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Chief Executive

CABINET AGENDA

Date: Wednesday 20th July 2016

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 and Resources
Councillor Dick	Health & Wellbeing
Councillor Mrs Egan	Homes and Customer Engagement
Councillor Howard	Waste, Floods and Water Management
Councillor Isaacs	Neighbourhoods, Safer Communities and Leisure
Councillor Sharp	Strategic Partnership Working
Councillor Skipp	Environment, Street Scene & Halls
Councillor Smith	Regeneration & Business Liaison

Cabinet Enquiries: John Riley Ext 2417/Ann Horgan ext. 2413
Reference: 2/2016/2017
Publication Date: Tuesday 12th July 2016

**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 15th June 2016.
- 4. Forward Plan**
To review the Forward Plan
- 5. Public Health and Wellbeing**
- 6. Environment**
- 6(a) Highway Maintenance and Street Lighting Responsibility**
(Report of the Cabinet Member for Finance and Resources; Cabinet Member Regeneration & Business Liaison)
- 7. Transforming Our Community**
- 7(a) Regeneration Hadleigh Town Centre – Hadleigh Town Centre Island Site**
(Report of the Cabinet Member Regeneration & Business Liaison)
- 7(b) Planning Policy Update**
(Report of the Cabinet Member Regeneration & Business Liaison)
- 8. Efficient and Effective Customer Focused Services**
- 8(a) Annual Report on the Treasury Management Service and Actual Performance Indicators**
(Report of the Cabinet Member for Finance and Resources)
- 8(b) Local Council Tax Support Scheme 2017/18 – Consultation Options and Arrangements**
(Report of the Cabinet Member for Finance 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 preparation of the agenda.



CABINET

15TH JUNE 2016

PRESENT:

Councillor Riley, Chairman	Leader of the Council
Councillor Stanley	Finance and Resources
Councillor Dick	Health and Wellbeing
Councillor Mrs. Egan	Homes and Customer Engagement
Councillor Howard	Waste, Floods and Water Management
Councillor Sharp	Strategic Partnership Working
Councillor Skipp	Environment ,Street Scene & Halls
Councillor Smith	Regeneration and Business Liaison

APOLOGIES:

Councillor Isaacs.

ALSO PRESENT:

Councillors: Acott, Bayley, Blackwell, Campagna, Greig, Hurrell, MacLean
Mrs. Payne, J.A Payne, Mrs Sach, Taylor, Walter and Wood.

1. MEMBERS' INTERESTS:

Councillor Smith declared a non pecuniary interest pursuant to the Code of Local Conduct for Councillors during discussion under Agenda Item 7 (a) Minute 5 as reference was made to Richmond Hall.

2. MINUTES:

The Minutes of the Cabinet meeting held on 20.4.2016 were approved and signed by the Chairman as a correct record.

3. 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 2016. The Plan was reviewed each month.

Resolved – To note and approve the Forward Plan.

4. GARDEN WASTE COLLECTION SERVICE

The Cabinet received a report seeking approval to explore further the introduction of a chargeable wheeled bin garden waste collection service.

Resolved:

1. To refer the proposal to introduce a chargeable wheeled bin garden waste collection service to the Environment Policy and Scrutiny Committee for further consideration; and
2. That the Environment Policy and Scrutiny Committee consider the implications of introducing a chargeable wheeled bin collection service and report back their recommendations to a future meeting of Cabinet

5. STRATEGIC ASSET MANAGEMENT RUNNYMEDE POOL, HALL AND SWANS GREEN HALL

The Cabinet received a report updating the Cabinet on the review of the Council's Leisure Assets situated a Runnymede Pool, Hall and Swans Green Hall.

Discussion took place on the comprehensive report which set out costed options to improve and /or remove existing facilities.

Resolved:

That in the context of the financial challenges facing the Council, Cabinet considered the options available to reduce the cost and increase the leisure facilities available to the public, and agreed a way forward:

1. To agree to proceed with the Runnymede Pool extension project. Also to agree that the project is dependent upon the freehold sale of the Swans Green Hall for funding and to avoid any unnecessary delays, the sale and extension can run alongside each other.
2. To agree to the freehold sale of the Swans Green Hall site and that the details including terms and conditions of the sale are delegated to the Chief Executive in consultation with the Leader and Deputy Leader of the Council.
3. That the Strategic Director (Transformation & Resources) progresses the details of the Runnymede Pool extension project including procurement of a contractor in consultation with the Leader and Deputy Leader of the Council.

6. FINANCIAL UPDATE

The Cabinet received a report presenting the latest position in relation to the General Fund financial forecast for the period 2016/20.

Resolved:

1. To note the report
2. To approve a draw from General Reserves of £48k (ongoing) in respect of the co-mingled waste contract as set paragraph 7.1 of the report.

7. CORPORATE SCORE CARD QUARTER 4 2016/17

The Cabinet considered a report setting out the cumulative performance figures for the Corporate Performance Scorecard for quarter 4, 1st January 2016 to 31st March 2016. The report also set out proposals for performance indicators to be monitored for this financial year.

Resolved:

1. To note the report and continue to monitor performance.
2. To agree the proposed indicators for performance monitoring for this financial year as set out in Appendix 2.

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

Agenda Item 6(a) (Minute No.4) Garden Waste Collection Service referred to the Environment Policy and Scrutiny Committee for further consideration.

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

There were no matters.

Chairman



Castle Point Borough Council

Forward Plan

JULY 2016

CASTLE POINT BOROUGH COUNCIL

FORWARD PLAN

JULY 2016

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)
June/August /Oct 2016	<u>Financial Update</u>	Efficient and Effective Customer Focussed Services	Cabinet	Finance and Resources	Head of Resources
July /November 2016	<u>Hadleigh Regeneration Update</u>	Transforming Our Community	Cabinet	Regeneration & Business Liaison	Head of Regeneration and Neighbourhoods
July /November 2016	<u>Local Council Tax Support Scheme 2017/18</u> Consultation options and arrangements	Efficient and Effective Customer Focussed Services	Cabinet /Council	Finance and Resources	Head of Housing & Communities Head of Resources
July/October 2016	<u>Treasury Management Report – Updates</u>	Efficient and Effective Customer Focussed Services	Cabinet	Finance and Resources	Head of Resources
July/August 2016	<u>‘New’ Concord Beach – Report on Padding Pool Tenders</u>	Environment	Cabinet	Neighbourhoods, Safer Communities and Leisure	Head of Environment

August 2016	<u>Garden Waste Collection Service – To consider recommendations from the Environment PSC</u>	Environment	Cabinet	Waste, Floods and Water Management	Head of Environment
August 2016	<u>Housing Update Report</u>	Transforming Our Community Efficient and Effective Customer Focussed Services	Cabinet	Homes & Customer Engagement/ Finance & Resources	Head of Housing & Communities Head of Resources
September/ October 2016	<u>HRA Business Plan – Revision</u>	Transforming Our Community Efficient and Effective Customer Focussed Services	Cabinet	Homes & Customer Engagement/ Finance & Resources	Head of Housing & Communities Head of Resources
February 2017	<u>Housing Revenue Account Rent Levels 2017/2018 Housing Capital Programme etc</u>	Transforming Our Community Efficient and Effective Customer Focussed Services	Cabinet	Homes & Customer Engagement/ Finance & Resources	Head of Resources
September 2016/ February 2017	<u>Budget and Policy Framework</u> To make recommendations to Council on the Council tax and budget setting.	All	Cabinet/ Council	Finance and Resources	Head of Resources

CABINET

20th July 2016

Subject: Highways Maintenance and Street Lighting Responsibility

**Cabinet Member: Councillor Stanley - Finance and Resources;
Councillor Smith - Regeneration & Business Liaison**

1. Purpose of Report

- 1.1 To inform Members of the current impasse that the Borough Council has reached with Essex County Council Highways Authority in relation to highways maintenance and street lighting and**
- 1.2 To seek Members authority to the proposed way forward in an attempt to resolve the current issues.**

