestone	Timeframe	Purpose
Formal Public/Stakeholder Consultation	Aug 17 – Sept 17	Pre-cepting organisations & Residents
Grant Published	Nov 17 – Dec 17	
Cabinet Report	15.11.2017	Consultation outcome
Report to Council	6.12.2017	Proposed scheme to be recommended to Council
2018/19 Scheme in place	31.01.2018	Final scheme approval
		Adoption and Implementation

2018/19 Scheme in operation	01.04.2018	Operation
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Appendix A	Consultation Summary Report
Appendix B	Impacts of 2018/19 Scheme Options
Appendix C	Stage 2 Equality Impact Assessment

8. **Background Papers:**

Local Council Tax Support Scheme 2018/19 update – report to Cabinet 19th July 2017

Report Author:

Eddie Mosuro – Revenues & Benefits Transformation Manager




Castle Point Borough Council
2018/19 Proposed Local Council Tax Support Scheme
Consultation Summary Report

In total 521 people accessed the consultation form, with 19 residents doing so by paper, and 502 doing so online. Of these, 73 people went on to respond to either some or all of the questions.

Consultation Results




Q1:

I have read the background information about the Local Council Tax Support scheme:

		Response Total	Response Percent
Yes		70	96%
No		1	1%
Don't Know		2	3%
Total Respondents		73	100%
(skipped this question)			448

Q2:

Should the Council keep the current Local Council Tax Support scheme? (Not changing the scheme means we will continue to administer the scheme and calculate support as we do currently).

		Response Total	Response Percent
Yes		31	60%
No		16	30%
Don't know		5	10%
Total Respondents		52	100%
(skipped this question)			469

Q3:




Please use the space below to make any comments you have about Option 1 (no change):

8 comments were recorded (513 skipped the question):

- 1 commented that working age households should get 75% support as they are generally worse off than pensioners and support should be equal for all.
- 1 commented that it was unfair that those who are able to work but don't sometimes get more support than those who can and do.
- 1 agreed that this was the second-best option, after eliminating very low levels of support to reduce administrative costs.
- 1 agreed with Option 1 stating that it was comforting to know that there is a safety net for the vulnerable and unfortunate people who find themselves in financial difficulties but expressing concern that it was difficult to recognize the needy from the abusers of these systems.
- 4 generally provided adverse or miscellaneous feedback with no reference to the consultation (Which are available on request)




Q4:

Should the Council reduce the maximum award percentage cap? Currently the maximum award is capped at 70%, meaning work age claimants have to pay at least 30% of their Council Tax liability themselves. This option predominantly reduces the financial burden of the scheme.

		Response Total	Response Percent
Yes		15	33%
No		25	56%
Don't know		5	11%
Total Respondents		45	100%
(skipped this question)			476

Q5:

If you ticked 'yes', what level should the cap be reduced to?

	Response Total	Response Percent
68% 	1	5%
66%	0	0%
65% 	10	56%
Another % 	7	39%
Total Respondents	18	100%
(skipped this question)		503

Q6:

Please use the space below to make any comments you have about Option 2 (Reducing the maximum award %).

8 responses were recorded (513 skipped the question):

- 1 opposed the fact that residents were being consulted on the scheme stating that the council was being optimistic to believe that the average survey respondent, without additional information and experience, could make a useful judgement as to the most appropriate level of support and suggesting that the % should be decided through cost/impact analysis which the council itself is the only body capable of undertaking.
- 1 commented that Council Tax is already more expensive than other neighboring boroughs and did not feel that bills for the Tax Payer should be raised further.
- 1 commented that this option would only assist in the short term and that the Council would still need to raise Council Tax as the value of money falls, suggesting the Council should fight harder for funds instead.
- 5 generally provided adverse or miscellaneous feedback with no reference to the consultation (Which are available on request)

Q7:

Should the Council introduce a minimum award amount? There is no minimum award amount in the current scheme so some people receive support of 1p per week. If a minimum award amount is introduced this means that working age people will not receive any support where their weekly entitlement is lower than the minimum award figure. This option predominantly reduces the administrative burden of the scheme.

APPENDIX A

		Response Total	Response Percent
Yes		16	37%
No		20	47%
Don't know		7	16%
Total Respondents		43	100%
(skipped this question)			478

Q8:

If you ticked 'yes', what level should the minimum award be set at?

		Response Total	Response Percent
50p per week		4	21%
£1.00 per week		6	31%
£2.00 per week		2	11%
Another amount Per week		7	37%
Total Respondents		19	100%
(skipped this question)			502

Q9:

Please use the space below to make any comments you have about option 3
(Introducing a minimum award amount):

16 responses were recorded, with 505 skipping the question;

- 1 commented that a 1p award is an administrative nightmare.
- 1 stated that the administrative cost of supporting someone by 1p per week is the same as the administrative cost of supporting someone by £50 per week, whereas the benefit to the recipient is clearly very different and stated that a detailed policy decision like this should not be decided by the public.
- 4 generally supported this option stating that it was common sense and that most people could burden the extra cost.
- 1 generally supported this option but stated that no figures were provided to enable respondents to see how it might impact residents.
- 9 generally provided adverse or miscellaneous feedback with no reference to the consultation (Which are available on request)

Q10:

Should the Council choose any of the following alternative proposals to deliver savings to enable us to maintain the current scheme? If the Council keeps the current scheme, it is expected to become increasingly more complex and expensive to administer. This is because it will not align with Housing Benefit which is also administered by the Council. If this happens we will need to find savings from other services to help meet the increase in costs. The following alternative proposals could deliver savings. Please select one response for each alternative proposal:

	Yes	No	Don't know	Response Total
Increase the level of Council Tax	15% (6)	75% (30)	10% (4)	40
Find savings from cutting other Council Services	29.73% (11)	54.05% (20)	16.22% (6)	37
Use the Council's savings	65.79% (25)	23.68% (9)	10.53% (4)	38
Total Respondents				45
(skipped this question)				476

Q11:

If the Council were to choose these other options to make savings, what would be your order of preference? Please rank in order of preference by picking from 1 – 3 in the boxes below, with 1 being the option that you most prefer and 3 being the option you least prefer.

	1	2	3	Response Total
Increase the level of Council Tax	20.51% (8)	10.26% (4)	69.23% (27)	39
Find savings from cutting other Council Services	13.51% (5)	37.84% (14)	48.65% (18)	37
Use the Council's savings	68.29% (28)	24.39% (10)	7.32% (3)	41
Total Respondents				43
(skipped this question)				478

Q12:

Please use this space to make any comments you have about Option 4 (Alternative Proposals)

15 responded (506 skipped the question):

- 4 generally opposed increasing the Council Tax stating that it was high enough already and higher than neighbouring boroughs, and that more effort should be put into collecting council tax from those who owe it.
- 1 supported increasing Council Tax, but in accordance with inflation only

- 1 supported increasing Council Tax saying it was the least worst option because the burden would fall fairly on all residents rather than disproportionately on the least well off but went on to also say that introducing a minimum award would enable the council to realise both scheme and administrative savings.
- 1 generally opposed cutting other services stating they were already near breaking point and that this would have the greatest impact on those who most need support.
- 1 generally supported cutting services by reducing staff and selling off unused council assets.
- 2 stated that the council's reserves should be an emergency provision for major one-off events and that using these to fund Council tax support each year would diminish the reserves to nothing and leave the Council unable to respond to emergencies.
- 7 generally provided adverse or miscellaneous feedback with no reference to the consultation (Which are available on request)

Q13.

Please use the space below to tell us of any other options, which have not yet been mentioned, that you would like the Council to consider:

9 responded (512 skipped the question):

- 1 suggested reducing Council spend on statues and expenses.
- 1 suggested the Council holds fund raising events.
- 1 suggested closing the Council Offices.
- 6 generally provided adverse or miscellaneous feedback with no reference to the consultation (Which are available on request)

Q14.

Please use the space below if you have any other comments or questions regarding the Local Council Tax Support scheme that you haven't had opportunity to raise elsewhere:

9 responded (512 skipped the question):

- 1 commented that not all residents would be aware of the survey if they do not transact regularly with the Council and suggested it should be publicised with their annual Council Tax Bill to all residents instead.
- 8 generally provided adverse or miscellaneous feedback with no reference to the consultation (Which are available on request)

Q15.

