

RECOMMENDATIONS TO CABINET 1st OCTOBER 2013 FROM THE MEETING OF THE RESOURCES AND PERFORMANCE PANEL 24th SEPTEMBER 2013

RP54: CABINET REPORT: COUNCIL TAX SUPPORT SCHEME 2014/15

In presenting the report, the Revenues and Benefits Manager explained that Local Council Tax Support (CTS) schemes were introduced from 1 April 2013. The national scheme of Council Tax Benefit was abolished and central government devolved responsibility to local authorities to design schemes to help residents on low incomes with their council tax costs. The funding for these schemes was also devolved and cut by 10 per cent.

The Panel was reminded that a draft Council Tax Support Scheme falling within the reduced funding level was drawn up and, on 21 August 2012, agreed by Members as the draft scheme to be published for consultation. During the consultation period central government announced a transitional grant for Council Tax Support schemes containing minimal or no cuts to the level of help. On 4 December 2012 Cabinet agreed to recommend to Council to accept the grant, adopt the old scheme of Council Tax Benefit as the 2013/2014 Council Tax Support scheme and adopt the draft scheme taken to consultation as the 2014/2015 Council Tax Support scheme, subject to those in receipt of Carer's Allowance being added as a protected group.

The Revenues and Benefits Manager explained that each financial year a billing authority must review its Council Tax Support scheme and, by 31 January, adopt their scheme for the forthcoming financial year. The report proposed that the Council adopted the draft Council Tax Support scheme, approved on 4 December 2012, as the Council Tax Support scheme for 2014/2015.

Members were provided with background information as set out in section 1 of the report.

The Revenues and Benefits Manager outlined the Council Tax Support Scheme for 2014/2015 as detailed at section 2 of the report.

The Panel was given an overview of the options considered and the requirement to consult.

The Revenues and Benefits Manager explained that the Council Tax Support Scheme for 2014/2015 was a new policy and the funding for the CTS Scheme for 2014/2015 was now rolled into the overall Formula Funding for the year and was no longer identified separately by Central Government.

It was highlighted that adopting a Council Tax Scheme that reflected the reduced level of funding would have a possible impact on the Financial Plan and meant the taxbase increase from the second homes and empty property discount changes was no longer required to fund the shortfall. In effect the Council would save the costs of a fully funded scheme of £113,000 less the £10,000 set aside as a hardship fund - £103,000.

Members were advised that CTS was funded by a fixed grant paid by central government at the start of the year. The CTS scheme was designed to fall within the available funding, however, any increases in demand during the year could represent a financial risk. The impact of the CTS scheme was, and would continue to be, reviewed monthly.

The Deputy Chief Executive explained that the proposed scheme was the most common scheme adopted by local authorities. He added that Pensioners would remain protected but that the working age group would be the most affected group.

In response to questions from Councillor Wright regarding the reduced support, the Deputy Chief Executive explained that if a person in the working age group received 100% council tax relief, in 2013/2014 that person would only receive 75% council tax relief in 2014/2015.

Councillor D J Collis asked what the process for the consultation exercise was. In response, the Revenues and Benefits Manager explained that consultation would be undertaken online via the Council's website. A News Release would be issued to ensure Members and the public were aware of the consultation exercise. Members were advised that last year when a consultation exercise was carried out all claimants in receipt of council tax support were sent a letter outlining the proposed scheme. It was noted that there was a low number of responses.. Claimants could also be sent a hard copy of the questionnaire which would comprise of three to four questions.

Councillor Gourlay commented that he was not clear what the consultation exercise entailed and sought clarification on the work incentives which were increased to allow extra earnings per week. In response, the Revenues and Benefits Manager explained that council tax support was calculated on actual not zero hours. The work incentive had been formulated to encourage those in employment to work additional hours.

The Deputy Chief Executive explained that following the consultation exercise undertaken last year and responses received, those in receipt of Carer's Allowance were added to the list of protected groups. Similarly, if an issue was raised during the next consultation exercise, Members would again have the opportunity to consider any additional points.

Councillor Humphrey referred to paragraph 1.2 of the report and suggested that the words "for working age groups be deleted" and be replaced with "and" to read:

Funding for the CTS has moved from demand led funding paid by the DWP to a fixed grant from DCLG. The funding has also been reduced by 10 per cent and as government have specified that no cuts can be made to the help given to pension age claimants.

The Revenues and Benefits Manager agreed to amend paragraph 1.2 as set out above.

In responses to questions from Councillor Humphrey regarding the

consultation exercise, the Revenues and Benefits Manager explained that paper copies of the forms would be widely available in the Council's Customer Information Centres, libraries and other public places.

Councillor Wareham enquired if the Council Customer Information Centre (CIC) staff had received training in order to deal with any queries during the consultation exercise. The Revenues and Benefits Manager explained that all of the Council's CIC staff would receive the appropriate training and be in a position to answer any questions or queries during the consultation period.

In response to questions from Councillor Loveless relating to paragraphs 6.2 and 6.3 of the report, the Revenues and Benefits Manager explained that council tax income from empty properties within the Borough amounted to approximately £120,000.