2. Links to Council's Priorities and Objectives

**Environment
Efficient and Effective Customers Focused Services**

3. Recommendations

Cabinet is recommended to:

- 3.1 Note the content of this report.**
 - 3.2 Require that negotiations continue in an attempt to resolve the current impasse with Essex County Council Highways Authority.**
 - 3.3 If negotiations are not successful to authorise the Head of Law to issue a notice on Essex County Council pursuant to Section 56 of the Highways Act 1980.**
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4. Background

- 4.1 The Borough Council is experiencing an increase in the number of complaints from members of the public in relation to the poor condition of many of the roads around the Borough and the lack of street lighting maintenance and repairs.**

- 4.2 Pursuant to Section 36 of the Highways Act 1980 the County Council has a statutory obligation to maintain and make available for public inspection an up to date list of the streets within its area which are publically maintainable highways (S36 Highways List).
- 4.3 There are 3 classifications of “road”:
- **Publically maintained highways** maintained by the County Council with public rights to use it (referred to as “unclassified” on the S36 Highways List)
 - **Private Streets** where the public have the right to use the road but maintenance of it is the responsibility of those who own the land or property fronting the street (frontagers)
 - **Private Roads** which is private land and is therefore private property and would require specific rights to use these roads
- 4.4 The Borough Council does not make decisions regarding the road classifications this is a matter for Essex County Council as the Highways Authority.
- 4.5 A small working group of Borough Council officers lead by the Chief Executive has been investigating the increased number of complaints and has identified that:
- 4.5.1 Some of the roads in the Borough that were previously considered to be adopted highways maintained at public expense have had their status changed from “unclassified” (adopted and maintained at public expense) to private roads or private streets.
- 4.5.2 Essex County Council Highways Authority are directing complaints with regard to roads which are listed as private streets or private roads on the S36 Highways List to the Borough Council stating incorrectly that these roads are the responsibility of the Borough Council to maintain.
- 4.5.3 Essex County Council Highways Authority no longer appear to be maintaining roads that they have hitherto been repairing for many years and indicating that unless evidence can be provided that they are adopted highways then the Highways Authority does not have a responsibility to maintain them.
- 4.5.4 Essex County Council Highways Authority are also refusing to maintain and repair street lighting on private roads or private streets even where they have previously done so in the mistaken belief that the Borough Council was responsible for their installation and not the County Council.
- 4.6 Despite attempts to persuade the County Council that their S36 Highways List is inaccurate the Borough Council has been met with an intransigent stance by the County Council. The Borough Council has provided historical

information that in the case of at least 2 roads have been previously maintained at public expense.

- 4.7 Members will recall that the County Council Highway Authority had a highways agency agreement with the Borough Council but this was ended at short notice in 2006. During the existence of the agency arrangements the County Council's agency officers worked out of the Borough Council's offices in Kiln Road, but worked under the strict control and guidance of the County Council and were not technically part of the Borough Council. Claims are being made by the County Council Highways Authority that the installation of street lighting and certain estate roads during the existence of the highways agency are the responsibility of the Borough Council.
- 4.8 Following the departure of the Essex County Council Highways Officers, all highways records were transferred to Essex County Council.
- 4.9 In order to obtain information from the County Council it has been necessary for the working group to make requests for information under the Freedom of Information Act. This has resulted in some interesting results in particular understanding who is currently paying some of the electricity bills for street lighting in roads that the County Council claim belong to the Borough Council. It is certainly not the Borough Council. In addition 2 old registers which formed the basis of the first S36 Highways List show a number of roads as adopted, but this classification is not upheld on the current list.

5. Proposals

- 5.1 It is intended to present a number of case examples to the County Council Highways Authority of how the Borough Council considers the S36 Highways List to be inaccurate and inviting the County Council Highways Authority to a meeting to go through every single road in the Borough and to determine its status, this would also include the lighting in those streets
- 5.2 If this is not successful or the County Council Highways Authority are unwilling to proceed as proposed in 5.1 above, subject to preparing the necessary evidence, the Borough Council to issue a notice pursuant to Section 56 of the Highways Act 1980 on the County Council. Section 56 enables the Borough Council to serve a notice on the County Council alleging that a highway maintainable at public expense is out of repair and requiring the County Council to admit whether the road is a highway which it is liable to maintain. Therefore Section 56 can be used where the status of a highway is in dispute.

6. Corporate Implications

(a) Financial Implications

If the County Council fails to accept responsibility for highways in the Borough where they had previously been considered by the County Council as "unclassified" and maintained at public expense, the Borough Council will need to undertake a piece of work to fully assess the costs of maintaining those streets upon which the Borough Council has land and properties

fronting it to understand what the likely costs will be to contribute towards the maintenance and upkeep of those highways.

(b) Legal Implications

If the County Council fails to accept responsibility for highways in the Borough where these are:

- Listed as Private Streets the responsibility for the maintenance and upkeep of these streets will be for the landowner or those fronting the street. This may come as some surprise to local residents particularly if they purchased their properties and the status of the street has changed from “unclassified” to Private Street. It is not for the Borough Council to be responsible for the repairs and maintenance of private streets, although the Borough Council may own land and properties which front such streets as a result of which, as with all others fronting these roads will have to pay their contribution towards the maintenance and upkeep of these streets.
- Listed as Private Roads, this is private land and therefore private property and those who gain access to their properties will need to check their title deeds to ensure that they have a right of way over the roadway or have gained a right of way through prescriptive rights eg long user.

Failure to maintain private streets will lead to these streets falling into further disrepair and increase the risk of liability to those fronting these streets of trips and falls by members of the public due to the disrepair. Also there is a danger of lighting columns becoming unstable and falling over with devastating damage to people and property if they are not regularly checked and maintained.

(c) Human Resources and Equality Implications

Human Resources

The working group of officers led by the Chief Executive will continue work on finding a resolution.

Equality Implications

An Equality Impact Assessment has not been completed however there is a potential for a positive impact on all members of the public particularly those with mobility difficulties if those highways currently in poor condition are properly maintained. Failure to repairs these highways will have a negative impact on those members of the public with mobility difficulties.

(d) IT and Asset Management Implications

This is dealt with in the report.

7. Timescale for implementation and Risk Factors

Further communications with the County Council will take place within the next four weeks to persuade them to attend a meeting to resolve the current impasse.

If such attempts are not successful then further work will be necessary to gather the evidence to support the service of a notice or notices pursuant to Section 56 of the Highways Act 1980. The County Council can within one month of the date of service, serve a counter notice admitting that the County Council is liable to maintain the highway referred to in the notice.

If the County Council admits liability an application can be made by the Borough Council for a repair order to the Magistrates Court, if the County Council fails to repair the highway referred to.

If the County Council does not admit liability, an application for a repair order will need to be made to the Crown Court by the Borough Council. If the Borough Council is successful the Crown Court can issue an order requiring the County Council to put the highway referred to in proper repair within a reasonable period of time.

8. Background Papers

Briefing Note for Councillors.

Report Author:

Ms Fiona Wilson Head of Law

CABINET

20th July 2016

**Subject: Regeneration of Hadleigh Town Centre -
Hadleigh Town Centre Island Site**

Cabinet Member: Councillor Smith – Regeneration and Business Liaison

1. Purpose of Report

To update the Cabinet on the work undertaken to date in taking forward the redevelopment of the Hadleigh Town Centre Island site, with Essex County Council, the Homes & Communities Agency and the preferred development partner Hollybrook Ltd.

2. Links to Council's Priorities and Objectives

The Regeneration of Hadleigh Town Centre contributes directly towards the Council's priorities of *Transforming our Community* and *Public Health and Wellbeing*.