Are you, or someone in your household, getting Local Council Tax Support?

		Response Total	Response Percent
Yes		7	16%
No		33	79%
Don't know		2	5%
Total Respondents		42	100%
(skipped this question)			479

Q16.

What is your sex?

		Response Total	Response Percent
Male		21	52%
Female		17	42%
Prefer not to say		2	6%
Total Respondents		40	100%
(skipped this question)			471

Q17.

What age are you?

		Response Total	Response Percent
18-24		3	8%
25-34		4	11%
35-44		9	24%
45-54		3	8%
55-64		10	25%
65-74		2	5%
75-84		4	11%
85+		2	5%
Prefer not to say		1	3%
Total Respondents		38	100%
(skipped this question)			483

Q18.

Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months

		Response Total	Response Percent
Yes		10	30%
No		17	52%
Don't know		0	0%
Prefer not to say		6	18%
Total Respondents		33	100%
(skipped this question)			488

Q19.

Ethnic Origin: What is your ethnic group?

		Response Total	Response Percent
White British		28	76%
Other White		0	0%
White Irish		2	6%
White & Black Caribbean		1	3%
White & Black African		1	3%
White & Asian		1	3%
Any Other Mixed background		0	0%
Indian		0	0%
Pakistani		1	3%
Bangladeshi		0	0%
Any Other Asian background		0	0%
Caribbean		0	0%
African		0	0%
Any Other Black background		0	0%
Chinese		0	0%
Arab		0	0%
Prefer not to say		2	6%
Other, please specify		0	0%
Total Respondents		36	100%
(skipped this question)			485

Impacts of Proposed 2018/19 LCTS Scheme

Residents were consulted on:

- whether the Council should keep the current scheme
- whether the Council should reduce the minimum award percentage cap
- whether the Council should introduce a minimum award amount
- whether the Council should consider three alternative proposals, rather than change the current scheme.

It is difficult to fully assess the impact of these changes but the following tables attempt to outline key information about the existing working age LCTS caseload, and demonstrate the anticipated effect each change may have.

Table 1: General Population Data for Castle Point Borough Council

This table shows key working age population data for Castle Point, taken from the 2011 Census. This data is derived from 'Total Population' and 'Out-of-Work' data sets.

Population data (Census 2011)	Total Population (18 – 64)	Disability* (All ages)	Carer* (All Ages)	Female (18 – 64)	Male (18 - 64)	18-24	25-34	35-44	45-54	55-64
Number	89,200	530	680	45,800	43,400	7,000	9,000	9,800	13,000	11,500
Proportion of total WA population	100%	0.59%	0.76%	51.3%	48.7%	7.8%	10.19%	10.99%	14.57%	12.89%

* Disability & Carers details are not split by age range in the Census data so the figures shown represent all responses recorded in these categories, not just working age.

Table 2: Working Age LCTS Caseload Data for Castle Point Borough Council

This table shows the proportionate split between the same key data sets within the current Working Age LCTS claim database and compares the variance between this and the data in Table 1. LCTS caseload data extracted at **30.9.17**.

Working Age LCTS Scheme 2017/18	All Claimants	Disability	Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants	2227	205	51	1520	707	70	464	444	610	639
Proportion of claimants	100%	9.20%	2.29%	68.25%	31.75%	3.14%	20.84%	19.94%	27.39%	28.69%
Average benefit paid (£ per week)	£13.63	£13.37	£13.18	£13.72	£13.64	£12.24	£12.98	£13.55	£14.05	£14.15
Difference to Census Data	-	+8.61%	+1.53%	+16.95%	-16.95%	-4.66%	10.65%	8.95%	12.82%	15.80%

Comparing Tables 1 and 2 shows, in terms of EQIA protected characteristics, that;

Disability

- Working age people with disabilities make up a significantly higher proportion of the current LCTS caseload (at 9.20%) compared to those in the borough's general population (0.59%).
- The proportion of the LCTS caseload that has disabilities has doubled since last year, when this only accounted for 4.57% of the total caseload.

Carers

- Working Age Carers make up a marginally higher proportion of the current LCTS caseload (at 1.53%), compared to those in the borough's general population (0.76%).
- The proportion of the LCTS caseload that are carers has only marginally increased compared to last year.

Age

In general, there is a higher proportionate LCTS caseload amongst those aged 25 to 64, and a lower proportionate caseload

amongst those aged 18 to 24, compared to the general population. Additionally, those aged 55-64 currently receive the highest weekly amount and those aged 18-24 receive the lowest weekly amount, on average.

Gender

Females continue to make up a higher proportion of the caseload at 68.25%, compared than that of the general population.

Although, there is a difference between the average amount females and males receive per week, this is solely due to factors that directly determine the calculation of LCTS (i.e. family make up, income, capital etc.), as opposed to being directly determined by gender.

Race

This information is not collected from claimants as it is not relevant to the calculation of LCTS.

Other protected characteristics

Information is not collected from claimants in relation to the following characteristics as it is not relevant to the calculation of LCTS:

- Religion or belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Option 1: Keep the current scheme

This option has no impact on existing or new claimants.

Option 2: Reduce the maximum award percentage cap

The maximum award percentage cap is currently set at 70%.

Appendix B

Residents were given options to reduce this to; 68%, 66%, 65%, or another percentage of their choice.

The most popular % chosen was **65%**.

The following table shows how this would impact some case types, assuming the current Council Tax levels still apply:

Case Type	Band	17/18 Council Tax Bill (before LCTS)	Main Income	Weekly LCTS award (at 70%)	Net Council Tax to Pay	Weekly LCTS award (at 65%)	Net Council Tax to Pay	Extra To Pay per annum
Single Person with no children or non-dependants	B – Canvey Island	£964.69 (with 25% discount)	Employment Support Allowance	£12.95	£288.60	£12.03	£336.44	£47.84
Couple with 3 children and 1 non-dependant	C - Benfleet	£1,451.68 (Full Charge)	Income Support	£19.73	£439.92	£18.32	£513.24	£73.32
Lone Parent with 2 children and no non-dependants	B – Canvey Island	£964.69 (with 25% discount)	Self Employed Earnings	£5.49	£676.52	£4.57	£724.36	£47.84

If adopted:

- this change would apply to all new and existing claims from 1st April 2018.
- there would be no transitional protection for existing claimants
- it would have proportionate negative financial impact on all existing and new claims.
- this change would reduce the financial burden for the Local Authority.
- this change would not have any impact (negative or positive) on the administrative burden of the scheme.

Option 3: Introduce a minimum award amount

The current scheme does not have a minimum award value – this means claimants can qualify for as little as 1p per week.

Residents were given options to set the minimum award level at; 50p, £1.00, £2.00, or ‘another amount per week’.

The most popular level chosen was ‘another amount per week’.

Respondents were not asked to identify what ‘other amount’ they had in mind, however currently there are only **12** LCTS claims with awards of less than £1 per week (which was the 2nd most popular response).

If adopted;

- this change would apply to all new and existing claims from 1st April 2018
- there would be no transitional protection for existing claimants
- based on current LCTS caseload (12 cases), it would have minimal negative financial impact on existing claims
- this change would also therefore have minimal positive impact to the financial burden for the Local Authority.
- this change would also therefore have minimal positive impact on the administrative burden of the scheme.



Local Council Tax Support Scheme 2018-19

Equality Impact Assessment (EqIA)

Nov 2017

Strategy and Policy EqIA

All strategies and policies must be initially screened for their positive and negative equality impacts.

This initial screening will determine whether or not it is necessary to carry out a full EqIA for the strategy or policy.

This template has been designed to help you initially screen your strategy or policy and, if necessary, undertake a full EqIA .