In response to further questions from Councillor Loveless, the Deputy Chief Executive explained that adopting a Council Tax Scheme that reflected the reduced level of funding would have a positive impact on the Financial Plan and meant that the taxbase increase from the empty property discount changes was no longer required to offset the shortfall. The Council would therefore save the costs of a fully funded scheme of £113,000 less the £10,000 set aside as a hardship fund.

Following comments and questions from Councillor Gourlay on the technical changes and empty properties, the Deputy Chief Executive outlined the issues the Council would face if the proposed changes did not take place. The cost to the Borough Council would be £113,000 and for Norfolk County Council the cost would be £1.1m.

Councillor D J Collis commented that he felt the consultation exercise was a false premise. Although the Borough Council was proposing to introduce work incentives to allow an extra £10 a week earnings, during the current economic climate, it was difficult for people to find additional working hours. Councillor D J Collis added that there was a shortage of smaller properties to allow people to downsize.

In response to the comments made by Councillor D J Collis, the Chief Executive advised that it was the Government's intention to ensure that people will always be "better off" in employment than being unemployed and reliant on benefit. He added that the Council will work across service areas and seek to reconnect with the labour market.

Following comments made by Councillor Wareham on a verbal/written statement being included in the report, the Revenues and Benefits Manager explained that this report should be read in conjunction with the report considered by the Panel on 4 August 2013.

Councillor Cousins referred to paragraph 4.3 of the report and stated that he agreed with the recommendations set out in this report.

The Chief Executive explained that it was the responsibility of the Borough Council to set a Council Tax Support Scheme and that Members could determine to maintain the scheme as in the current year. However, it was

highlighted that Norfolk County Council was facing serious financial difficulties and would not welcome the Borough Council taking the stance of maintaining the current scheme. It would be irresponsible of the Borough Council to take this stance, but it was a choice for Members of this Council to make.

Councillor Gourlay asked if the Council could make use of the Council run community centres for the consultation exercise because most of the people affected by the proposed changes were not aware of consultation exercise. In response, the Deputy Chief Executive advised that this was an option, however, during the previous consultation exercise when all those affected were contacted, a total of 100 responses were received.

Councillor D J Collis enquired if the local radio station could be utilised to publicise the consultation exercise. In response the Revenues and Benefits Manager confirmed that the local radio stations would be contacted.

RESOLVED: (1) That the Council Tax Support scheme as approved January 2013 be approved for consultation purposes for 2014/15 over a 6 week period ending 12 November 2013 (subject to paragraph 1.2 being amended as set out above).

(2) That a further report be presented to Cabinet for consideration on 3 December 2013.

RP55: **CABINET REPORT: BUSINESS RATES POOLING ARRANGEMENT**

The Chief Executive presented the report which reviewed the potential for establishing a business rates pooling arrangement for the Borough Council jointly with Norfolk County Council and other Norfolk District Councils. Members were informed that the report considered the financial advantages to the Norfolk council tax payer and the potential risks to the councils involved.

The Chief Executive explained that last year expressions of interest in creating a pool were required by the end of July 2012. Following discussion at the Norfolk Leaders' Group, most councils decided not to pursue pooling in the initial year. However, Broadland District Council and Norfolk County Council submitted an expression of interest to the Department for Communities and Local Government (DCLG) in July 2012, who confirmed designation of the pool for 2013/2014. The aim of the pool was to help support the economic growth strategy through potential to use additional retained business rates to provide funding for joint projects, including key infrastructure and provide a pathway for future pooling arrangements with authorities across the county. Governance arrangements were agreed by both councils and included provision for dissolving and reforming a new pool, should other councils wish to pool business rates in future years.

The Panel was advised that from information and discussions with other councils, it appeared that most pools had been set up on a fairly straightforward basis, with business rates pooled for the purpose of Government calculation of tariffs, top-ups and levy payment, but with arrangements in place that meant that only the saved amount in levy payment was 'pooled' in respect of joint decision making. The Chief Executive informed those present that the key opportunity from pooling was to enable

funds to be created that could actively support local economic development and in turn generate new business growth.

It was explained that the Government had recently issued a prospectus for business rates pools for 2014/2015, with a requirement for notification of new pools by 31 October 2013. DCLG was apparently keen for local authorities to join pooling arrangements for business rates as it believed that it would "encourage" joint working on economic growth and service delivery.

Members were informed that there were only two options available, either to choose to join a pooling arrangement with NCC and other interested Norfolk districts or not to do so. It was highlighted that a County Council must be part of a pool. Therefore decisions affecting pooling in 2014/2015 would need to be made collectively.

The Chief Executive advised that if a pool was to be established it would be important to be clear about the governance arrangements for the investment decisions with respect to the pooled funds. The principles detailed at section 4 of the report had been endorsed by the Norfolk Leaders.

The Panel was informed that joining a Norfolk business rates pool would be financially beneficial to all the participating councils, creating a new fund for investment to support the County's economic growth strategy. It was noted that it was currently estimated that approximately £430,000 per annum of additional funding would be generated in West Norfolk alone.

The Chief Executive explained that there was no statutory requirement for Councils to join a business rate pool but the Local Government Financial Act 2012 provided for their establishment.