3. Recommendations

It is recommended that Cabinet

- Notes the content of this report and the progress made in taking forward the redevelopment of the Hadleigh Town Centre Island site with Essex County Council, the Homes & Communities Agency and the preferred development partner Hollybrook Ltd.**
- Agrees to receive further update reports as appropriate project milestones are reached.**

4. Background

- 4.1 The Council is an active partner in the Castle Point Regeneration Partnership. The Partnership, through its Regeneration Framework, identified the regeneration of Hadleigh Town Centre as a key project. A Master Plan for the town centre was prepared and members of the Partnership were able to acquire important sites in the town centre identified in the Master Plan as suitable for comprehensive redevelopment.
- 4.2 The Hadleigh Town Centre Island Site was identified in the Master Plan as such a site. It comprises from west to east, the former Hadleigh Fire Station and associated premises, the Hadleigh Library and the former Crown Public House. The first two sites are in the control of Essex County Council, whilst the third site is owned by the Borough Council. The Homes and Community Agency also has an interest in the former Fire Station and former Crown Public House.
- 4.3 The Partnership agreed to bring this site forward for development by inviting expressions of interest from prospective developers. Through a competitive testing of the market, advised by GL Hearn and BDP consultancies, the Partnership agreed that Hollybrook Ltd should be selected as the preferred development partner for the site. This decision was agreed by the Council's Cabinet in June 2015.
- 4.4 The draft proposals prepared by Hollybrook show the retention of the former fire station building, its extension and conversion to residential apartments, the redevelopment of the former fire station tower, cottages and Library with residential apartments, and a new two storey building set in a public square incorporating a library, community meeting space and artists' studios.

5. The Current Position

- 5.1 Following the decision of the Council and other partners to ratify the decision of the Partnership to select Hollybrook Ltd as the preferred development partner, considerable detailed work has been undertaken on the project and draft proposals.
- 5.2 Partners have agreed to appoint specialist advisers to consider the technical and financial aspects of the works. A detailed specification for the public building has been prepared by partners and draft designs for the public building and internal space updated by Hollybrook Ltd. accordingly.
- 5.3 These draft designs are now being reviewed by partners with a view to finalising a detailed specification by the end of the summer. Discussions also continue regarding the phasing of the works and the future maintenance of the pedestrian areas.
- 5.4 At this time it is anticipated that a development agreement will be in place by the end of the year which will allow a planning application to be made early in 2017.

5.5 Full public consultation on the eventual development proposals will be a requirement of the planning process.

6. Corporate Implications

(a) Financial Implications

The Cabinet has previously been advised that the Council's interest in the former Crown Public House, and any other assets would need to be independently valued and assessed. There would be savings in respect of ongoing maintenance of these current assets. The Council will also need to ensure that it has no onerous ongoing financial liabilities as a consequence of any new development.

(b) Legal Implications

The selection of Hollybrook as a preferred development partner was taken following a procurement process. Legal advice continues to be taken as the negotiations have progressed and will be essential to ensure that an appropriate development agreement is put in place. The disposal of Council assets of this type will need to be determined by Members.

(c) Human Resources and Equality Implications

Human Resources

There are no human resources implications associated with the recommendations in this report.

Equality Implications

The equality implications associated with the recommendations in this report are not significant to the decision to be taken; however an assessment of the eventual development and its impact on equality will be necessary at the planning stages.

(d) IT and Asset Management Implications

The asset management implications are addressed in this report.

7. Timescale for implementation and Risk Factors

7.1 It had originally been anticipated that the development agreement and planning stages for the redevelopment would be programmed for 2016, and the project is broadly on course to meet this milestone.

7.2 However it is important to note that significant aspects of the project still need to be understood and agreed by partners. Whilst most of this outstanding work involves matters of detail, it is important to emphasise that the viability of the project may be impaired by unduly onerous requirements.

- 7.3 The risk of a delay in approving the development agreement could also delay the start of the planning process for this transformational redevelopment opportunity on a prominent site in Hadleigh Town Centre.
- 7.4 For this reason, further reports will be brought to Cabinet as appropriate milestones are reached, and particularly for the consideration and the approval of any development agreement.

Background Papers

Cabinet Minute No 9 - 17.06.15 - Hadleigh Town Centre

Report Author:

Steve Rogers, Head of Regeneration & Neighbourhoods

CABINET

20th July 2016

Subject: Planning Policy Update

Cabinet Member: Councillor Smith – Regeneration and Business Liaison

1. Purpose of Report

To update the Cabinet on the following planning policy matters;

- **the number of representations to the pre-submission consultation for the New Local Plan 2016 held from 16th May 2016 to 30th June 2016;**
- **the work which is currently underway relating to the evidence base and Duty to Co-operate requirements;**
- **the current status of the ‘Jotmans Appeal’.**

2. Links to Council’s Priorities and Objectives

The Council’s planning policy contributes directly towards the Council’s priorities of *Transforming our Community, Environment and Public Health and Wellbeing*.

3. Recommendations

It is recommended that Cabinet notes:

- 1. The number of representations to the pre-submission consultation for the New Local Plan 2016 held from 16th May 2016 to 30th June 2016;**
- 2. The work which is currently underway relating to the evidence base and Duty to Co-operate requirements;**
- 3. The current status of the ‘Jotmans appeal’.**

4. Background

- 4.1 The Council's planning policy is developed as a result of the studies and assessments which comprise the evidence base. This report advises the Cabinet of the number of representations the Council received during the recent consultation period for the New Local Plan and the current work being done to update the evidence base.

New Local Plan 2016 Pre-submission Consultation

- 4.2 The New Local Plan 2016 consultation closed on 30th June 2016. The Council received approximately 1,074 representation forms during this time. Those who responded to the consultation consisted of:
- Local residents:
1,016 representations
 - Developers:
14 representations
 - Statutory Consultees including other local authorities:
9 representations
 - Non-statutory consultees:
7 representations
 - Letters and/or documents without a representation form:
28 representations

2016 Strategic Housing Market Assessment (SHMA)

- 4.3 Turley – in partnership with specialist demographic consultancy Edge Analytics – were commissioned by the Thames Gateway South Essex (TGSE) authorities - consisting of Basildon, Thurrock, Castle Point, Southend-on-Sea, and Rochford – to prepare the 2016 SMHA. This document will form part of the Council's evidence base and be used to inform future housing requirements. It was prepared in accordance with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).
- 4.4 The PPG highlights the importance of considering housing needs across functional housing market area (HMA) geographies, acknowledging that this often extends beyond local authority boundaries. The SHMA analyses a range of spatial indicators – in line with the PPG – to determine the extent to which TGSE represents a single HMA, and the evidence strongly indicates the TGSE continues to represent an appropriate HMA across which needs can be robustly assessed.
- 4.5 The SHMA identifies the Objectively Assessed Needs (OAN) for an area. This is achieved through an in depth analysis of a number of different factors. In accordance with the PPG, the 2012-based sub-national household projections (SNHP) were used as a 'starting point' (as it was the most up to date information available at the time of producing this document) which indicated a need of 2,886 dwelling per annum across the TGSE area. Further information is then assessed to determine an accurate project, including:

- Migration patterns (in and out of the area)
- Employment
- Affordable housing provisions; and
- Historical level of supply (shortfalls /windfalls)

4.6 Once all of these factors had been assessed, the SHMA's conclusions are that the TGSE's OAN ranged from 3,272 to 3,744 dwellings per annum. The range for Castle Point is from 326 to 410 dwellings per annum, of which it was stated that weight should be given to the upper end of the OAN.

2012 / 2014 Sub-National Population Figures (SNPP)

4.7 The Office for National Statistics (ONS) published the 2014-based SNPP on 26th May 2016. This represents a trend-based estimate of how the population of each local authority in England may change over the period to 2039.

4.8 This dataset supersedes the previous 2012-based projections, which formed the basis of the 2012-based SNHP. The household projections continue to represent the 'starting point' when determining the OAN, in accordance with the methodology set out in PPG.