Title of strategy or policy:	Local Council Tax Support Scheme
Person undertaking EqIA:	Eddie Mosuro
Head of Service:	Craig Watts
Department:	Housing & Communities
Date EqIA completed:	9.10.17

Strategy and policy overview

Strategy and policy overview	
What is the strategy or policy intending to achieve?	To fulfil the Local Authorities legal obligation under the Localism Act to provide a Localised Council Tax Support Scheme with effect from 1.4.18.
What are the summary aims and objectives of the strategy or policy?	<p>Since 1st April 2013, the Council has maintained a Local Council Tax Support (LCTS) scheme. This replaced the national Council Tax Benefit scheme, which ended on 31st March 2013. LCTS helps provide support to council taxpayers who have a low income. It supports the taxpayers by providing a reduction in the actual amount in Council Tax payable.</p> <p>The Council has the ability to determine the level of support given to working age applicants only. The scheme for pension age applicants is determined by Central Government and therefore the ability of the Council to vary that part of the scheme is limited and can only enhance the national scheme in any event.</p> <p>When LCTS was first introduced, Central Government provided a specified level of grant, which was approximately 10% lower than the amounts previously given (pre 1st April 2013). This has now been replaced by a general duty to provide a scheme and funding is not separately identified within the grants given to the Council.</p> <p>After the original consultation, the Council decided to introduce an LCTS scheme that differed from the original Council Tax Benefit in that instead of granting a maximum level of support of 100% it would limit the maximum support to 70%.</p>

<p>Who will benefit from implementing the strategy or policy?</p> <p>What are the links to the Council's corporate priorities?</p> <p>What are the links to other Council strategies and policies?</p>	<p>Changes since 2013 Since the introduction of LCTS, the overall scheme adopted by the Council has remained broadly the same, with only applicable amounts for Pension Age and Working Age people being up-rated annually in line with Central Government.</p> <p>Some technical changes were introduced in 2017/18 to mirror changes being made within Housing Benefit legislation.</p> <p>The Proposed Scheme for 2018/19 In July 2017 the Council approved a public consultation, which took place during August and September 2017, to gather views as to whether the current scheme should be changed. A summary of the results of the consultation are provided together with this Equality Impact Assessment. The Council is minded not to make changes to the working age scheme for 2018/19.</p> <p>The scheme benefits those on low incomes by providing them with support to pay their Council Tax. In particular it provides full protection to Pensioners (as prescribed within the requirements of the Localism Act) and includes locally determined protections for vulnerable groups and incentives to encourage people into work.</p> <p>This Policy supports the Council's corporate priority of 'Efficient & Effective Customer Focussed Services' by ensuring the Council is 'fit for purpose by meeting national and local requirements to agreed timescales and to optimum performance standards'.</p> <p>Corporate Debt Recovery Policy Exceptional Hardship Policy Homelessness Strategy Action Plan</p>
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What are the links to other community strategies and policies?

National Strategy for tackling child poverty under the Coalition Government:
<https://www.education.gov.uk/publications/standard/publicationDetail/Page1/CM%208061>

Equality Act 2010

The Equality Act 2010 introduces 2 specific statutory duties on public bodies such as local authorities:

- **Socio-economic duty:**
 - Have due regard when making strategic decisions to the need to reduce inequalities of outcome which result from socio-economic disadvantage
- **Single (integrated) equality duty:**
 - Eliminate discrimination, harassment and victimisation or any other conduct prohibited by the Act
 - Advance equality of opportunity between persons who share a “protected characteristic” and those who do not
 - Foster good relations between people who share a “protected characteristic” and those who do not

The Equality Act 2010 brings together all of the different equality strands and refers to them as “**protected characteristics**”:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

Initial screening

This initial screening template will determine whether or not the strategy or policy requires a full EqlA

If any of the answers to the 6 screening questions is “yes”, then a full EqlA will be required.

Initial screening		
Does the strategy or policy aim to reduce inequalities of outcome which result from socio-economic disadvantage?	Yes / No	The Policy fundamentally aims to provide financial assistance in meeting Council Tax costs for those disadvantaged by socio-economic factors.
Does the strategy or policy aim to eliminate discrimination, harassment and victimisation?	Yes / No	The scheme is prescribed for pension age people, however the scheme for working age people is less prescribed. Guidance has been given on treatment of vulnerable groups and work incentives. The design of the working age scheme has sought to eliminate discrimination.
Does the strategy or policy aim to advance equality of opportunity?	Yes / No	The Policy fundamentally aims to provide support with Council Tax for those who are socio-economically disadvantaged whilst also encouraging people into work. It has been recognised that in this regard opportunities for some groups may not be equal and therefore the Policy has been designed to provide protection for those groups where advancement of equal opportunity would be restricted.

Initial screening (continued)		
Does the strategy or policy aim to foster good community relations?	Yes / No	No evidence available – not applicable.
Does the strategy or policy have the potential to make a negative contribution to equality?	Yes / No	The scheme may fundamentally make a negative contribution to equality for certain groups – children, families, lone parents etc.
Does the strategy or policy make a positive contribution to equality?	Yes / No	Pension age people are specifically protected under Government Regulations.
Initial screening outcome	Full EqlA is required	

Full assessment

Information gathering	
What quantitative and qualitative information is there?	<p>Information detailing the current working age caseload against Census data and the impacts cross certain groups are set out here:</p> <p>Appendix B - Impact of Proposed 2018-19 LCTS Scheme V1 FINAL.docx</p>
What additional information is required?	No further information is required.
What are the outcomes of any internal and/or external consultation with stakeholders?	<p>Consultation was undertaken between 14.8.17 and 24.9.17.</p> <p>The consultation included key questions about;</p> <ul style="list-style-type: none"> • whether the Council should keep the current scheme • whether the Council should reduce the minimum award percentage cap • whether the Council should introduce a minimum award amount • whether the Council should consider three alternative proposals, rather than change the current scheme. <p>521 people accessed the consultation form, 73 of these went on to either fully or partially answer the questions.</p> <p>The form contained a diversity data section, however this was optional. Based on the responses received the mix of respondents is believed to be broadly representative of the wider Castle Point community.</p> <p>The majority of respondents did not agree with any of the proposed changes</p>

<p>What further consultation is required?</p>	<p>Respondents were invited to make 'free text' comments.</p> <p>Most of the 'free text' comments elaborated on the reasons for their responses to the options presented.</p> <p>There is no requirement to conduct further consultation.</p> <p>Members are required to consider the Consultation results, Impact report, and this EQIA when deciding on the final scheme for 2018/19.</p>
<p>What examples are there of existing good practice?</p>	<p>Some elements of the current working age scheme (i.e. Band restriction, % liability reduction, removal of Second Adult Rebate) have been agreed as part of the overarching Pan Essex scheme.</p> <p>Other current scheme elements have been designed to meet specific needs within Castle Point.</p> <p>All of the technical changes introduced in the 2017/18 scheme mirror changes which have been introduced as part of Central Governments wider Welfare Reforms</p> <p>Guidance provided by DCLG, outlining good practice with regards to treatment of vulnerable groups;</p> <p>(http://www.communities.gov.uk/publications/localgovernment/lscvtvulnerablepeople)</p> <p>and incentives to work;</p> <p>(http://www.communities.gov.uk/publications/localgovernment/lscworkincentives),</p> <p>were considered when designing the scheme.</p> <p>The Local Government Finance Bill: Localizing Support for Council Tax – Updated Impact Assessment is also available here:</p>

	http://www.communities.gov.uk/publications/localgovernment/lqfblocalisingcounciltax Each Local Authority is required to adopt their 2018/19 scheme by 31.1.18.
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Making a judgement	
How will the strategy or policy eliminate discrimination, harassment and victimisation?	<p>Higher Rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions.</p> <p>People with disabilities will continue to receive additional premiums as part of the calculation of their award and also may receive additional financial support through the Exceptional Hardship Fund.</p> <p>Without these elements the policy could potentially be discriminatory to those who fall within the 'disability' characteristic group.</p> <p>No other impacts on protected groups has been identified.</p>
How will the strategy or policy advance equality of opportunity?	<p>The Policy is compliant with prescribed Regulations that protect Pension Age people. This advances equality of opportunity for those who fall within the 'age' characteristic group (specifically those of Pension age) who would otherwise be disadvantaged by the schemes fundamental incentives to work.</p>