The Panel was advised that the report template was being adopted by all District Councils.

In response to questions from the Chairman and Councillor Cousins as to how the money would be spent, the Chief Executive explained that there would need to be a consensus amongst all pool members over a number of years to ensure that the money was distributed on a fair and consistent basis. There was also a "big plus" in that the funding could be used as match funding for EU and LEP growth money to encourage and invest in economic growth in West Norfolk.

In response to further questions from Councillor Cousins regarding European funding and the Business grant scheme, the Chief Executive advised that within the new Anglia LEP a growth scheme was currently operating in Ipswich and Greater Norwich and would shortly be rolled out across Norfolk and Suffolk. The Council's Business Development Officer was currently working on the publicity arrangements and once full details had been received an article would be published in the Members' Bulletin.

Following questions from Councillor D J Collis on the Borough Council being flexible within local industry in relation to business rates, the Deputy Chief Executive explained that the Borough Council could not reduce the level of business rates as the level was set by Government and the Valuation Office.

Councillor D J Collis asked how the Council could provide assistance to business within the new scheme. In response, the Chief Executive explained that the Council had investigated the possibility of creating a DIY Enterprise Zone on the NORA site, but the results indicated that the Council could not afford to pursue the initiative.

Councillor Humphrey commented that Norfolk County Council did not contribute to the pool arrangement but did take a risk.

Councillor Loveless referred to paragraph 4.4 and enquired what type of infrastructure this would entail. In response the Deputy Chief Executive explained that this would depend upon any additional funding being levered into a particular project and gave the pinch point road leading into Lynnsport as an example.

In response to comments from Councillor Gourlay on assisting the unemployed back into the workplace and competition amongst smaller businesses, the Chief Executive advised that the investment proposals for priority schemes would be to provide the necessary infrastructure not revenue schemes.

Councillor Wareham commented on European funding being available and how the Council could place bids for such funding. The Chief Executive advised that a pre-Council briefing would be arranged for all Members relating to “single pot” funding and European funding.

Councillor Cousins stated that he would like to see the County Council and the Borough Council working together to create jobs within the Borough rather than focus on housing schemes.

In response to questions from Councillor Wareham relating to the membership of the pool arrangement, the Deputy Chief Executive explained that the Borough Council or any District Council could decide to stay in or opt out of the pool on an annual basis.

Following comments and questions from Councillor Wareham, the Deputy Chief Executive explained that in two tier districts, a pool could only be established if the County Council became a member. Great Yarmouth and Norwich City were associate members and would therefore be able to play a part in the decision making process.

RESOLVED: (1) Cabinet recommends to Council that in principle and subject to the negotiation of the detailed financial and governance arrangements, the Borough Council of King’s Lynn and West Norfolk agrees to join a business rates pool with Norfolk County Council and other Norfolk district councils.

(2) Subject to their approval of the detailed pooling and governance arrangements the Deputy Chief Executive, in consultation with the Chief Financial Officer and the Leader of the Council, be given delegated authority to enter the Borough Council into a business rates pooling arrangement for Norfolk.

RECOMMENDATIONS TO CABINET 1ST OCTOBER 2013 FROM THE REGENERATION, ENVIRONMENT AND COMMUNITY PANEL MEETING ON 25TH SEPTEMBER 2013

REC64: **CABINET REPORT – KING’S LYNN AREA CONSULTATIVE COMMITTEE**

The Chief Executive presented the Cabinet report which responded to two notices of motion, 4/11 proposed by former Councillor Ian Mack and 9/11 proposed by Councillor David Collis. He explained that Cabinet had established a King’s Lynn Representational Task Group chaired by the Portfolio Holder for Special Projects, and this report presented the Task Group’s recommendation to Council.

The Chief Executive explained that the Task Group had considered various options to respond to the Notices of Motion, including:

- Enhancing Safer Neighbourhood Action Panels
- Community Forums
- King’s Lynn Area Committee
- Single Town/Parish Council
- Multiple “neighbourhood” based Parish Councils.

The Panel was informed that the Task Group had considered that a King’s Lynn Area Committee in a modified form had the most merit and the remainder of the Task Group’s work focussed on this option. The Chief Executive referred the Panel to the Draft Terms of Reference and Operational Model for the King’s Lynn Area Consultations Committee as attached to the agenda.

The Chairman thanked the Chief Executive for his report and invited questions and comments from the Panel.

Councillor Crofts asked if the Committee would have statutory consultee powers like Parish Councils and if they would only be meeting on a quarterly basis, how would they be able to comment on Planning Applications. Councillor Lord Howard reminded those present that any Councillor could attend the Planning Committee to present their views.

Councillor Lord Howard confirmed that the Committee would meet on a quarterly basis.

RESOLVED: That the Regeneration, Environment and Community Panel support the recommendations to Cabinet as follows:

Cabinet is recommended to:

- (1) establish a King's Lynn Area Consultative Committee for the unparished area of King's Lynn.
- (2) establish the Committee for a trial period until 1st May 2015.
- (3) the Committee to meet on a quarterly basis.
- (4) adopt the draft terms of reference attached at Appendix 1 for the Committee.