4.9 The projected population growth for Castle Point based in the 2012 projections was 10,327 and for the TGSE area it was 115,558. The 2014-based predictions have increased for the TGSE by 13,247 to 128,805; however Castle Point has decreased by 604 resulting in a predicted population growth to 2039 of 9,723.

4.10 Whilst the PPG has not been updated to reflect the release of the new data, this evidently forms an important update and context for considering the OAN across South Essex.

4.11 When considering the impact at local authority level, Castle Point is projected to see a 6% reduction in the level of population growth compared to that previously anticipated.

Economic Development Needs Assessment (EDNA)

4.12 The TGSE authorities have commissioned GVA Consultants to conduct an Economic Development Needs Assessment (EDNA). The purpose of this study is to assess the economic development needs across the TGSE area. It is a strategic study that does not aim to pre-empt spatial planning but rather to provide an evidence base to inform spatial planning matters within the TGSE.

4.13 The main objectives of this study are to :

- Assess and define the Functional Economic Area operating within the TGSE and any sub areas with it and identify any cross-border issues relating to the provision of employment land;

- Develop an understanding of the current economic, employment land and business situation, by sector and geographical area based on a combination of research techniques including capturing the views of stakeholders, market agent and local businesses;
- Provide economic growth and employment land use projections to 2036;
- Perform a high level assessment of existing and future supply of land available for economic development needs and its sufficiency and suitability to meet identified needs; and
- Produce a gap analysis and develop conclusions that could help the TGSE develop policies to meet the future growth aspirations of the area.

Retail Needs Assessment

- 4.14 The Council's Economic and Retail Needs Assessment was prepared in 2012. Due to the fact the retail and leisure industries are continuously changing, it is important to update this information on a regular basis.
- 4.15 Therefore, a new study has been commissioned in partnership with the other TGSE authorities and will be conducted by GVA Consultants. This will allow for a more in-depth analysis of each area and the TGSE as a whole.

Strategic Flood Risk Assessment

- 4.16 The last Strategic Flood Risk Assessment (SFRA), produced by Scott Wilson, was published in 2010 and commissioned by Rochford, Basildon and Castle Point Councils. The SFRA was produced in accordance with *Planning Policy Statement 25 (PPS25): Development and Flood Risk* and its accompanying Practice Guide.
- 4.17 Since then the NPPF was published in March 2012. The NPPF retained the sequential risk based approach to development and flood risk, and expects the preparation of a SFRA in order to inform strategic spatial planning. Much of the planning guidance related to flood risk assessment is now set out in the PPG which reflects the details previously provided in the PPS25.
- 4.18 Whilst the planning policy requirements in relation to development and flood risk remain largely unchanged since 2010/2011, there have been substantial changes in the management of flood risk at both a national and local level as a consequence of Flood and Water Management Act 2010. This Act came about as a result of the Pitt Review 2008 which was an independent review of the summer 2007 flooding, and made 92 recommendations for how improvements could be made to management of flooding in the UK.
- 4.19 A key component of the Flood and Water Management Act for local authorities was the creation of Lead Local Flood Authorities (LLFAs), who are responsible for the management of surface water flood risk, and for the coordination of response to flooding events. In 2012 the south Essex authorities of Basildon, Castle Point and Rochford worked jointly to prepare a

Surface Water Management Plan (SWMP) in conjunction with Essex County Council – the Lead Local Flood Authority. The document used local surface water models, and contained additional detail in relation to surface water compared to that in the SFRAs.

- 4.20 Extreme flooding events have become more common throughout the UK. As a result in early 2016 the Environment Agency published revised climate change allowances for areas at risk of fluvial and surface water flood risks. Therefore, changes have been made to the allowances applied to both the SFRAs and the SWMPs. This has resulted in the need for the SFRAs to be updated to ensure that the most up to date position in relation to flood risk and climate change is used to inform planning decisions.

Greater Essex Growth and Infrastructure Framework

- 4.20 In April 2016 Essex County Council commissioned a study to assess all the infrastructure needs and priorities across the county. The infrastructure which will be examined for the purpose of this study include:

- Education
- Utilities
- Flood Defences
- Green Infrastructure
- Health
- Transport
- Emergency Services
- Community facilities, leisure, and services such as libraries and adult social services

- 4.21 This study will assess the possible infrastructure needs until 2036 by exploring the anticipated growth, demographic and economic trends likely to affect infrastructure needs, the likely cost of that infrastructure and comparing those cost against forecast resources.

Update on the Jotmans Appeal

- 4.22 A planning application for the Jotmans development was refused permission in October 2013 and an appeal was lodged. An Inquiry for the appeal was held in 2015. Although a decision was expected in March 2016, no final decision has yet been made. Should a decision be made after this report has been published, an oral update will be given at the meeting.

5. Corporate Implications

(a) Financial Implications

The costs of the New Local Plan 2016 work, including background evidence can be met from existing budgets, as approved by Council on 23rd March 2016.

(b) Legal Implications

The Town and County Planning (Local Planning) (England) Regulations 2012 and the Localism Act 2011 requires all local authorities to adhere to the Duty to Co-operate to discuss cross boundary issues with their neighbours and other bodies with strategic planning interest in the area. The work described in this report will allow the Council to fulfil this duty.

(c) Human Resources and Equality Implications

Human Resources

There are no human resources implications associated with the recommendations in this report.

Equality Implications

The equality implications associated with the recommendations in this report are not significant to the decision to be taken; however an assessment of the eventual studies and developments and any impact on equality will be necessary at the planning stages.

(d) IT Asset Management Implications

There are no IT and Asset Management implications.

6. Time Scale for Implementation and Risk Factors

- 6.1 In accordance with the Council's decision in March 2016, the New Local Plan is to be submitted to the Planning Inspectorate in August 2016. However it should be noted that the Council is at risk of the Plan being found unsound if it is not based on evidence and if the duty to co-operate has not been fulfilled.
- 6.2 Updates on background evidence will be reported to Cabinet when the work is completed.
- 6.3 The Council will be informed of the appeal decision regarding the Jotmans case once it has been made.

Background Papers

- Castle Point Employment and Retail Needs Assessment 2012
- Castle Point Strategic Flood Risk Assessment Review 2010

Authors: Steve Rogers Head of Regeneration & Neighbourhoods
Andrea Pearson Planning Policy Officer

CABINET

20th July 2016

Subject: Annual Report on the Treasury Management Service and Actual Prudential Indicators 2015/16

Cabinet Member: Councillor Stanley – Finance and Resources

1 Purpose of Report

The annual treasury report is a requirement of the Council's reporting procedures. It covers both the treasury activity and the actual Prudential Indicators for 2015/16.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

2 Links to Council's priorities and objectives

The scrutiny and approval of the Council's Treasury Management activity is linked to the Council's objective of Improving the Council through sound financial management.

3 Recommendations:

- 1. That following scrutiny, the Treasury Management Activity Report for 2015/16 is approved.**
 - 2. To approve the actual 2015/16 prudential indicators (shown at Annexe D)**
-

4 Background

4.1 The 2015/16 Treasury Management Strategy summarises the Council's obligations defined in the Code of Practice for Treasury Management in the Public Services, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

4.2 During 2015/16 the Council complied with its legislative and regulatory requirements.

5 Treasury Report for 2015/16 and scrutiny of treasury activity

- 5.1 As required by the Code, the activity report for 2015/16 is submitted at Annexe A for scrutiny by Cabinet.
- 5.2 It is important to ensure that the Council's treasury management activities are subject to a robust process of scrutiny. This report provides Members with information on treasury management activity and variances in order to fulfil this process. The report has already been scrutinised at Audit Committee on 28 June.

6 Corporate Implications

a Legal implications

This report is presented on behalf of Chris Mills in her role as "section 151 Officer" – the Officer appointed by the Council to have responsibility for the Council's financial administration. Submission of such a report is a requirement of CIPFA's Standard of Professional Practice on Treasury Management.