Appendix C

	<p>Parents will continue to receive a Dependant's Applicable Amount (limited to a maximum of two children in line with other Welfare Reforms) and working parents will continue to receive an earnings disregard, as part of the calculation of their award.</p> <p>Higher Rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions.</p> <p>People with disabilities will continue to receive additional premiums as part of the calculation of their award and may also receive additional financial support through the Exceptional Hardship Fund.</p> <p>This advances equality of opportunity for those who fall within the 'disability' characteristic group who would otherwise be disadvantaged and may have less opportunity to improve their financial circumstances through work.</p> <p>No other impacts on protected groups have been identified.</p>
How will the strategy or policy foster good community relations?	No impacts on protected groups identified – not applicable.
<p>Does the strategy or policy have the potential to make a negative contribution to equality?</p> <p>If so, which groups with "protected characteristics" will be affected and what are the reasons?</p>	<p>Working Age people aged over 18 will be required to pay more than those of Pension Age.</p> <p>People with disabilities who are below pensionable age will need to pay more than those above pension age. This is due to the Prescribed Regulations which automatically protect people of Pension Age.</p> <p>The locally funded nature of the scheme that applies to those of working age, compared to the Prescribed Regulations that</p>

Appendix C

	<p>apply to those of pension age, means it is not financially viable to completely protect all protected characteristic groups from the full effects of this scheme.</p>
<p>What can be done to address any contribution to inequality caused by the strategy or policy?</p>	<p>Working Age people aged over 18 will be required to pay more:</p> <p>The Council actively supports customers with information and advice on income maximisation, financial capability, and debt management. The Flat Rate earnings disregard has been maintained in the scheme design to incentivise work.</p> <p>People with disabilities who are below pensionable age will need to pay more:</p> <p>Higher Rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions.</p> <p>A discretionary Exceptional Hardship Fund is available to provide additional financial assistance to those who are particularly vulnerable and suffering exceptional financial hardship.</p>
<p>What can be done to assist understanding of the strategy or policy?</p>	<p>Details of the scheme will be publicised on the council website www.castlepoint.gov.uk , and will be provided in hard copy and alternative formats (i.e. Braille, Large Print, Audio) on request.</p> <p>An on-line 'Calculator' is available to assist those who want to find out if they would be entitled to LCTS.</p> <p>First Contact customer service staff are available to explain the scheme to any individuals or organisations who require assistance.</p>

Appendix C

	Members of the Benefit Information Network group are notified annually of the consultation process and are briefed annually on the scheme adopted each year.
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Action plan					
Equality objective	Action(s)	Lead responsibility	Resources	Timescale(s)	Outcome(s)
Assist understanding of the Policy	Refresh website and hard copy information once 2018/19 Final Scheme formally adopted.	First Contact Manager	Staff time & printing costs	Jan – Mar 2018	All affected groups fully aware of the Policy and how it will affect them.
Assist understanding of the Policy	Engage with local advice and support groups through the Benefit Information Network Group.	Benefit Manager	Staff time	Jan – Mar 2018	All local advice and support groups fully aware of the policy and how it will affect their customers.
Advancing equality of opportunity	Proactively identify suitable cases for Exceptional Hardship awards using internal knowledge of debts identified in 2017/18.	Revenues Manager	Staff time, provision of discretionary funding pot	Jan 2018 – Mar 2019	Reduce impact of the scheme on those suffering exceptional financial hardship.
Advancing equality of opportunity	Maintain a range of support services and referral arrangements to	Revenues Manager & Benefit Manager	Staff time, funding pot for services, additional staff resource	Jan 2018 – Mar 2019	Customers adequately supported and equipped with skills

Appendix C

	provide effective assistance with financial capability, budgeting, and/or debt management advice.				to manage financial impact.
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CABINET

15th November 2017

Subject: 100% Business Rates Retention (BRR) Scheme – Essex Pilot Bid

Cabinet Member: Councillor Stanley – Finance, Policy and Resources

1. Purpose of Report

This report is to update Cabinet on progress within Essex in relation to the submission of a bid to the Department of Communities and Local Government (DCLG) to become a pilot for the 100% Business Rates Retention scheme for 2018/19 (one year only).

2. Links to Council's Priorities and Objectives

This report is linked to the Council's priority of Efficient and Effective Customer Focused Services. Sound and strategic financial management is essential in order to ensure that resources are available to support the Council's priorities and maintain or improve services.

3. Recommendations

- 1. That Cabinet note the report.**

4. Background

4.1 For the financial year 2017/18, six authority areas were established as pilots for the proposed 100% business rates retention (BRR) funding scheme. These were all areas with devolution deals in place and consisted of different combinations of authority types i.e. Districts, Counties and Unitary Authorities. Some of the pilots included the devolution of specific responsibilities from central government, others did not.

4.2 Early this financial year, the opportunity to bid for pilot status was extended to all authorities for 2018/19, and work commenced within Essex to determine whether a pilot scheme for the combined area would be viable. The official invitation to bid was issued by DCLG in September.

4.3 Appendix A to this report provides an extract from the budget report presented to Cabinet / Council in February 2017 which explains the current funding mechanism and the respective terms.

5. 2018/19 pilot bid scheme parameters

5.1 The parameters for the 2018/19 pilots are broadly as follows:

- There will be no transfer of functions from central government.

- In order for a bid to be considered favourably it will need to demonstrate “something different” to those already in place.
 - A key objective of the Pilot should be to promote financial sustainability and coherent decision making across functional economic areas, and invest some of the additional retained income to encourage further growth.
 - There will be a no “detriment clause” applied so that no authority will be financially worse off as a result of their membership of the pilot.
 - Revenue Support Grant and Rural Services Delivery Grant are no longer paid to authorities. Instead, these grants are replaced by increased top up grant or reduced tariff payments. From 2018/19 onwards Castle Point will receive neither of these grants in any case.
- 5.2 Pilot status has the potential to increase resources retained within the pilot area but there is also increased risk from operating as a pilot rather than individually. The size of any gains / losses will be dependent on the amount of resources collected by member authorities. A safety net mechanism is in place to largely protect the pilot as a whole from significant financial risks.
- 5.3 Losses would ordinarily occur if one or more of the pilot members were to require a safety net payment. This is not anticipated to be an issue for the Essex pilot for 2018/19.
- 5.4 Other than the potential financial gains, the greatest benefit of being part of a pilot is the opportunity to influence the final mechanism through being involved and as such directly engaged with DCLG.
- 6. Essex Pilot – financial modelling**
- 6.1 The differences between the current funding mechanism and the proposed pilot arrangement relate to the amount of funding which could potentially be retained locally rather than be paid over to central government.
- 6.2 The proposed Essex Pilot consists of all Essex authorities with the exception of Thurrock Council who declined to be a member. Essex County Council have acted as lead authority for preparation of the bid and supporting governance arrangements.
- 6.3 Authority to decide whether this Council should join a pilot scheme for 2018/19 was delegated to the Cabinet Member for Finance, Policy and Resources in consultation with the Head of Resources by Cabinet in June 2017.
- 6.4 The financial benefits of the Essex Pilot fall into two main elements:
- Firstly, the pooled arrangement would not be required to pay a levy payment to Central Government (See 6.4.1 below);
 - Secondly, the combined authorities will retain 100% of all business rates revenue growth (for the year), which is 50% more than is retained under the current scheme (see 6.4.2 and 6.4.3 below).

1. In a non-pooled arrangement, a collective levy of **£9.6m** would be payable to Central Government. This saving will be distributed to member authorities in line with the existing 50% distribution proportions and will ensure that no authority is worse off as a result of being a member of the pilot.
 2. The total value of additional growth retained by the Essex Pilot, over and above that which is currently retained under the 50% retention scheme, is estimated to be **£25m**.
 3. The distribution mechanism means that of this **£25m**, an additional **£450k** would be attributable to Castle Point in addition to a saving in levy payment of circa **£250k**. See section 7 below.
- 6.5 Appendix B contains the full pilot bid which was required to be no more than four pages in length.
- 7. Plans for additional income**
- 7.1 A “no worse off clause” has been included within the pilot agreement meaning that no authority at an individual level will be worse off in the pilot than when compared to their current arrangements. This will be the first call upon additional income achieved.
- 7.2 Beyond this initial allocation of funds, the bid indicates areas which would be targeted including existing partnerships and frameworks with objectives supporting economic growth e.g. attracting and retaining businesses, boosting growth, unlocking jobs and delivering additional housing and infrastructure.
- 7.3 It is worth noting that the objective of the pilot bid is to maximise the value of business rates retained within Essex. Assuming that the bid is successful, how this additional funding will be specifically utilised will be subject to an entirely separate decision making process, involving engagement with all pilot member authorities.
- 8. Corporate Implications**
- a) Financial & Legal implications**
- 8.1 The Treasury has limited the funding available for pilot schemes which means that there will be competition between bids. It is understood that the Essex bid is likely to be one of the most financially significant.
- 8.2 As detailed in paragraph 6.4 the potential gain for the Essex pilot is substantial with a potential overall gain in the region of **£25m to £35m** (including the previous **£9.6m** levy payment).
- 8.3 Pre-existing governance arrangements in relation to the current Essex Region Pool have been adapted to reflect the new arrangements. It is felt that these earlier arrangements demonstrate how Essex Authorities have been successful in working together previously.
- 8.4 Decisions around how additional retained funds will be utilised have not been taken as part of this process.
- 8.5 If the pilot bid should fail, the default position will be an Essex Region Pool to include all authorities excluding Thurrock.

b) Human Resources and equality implications

- 8.6 There are no Human Resource or equality implications arising directly from this report.

c) Timescale for implementation and risk factors

- 8.7 The deadline for submitting the bid was the 27th October and the pilot, if successful will last for one financial year only.
- 8.8 Successful bids will be notified before or alongside the draft local government finance settlement.
- 8.9 The two main risks are that Business Rates growth will not be as significant as projected and that rating appeals in individual areas are successfully awarded. Work undertaken has not identified anything of significant value likely to affect the overall viability of the pilot.
- 8.10 No individual authority included within the pilot bid is anticipated to drop into safety net.
- 8.11 There are currently no known risks likely to materialise and impact significantly on financial viability of the arrangement.
- 8.12 The confirmation of the “no-detriment clause” minimises the aforementioned risks.

Report Author: Chris Mills, Head of Resources

Background Papers:

- Policy Framework & Budget Setting 2017/18, incorporating the Financial Planning Strategy.
- Financial update report to June 2017 Cabinet.
- LGFutures - Essex and Business Rates Pilots (presentation 10/10/2017)

Business Rates Retention Scheme & Growth

21 Under the system of local business rate retention, some authorities collect more rates than the Government has determined they need in order to fund their activities. These authorities are currently required to pay over the excess to Government and are referred to as “Tariff” authorities. Most district councils are in this position and for Castle Point the tariff is **£3.558m** for 2017/18.

22 Conversely, those authorities who collect insufficient income in their own area receive payments from Government and are known as “top up” authorities. The most common group of authorities receiving top ups are county councils.

23 Where an authority sees growth in its non-domestic rates it has to pay a proportion of that growth into the central pool as a “levy”. The levy rate is calculated using the following formula:

$$\text{Levy rate} = 1 - \frac{\text{baseline funding level}}{\text{business rates base line}} = \frac{\text{CPBC Levy Rate } \underline{\underline{£2,113k}}}{£5,671k} = 0.37 \quad 1 - 0.37 = 63\%$$

24 The levy is capped at 50% so this is the effective amount of growth that districts will be able to retain if they do not pool.

25 Calculation and payment of the levy due for each year is undertaken following the end of the financial year when final outturn is known. The levy calculations for 2016/17 & 2017/18 (provisional) are shown below.

Table 6.8 NNDR Levy Payment		
	2016/17 £000's	2017/18 £000's
Castle Point BC share of NNDR receipt	6,054	5,570
Tariff payment to Government	(4,024)	(3,558)
Adjustments for appeals & s31 grants awarded to the Council	385	475
Retained income	2,415	2,487
Baseline funding level determined by Government	2,071	2,113
Growth	344	374
Levy Payment @ 50%	172	187

26 Growth shown in the table above is absorbed within the NNDR collection fund.

Essex Region Business Rates Pool

27 In a pooling arrangement, the respective baseline funding levels and baselines for the member authorities are added together and treated as one “pool” for the calculation of the levy. The levy, rather than being paid across to Government, is retained within the Pool and this is fundamentally the main advantage of a pooled arrangement.

28 The following authorities across Essex are members of an Essex Region pool:

- Essex County Council
- Essex Fire Authority
- Brentwood Borough Council
- Braintree District Council
- Castle Point Borough Council
- Colchester Borough Council
- Epping Forest District Council
- Maldon District Council
- Rochford District Council
- Tendring District Council
- Uttlesford District Council

Essex Business Rate Retention Pilot Bid

This proposal is on behalf of fifteen of the authorities in Essex (see Appendix A), comprising the County Council, 12 district / borough / city council's, a unitary council and the fire authority. The scale and diversity of Essex means this is a valuable area to pilot, with an economy that covers both rural and urban areas, a high proportion of business start-ups and clear aspirations to grow and retain larger employers within Essex in order to raise our growth rate. We have the capacity and capability to hit the ground running, evidenced by our long standing record of cross-boundary collaboration which includes our highly effective pan-Essex Council Tax collection agreement which has delivered £50m of extra income and incentivised partner authorities to invest in services, work together and share risk and reward.

Who are we?

Essex has 1.7m residents, making it the third largest county area in population terms. The geographical area has a variety of rural and urban areas and boasts the longest coastline in England and yet it sits on the outskirts of London. Our economy is resilient and spans a broad range of sectors located in five large centres - Basildon, Chelmsford, Colchester, Harlow, and Southend. These centres form a network of overlapping travel to work areas.

Almost a quarter of residents travel outside of the county to work, taking with them significant taxable revenues, notably to London. Enhancing local prosperity through greater connectivity, skills and housing is key; but we also need to ensure the Essex workforce have the local infrastructure and services to support their families to live prosperous and productive lives.

Essex has a diverse mix of businesses, with over 70% of the land area classified as rural, with over 4,000 agricultural holdings. We have two international airports, a major port, three universities, several world leading firms and a variety of both large industrial and retail businesses located throughout the region. Furthermore we have many of the best performing schools in the country producing future leaders of business.

Our bid – why Essex?

Outside London, Essex is the eighth largest economy in the UK. Essex has many strengths:

- We lead the UK on new enterprise start-ups: Essex had an average of 235 start-ups for each £1bn of GVA between 2009 and 2014 – well ahead of the UK average of 175
- The population of Essex is projected to rise by 20% over the next 20 years an increase of 350,000 and ahead of the UK's projected 15% growth
- Economic inactivity at 20% is lower than the UK average
- We have strong connectivity with two major airports, a port and links to London, including Crossrail.

But we face challenges:

- The Essex growth rate is below the UK average (0.6% between 2004 and 2014, compared to the UK's 1.3%): our business start-ups are not delivering growth fast enough
- Productivity levels are well below some counties in the South East – GVA per person employed is £52,300 in Essex, compared to over £60,000 in Surrey, Buckinghamshire and Hampshire and £70,000 in Berkshire
- Essex has relatively few large businesses for the size of its economy: if Essex were to be in line with the UK average it would need to have nearly 100 additional firms with more than 250 employees
- Many Essex authorities report a shortage of suitable commercial office space constraining growth
- Local Plans show that districts are planning to grow housing by 136,000 to over 150,000 houses in the next 20 years. Yet we are only funded 60 pence in every pound of infrastructure required, we need to find new ways to reinvest in infrastructure for growth.

There is a clear, shared imperative to raise the growth rate in Essex. If successful, our pilot would enable us to focus resources on how we tackle these challenges to make Essex a more attractive place to invest and do business:

- Expanding high quality commercial office space
- Delivering the infrastructure needed to support accelerated housing growth
- Attracting and retaining more large employers.

We recognise the importance of our businesses in shaping and creating a strong economy and we aim to support them from start-ups to established nationals, however we recognise that we cannot do this alone. The pilot will provide us with the opportunity and enable us to move forward with our ambitions for Essex.

Our record of partnership and innovation

Essex is different. We have one of the most complex systems of local authorities in the country, with one county, twelve districts and two unitary authorities together with newly combined governance for Police and Fire Services. But this diverse group works well together in partnership. We have a proven track record of working together on a wide range of issues including the delivery of infrastructure, maximising Council Tax collection through joint initiatives and eliminating fraud within the system, and we can build on this approach to implement 100% business rate retention.