Under the revised Code of Practice, Cabinet was nominated at Special Council 16th February 2010 to ensure effective scrutiny of the treasury management strategy and policies.

b Financial implications

There are no new implications.

c Human resources and equality implications

There are no new implications.

d Timescale for implementation and risk factors

No new targets applicable.

Report Author: Robert Greenfield - Accountant

Background Papers:

Chartered Institute of Public Finance and Accountancy: *Code of Practice for Treasury Management in the Public Services*.

CPBC: *Treasury Management Strategy Statement for 2015/16*.

Treasury Management Activity Report for 2015/16

1 Introduction

- 1.1 This report summarises the Council's treasury management activity for 2015/16 and compares actual interest transactions with the revised estimates set for 2015/16.
- 1.2 The Council must comply with the Code of Practice on Treasury Management in the Public Services, issued by CIPFA and updated in 2011. The code requires the Council to annually set a Treasury Management Strategy. The strategy for the 2015/16 financial year was approved by Council on 18 February 2015.
- 1.3 This report confirms that all Treasury Management activity during the year was undertaken in accordance with this strategy and in consultation, where appropriate, with our external advisers, Capita. The Council had no liquidity issues during the year.

2 The Economy

- 2.1 **Short-term interest rates.** The Bank of England base rate has remained at just 0.50% since March 2009 and the Council therefore continues to earn very low rates on its investments, while facing the challenge of increased counterparty risk, resulting in a significantly reduced number of counterparties that the Council can use.

3 Borrowing

- 3.1 A summary of external borrowing at 31st March 2016 is in Annexe B. The principal amounts are shown but in the statement of accounts borrowing includes principal and interest outstanding.
- 3.2 The Council operated within treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement throughout the year. The outturn for the Prudential Indicators is shown in Annexe D.
- 3.3 There was no change in borrowings during 2015/16.
- 3.4 Annexe B shows that interest paid on borrowings was exactly as budgeted.

4 Investments

- 4.1 The Council's investment policy is governed by CLG Guidance, which was implemented in the annual Investment Strategy approved by Council on 18 February 2015. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity issues.

4.2 Annexe C summarises the Council's activities for the year relating to the temporary investment of surplus funds. The average daily balance was £22.4m in 2015/16 (£17.1m in 2014/15). The principal amounts are shown but in the statement of accounts investments include principal and interest outstanding.

4.3 Annexe C also shows that the amount of interest received on these investments was over budget by £18,064 (20%). The variance was due to prudent budgeting and average interest rates and balances being moderately higher than estimated. The average interest achieved was 0.48% compared to the 7-day LIBID average of 0.36%.

5 Benchmarking

5.1 Three benchmark indicators for 2015/16, explained in the Annual Treasury Management Strategy, are reported as follows:

- **Security – Weighted Credit Rating Score for the year of 6.15 exceeded the target of 4.**
- **Liquidity – Weighted Average Life was at an extremely liquid level, averaging 31 days over the year.**
- **Yield – Interest received on investments – income was over budget, as reported in paragraph 4.3 above.**

6 Regulatory Framework, Risk and Performance

6.1 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance, including:

- The Local Government Act 2003, and associated Statutory Instruments;
- The CIPFA Prudential Code for Capital Finance in Local Authorities;
- The CIPFA Code of Practice for Treasury Management in the Public Services.

6.2 The Council has complied with all of the relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

Summary of Loan Transactions and Interest Payable (accrued daily) for the year to 31st March 2016

Loan transactions activity for the year

	Amount o/s 01/04/2015 £	Loans Repaid £	Amount o/s 31/03/2016 £
Public Works Loan Board			
General Fund	5,250,000	0	5,250,000
HRA	36,451,000	0	36,451,000
Totals for the Council	41,701,000	0	41,701,000

Interest payable Comparison of estimate with actual

Budget Profile to 31/03/2016 £	Actual Interest to 31/03/2016 £	Variance 31/03/2016 £	
207,300	207,250	50	0.0%
1,087,400	1,087,440	-40	0.0%
1,294,700	1,294,690	10	0.0%

Interest rates for the year

	Range of loans From	To	Average
General Fund	3.70%	4.10%	3.95%
HRA	2.31%	3.49%	2.98%
Totals for the Council	2.31%	4.10%	3.10%

Base rate history

08/01/2009	1.50%
05/02/2009	1.00%
05/03/2009	0.50%
31/03/2016	0.50%

Annexe C

**Summary of Temporary Investments and Interest Received (accrued daily)
for the year to 31st March 2016**

Type of Borrower	Amount Invested 01/04/2015 £	Made in the Year £	Repaid in the Year £	Amount Invested 31/03/2016 £
Investments by Value:				
Debt Management Office	0	0	0	0
Treasury bills	0	6,992,831	3,991,522	3,001,309
Local Authorities	0	2,000,000	0	2,000,000
Money Market Funds	15,350,000	77,823,362	79,053,362	14,120,000
Certificates of deposit	0	2,000,000	2,000,000	0
Notice accounts	0	1,500,000	0	1,500,000
Bank deposits	1,000,000	1,000,000	2,000,000	0
Investments	16,350,000	91,316,193	87,044,884	20,621,309
Lloyds current account	516,841	-	19,966	496,875
Cash equivalents	516,841	0	19,966	496,875
Total	16,866,841	91,316,193	87,064,850	21,118,184
	Number	Number	Number	Number
Number of Investment Transactions:				
Debt Management Office	0	0	0	0
Treasury bills	0	8	4	4
Local Authorities	0	1	0	1
Money Market Funds	29	136	129	36
Certificates of deposit	0	2	2	0
Notice accounts	0	2	0	2
Bank deposits	1	1	2	0
Investments	30	150	137	43
Lloyds current account	1	-	-	1
Cash equivalents	1	0	0	1
Total	31	150	137	44

**Interest Received on Temporary Investments
for the year to 31st March 2016**

	£
Actual Interest Received	108,064
Revised estimate	90,000

Temporary Investments

Average Balance for the Year	22,436,167
Average Interest Rate for the Year	0.48%
Benchmark: Average 7-Day LIBID Rate	0.36%

Prudential Indicators

Indicator 1 - Key indicator of prudence - Gross Debt and the Capital Financing Requirement

“In order to ensure that over the medium term debt (i.e. gross external borrowing) will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.”

The requirement is met for the current year and is expected to be met for the forthcoming two financial years.

Indicator 2 - Capital Expenditure

	2015/16 Revised Estimate £000s	2015/16 Actual £000s
General Fund	1,124	1,161
Housing Revenue Account	2,244	1,981
Total	3,368	3,142

Indicator 3 - Indicator of Ratio of Financing Costs to Net Revenue Stream

	2015/16 Revised Estimate %	2015/16 Actual %
General Fund	6	6
Housing Revenue Account	30	36

This indicator shows financing costs such as interest charges and the minimum revenue provision as a percentage of the net General Fund and HRA revenue budgets.

Indicator 3B - Local Indicator of Ratio of Financing Costs to Net Revenue Stream

	2015/16 Revised Estimate %	2015/16 Actual %
General Fund	6	8
Housing Revenue Account	40	37

This is a variation on the above indicator, which includes in the financing costs any revenue contributions made to fund capital expenditure.

Indicator 4 - Indicator of Capital Financing Requirement (CFR)		
	2015/16 Revised Estimate £000s	2015/16 Actual £000s
General Fund	6,812	6,716
Housing Revenue Account	36,451	36,451
The CFR is a measure of the capital expenditure incurred historically by the Council that has yet to be financed.		

Indicator 5 - Incremental Impact of Capital Investment		
	2015/16 Revised Estimate £	2015/16 Actual £
Band D Council Tax	-0.64	4.94
Average Weekly Housing Rents	-7.80	-11.02
This indicator shows how the changes in capital financing charges to revenue from year to year affect the Council Tax and Housing Rent for the year in question.		