We are a county of “firsts” with strong ambitions and we are constantly striving to build on this. The Essex Assembly signed up to the Essex Vision focussing on what we can deliver together to improve the lives of our residents and the opportunities for our businesses. We work together closely to understand our long term infrastructure needs, producing a joint Growth and Infrastructure Framework in 2017, which is now used to prioritise investment.

Authorities are already coming together to deliver housing and employment land across the area with several new garden communities planned across the county.

Essex has the mature established relationships and governance in place to make the pilot work. Our diverse economy – with a variety of centres and a rural/ urban mix – offers a range of opportunities to pilot approaches which could provide valuable learning to other parts of the country.

Systems and governance

Essex County Council will operate as the lead authority for the pilot, and will act as a point of contact for communications with Government with regards to matters relating to the Pilot. This is a tried, tested and successful arrangement - the existing Essex Pool, led by Essex County Council already has the people, capability and mature governance arrangements embedded. We already operate a pan Essex data collation system for outcomes from both the current council tax and NNDR pooling arrangements. This requires information from all of the authorities included within this bid, these established channels of communication will underpin the administration of the piloting arrangements.

The Essex Finance Officers Association meets on a bi-monthly basis and includes representatives covering the entire pilot area. The association currently oversees financial management of our existing arrangements which would widen to incorporate governance of the pilot. A standing agenda item would be included at each meeting to discuss the progress of the pilot, including any risks or opportunities arising. A quarterly report would be produced to update all parties on the growth achieved in year.

The local councillors responsible for finance from the respective authorities have also met to discuss this pilot and they will continue to do this – building on the excellent relationships which already exist and providing the political oversight to the pilot.

We note and welcome the recent announcement that the no detriment clause applied to the first round of pilots will also apply to this cohort.

Plans for additional income

The member authorities have agreed that there will be a 'no worse off' clause within the pilot agreement. This clause will mean that no authority at an individual level will be worse off in the pilot compared to the existing 50% arrangement (under pooling where appropriate) subject to there being sufficient benefit within the pilot. This will be the first call upon additional income achieved.

Beyond this initial allocation of funds, there are three areas that would be targeted:

1. Several partnerships and frameworks are already established which will be utilised to prioritise investment in accordance with agreed economic growth criteria which includes focus on attracting and retaining businesses, boosting growth, unlocking jobs and delivering additional housing and infrastructure.
2. Build on Local Plan aspirations to convert currently unusable land into developable sites which have suitable infrastructure to attract businesses. Businesses within Essex believe that there is a lack of 'grow on' space across the county; more facilities are needed to allow small businesses to grow into medium and then large businesses, creating local jobs.
3. Promoting our joint aspiration for inclusive economic growth by targeting some of the financial benefits to the most vulnerable people in our communities through the provision of additional support to our adult and children's social care services.

Supporting evidence

Extensive modelling has been undertaken to establish the financial case for participation in a pilot scheme. This modelling indicates a retention of circa £25m of growth above baseline in business rates within Essex.

We are proposing a split of 80% district, 19% county and 1% fire (alongside a 99%/1% split for the unitary). A local distribution methodology will be applied to determine how the 50% of net additional growth is utilised as follows:

- 25% of the growth will be distributed using each authority's baseline funding level
- 25% of the growth will be distributed using each authority's local share of Business Rates income (based on the audited NDR3)
- 50% of the growth will be distributed on the growth in Business Rates income achieved in each authority

This methodology of distribution ensures that authorities that achieve growth are rewarded but at the same time building financial sustainability and incentivising further business rates growth.

Our ask of government

We would welcome the opportunity to collaborate with central government to address issues within the business rate system. Tackling rates avoidance and the resourcing issues at the Valuation Office Agency through joint investment is an option we would like to explore further.

If this bid is unsuccessful

In the event this bid is unsuccessful, the fifteen authorities would like to operate as a pool, replacing the existing Essex Business Rates Pool.

CABINET

15th November 2017

Subject: Financial Update

Cabinet Member: Councillor Stanley – Finance, Policy and Resources

1. Purpose of Report

This report is intended to:

- Provide Cabinet with the latest medium term financial forecast in respect of the General Fund.
- Update Cabinet on developments of a financial nature, which may impact on the Council's financial plans in respect of either the General Fund or Housing Revenue Account.

2. Links to Council's Priorities and Objectives

This report is linked to the Council's priority of Efficient and Effective Customer Focused Services. Sound and strategic financial management is essential in order to ensure that resources are available to support the Council's priorities and maintain or improve services.

3. Recommendation

1. That Cabinet note the report.
-

4. Background & basis of the financial forecast

- 4.1 The Financial Planning Strategy is incorporated within the Policy Framework and Budget Setting report which is approved by Council in February each year. The strategy requires the submission of a financial forecast, enabling the Cabinet to monitor latest estimates of future spending and resources, and take appropriate action to ensure that the Council's financial targets are met.
- 4.2 The current forecast reported here covers three financial years – the duration of the current funding commitment from central government. Whilst an extended version of the forecast is maintained, years beyond the current funding settlement are largely speculative.
- 4.3 Timeframes for full implementation of the new business rates funding mechanism are unclear. DCLG have however invited bids from local authority areas who would like to pilot the new mechanism for 2018/19 and this is the subject of a separate report to Cabinet on tonight's same agenda.

5. Changes to approved budgets

- 5.1 The following budget changes have occurred since the last financial update report was presented to Cabinet in June 2017.

	£	Description
1.	22k	Receipt of grant in relation to “Right Benefit Initiative”. Funds to help local authorities to target earnings fraud and error. Grant will be fully utilise in engaging resources for the purpose stated.
2.	33k	Costs for Canvey Island seafront master plan and Paddocks feasibility works, approved by Cabinet 17 th October 2017.

6. Revenue/Capital Budgets “on-watch”

- 6.1 This section of the report would normally highlight revenue or capital budgets, HRA or General Fund, which are identified by the Head of Resources as “on-watch”. This term refers to expenditure and income budgets where there is reason to believe that performance may not meet expectations and where the impact on the Council’s overall financial plan is likely to be material.
- 6.2 For the purpose of this report, items will be included if they have a full year financial impact of at least **£50k** and / or are felt to be of particular interest to Cabinet.

	Description	Background and action being taken
1.	Non HRA Rent Rebates – impact of caps on subsidy	<p>Typically relates to benefits paid for claimants placed by the Council in B&B / temporary accommodation.</p> <p>The amount of subsidy which the Council can claim back is capped. Along with subsidy, the government make a separate grant payment (previously included within the subsidy but now split out and referred to as “Flexible Homelessness Support Grant).</p> <p>The net impact of these factors is a negative variance to budget of £68k.</p> <p>The level of homeless cases continues to rise with an average of 74 in the first quarter of 2017/18 (49 for 2016/17, 36 for 2015/16 and 21 for 2014/15).</p>

7. Key Financial Developments

Updates to key financial developments are provided within the following paragraphs. Information reported in earlier financial update reports is not reproduced below.

Autumn Budget 2017

- 7.1 The government is due to publish its Autumn Budget on Wednesday 22 November 2017. This will set out the government’s plans for the economy based on the latest forecasts from the Office for Budget Responsibility (OBR). Any implications impacting upon the Council’s budget will be reported to Cabinet in the next

scheduled update (January 2018) and reflected in the Council's budget reported to Cabinet and Council in February 2018.

Council Tax Preceptors Sharing Agreement 2018/19

- 7.2 The Cabinet Member for Resources at Essex County Council, has confirmed the County's intention to continue with the above agreement which sees an element of council tax collected on behalf of the pre-cepting organisations returned to the Borough Council / Essex Billing Authorities. It is hoped that the Fire and Police authorities will follow suit.
- 7.3 This arrangement also part funds additional resources engaged by the Council to maximise council tax revenue collection.

8. Budget Process 2018/19

- 8.1 Work on the process informing February's Council meeting to set the Council Tax, Housing Rents and their respective capital and revenue budgets for 2018/19 is in progress.
- 8.2 A budget process briefing will be held on the 24th January. The briefing is intended to provide an insight into how the budget at service level is put together, how reserves are determined and managed and to explain changes in relation to local government funding.
- 8.3 Members are invited to suggest aspects which they would also like to be included.

9. Financial Risk Factors

- 9.1 The budget report presented to Cabinet / Council in February indicated some risk areas that the Cabinet should be mindful of until the position and risk relating to each has been clarified. These are shown in the table below.

Table 9.1 Adequacy of reserves – other local factors of significance	
Equal pay review	A great deal of work has been undertaken on pay harmonisation and single status. However, the Council has not undertaken a full job evaluation exercise as required by the 2004 National Agreement. This carries a potential risk that the Council will need to use general reserves to defend and/or settle any successful claims made against the Council. Since a job evaluation exercise has not been undertaken, there is no information available that can be used to form a view on the estimated future likely costs that the Council could face.
Potential for cost fluctuations in relation to service contracts	A significant element of the council's annual spend is transacted through contracts with other organisations. Fluctuations in markets (e.g. recycling) and changes in legislation (e.g. new living wage) can have a direct impact on the delivery costs of these contracts, necessitating an increase in the charge made to the Council. These changes are unpredictable.

Pension Fund Revaluation	The actuary undertook a valuation of the Pension Fund as at 31 March 2016 which indicated an improved deficit recovery period of 13.2 years, compared to 25 years predicted in March 2010. The implications included within the Council's financial forecast are based on the recommendations of the pension fund, effective from April 2017. The next valuation will be undertaken by the actuary in March 2019, effective for contributions from April 2020.
Potential for withdrawal of external or third party revenue income	The financial forecast currently assumes the continuation of a number of revenue streams from external organisations or third parties. Many of these organisations are striving to reduce their costs and it is possible that one or more of the aforementioned revenue streams may be lost.
Adequacy of insurance arrangements for major unforeseen risks	During 2003/04 it was discovered that no action was taken on written advice received from external consultants in April 2002 to close Waterside Farm Sports Centre in order to analyse and deal with a perceived asbestos problem. There was also a further issue relating to the premature opening of the centre before receipt of clearance certificates in respect of remedial work. No sums have been taken into account in assessing the minimum level of reserves for these potential costs.
Potential for incurrence of legal costs	<p>There is potential for a proportion of planning applications received not to be approved by the Council resulting in an appeals process which will necessitate the Council incurring legal costs. Should the outcome of the appeal not be favourable, there is potential for the Claimants legal costs to be awarded against the Council.</p> <p>There is also potential for the Council to incur costs in relation to other legal challenges including employment tribunals.</p>

<p>Potential for District Council to “step into” the void left by other public organisations</p>	<p>The combined pressure of reductions in funding and the increasing financial impact of welfare services and reforms on public organisations are significant. These organisations are striving to reduce their costs which may result in the discontinuation or reduction in some services to the public. As a consequence there may be political pressure or public expectation that the District Council will take on these discontinued functions.</p> <p>Often, the organisation is much larger than the District Council and has undertaken its own review of functions and services, resulting in the displacement of those which it has determined to be lower priority.</p> <p>The District Council must be mindful of its own financial position and the significant funding gap predicted from 2018/19. Assuming delivery of additional and unfunded functions, particularly where the District Council has no legal responsibility for delivery will worsen the council's own financial position and be difficult to relinquish at a later date.</p>
<p>Impact of Welfare Reforms on demand for Council Services</p>	<p>These include the continuing freeze on Local Housing Allowance rates and the implementation of Dependant Child Limitation rules which affect residents on benefit who are in private rented accommodation and those with more than two dependent children, reducing in the amount of Housing Benefit they receive.</p> <p>Universal Credit full service roll out to all working age claimants is now planned to be complete by March 2022 with Full service expected to be implemented in Castle Point in May 2018.</p> <p>The Council continues to see steadily increasing numbers presenting as homeless and with 100% occupation of its own housing stock, changes in the private renting sector, and implementation of a lower Housing Benefit Cap (£20k from November 2016), it continues to experience difficulty in finding suitable temporary and permanent accommodation.</p> <p>It is not possible to predict the full direct or indirect impact of these and other welfare changes on demand for Council Services, particularly Housing and Benefit advice longer term.</p>

10. Corporate Implications

a) Legal implications

This report is presented on behalf of the “section 151 officer” – the officer appointed to have responsibility for the Council’s financial administration. It is their duty to ensure that the Council is regularly informed and updated on these matters.

Matters referred to above which require the establishment of agreements between organisations are routinely referred to the Council's Head of Law and Deputy Monitoring Officer.

b) Human Resources and equality implications

There are no Human Resource or equality implications arising directly from this report.

c) Timescale for implementation and risk factors

Risk factors inherent in the forecast are set out above.

Report Author: Chris Mills, Head of Resources

Background Papers:

- Policy Framework & Budget Setting 2017/18, incorporating the Financial Planning Strategy (February 2017).
- Policy framework & Budget Setting report to Cabinet – timetable and policy framework 2018/19 (September 2017).
- Bi-monthly Financial Update Reports to Cabinet.

Medium term financial forecast		2017/18	2018/19	2019/20	Notes
Line	Current policies and service plans	£'000s	£'000s	£'000s	
1	Total net expenditure / estimated exp. for future years	15,038	10,144	10,263	Fluctuations year to year predominantly caused by phasing of maintenance spend and other expenditure "offset" by earmarked reserves
2	Changes to budget since Feb 2017	585	(55)	(72)	
		15,623	10,089	10,191	
	Funding sources				
3	Council Tax	7,319	7,538	7,763	Offset by a contribution from the NNDR equalisation reserve
4	Formula Grant - Revenue Support Grant / (tariff)	287	0	(515)	
5	Baseline Funding Level - Redistributed Business Rates	2,012	2,182	2,259	
6	Business Rates - Levy on retained income	(187)	0	0	
7	New Homes Bonus	975	686	552	
8	Capital grants and other grants and contributions	884	0	0	
9	Net Collection Fund(s) surplus / (deficit)	192	0	0	
10	Transfer (to) / from General reserve	276	0	0	
11	Transfer (to) / from Earmarked reserves	3,865	(756)	(820)	
12	Total funding sources	15,623	9,650	9,239	
13	Budget / Funding Gap	0	(439)	(952)	
	General Reserve	£'000s	£'000s	£'000s	
14	Balance at start of year	5,839	5,331	4,315	Minimum recommended balance for General Reserves is £2.5m
15	Contribution (to) / from General Fund (line 10 & 13)	(276)	(439)	(952)	
16	Potential planning appeals & associated legal costs	(232)	(577)	(1,096)	
17	Balance / (deficit) at end of year	5,331	4,315	2,267	Based on assessment of potential appeal costs and will be revised as part of forthcoming budget process.
	Earmarked Reserves	£'000s	£'000s	£'000s	
18	Balance at start of year	9,314	4,049	3,551	The precise timing of the use of earmarked reserves is, due to their nature, generally unknown.
19	Contribution (to) / from General Fund (line 11)	(3,865)	756	820	
20	Other expected usage of earmarked reserves - not allocated to the detailed budget	(1,400)	(1,254)	(465)	
21	Balance at end of year	4,049	3,551	3,906	Earmarked reserves are reviewed annually to ensure sufficiency and where need has diminished the reserve will be returned to General Reserves.
	Council Tax				
22	Tax at band D	243.36	248.13	252.99	Target increases of approximately 1.96% in future years (assuming a 2.0% referendum limit remains in place). The tax at band D does not include the amount charged by Canvey Island Town Council.
23	Increase	1.96%	1.96%	1.96%	

CABINET

15th November 2017

Subject: Corporate Performance Scorecard Quarter 2 2017/18

Cabinet Member: Councillor Stanley - Finance Policy and Resources

1. Purpose of Report

- 1.1 To set out the cumulative performance figures for the Corporate Performance Scorecard for quarter 2, 1st July 2017 to 30th September 2017.**

2. Links to Council's priorities and objectives

- 2.1 The scorecard is explicitly linked to the Council's priorities.**

3. Recommendation

- 3.1 That Cabinet notes the report and continues to monitor performance.**
-

4. Background

- 4.1 The Corporate Scorecard reports on performance indicators for important service outcomes that are relevant to the Council's priorities.**
- 4.2 The indicators for the corporate performance scorecard for 2017/18 were discussed and approved by Cabinet in June 2017.**

5. Report

5.1 Summary of performance

- 5.1.1 The performance summary in Appendix 1 sets out the performance achieved by the Council against the measures in the scorecard. Of the fifteen indicators reported, ten are at or above target, a further two are near target and three indicators did not meet the target. Trend in performance shows that there is decreasing performance for four indicators, similar performance for a further five and improving performance in six measures.**

Performance is set out against the priorities in the Corporate Plan as follows:

Public Health and Wellbeing

The percentage of food premises that are awarded a score of at least 3 on the food hygiene rating scheme continues to meet the target of at least 90%.