Indicator 6 - Authorised Limit for External Debt		
	2015/16 Revised Estimate £000s	2015/16 Final £000s
Borrowing	46,855	46,743
Other Long -Term Liabilities	305	305
	47,160	47,048
This indicator shows the overall limit for total external debt, including allowances for changes in the CFR, contingencies, risks, unusual cash flow movements and so on.		

Indicator 7 - Operational Boundary for External Debt		
	2015/16 Revised Estimate £000s	2015/16 Final £000s
Borrowing	43,815	44,205
Other Long -Term Liabilities	305	305
	44,120	44,510
This indicator shows a similar calculation to the previous indicator, without all of the above allowances for contingencies, etc.		

Indicator 8 - Upper Limits of Fixed and Variable Exposure		
	2015/16 Revised Estimate £m	2015/16 Actual £m
Upper Limit - Fixed Rates	47	42
Upper Limit - Variable Rates	(12)	(18)

This indicator identifies upper limits for net investment / borrowing at variable and fixed rates. Currently all borrowings are at fixed rates and our investments are generally at variable rates. Because of this the fixed rate limit is a positive amount and the variable rate is a negative amount. Both indicators were within the limits at year end.

Indicator 9 - Maturity Structure of Fixed Rate Borrowing			
	Upper Limit %	Lower Limit %	Actual %
cumulative within 1 year	50	0	1
cumulative within 2 years	50	0	1
cumulative within 5 years	60	0	1
cumulative within 10 years	80	0	32
after 10 years	100	0	68

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.

Indicator 10 - Housing Revenue Account limit on indebtedness
The debt limit imposed by the Department for Communities and Local Government as at the date of implementation of self financing is £37,470,000. This limit of indebtedness exceeds the value of the HRA self financing settlement and therefore allows some flexibility to accommodate additional future investment.

For further information on prudential indicators including revised estimates for 2015/16 please refer to sections 12 and 13 of the Policy Framework and Budget Setting report for 2016/17, presented to the Special Meeting of the Council on 24 February 2016.

CABINET

20th July 2016

**Subject: Local Council Tax Support scheme 2017/18 –
Consultation Options and Arrangements**

Cabinet Member: Councillor Stanley – Finance & Resources

-
- 1. Purpose of Report**

To present Cabinet with options to be consulted upon in relation to the 2017/18 Local Council Tax Support scheme.

To inform Cabinet of consultation arrangements.

To highlight to Cabinet, the financial implications associated with the scheme.
 - 2. Links to Council's priorities and objectives**

Efficient and Effective Customer Focussed Services
 - 3. Recommendations**
 - 1. That Cabinet approves the elements set out in paragraph 6.1 and Appendix B for consultation.**
 - 2. That Cabinet notes the impacts stated in Appendix C.**
 - 3. That Cabinet notes the financial implications stated in section 8.**
-
- 4. Background Information**
 - 4.1** The former Council Tax Benefits scheme was replaced by a discretionary, Local Council Tax Support scheme (LCTS) in April 2013, following the announcement by Government in the 2010 spending review that support for Council Tax would be localised. At the same time, the level of funding provided by government was reduced nationally by an average of **10%** which translated locally to a reduction of **15%**.
 - 4.2** In December 2012, Council approved the local scheme for Castle Point. The scheme was designed to be cost neutral and based largely on an Essex wide framework developed over the course of the preceding year by Essex Benefit and Finance Officers working together.

4.3 Appendix A sets out the key aspects of the current scheme, as approved by Council in December 2012 for 2013/14. The Castle Point scheme has not changed in subsequent years.

5. Consultation Requirements

5.1 It is necessary for the Council to approve future year's schemes before 31st January each year, even if no changes have been made.

5.2 It is difficult to estimate with any certainty the number of cases that would be impacted by the various consultation options and the reductions which each may achieve however some background information is set out at Appendix C. Please also refer to the financial implications section of this report.

5.3 Before approving the scheme, the Council is required to consult with;

- The public
- Major precepting authorities (County, Police, Fire)
- Relevant stakeholder groups e.g. CAB, voluntary bodies

5.4 Essex County Council (ECC) Finance Officers have attended Pan-Essex benefit managers meetings and other related meetings and are therefore considered engaged in this process.

5.5 Despite not attending, Essex Police and Fire Authorities have also been invited to these meetings and have received minutes and documents and are therefore considered engaged in this process.

5.6 The legal requirement for consultation is a minimum period of at least 6 weeks. All Essex Authorities will undertake consultation during August and September 2016. Castle Point's consultation will take place between 10th August 2016 and 14th September 2016.

5.7 At the end of this period responses will be collated and considered, and recommendations will be presented to Cabinet on 16th November 2016 and Ordinary Council on 7th December 2016.

6. Consultation Questions & Format

6.1 It is proposed that the consultation will follow an Essex wide format and will include questions on the following matters;

1. Should the Council keep the current Local Council Tax Support scheme?
2. Should the Council remove the Family Premium for all new working age applicants?
3. Should the Council reduce the period for which a person can be absent from Great Britain and still receive Local Council Tax Support to 4 weeks?

4. Should the Council remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants?
5. Should the Council limit the number of dependant children within the calculation for Local Council Tax Support to a maximum of two?
6. Should the Council remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them?
7. Rather than introduce any of the other proposed changes to the scheme, should the Council:
 - a) increase the level of Council Tax?
 - b) find savings from cutting other Council services?, or
 - c) use the Council's savings?

6.2 Appendix B contains a full script of the proposed consultation wording.

6.3 Links to the on-line consultation (hosted and developed by ECC) will be published on the CPBC website. Paper consultation forms will also be available at each of the four local libraries. Alternative formats or paper copies of the consultation form will be available on request via First Contact.

6.4 A brief information leaflet summarising the current scheme, funding arrangements, and matters under consultation for 2017/18 will also be published on the CPBC website and in paper format and this will be included with all Council Tax and Benefit documentation issued during the consultation period.

6.5 The consultation will be publicized via Twitter, the 'Latest News' box on the Council web site, and via text message.

6.6 Partners from the Benefit Information Network and Local Strategic Partnership groups will be invited and encouraged to take part in the survey and publicize it to their customers.

7. Implications for claimants and the Council

7.1 Any further reduction in the scheme will have a detrimental impact on claimants and further increase difficulties with collection, court action, and bad debts for the Council and pre-cepting authorities. Most households are already required to pay a bill which had previously been offset, either partially or completely by benefit.

7.2 Collection of Council Tax in 2017/18 will be even more difficult as many Support customers will still be paying off previous years debts through deductions from benefit and some will be adjusting to the extended Housing Benefit Cap, currently scheduled for introduction in November 2016.

- 7.3 A further reduction in Council Tax discount is likely to compound existing financial and/or welfare difficulties which may in turn result in other negative outcomes including the threat of homelessness and strain on Discretionary Housing Payments.

8. Corporate Implications

a) Financial Implications

Funding

- 8.1 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 given the scale of reductions applied to Revenue Support Grant (RSG) up to 2017/18 and its complete depletion from 2018/19 it can be assumed that local authorities are now required to fund this scheme entirely from their own resources.
- 8.2 Despite significant reductions in government funding and other cost pressures the Council has maintained the scheme at broadly its original level.
- 8.3 The overall impact on the Council Tax Base for each financial years 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		5,100

- 8.4 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.

Scheme performance

- 8.5 The first three years of the local scheme resulted in an under spent position (expenditure to grant) and the respective caseload was seen to slightly reduce, month on month, as each year progressed.

Collection

- 8.6 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.