The performance for preventing households from becoming homeless is near target, although a decrease when compared to the same quarter period last year. There are a range of complex cases dealt with by the service and it is not always possible to prevent homeless depending on individual circumstances.

Environment

The combined performance for Household waste recycled or composted is 52% and above the target of 49%.

The performance information for street cleanliness did not meet the target with 12.5% of streets deemed unsatisfactory compared to a target of 10%. The Street Scene team will be reviewing the inspections for the 3 month period to see what roads in the Borough are unsatisfactory and developing a plan of action.

Although the number of reported fly tipping incidents increased when compared to the same period last year, fly tipping performance was strong. Only three defaults and one rectification notices were served in the second quarter for grass verge cutting, and three were completed within 72 hours.

Transforming our Community

Tenant satisfaction with repairs and maintenance at near 96% was a little under the target of 97%, but represents a general trend of improvement. The rate for voids completion was 18 days, which is a significant improvement on previous performance and continues to exceed the target of 21 days.

The percentage of planning applications processed within target times has three measures for this indicator. Performance has exceeded target in all three areas and demonstrates sustained improvement.

The building control service ensured all applications were processed within statutory timescales.

Efficient and Effective Customer Services

The percentage of stage 2 complaints responded to within target times was 100% but the number of complaints dealt with at this level are very small.

The Council's First Contact team has again been very successful in limiting the number of calls that they must transfer to the back office to be dealt with; just over 4% of calls received transferred.

The sickness rate of just over 8 days exceeds the corporate target of 7 days. However, this primarily relates to previous months when there were higher longer term staff absences which has since improved.

5.1.2 Further commentary on performance is set out in the table in Appendix 1.

6. Corporate Implications

a. Financial implications

Good performance on some indicators can lead to reduced costs.

b. Legal implications

There are no direct legal implications at this stage.

c. Human resources and equality

There are no direct human resource or equality implications at this stage.




d. Timescale for implementation and risk factors

Monitoring of the Corporate Performance Scorecard is ongoing throughout the year.

7. Background Papers:

None

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Key	
	More than relative 10% below target
	Less than relative 10% below target
	On or above target

Appendix 1 Corporate Scorecard 2017/18 (Public Health & Wellbeing)

Quarter 2: 1st July 2017 to 30th September 2017



Note: All performance values are cumulative (i.e. from 1st April to end of June/September/December/March) unless otherwise stated

PI Code & Short Name	Q2 Value 2016/2017	Q2 Value 2017 / 2018	Target	Trend	Status	Comments
EH2 Percentage of food premises that are awarded a score of at least 3 on the food hygiene rating scheme. Service Manager: Environmental Health Operational Manager	92%	90%	90%	↔		404 of 447 food premises eligible and scored under the Food Hygiene Rating Scheme were judged to be 'broadly compliant' with food regulations and awarded a 3* or above.
HO Percentage of Households threatened with homelessness and in priority need and for whom homelessness was prevented against the total who sought assistance. Service Manager: Housing Options Manager	89%	76%	80%	↓		The Housing Options service continues to face significant ongoing pressure from the impact of Welfare Reforms. The number of households who approach the service continues to increase including a significant rise in families, and an increase of private rented sales. Cases are also complex, and it is not always possible to prevent homelessness depending on individual circumstances.

Corporate Scorecard 2016/17 (Environment)

Quarter 2: 1st July 2017 to 30th September 2017

Note: All performance values are cumulative (i.e. from 1st April to end of June/September/December/March) unless otherwise stated

PI Code & Short Name	Q2 Value 2016/2017	Q2 Value 2017 / 2018	Target	Trend	Status	Comments
OPS4 Percentage of Household Waste Recycled Service Manager: Operational Services Manager	24.5%	23.1%	Annual Target 25%	↔	✓	NB: these figures are yet to be audited Recycling is slightly down on last year, reasons for this are currently being investigated.
OPS 5 Percentage of Household Waste Composted (including food waste) Service Manager: Operational Services Manager	29%	28.9%	Annual Target 24%	↔	✓	TBC NB: these figures are yet to be audited We are not far of estimates for this quarter
SS2 Percentage of streets inspected which are deemed to be unsatisfactory using Code of Practice for Litter and Refuse methodology. Service Manager: Contracts Manager	5.8%	12.5%	Less than 10%	↓	●	The figure for Quarter 2 has not met with the target, street scene will be reviewing the inspections for the 3 month period to see what roads in the Borough are unsatisfactory and developing a plan of action.

PI Code & Short Name	Q2 Value 2016/2017	Q2 Value 2017 / 2018	Target	Trend	Status	Comments
ENV 4 Flytips removed within one working day Service Manager: Contracts Manager	99%	100%	90%	↑	✓	Whilst fly tips have increased over the same period as last year, it is pleasing to note that they were all removed within the contracted period, street scene will be reviewing the fly tips to see if there are any trends.
SS4 Number of rectification and default notices served in relation to Highway Grass Verge cutting. Service Manager: Contracts Manager	20	4	Under 50	↓	✓	Three Defaults and one Rectification were served in the second quarter.
SS5 Percentage of Rectification Notices served in relation to Highway Grass Verge cutting rectified within 72 hours. Service Manager: Contracts Manager	100%	75%	90%	↓	●	Whilst 4 Notices were served only 3 were completed within the set time frame, this resulted in a Default Notice.

Corporate Scorecard 2016/17 (Transforming our Community)

Quarter 2: 1st July 2017 to 30th September 2017

Note: All performance values are cumulative (i.e. from 1st April to end of June/September/December/March) unless otherwise stated

PI Code & Short Name	Q2 Value 2016 / 2017	Q2 Value 2017 / 2018	Target	Trend	Status	Comments
HOS1 Overall tenant satisfaction with repairs and maintenance. Service Manager: Tenancy Services Manager	88.5%	95.9%	97%	↑	⚠	Performance continues to improve in 2017-18 with only 4 cases of dissatisfaction in quarter 2. This is an improvement from Q1 to which was running at 94.3%.
HOS6 Average Void Turnaround Time. Service Manager: Tenancy Services Manager	21.6 Days	18 Days	21.5 Days	↑	✅	Performance continues to exceed target due to focused/partnership approach by Castle Point Borough Council, South Essex Homes & the contractor.

PI Code & Short Name	Q2 Value 2016 / 2017	Q2 Value 2017 / 2018	Target	Trend	Status	Comments
DC2 to DC4: Percentage of planning applications processed within target time limits for major, minor and other applications	100%	100%	Major 60%	↑	✔	Performance is significantly above target.
	65%	92%	Minor 65%			
Service Manager: Planning & Development Enforcement Manager	91%	100%	Other 80%			
Percentage of Building Control applications processed within statutory time limits.	100%	100%	100%	↔	✔	Performance remains on target.

Corporate Scorecard 2016/17 (Efficient & Effective Customer Services)



Quarter 2: 1st July 2017 to 30th September 2017

Note: All performance values are cumulative (i.e. from 1st April to end of June/September/December/March) unless otherwise stated

PI Code & Short Name	Q2 2016/17 Value	Q2 value 2017 / 2018	Target	Trend	Status	Comments
Percentage of Stage 2 complaints responded to within target time.	100%	100%	100%	↔	✓	The number of complaints at stage 2 remains at a low level.
FC1 Percentage of calls taken from customers by First Contact that are dealt with without the need to transfer to the back office Service Manager: Community Support Manager	93.5%	96%	Annual Target 94%	↑	✓	The First Contact service continues to maintain strong performance in this area.
Average number of days Sickness absence per FTE staff for all Council Services (rolling year) Service Manager: Human Resources Manager	8.2 Days	8.05 Days	7 Days	↑	●	This indicator is monitored and reported as a rolling year figure. It therefore includes performance for the year October 2016 through to September 2017. The rolling year figure is above target because there were higher levels of sickness in October 2016 and January to March 2017 relating to longer term absences.