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

Council Tax Reserve

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

b) Legal Implications

- 8.9 The Local Government Finance Act 1992 made provision for local authorities to implement a council tax reduction scheme based on financial need criteria and placing 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, which need to be considered by the local authority before making a final decision.

c) Human resources/equality/human rights

Resourcing Implications

- 8.10 Universal Credit was introduced in Castle Point in May 2015. Further changes to the local scheme will make the system more complex for customers to understand and for staff to administer, increasing the risk of error and potentially adding extra burdens to customer service staff as enquiries increase however it is noted that there are several areas in which the current scheme does not now align with technical requirements for Universal Credit . It is therefore desirable to keep changes to the scheme in 2017/18 to a minimum unless where the changes ensure technical alignment.

Equality Impact Assessments

- 8.11 Initial impact assessments were undertaken at a high level by DCLG/DWP and are published on their websites.
- 8.12 Stage 1 & 2 Equality Impact Assessments were undertaken as part of the original scheme design and will need to be revisited, after consultation, to inform any proposed changes to the 2017/18 scheme and any potential impact on particular groups of people.

Exceptional hardship policy

- 8.13 The scheme continues to include a small sum to cover Exceptional Hardship cases in line with the policy approved by Council in December 2012.
- 8.14 The creation of an Exceptional Hardship Fund meets the Council's obligations under the Equality Act 2010 by recognising the importance of protecting the most vulnerable members in our communities and the impact of the changes imposed by the removal of Council Tax Benefit.
- 8.15 The Policy provides short term help in cases of extreme financial hardship - it is not intended to support a lifestyle or lifestyle choice but to provide financial assistance where applicants are suffering 'hardship beyond that which would normally be suffered'.

- 8.16 Applicants are required to undertake a range of specific actions to improve their long term financial situation, including taking up assistance to manage finances more effectively, minimising Council Tax liability by ensuring all discounts, exemptions, and reductions are correctly claimed, maximising income by taking up other welfare benefits to which they are correctly entitled, and reducing non-essential expenditure.

9. Timescale for implementation and risk factors

The local scheme needs to be finalised and consulted upon by the end of January 2017. The revised scheme must be operational from 1st April 2017.

Key milestones from this point going forward are as follows:

Milestone	Timeframe	Purpose
Cabinet Report	20.7.2016	Approval of options for consultation & confirmation of level of funding
Formal Public/Stakeholder Consultation	Aug – Sept 2016	Pre-cepting organisations & Residents
Report to Cabinet	16.11.2016	Final scheme for consideration
Grant Published	Dec 2016	
Report to Council	07.12.2016	Final scheme for approval
Final scheme in place	31.01.2017	Adoption and implementation
Scheme in operation	01.04.2017	Operation

Risks are recorded on the Corporate Risk Register and are reviewed on a monthly basis.

Appendix A – Key Aspects of 2016/17 Local Council Tax Support scheme

Appendix B – 2017/18 Local Council Tax Support scheme consultation script

Appendix C – Summary of Options impact

Report Author:

Chris Mills – Head of Resources

Edwina Mosuro – Revenues & Benefits Transformation Manager

Key Aspects of 2016/17 scheme

- 1 The final scheme is intended to be cost neutral meaning that the cost to the Council and each pre-cepting authority will not exceed the funding notified by central government.
- 2 As directed by central government, all pensioners are treated as protected, meaning that the financial impact of changes will fall on working age households only.
- 3 The local scheme is means tested, using many of the principles of the previous Council Tax Benefit scheme, which enables protection for working age vulnerable groups and specific protection for households with children and/or disabilities.
- 4 The scheme incentivises work by disregarding £25 per week of earned income.
- 5 Child Benefit is counted in full as income when calculating entitlement.
- 6 Claims for Local Council Tax Support cannot be back dated.
- 7 As far as possible the scheme allows for expected growth in demand and is easy to claim and administer.
- 8 Second Adult Rebate is not part of the scheme for working age claimants. Second Adult Rebate was available under Council Tax Benefit where a single Council Tax payer had an adult friend or relative on a low income living with them.
- 9 The savings limit is £6,000, meaning that claimants with capital to a value exceeding £6,000 will not be entitled to Local Council Tax Support.
- 10 Non-Dependant deductions are not included in the scheme for working age claimants. Non Dependant deductions were made under Council Tax Benefit where the claimant had another adult, who was not their partner, living in their household.
- 11 In conjunction with the Council's 'Local War Pensioner' scheme, income received in respect of War Pensions for disablement or bereavement are fully disregarded when calculating support.
- 12 Support is capped at Council Tax band D and at 70% of Council Tax liability for working age claimants. This means that 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. (% and band are specific to CPBC local scheme).
- 13 There is no entitlement to 'underlying entitlement' when an overpayment occurs.

Castle Point Borough Council

Local Council Tax Support scheme 2017/18 Consultation Questionnaire

Background to the consultation

What is this consultation about?

Each year the Council has to decide whether to change the Local Council Tax Support scheme for working age applicants in its area. This year the Council has decided that changes should be made to bring the Local Council Tax Support scheme in line with the changes made by Central Government in Housing Benefit and Universal Credit.

What is Local Council Tax Support?

Local Council Tax Support is a discount for Council Tax. The level of discount is based on the income of the household. Currently the maximum discount is 70% of Council Tax for working age households and up to 100% for pensioners.

Why is a change to the Local Council Tax Support scheme being considered?

Until April 2013 there was a national scheme called Council Tax Benefit. The Government made local Councils responsible for replacement schemes from 1 April 2013. As the Council is keen to keep Local Council Tax Support aligned with major benefits such as Housing Benefit and Universal Credit to assist in administration, this means that, as those benefits change, similar changes need to be made to the Local Council Tax Support scheme. Each of the changes may affect certain claimants and the changes to both Housing Benefit and Universal Credit are to encourage work and reduce the levels of benefit available in some cases. This will be reflected in Local Council Tax Support if the changes are made.

Who will this affect?

Working age households in the Borough who currently receive or will apply for Local Council Tax Support.
Pension age households will **not** be affected as Central Government prescribe the scheme.

Are there any alternatives to changing the existing Local Council Tax Support scheme?

We have also thought about other ways to make the administration simpler and also to replicate the changes in the benefit system generally. These have not been completely rejected and you are asked about them in the Questionnaire, but at the moment we do not think we should implement them for the reasons given. The alternatives we have considered are:

1 Continuing with the current scheme

This would mean higher administration costs and scheme costs generally. This would increase the costs for all council tax payers in the Borough paying towards the scheme. The decision to increase Council Tax may need to be made by voting in a local referendum.

LOGO

2 Reduce funding to other Council services

Keeping the current Local Council Tax Support scheme will mean less money available to deliver other Council services; or

3 Use the Council's savings to keep the current Local Council Tax Support scheme

Using savings would be a short-term option. Once used they will no longer be available to support and invest in other Council services.

Questionnaire

Have Your Say on the Local Council Tax Support scheme

Q1.
I have read the background information (above) about the Local Council Tax Support scheme:

Yes No

This question must be answered before you can continue.

Paying for the scheme

Q2.
Should the Council keep the current Local Council Tax Support scheme? (Should it continue to administer the scheme and have the same level of support as it does at the moment?)

No Yes Don't know

Q3.
Please use the space below to make any comments you have on protecting the Local Council Tax Support scheme from these changes.

Options to change the current Local Council Tax Support scheme

As explained in the background information, the Council is primarily consulting on the following proposals to change the existing Local Council Tax Support scheme from 1st April 2017, which would reduce the cost of the scheme generally and importantly align the scheme with Housing Benefit and Universal Credit to assist in its administration. Your responses are a part of this consultation. Set out below are the proposals being considered.

Option 1 – Removing the Family Premium for all new working age applicants

The removal of family premium from 1st April 2017 for new claims will bring the Local Council Tax Support scheme in line with Housing Benefit. The family premium is part of how we assess the 'needs' (Applicable Amounts) of any claimant, which is compared with their income. Family Premium is normally given when a claimant has at least one dependant child living with them. Removing the family premium will mean that when we assess a claimant's needs it would not include the family premium (currently £17.45 per week). This change would **not** affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

The benefit of the Council doing this is:

- It brings the working age Local Council Tax Support scheme in line with Housing Benefit changes proposed by Central Government. The change has already been introduced for pension age claimants by Central Government;

The drawbacks of doing this are:

- New working age residents may see a reduction in the amount of support they received.
- Some households with children may pay more

Q4.

Do you agree with the Option 1?

Yes No Don't know

Q5.

If you disagree what alternative would you propose?

Option 2 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting their Local Council Tax Support. This replicated the rule within Housing Benefit. Housing Benefit has now been changed by the Government so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease. It is proposed that the Council's Local Council Tax Support scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces or where you have to go abroad due to the death of a close relative.

The benefits of the Council doing this are:

- The treatment of temporary absence will be brought into line with Housing Benefit
- It is seen as fair
- There are exceptions for certain occupations including the armed forces and mariners. Exceptions will also apply if you leave Great Britain due to the death of a close relative.

The drawback of this is:

- If a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their Local Council Tax Support will cease from when they leave the Country. They will need to re-apply on return

Q6.

Do you agree with the change to the temporary absence rule?

Yes No Don't know

Q7.

If you disagree what alternative would you propose?

Option 3 - To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants.

From April 2017, all new applicants of Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in either their ESA or within the calculation of Housing Benefit. It is proposed that the Council's Local Council Tax Support scheme is amended to reflect this change.

The benefits of the Council doing this are:

- The treatment of ESA will be brought into line with Housing Benefit
- It avoids additional costs to the Local Council Tax Support scheme.
- Persons receiving ESA will not experience any reduction in Local Council Tax Support.

There are no drawbacks to this change

Q8.

Do you agree with this change to the scheme?

Yes No Don't know

Q9.

If you disagree what alternative would you propose?

Option 4 - To limit the number of dependant children within the calculation for Local Council Tax Support to a maximum of two

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's additions that can be awarded. From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017. It is proposed that the Council's Local Council Tax Support scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. There will be exceptions where: there are multiple births after 1st April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children or where households merge.

The benefits of the Council doing this are:

- Local Council Tax Support will be brought into line with Housing Benefit, Universal Credit and Tax Credits
- It is simple and administratively easy

The drawbacks of doing this are:

- Claimants who have a third or subsequent child after 1st April 2017 (and are not excepted from the rules) may receive less Local Council Tax Support than claimants who have more children born before 1st April 2017

Q10.

Do you agree with this change to the scheme?

Yes No Don't know

Q11.

If you disagree what alternative would you propose?

Option 5 – To remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them

Currently when another person is paid Carers Allowance to look after a Local Council Tax Support claimant, then the Severe Disability Premium is not included when working out their needs (Applicable Amounts). The reason for this is that it avoids paying for the same care twice. This proposed change will align the scheme with Housing Benefit by treating persons who receive the Universal Credit (Carers Element) in the same way as anyone receiving Carers Allowance

The benefit of this is:

- Local Council Tax Support will be brought into line with Housing Benefit;
- It is simple and administratively easy

The drawbacks of doing this are:

- There are no drawbacks to this change as persons receiving Universal Credit (Carers Element) will be treated in the same way as those receiving Carers Allowance who look after any person who claims Local Council Tax Support.

Q12.

Do you agree with this change to the scheme?

Yes No Don't know

Q13.

If you disagree what alternative would you propose?

Alternatives to reducing the amount of help provided by the Local Council Tax Support scheme

If the Council keeps the current scheme, it will be administratively more complex (as it will not align with Housing Benefit which is also administered by the Council) and it will cost taxpayers more. If this happens we will need to find savings from other services to help meet the increase in costs. The proposals set out in this consultation could deliver savings. The alternatives are set out in the background information.

Q14.

Do you think we should choose any of the following alternative options rather than the proposed changes to the Local Council Tax Support scheme? Please select one answer for each source of funding.

Q14.1.

Increase the level of Council Tax

Yes No Don't know

Q14.2.

Find savings from cutting other Council Services

Yes No Don't know

Q14.3.

Use the Council's savings

Yes No Don't know

LOGO

Q15.

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 writing a number from 1 – 3 in the boxes below, where 1 is the option that you would most prefer and 3 is the least.

Increase the level of Council Tax

Reduce funding available for other Council Services

Use the Council's savings

Q16.

Please use this space to make any other comments on the scheme.

Q17.

Please use the space below if you would like the Council to consider any other options (please state).

Q18.

If you have any further comments or questions to make regarding the Local Council Tax Support scheme that you haven't had opportunity to raise elsewhere, please use the space below.

About You

We ask these questions:

1. To find out if different groups of people in the Council's population have been able to take part in the consultation and identify if any groups have been excluded. This means it is not about you as an individual but to find out if people with similar characteristics have had their say.
2. To find out if different groups of people feel differently about the options and proposals in comparison to each other and all respondents. This means it is not about you as an individual but to find out if people with similar characteristics have answered in the same way or not.

This information is completely confidential and anonymous. Your personal information will not be passed on to anyone and your personal details will not be reported alongside your responses.

Q19.

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

Yes No Don't know/Not sure

Q20.

What is your sex?

Male Female Prefer not to say

Q21.

Age

18-24 25-34 35-44 45-54 55-64 65-74 75-84 85+ Prefer not to say

LOGO

Q22.

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?

Yes No Don't know/Not sure Prefer not to say

Q23.

Ethnic Origin: What is your ethnic group?

Prefer not to say

White

British Irish Gypsy or Irish Traveller Any other White background

Mixed/Multiple ethnic groups

White & Black African White & Black Caribbean White & Asian Any other multi mixed background

Asian or Asian British

Pakistani Indian Bangladeshi Chinese Any other Asian background

Black/African/Caribbean/Black British

African Caribbean Any other Black background

Other Ethnic Group

Arab Other – please specify below:

Next steps....

Thank you for completing the questionnaire.

Progress reports on the consultation will be added to our website: www.castlepoint.gov.uk

You may submit further evidence, ideas or comments by email to benefits@castlepoint.gov.uk

The consultation closes on 14th September 2016.

We will listen carefully to what residents tell us and take the responses into consideration when making a final decision on the 2017/18 scheme.

Following the decision, the full results from the consultation will be available on the Council's website.

The new scheme will start on **1 April 2017**. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.

Summary of Options and Impacts

All of the options proposed for consultation, except the alternative proposals, are aimed at aligning the Local Council Tax Support scheme to changes that have been, or are expected to be, introduced to Housing Benefit and/or Universal Credit.

It is anticipated that the majority of these changes would only affect new claims from April 2017 and that transitional arrangements/protections for existing claims would be aligned with relevant Universal Credit/Housing Benefit legislation.

It is therefore difficult to fully assess the impact of many of these changes.

Removing the Family Premium for all new working age applicants

Currently, there are 336 working age Local Council Tax Support claims with a Family Premium, however, it is not possible to estimate with any certainty the number of new claims that this change might impact from April 2017.

It is estimated that new claims impacted by this change would receive around £180 per year less Local Council Tax Support compared to the current scheme.

Reducing the period for which a person can be absent from Great Britain and still receive Local Council Tax Support to 4 weeks

It is not possible to estimate with any certainty the number of cases that this change might impact, however the numbers known to be impacted so far by this change within Housing Benefit so far have been very low.

Removing an element of the Work Related Activity Component for new Employment and Support Allowance applicants

Based on current case load, there are 7 existing cases with this component so numbers affected are expected to be very low. This change would increase the Local Council Tax award compared to the current scheme.

Limiting the number of dependent children within the calculation for Local Council Tax Support to a maximum of two

Based on current caseload, there are 252 existing cases with more than 2 children.

It is estimated that claims affected by this change would receive around £13.38 per week less Local Council Tax Support compared to the current scheme.

Household impacted by this change may also be impacted by the proposed option to remove the Family Premium.

Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (carers element) to look after them

It is not possible to estimate the number of cases that this change might impact.